

Honolulu, Hawaii

APR 30 2019

RE: GOV. MSG. NO. 664

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism, to which was referred Governor's Message No. 664, submitting for study and consideration the nomination of:

DIRECTOR OF THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

G.M. No. 664      MIKE MCCARTNEY,  
for a term to expire at noon on 12-05-  
2022,

begs leave to report as follows:

Your Committee reviewed the personal history, resume, and statement submitted by Mike McCartney for service as the Director of Business, Economic Development, and Tourism.

Your Committee received testimony in support of the nomination for the appointment of Mike McCartney from the Governor; Mayor of the City and County of Honolulu, Mayor of the County of Maui; Mayor of the County of Kauai; two members of the Honolulu City Council; Department of Public Safety; Department of Labor and Industrial Relations; Department of Accounting and General Services; Department of Land and Natural Resources; Department of Commerce and Consumer Affairs; Department of Transportation; Department of Agriculture; Department of Taxation; Department of Human Resources Development; Department of Hawaiian Home Lands; Hawaii Community Development Authority; Office of Enterprise Technology Services; Hawai'i Tourism Authority; Hawaii Technology Development Corporation; Hawaii Green Infrastructure Authority; Small Business Regulatory Review Board; Aha Moku



Advisory Committee; Office of Community Services; Hawaii Housing Finance and Development Corporation; Oahu Economic Development Board; Hawaii Paroling Authority; Hawaii Public Housing Authority; Hawaii State Teachers Association; Natural Energy Laboratory of Hawaii Authority; Office of Environmental Quality Control; Ho'omanapono Political Action Committee; Oceanit; SanHi LLLP; Unite Here Local 5; Ko'olau Foundation; Plumbers and Fitters United Association, Local 675; Ponoholo Ranch Limited; RMA Sales; Kyo-ya Management Company; Searider Productions; United Public Workers, AFSCME Local 646, AFL-CIO; Hawaiian Airlines; ILWU Local 142; ClimbHi; Nation of Hawaii; Alexander & Baldwin, Inc.; Pacific American Foundation; Stryker Weiner & Yokota; Ironworkers Stabilization Fund; State of Hawaii Organization of Police Officers; Great Aloha Run d.b.a. Carole Kai Charities, Inc.; Hawaii Fire Fighters Association; Bank of Hawaii; Hawaii Cattlemen's Council; and over eighty-five individuals.

Mr. McCartney currently serves as the acting Director of Business, Economic Development, and Tourism. He has previously served as a State Senator for three terms, Chief of Staff and Administrative Director of the Office of the Governor, and Chief Executive Officer and President of the Hawaii Tourism Authority. Mr. McCartney received his Bachelor of Science from Pacific University, and engaged in postgraduate studies in Mediation, Peace Keeping and Conflict Resolution at the University of Hawaii and graduate business executive studies from the Stanford University Graduate School of Business Executive Program for Nonprofit Leaders.

Your Committee finds that the Department of Business, Economic Development, and Tourism is tasked with undertaking statewide business and economic development activities, energy development and management, economic research and analysis, planning for the use of Hawaii's ocean resources, and the development and promotion of industry and international commerce. As head of the Department, your Committee expects the Director of Business, Economic Development, and Tourism to be well-versed in and have specific plans for moving the State forward in areas such as clean energy development, aerospace development, and tourism. However, your Committee notes that in Mr. McCartney's written response to the questionnaire from your Committee, Mr. McCartney describes a vague vision for the Department to "align the budget to the plan and policies, develop goals and key performance indicators for the next four years, and collaborate as a leadership team and evaluate performance." Based upon this



response and other statements made by Mr. McCartney, your Committee is concerned that he does not have a clear plan for the future of the Department and instead uses generalities and ideologies when describing his plans for the Department. This lack of specificity coupled with Mr. McCartney's track record of empty promises greatly concerns your Committee and affords little confidence in or expectation of improved guidance or delivery on promises in the future.

Your Committee notes that on multiple occasions, Mr. McCartney has failed to respond to emails and other forms of communication with the Senate. While Mr. McCartney has apologized for his lack of responsiveness, your Committee is concerned that this behavior will continue to result in inefficiencies and lack of communication between the Department and policymakers. Furthermore, Mr. McCartney has made many promises to the Senate to provide information during Senate Committee hearings but has failed to follow through on said promises. This lack of communication is especially troubling during a time that the nominee himself has acknowledged is a time for collaboration in order for the State to succeed.

Due to the above concerns regarding Mr. McCartney, it was the recommendation of the Chair of your Committee to not advise and consent to Mr. McCartney's nomination for appointment as the Director of Business, Economic Development, and Tourism. Upon taking the vote, members of your Committee were divided, with two ayes and two nays to not advise and consent to the nomination for appointment of Mr. McCartney. This resulted in the recommendation not being adopted by your Committee; nevertheless, the nomination will move to the Senate floor for a final vote pursuant to Senate Rule 37.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, lacks a majority of votes to recommend that the Senate either advise and consent or not advise and consent to the nomination and returns the nomination to the full Senate for consideration in accordance with Senate Rule 37(5) which states: "The final question on appointments made by the Governor which require the confirmation or consent of the Senate shall be: "Will the Senate confirm (or consent) to this appointment?"". "



Respectfully submitted on  
behalf of the members of the  
Committee on Energy, Economic  
Development, and Tourism,




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GLENN WAKAI, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Energy, Economic Development, and Tourism**  
**EET**  
**Advise and Consent**

Governor's Message No.:* <b>GM 664</b>	Committee Referral: <b>EET</b>	Date: <b>4/29/19</b>		
<input type="checkbox"/> The Committee is reconsidering its decision				
The Recommendation is:				
<input type="checkbox"/> Advise and Consent 2340 <span style="margin-left: 200px;"><input checked="" type="checkbox"/> Not Advise and Consent 2345</span>				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	/			
TANIGUCHI, Brian T. (VC)				/
INOUYE, Lorraine R.			/	
KEOHOKALOPE, Jarrett			/	
FEVELLA, Kurt	/			
<b>TOTAL</b>	<b>2</b>		<b>2</b>	<b>1</b>
Recommendation:				
<input type="checkbox"/> Adopted <span style="margin-left: 200px;"><input checked="" type="checkbox"/> Not Adopted</span>				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one Governor's Message per Record of Votes