



HAWAI'I LODGING & TOURISM
A S S O C I A T I O N

Testimony of

Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

Committee on Finance
March 28, 2018

Senate Bill 2996, S.D.3, H.D. 1: Relating to an Airports Corporation

Chair Luke, Vice Chair Cullen, and members of the committee:

Thank you for the opportunity to testify. The Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization, **strongly supports** Senate Bill 2996, S.D. 3, H.D. 1, which would establish a Hawai'i airports corporation. Passage of this legislation has been one of the HLTA's major objectives.

Our state's airports provide the first and last impressions to our visitors and are a cornerstone of our tourism industry. Given their importance, we endorse the establishment of an airports corporation. This entity would direct a laser-like focus on the operations, goals, and improvements of our airports, and would enable quicker, more efficient changes and improvements. A semi-independent entity devoted exclusively to airport operations and maintenance, a practice adopted in many other jurisdictions, would, we believe, improve the service, infrastructure, and overall development of airports statewide and be better equipped to respond promptly to air travel demands with higher standards of comfort, convenience, and customer service. It would also provide better transparency and public accountability by engaging stakeholders and affected parties in the decision-making process.

As proposed, we understand that sorely needed improvements would not come from the state's coffers or taxpayers; rather, they will be funded by the airlines and concessionaires that use the airports, coupled with existing passenger facility fees already included in airfares. In short, the HLTA enthusiastically supports an airport corporation as the over-arching entity to manage our airports.

The original measure has been amended, and that change omits the corporation's exemption from the state procurement code. While we recognize the need to ensure financial openness and accountability, we have serious reservations about the speed with which necessary work can be achieved if this corporation is required to follow the procurement code. As is the case with other quasi-independent state entities, the Legislature and executive branch possess the means and opportunity for oversight of these organizations. We argue that the airports corporation should be granted the flexibility to operate outside the code in the early stages of its formation, and we request that the procurement code exemption be restored to the measure's language.

There is so much at stake in keeping our airport infrastructure at the forefront of our public priorities and we urge your favorable consideration of this measure.

Mahalo.

Sincerely,



Mufi Hannemann
President & CEO



Gregg Nelson
Chairman of the Board



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The following is a list of hotels represented by the Hawai'i Lodging & Tourism Association:

Aqua-Aston Hospitality, LLC
Castle Resorts & Hotels
Colony Capital, LLC
Halekulani Corporation
Hawaiian Hotels & Resorts, LLC
Highgate Hotels
Hilton Grand Vacations
InterContinental Hotels Group
Ko Olina Resort
Kyo-ya Company LLC
Kyo-ya Management Company, Ltd.
Lucky Hotels U.S.A. Co., Ltd.
Marriott International, Inc.
Outrigger Enterprises Group
Prince Resorts Hawaii, Inc.
Pulama Lana`i
Sasada International, LLC

Aina Nalu Lahaina by Outrigger
Airport Honolulu Hotel
Ala Moana Hotel
Alohilani Resort Waikiki Beach
Ambassador Hotel Waikiki
Andaz Maui at Wailea Resort
Aqua Aloha Surf Waikiki
Aqua Bamboo & Spa
Aqua Kauai Beach Resort
Aqua Oasis
Aqua Pacific Monarch
Aqua Palms Waikiki
Aqua Park Shore Waikiki
Aqua Skyline at Island Colony
Aqua White Sands Hotel
Aston at Papakea Resort
Aston at Poipu Kai

Aston at the Executive Centre Hotel
Aston at the Maui Banyan
Aston at the Waikiki Banyan
Aston at The Whaler on Kaanapali Beach
Aston Islander on the Beach
Aston Kaanapali Shores
Aston Kona by the Sea
Aston Mahana at Kaanapali
Aston Maui Hill
Aston Maui Kaanapali Villas
Aston Shores at Waikoloa
Aston Waikiki Beach Hotel
Aston Waikiki Beach Tower
Aston Waikiki Beachside Hotel
Aston Waikiki Circle Hotel
Aston Waikiki Sunset
Aston Waikoloa Colony Villas
Aulani, a Disney Resort & Spa
Best Western Pioneer Inn
Best Western The Plaza Hotel
Breakers Hotel
Coconut Waikiki Hotel
Courtyard by Marriott Kaua'i at Coconut Beach
Courtyard by Marriott King Kamehameha's Kona Beach
Courtyard by Marriott Waikiki Beach
Courtyard Oahu North Shore
Doubletree by Hilton Alana Waikiki Hotel
Embassy Suites by Hilton Oahu Kapolei
Embassy Suites Hotel - Waikiki Beach Walk
Ewa Hotel Waikiki - A Lite Hotel
Fairmont Orchid Hawaii
Four Seasons Resort Lana`i
Four Seasons Resort Maui
Four Seasons Resort O'ahu at Ko Olina
Grand Hyatt Kauai Resort & Spa
Grand Naniiloa Hotel
Grand Wailea
Hale Koa Hotel
Halekulani
Hampton Inn & Suites, Kapolei
Hapuna Beach Prince Hotel
Hilton Garden Inn Kauai Wailua Bay
Hilton Garden Inn Waikiki Beach
Hilton Grand Vacations at Waikoloa Beach Resort
Hilton Grand Vacations Club
Hilton Hawaiian Village Waikiki Beach Resort
Hilton Waikiki Beach
Hilton Waikoloa Village Resort & Spa

Hokulani Waikiki by Hilton Grand Vacations Club
Holiday Inn Express Waikiki
Holiday Inn Waikiki Beachcomber Resort
Honua Kai Resort & Spa
Hotel Coral Reef Resort
Hotel Renew by Aston
Hotel Wailea Maui
Hyatt Centric Waikiki Beach
Hyatt Place Waikiki Beach
Hyatt Regency Maui Resort & Spa
Hyatt Regency Waikiki Beach Resort & Spa
Ilikai Hotel and Luxury Suites
Ilima Hotel
Ka`anapali Beach Club
Ka`anapali Beach Hotel
Kahana Falls
Kauai Marriott Resort & Beach Club
Kiahuna Plantation Resort by Castle Resorts
Ko`a Kea Hotel & Resort
Kona Coast Resort
Lawai Beach Resort
Lotus Honolulu at Diamond Head
Luana Waikiki Hotel and Suites
Marriott's Kauai Lagoons, Kalanipu'u
Marriott's Ko Olina Beach Club
Marriott's Maui Ocean Club
Marriott's Waiohai Beach Club
Maui Beach Hotel
Maui Coast Hotel
Maui Condo & Home, LLC
Maui Eldorado Kaanapali by Outrigger
Mauna Kea Resort
Mauna Lani Resort
Mauna Loa Village IOA
Moana Surfrider, A Westin Resort & Spa
Montage Kapalua Bay
Napili Kai Beach Resort
OHANA Waikiki East by Outrigger
OHANA Waikiki Malia
Ohia Waikiki Hotel
Outrigger Kiahuna Plantation
Outrigger Napili Shores
Outrigger Palms at Wailea
Outrigger Reef Waikiki Beach Resort
Outrigger Regency on Beachwalk
Outrigger Royal Sea Cliff
Outrigger Waikiki Beach Resort
Pacific Marina Inn

Pagoda Hotel
Pearl Hotel Waikiki
Plantation Hale Suites
Prince Waikiki
Queen Kapiolani
Raintree - Kona Reef Raintree Vacation Club
Ramada Plaza Waikiki
Royal Grove Hotel
Royal Kahana Maui by Outrigger
Royal Kona Resort
Royal Lahaina Resort
Sheraton Kauai Resort
Sheraton Kona Resort & Spa at Keauhou Bay
Sheraton Maui Resort and Spa
Sheraton Princess Kaiulani
Sheraton Waikiki Resort
Shoreline Hotel Waikiki
St. Regis Princeville Resort
Stay Hotel Waikiki
The Cliffs at Princeville
The Club at Kukui`ula
The Fairmont Kea Lani, Maui
The Imperial Hawaii Resort At Waikiki
The Kahala Hotel & Resort
The Laylow, Autograph Collection

The MODERN Honolulu
The New Otani Kaimana Beach Hotel
The Point at Poipu, Diamond Resorts International
The Ritz-Carlton Residences, Waikiki Beach
The Ritz-Carlton, Kapalua
The Royal Hawaiian, A Luxury Collection Resort
The Surfjack Hotel & Swim Club
The Westin Maui Resort & Spa
The Westin Princeville Ocean Resort Villas
Travaasa Hana
Trump International Hotel Waikiki
Turtle Bay Resort
Vive Hotel Waikiki
Waikiki Beach Marriott Resort & Spa
Waikiki Grand Hotel
Waikiki Parc Hotel
Waikiki Resort Hotel
Waikiki Sand Villa Hotel
Waikiki Shore
Waikoloa Beach Marriott Resort & Spa
Wailea Beach Marriott Resort & Spa
Waipouli Beach Resort & Spa by Outrigger
Westin Ka'anapali Ocean Resort Villas
Wyndham at Waikiki Beach Walk
Wyndham Vacation Resorts Royal Garden at Waikiki