



May 11, 2021

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

Aloha Governor Ige,

We are writing to you today to request your consideration in vetoing House Bill 862, HD2, SD2, CD1. In a recent appearance on the Honolulu Star-Advertiser's Spotlight series, you stated that, "if the visitor industry doesn't get back to full strength, then our economy will suffer for a long, long, long time." We agree wholeheartedly with this sentiment. Our industry, and, by extension, all of Hawai'i's economy, are in the process of recovering from a worldwide pandemic. Your administration has done a commendable job through the Safe Travels program stressing the importance of healthy travelers entering our state. It is critical that we strive to fully revive the local tourism industry as quickly, efficiently, and safely as possible.

There are several components to this measure that are of great concern. First, placing funding constraints upon the Hawai'i Tourism Authority at this time is highly problematic. From the time of its establishment via Act 156 in 1998, HTA has always played a significant role in marketing and advertising Hawai'i to the rest of the world. This is a founding principle of HTA, and DOTAX made clear in Announcement No. 98-21 that Act 156 designated the TAT as a source of dedicated funding to support this function from the very beginning. As we can all agree, destination marketing will play an outsize role in determining how long it takes for our economy to rebound. The marketing campaigns created by HTA are often ideated and executed far in advance and curtailing their funding now and requiring them to seek said funding from the State's general fund each year would hinder the agency's flexibility and capability in this realm.

We also have serious concerns about the Legislature's decision to strip the allocation of TAT monies to the counties. Act 185 from the Session Laws of Hawai'i 1990 codified the allocation of TAT monies to the counties to help offset the various impacts of tourism. Stripping these funds from the counties now, when each of them is experiencing budgetary shortfalls due to the COVID-19 pandemic, will threaten the counties' ability to fund core public services that are utilized by residents and visitors alike. These include everything from law enforcement and

public safety to refuse collection and water treatment. The Legislature created the TAT with county support in mind, and it is only fair that the counties continue to receive these monies.

Finally, we must also voice our opposition to the Legislature's decision to insert language in conference committee that would allow the counties to create their own surcharge as a means to offset the county TAT allocations. A 3% room tax by the counties would effectively create a 30% increase to the existing TAT. This increase would give Hawai'i the highest lodging tax rate across the country. Hawai'i is already one of the costliest places to visit for a variety of other reasons including our geographic location and fees related to COVID-19 mitigation efforts. In the current economic climate, no one could fault any of the counties from creating a new surcharge. This additional cost would ultimately be passed to the consumer, making it all the more challenging for us to compete with other premier destinations around the world. This increased difficulty in attracting travelers will further complicate bringing residents back to their jobs.

In summary, it is our position that HB 862 will create hardships not only for the local tourism industry, but also the local economy at large. At the time of writing this letter, the state unemployment rate is still 9% which translates to nearly 60,000 people out of work. This number represents countless residents who are negatively impacted by a depressed tourism industry solely because their business is adjacent to tourism. Small businesses like restaurants, retail, ground transportation, and others will all continue to suffer as the tourism industry struggles. This measure will only exacerbate the situation for no discernably good reason.

For these reasons, we ask that you carefully consider exercising your gubernatorial authority to veto this measure.

Sincerely,



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

The Hawai'i Lodging & Tourism Association is the state's largest private sector visitor industry organization, comprised of more than 700 lodging properties and businesses. HLTA represents its membership through Education, Advocacy, and Philanthropy.

ANTOINETTE DAVIS

Toni Marie Davis
Executive Director
Activities & Attractions Association of Hawai'i, Inc.

The Activities & Attractions Association of Hawai'i, Inc. is a not for profit trade association, established in 1990. The association is member-owned and open to all Hawai'i attractions and businesses which provide air, land or sea activities or tours.



Sean Williams
Vice President, State and Local Government Affairs
Airlines for America

Airlines for America (A4A) advocates on behalf of its members to shape crucial policies and measures that promote safety, security and a healthy U.S. airline industry. A4A members include: Alaska Airlines, American Airlines, Atlas Air Worldwide, Delta Airlines, FedEx, Hawaiian Airlines, jetBlue, Southwest Airlines, United Airlines, and UPS.



Blake Oshiro
Executive Director
American Resort Development Association

The American Resort Development Association (ARDA) is the trade association for the timeshare industry. ARDA's membership comprises over 500 companies (both privately held firms and publicly traded corporations), which house 5,000-plus individual ARDA members.



Sherry Menor-McNamara
President & CEO
Chamber of Commerce Hawai'i

The Chamber is Hawai'i's leading statewide business advocacy organization, representing 2,000+ businesses, approximately 80% of which are small businesses with less than 20 employees.



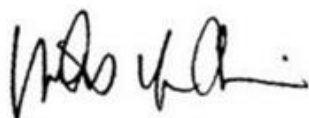
Elvira Lo
President
Chinese Chamber of Commerce of Hawai'i

The Chinese Chamber of Commerce of Hawai'i's mission is to promote business and economic development, to preserve our rich cultural heritage and to encourage civic responsibility, primarily through education and outreach.



Jeoffrey Cudiamat
President
Filipino Chamber of Commerce Hawai'i

The Filipino Chamber of Commerce of Hawai'i promotes businesses in the Filipino Community through membership and networking, education, business support and mentorship.



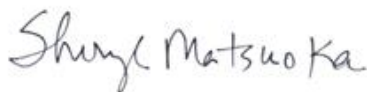
Miles Yoshioka
Executive Officer
Hawai'i Island Chamber of Commerce

The Hawai'i Island Chamber of Commerce (HICC) brings businesses and professionals together to make Hawai'i Island a better place to live and do business. HICC's members are nearly 300 businesses, professional organizations and individuals statewide with more than 700 employees who we consider member representatives.



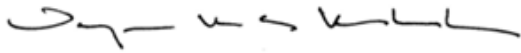
Denise Yamaguchi
Executive Director
Hawai'i Agricultural Foundation

Hawai'i Agricultural Foundation (HAF) is a non-profit organization created to promote agriculture and farming. HAF's mission is to support Hawai'i's agricultural industry by addressing the critical needs of farmers and the industry in Hawai'i, and by better connecting them with the community.



Sheryl Matsuoka
Executive Director
Hawai'i Restaurant Association

The Hawai'i Restaurant Association, which represents 3,400 locations around the state, helps to support and ensure a favorable environment for all to thrive in the foodservice industry.



Wayne K S Kaululaau
President/Principal Executive Officer
Hawai'i Teamsters Local 996

Hawai'i Teamsters are proud to represent more than 6,500 members from over 50+ companies in diverse industries in Hawai'i and Guam. Their memberships includes a variety of workers such as city bus drivers, medical professionals, educators, distributors, and textile suppliers among others.



Jerry Dolak
President
Hawai'i Hotel & Visitor Industry Security Association

The Hawai'i Hotel & Visitor Industry Security Association is a non-profit organization of security professionals in hotel, condo, retail, and other tourist related industry businesses partnering with Law Enforcement and Emergency Management professionals. This association shares information to identify, disrupt, and apprehend criminals affecting the local visitor industry.



Tomohiro Murakami
President
HIS Hawai'i Corporation

Hawai'i HIS is a member of the H.I.S. group which has more than 100 affiliate companies. The H.I.S. Group is a well-known, trusted company that is recognized globally for providing superior services in travel to destinations worldwide.



Craig Anderson
Hawai'i Island Chapter Chair
Hawai'i Lodging & Tourism Association

HLTA Hawai'i Island Chapter is a county chapter of the Hawai'i Lodging & Tourism Association. HLTA represents its membership through Education, Advocacy, and Philanthropy.



Samira Siale
Executive Director
Hawai'i Lodging & Tourism Association - Kaua'i Chapter

HLTA Kaua'i Chapter is a county chapter of the Hawai'i Lodging & Tourism Association. HLTA represents its membership through Education, Advocacy, and Philanthropy.



Simeon Miranda
O'ahu Chapter Chair
Hawai'i Lodging & Tourism Association

HLTA O'ahu Chapter is a county chapter of the Hawai'i Lodging & Tourism Association. HLTA represents its membership through Education, Advocacy, and Philanthropy.



Deems Narimatsu
Executive Director
Hawai'i Passenger and Property Carriers Association

Hawai'i Passenger and Property Carriers Association is a trade organization that represents local ground transportation drivers.



Gareth Sakakida
Managing Director
Hawai'i Transportation Association

The Hawai'i Transportation Association (HTA), founded in 1938 and incorporated in 1963, is a private, non-profit trade organization dedicated to the service and assistance to the commercial ground transportation industry in the State of Hawai'i.



Jason Ito
Chair of the Board
Honolulu Japanese Chamber of Commerce

The Honolulu Japanese Chamber of Commerce is one of Honolulu's major business organizations, representing a cross-section of the city's businesses, industries and professions.



Wayne Ishihara
President & CEO
Honolulu Japanese Chamber of Commerce

The Honolulu Japanese Chamber of Commerce is one of Honolulu's major business organizations, representing a cross-section of the city's businesses, industries and professions.



Peter J. Hamasaki
Chair, Government Affairs Committee
Honolulu Japanese Chamber of Commerce

The Honolulu Japanese Chamber of Commerce is one of Honolulu's major business organizations, representing a cross-section of the city's businesses, industries and professions.



Donna Domingo
President
ILWU Local 142

The ILWU is a labor union guided by progressive principles that plays a leading role in improving the lives of everyone in our community since it first began organizing workers in Hawai'i in 1935. Tourism industry workers make up about half of the approximately 18,000 ILWU members in Hawai'i.



Hiroyuki Kitagawa
President & CEO
JTB Hawai'i
President & Chairman
Japan Hawai'i Travel Association

JTB Hawai'i is a dynamic leader in travel services, event planning and management, and transportation. The company has evolved from its roots in servicing only inbound Japanese travelers to its current position as a provider of creative and comprehensive global travel and entertainment solutions.

The Japan Hawai'i Travel Association (JHTA) is a non-profit voluntary organization that was established in 1970. JHTA's membership consists primarily of tour operators but is also comprised of companies and individuals related to the travel industry.



Mark Perriello
President & CEO
Kaua'i Chamber of Commerce, Inc.

The Kaua'i Chamber is a nonprofit trade association that represents all elements of Kaua'i's business, both large and small. The membership includes thousands of business and professional men and women representing over 400 Kaua'i firms who give freely of their time and talents to advance the commercial, financial, industrial, civic and social well-being of the County of Kaua'i and the State of Hawai'i.



Stephanie Donoho
Administrative Director
Kohala Coast Resort Association

KCRA is a collection of master-planned resorts and hotels, situated north of the Kona International Airport which represents more than 3,500 hotel and timeshare accommodations and an equal number of resort residential units. This is approximately 35 percent of the visitor accommodations available on the Island of Hawai'i. KCRA member properties annually pay more than \$25 million in TAT, \$25 million in GET and \$11 million in property taxes. KCRA members employ more than 5,000 Hawaii Island residents.



Wendy Laros
President & CEO
Kona-Kohala Chamber of Commerce

Kona-Kohala Chamber of Commerce is a 501(c)(6) non-profit organization that consists of nearly 500 business members representing a variety of industries and sectors. Collectively, we work to strengthen the local economy, represent business interest with government and promote our community.



Gina Nakamura
President
Hawai'i Korean Chamber of Commerce

The Hawai'i Korean Chamber of Commerce exists to enhance business opportunities for its members by promoting Korean business diversity and growth, creating economic vitality within Hawai'i and internationally.



Pamela Tumpap
President/Secretary
Maui Chamber of Commerce

The Maui Chamber of Commerce is a business organization comprised of businesses from all sectors, all sizes, and all areas of the island, where business leaders work together to create a strong economic climate to sustain business growth and prosperity, build relationships, support each other, and improve the quality of life for all Maui residents.



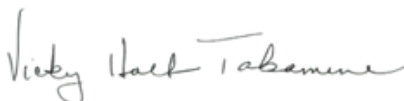
Michael Pye
Board Chairman
Maui Hotel & Lodging Association

The Maui Hotel & Lodging Association (MHLA) is a nonprofit organization that represents Maui County's visitor industry on policymaking and industry-related issues on the county and state government levels and serves as the industry's liaison to the general public.



Michael Pili Pang
Kumu Hula & Executive Director
Mu'olaulani - Hālau Hula Ka No'eau

Hālau Hula Ka No'eau is a local hālau hula based in Honolulu. Mu'olaulani is the nonprofit arm of the hālau which exists to build the future stability of the hālau, the hula 'ohana, cultural practitioners, Hawai'i's artisans, and local communities.



Vicky Holt Takamine
President
'Īlio'ulokalani Coalition

The 'Īlio'ulokalani Coalition is a coalition of kumu hula and Native Hawaiian cultural practitioners.



Tina Yamaki
President
Retail Merchants of Hawai'i

Retail Merchants of Hawai'i (RMH) is a state-wide, not-for-profit trade association committed to the growth and development of the retail industry in Hawai'i. The RMH mission is to promote the welfare of the retail industry, to provide information and training to advance the interests of the retail industry, and to serve as an advocate for the retail industry in both the governmental and the business communities.



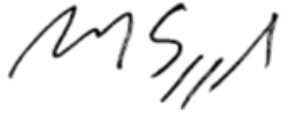
Jessica Lani Rich
President & CEO
Visitor Aloha Society of Hawai'i

The Visitor Aloha Society of Hawai'i is a private, 501(c)(3) non-profit organization dedicated to sharing the aloha spirit with Hawai'i's visitors. VASH offers initial assistance to visitors by providing various complimentary services and moral support.



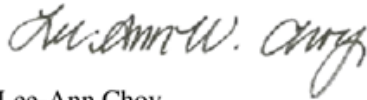
Jennifer Nakayama
President & Executive Director
Waikiki Business Improvement District Association

The Waikiki Business Improvement District is dedicated to enhancing the quality of life in Waikiki, which shall exemplify the quality of life throughout the State of Hawai'i, by providing businesses, visitors, employees and residents of Waikiki with a safe, clean and enjoyable environment in which to live, work and play.



Rick Egged
President
Waikiki Improvement Association

The Waikiki Improvement Association (WIA) is a cross-section of business, government, and the community, our members care about the future of this special place, Waikiki. For more than 50 years, the WIA has remained true to its objective: "To improve, enrich and beautify Waikiki for the benefit of residents and visitors alike...to promote conditions conducive to the economic and cultural good and for the betterment of the entire community."



Lee-Ann Choy
President
Pacific Rim Concepts LLC

The mission of Pacific Rim Concepts is to offer personalized service in meeting and event planning, provide value, and exceed expectations to ensure that events are successful and rewarding.