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**David Y. Ige**  
*Governor*

**John De Fries**  
*President and Chief Executive Officer*

Statement of  
**JOHN DE FRIES**

Hawai'i Tourism Authority  
before the  
**COMMITTEE ON WAYS AND MEANS**

February 22, 2022  
10:00 a.m.  
State Capitol  
via videoconference

In consideration of  
**SENATE BILL NO. 2075**  
**RELATING TO THE HAWAII TOURISM AUTHORITY**

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Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee on Ways and Means.

The Hawai'i Tourism Authority (HTA) **supports** SB2075, which requires us to include performance-based incentives in our professional services contracts.

We would humbly request that you consider the addition of language in section (b), to further clarify the applicability of this measure:

(b) The authority shall include performance—based incentives in its professional services contracts **for marketing and branding** consistent with the State's marketing plan.

We are requesting this clarifying language to prevent the unintended consequences of requiring that non-marketing and non-branding professional services contracts include performance-based incentives. Performance-based incentives work for **marketing and branding** contracts, they do not work for other professional services contracts, such as accounting/auditing services. Typically, professional services contracts for accounting and auditing services are fixed price contracts with specific deliverables incorporated into the scope that are linked to the compensation schedule. This is done to ensure stability in price and the duration of the contract. The only incentive for these types of professional services contracts should be to complete the audit on time, as specified in the contract, without encouraging the firm to rush and miss something because of an incentive.

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We appreciate the opportunity to provide these comments in **support** of SB2075 and appreciate your consideration of our request to clarify the intent to apply this provision to our **marketing and branding contracts**. Mahalo.

**LATE**



**MAUI**  
CHAMBER OF COMMERCE  
**VOICE OF BUSINESS**

**HEARING BEFORE THE SENATE COMMITTEE ON  
WAYS AND MEANS  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211  
TUESDAY, FEBRUARY 22, 2022 AT 10:00 A.M.**

To The Honorable Senator Donovan M. Dela Cruz, Chair  
The Honorable Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Members of the committee on Ways and Means

**SUPPORT SB2075 RELATING TO HAWAI'I TOURISM AUTHORITY**

The Maui Chamber of Commerce **supports SB2075**, which requires HTA to include performance-based incentives in their professional services contracts.

The Chamber would like to recommend an addition to the proposed language in section B, to further clarify the applicability of this measure:

(b) The authority shall include performance-based incentives in its professional services contracts for marketing and branding consistent with the State's marketing plan.

We appreciate the opportunity to provide these comments in support of SB2075

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.