October 1, 2021

The Honorable David Y. Ige  
Governor, State of Hawai‘i  
Executive Chambers  
State Capitol  
Honolulu, HI 96813

Aloha Governor Ige,

Mahalo for meeting with our coalition on Wednesday. We appreciated your willingness to hear our message and work with us toward our common goal of recovering and growing our local economy safely.

As you may recall, our statewide coalition is comprised of representatives from the tourism, business, and nonprofit sectors, as well as chambers of commerce, trade associations, and labor groups. As I noted in our meeting, we have compiled the various data that was presented by coalition members which you can read below:

**Sherry Menor-McNamara – President & CEO, Chamber of Commerce Hawaii**
- When Delta hit in July, it had an almost overnight impact on our numbers.
- At the time, we were beginning to see light at the end of the tunnel, but many businesses were still struggling to find and keep workers on staff.
- The combination of the vaccine mandate issue and the August 23 announcement had a snowball effect that has made keeping people at work more difficult than ever.

**Greg Maples – Chairman, Hawai‘i Restaurant Association**
- HRA surveys are reporting that 66% of restaurants have 70%-100% of their staff vaccinated, and this number continues to go up.
- In Waikiki, sales are down 50%-60%. On the North Shore, sales are down between 25%-40%.
- Our people are really struggling to keep people at work without PPP or any other type of support.
- On the North Shore, we’ve lost about 20% of our employees, and the majority of these have left the islands altogether.
- Between 30 and 40 percent of restaurants have cancelled their dining rooms and have gone to takeout only.
Toni Marie Davis – Executive Director, Activities & Attractions Association of Hawai‘i

- In 2019, the economic impact of attractions in Hawai‘i totaled $4.1B and these businesses employed more than 50,000 people.
- The August 23 announcement has resulted in a $30M loss via cancellations.
- Moreover, these cancellations represent the people that we want to visit Hawai‘i because they respect our state and our home.
- We haven’t experienced a huge increase in closed businesses because many attractions are still shut down.
- Many A3H members have resorted to running their businesses with owners and their family members.
- Attractions have been forced to lower commissions for third-party bookers.

Tina Yamaki – President, Retail Merchants of Hawai‘i

- Retailers are still experiencing a significant amount of debt; they are in the hundreds and millions of dollars range of debt.
- They have sold their homes, and they’ve used their retirement savings to keep their businesses open.
- Retailers, like many other businesses are struggling to find workers.
- Roughly 60% of applicants never show up for an interview.
- Since August 23, we’ve seen a sizeable decrease in customers. In the retail areas, retailers are seeing sales at about 20% as compared to 2019.
- Retailers everywhere have been forced to lay off workers, while others are considering not renewing leases.

Pamela Tumpap – President, Maui Chamber of Commerce

- We want to help to balance the health crisis with the economic crisis.
- Within a week and a half of your announcement, two condos cancelled 12 positions and cancelled a long-planned job fair.
- A small company with two vans and five employees reported $50,000 loss in cancellations.
- Two major event businesses reported more than $375K in losses due to cancellations.
- The announcement has also triggered many force majeure clauses, and many contracts want their deposits back even though these deposits have been used to plan and make preparations.
- As reported by the Maui Hotel & Lodging Association, 52,004 room nights were cancelled on Maui immediately following August 23 that represented an estimated $25.4M in losses. This data was only collected for a short time and continues to grow.

Wendy Laros – President & CEO, Kona-Kohala Chamber of Commerce

- A boat tour company that has been in business for more than 50 years noted that they have experienced cancellations totaling $120K right away. This is 800 passengers that have cancelled.
- A scuba diving company that has been in business for more than 40 years reported more than $100K in the first week after the August 23 announcement.
Sea Quest Adventures, which has been in business for decades, saw a drastic and immediate increase in cancellations. They saw three days when cancellations outpaced bookings and losses totaled more than $50K in a single week. They had not seen that since the beginning of the pandemic and were forced to lay off 30% of their staff.

The Ironman World Championships was moved to Utah. This was a huge loss for Kona.

Mark Perriello – President & CEO, Kaua‘i Chamber of Commerce
- This has been a very difficult time, and I can’t even imagine how hard it is to be in a leadership position right now.
- The Delta variant has been a huge deterrent to businesses here on Kaua‘i.
- We need to get back to normal despite the Delta variant numbers.
- Hotels on Kaua‘i that were seeing occupancy rates of 90% are now back down in the 60% range.

Sean Williams – Vice President, State & Local Government Affairs, Airlines for America
- From our perspective, you struck a good balance in that you did not shut down the economy again.
- Air traffic to Hawai‘i peaked on August 2. This was not surprising as it was the summer travel season.
- There was a significant nosedive from roughly 225,000 passengers to less than 150,000 passengers in the days following the August 23 announcement.

Jack Richards – President & CEO, Pleasant Holidays
- In the months of August and September, we cancelled more bookings than we’ve ever cancelled to Hawai‘i.
- Cancellations are running two times higher than normal.
- We cancelled more than 1,500 trips to Hawai‘i during August and September.
- This comes out to a loss of more than $12M in money coming to the state.

While we respect the intent of your announcement, we must also be cognizant—as the aforementioned leaders have illustrated—of the substantial impacts that it has had on our entire economy—especially on tourism and tourism-adjacent businesses. This has been compounded by the fact that this reduction in travel coincided with our traditionally slow fall season. As a result, businesses of all types including airlines, ground transportation, and hotels have been forced to offer lower rates to entice new bookings so they can keep their doors open and their workers employed. This has also had the unforeseen effect of drawing exploitative and extractive visitors to our state—which runs counter to the goals of the Hawai‘i Tourism Authority, their Mālama campaign, and the Destination Management Action Plan process. Anti-tourism sentiments are pervasive throughout the state, and these visitors have continued to exacerbate this issue.

On the public health front, it is clear that Hawai‘i is turning the tide on the Delta variant. Since September 1, new COVID-19 cases and hospitalizations have continued to trend downward—decreasing by 68% and 53% respectively—while the statewide vaccination rate has climbed to more than 67%, far outpacing the nationwide vaccination rate which currently sits at 56%. At the time of writing, 90% of eligible Hawai‘i residents have initiated the vaccination
process and Department of Health data indicates that more than 95% of those who start the process ultimately get both doses of the vaccine.

From the very beginning of the pandemic, the local tourism industry has supported all public health mandates and done our best to help wherever possible. Hotels quarantined guests, rental car companies ceased renting to visitors who needed to quarantine, and all industries have enacted COVID-19 protocols to keep both residents and visitors healthy and safe. These efforts have been reflected in DOH data which shows that trans-Pacific travelers account for less than one percent of COVID-19 cases. The visitor industry in its entirety has also been outspoken proponents of vaccination and has continued to encourage our people and their ‘ohana to get vaccinated as soon as possible. All these factors considered, we feel confident that travel to our state can be restored in a manner that will continue to adequately balance public health with our economic recovery.

We feel that this was achieved during our traditionally busy summer months where we were fortunate to have outstanding numbers of incoming travelers that translated to statewide occupancy levels rising to more than 80%, all while COVID-19 cases remained relatively low. Since August 23, occupancy has plummeted with some hotel properties reporting rates in the 40% range. These numbers are comprised almost entirely of domestic travelers, so we were extremely pleased to hear your comments regarding the need to recover international travel during your recent appearance on Spotlight Hawai‘i. As you noted, it is important that we find a way to bring international guests back to our state as they not only represent the ideal traveler profile, but also comprise a significant portion of our overall tourism market. As more and more places begin to open their doors to travel, we must ensure that we, too, are ready to attract, host, and retain these visitors.

During our meeting on Wednesday, we were similarly encouraged to hear your position on re-opening our state to trans-Pacific travelers and would like to reiterate that businesses will need sufficient time to prepare for an influx of visitors. Employees need to be brought back to work and trained to ensure that tourists can experience the best of what Hawai‘i has to offer while also keeping both locals and visitors safe and healthy. With this in mind, the coalition is hopeful that you will set a clear date for visitors to return to our state via an announcement at least two weeks ahead of time, and we would be happy to work with you and your administration to properly shape this message to prospective travelers.

It is worth noting that we happen to be nearing the one-year mark since travel to Hawai‘i was re-opened again. You have a unique opportunity to bring this entire experience full circle by announcing on or before October 15—the same date that the Safe Travels program was first made available for trans-Pacific travelers—that travelers can confidently return to our state beginning November 1.

Mahalo again for your time, consideration, and all that you continue to do for our state. Should you have any questions or concerns, please do not hesitate to contact me directly at any time, and the coalition looks forward to meeting with you again.

Sincerely,
Attachments:

1) **Graph:** “Domestic air visitor traffic to Hawaii dropped significantly since August” provided by Airlines for America.

2) **Infographic:** Three-week update on Hotels for Healthcare Heroes program. Facilitated by HLTA and the Healthcare Association of Hawai‘i, the program provides free hotel staycations to hospital doctors, nurses, and clinical staff.