



July 1, 2021

Aloha Senator,

We are writing to you today to urge you to vote to sustain Governor Ige's veto of House Bill 862, HD2, SD2, CD1 which would fundamentally change the operational makeup and funding source of the Hawai'i Tourism Authority, strip the allocation of TAT monies to the four counties, and allow for the enactment of an additional surcharge up to three percent.

It remains our position that now is not the time to saddle the local tourism industry, our state's economic engine, with an additional tax burden. While supporters of this measure would point to visitor arrival numbers as proof that tourism is on the road to recovery, this would be a gross misunderstanding of what our industry has withstood for more than a year as there are countless ancillary expenses that must be considered. These include everything from operational and infrastructural costs like public health training and the retrofitting of businesses to accommodate for social distancing to the continuance of health benefits for employees throughout the pandemic.

Moreover, the surge in visitors Hawai'i is currently experiencing can be directly tied to our reputation as a safe and healthy place to which one can travel. As destinations vaccinate their populations, travelers' options will continue to diversify, and arrival numbers will normalize and perhaps even decrease. These things considered, it is clear that tourism is only just beginning to rebound- businesses of all types and sizes are still struggling to stay afloat and creating a new tax obligation will only further delay the recovery of our economy in its entirety.

It should also be noted that the tourism industry has always supported the allocation of Transient Accommodations Tax monies to the counties to offset the impacts created by tourism. These allocations were codified in the Session Laws of Hawai'i 1990 and have remained in place for more than 30 years. These monies are used by county governments to fund core services utilized by residents and visitors alike including emergency services, park maintenance, water treatment, and waste management, among others. The TAT was created with this support in mind, and the counties should continue to receive their annual allocations for this very reason. Eliminating this funding source will force the counties to enact the allowed three percent surcharge, thereby establishing the highest state lodging tax in the nation.

Additionally, we must also reiterate our opposition to the effects that HB 862 would have on HTA. We are all well-aware of the renewed calls for better oversight and management of tourism that have emerged as visitors have flocked to our shores. This responsibility of tourism management should be a major part of HTA's purview, and the agency has already taken significant steps to prioritize this. HTA is in the process of developing destination management action plans with input from the statewide community and curtailing their funding or changing their organizational makeup would be highly detrimental to this process. This could result in additional roadblocks between the community and the well-managed tourism industry that it desires.

Finally, we must voice our concern with the manner in which this measure was passed. Any bill of this nature, with its complexities and nuances, deserves to be debated robustly and discussed over the course of a legislative session as opposed to during conference committee deliberations.

For these reasons, we urge you to vote to sustain Governor Ige's veto of House Bill 862, HD2, SD2, CD1.

Mahalo,



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

The Hawai'i Lodging & Tourism Association is a nonprofit trade organization comprised of more than 700 lodging properties and businesses. HLTA represents its membership through Education, Advocacy, and Philanthropy.



Toni Marie Davis
Executive Director
Activities & Attractions Association of Hawaii, Inc.

The Activities & Attractions Association of Hawaii, 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.



Daniel Chun
Sales, Community & Public
Relations Director – Hawai'i
Alaska Airlines

Alaska Airlines is the fifth largest airline in the United States. With their regional partners, the airlines serves more than 120 destinations across the United States and to Mexico, Canada and Costa Rica.



Sam Shenkus
Co-Chair
Aloha Festivals

Aloha Festivals is the largest Hawaiian cultural celebration in the United States. It is a statewide celebration of Hawaiian culture which attracts more than 100,000 people each year.



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 Hawaii

The Chamber of Commerce Hawaii is a statewide, non-profit organization whose mission is to serve as the advocate for business in Hawai'i.



Elvira Lo
President
Chinese Chamber of Commerce Foundation

The Chinese Chamber of Commerce of Hawaii'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 Hawaii

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



Vanessa Kop
President
Hawaii Chinese Association

The Hawaii Chinese Association is a 501(C)3 charitable organization that promotes exchange by staging cultural events for the community.



Jerry Dolak
President
Hawaii Hotel & Visitor Industry Security Association

The Hawaii 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.



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

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



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

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



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

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



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

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



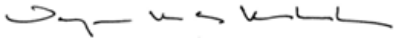
Sheryl Matsuoka
Executive Director
Hawai'i Restaurant Association

The Hawaii Restaurant Association (HRA) helps to support and ensure a favorable environment for all to thrive in the foodservice industry.



Rich Miano
President
Hawaii Speed & Quickness Camp

Hawaii Speed and Quickness Camp is a 501(c)3 and provides prevention services in the areas of substance abuse prevention, health and fitness, mentoring and educational support in communities statewide.



Wayne K S Kaululaau
President/Principal Executive Officer
Hawaii 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.



Gareth Sakakida
Managing Director
Hawaii Transportation Association

The Hawaii 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.



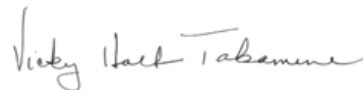
Jason Ito
Chair of the Board
Honolulu Japanese Chamber of Commerce

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.



Vicky Holt Takamine
President
ʻĪlioʻulokalani Coalition

The ʻĪlioʻulokalani Coalition is a coalition of kumu hula and Native Hawaiian cultural practitioners.



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.



T. George Paris
Managing Director
Iron Workers Stabilization Fund

The Iron Workers Union Local 625 is the local chapter of the International Association of Bridge, Structural, Ornamental, and Reinforcing Iron Workers. The Stabilization Fund represents an important component of the Ironworkers as it contributes in many endeavors to help the community.



Hiroyuki Kitagawa
President & CEO
JTB Hawaii

JTB Hawaii 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.



Hiroyuki Kitagawa
President & Chairman
Japan Hawaii Travel Association

Japan Hawaii Travel Association (JHTA) is a non-profit voluntary organization since 1970. It consists of tour operators registered in Hawaii as regular members and companies or individuals related to the travel industry as associate members. In addition, the Consulate General of Japan, Hawaii Tourism Bureau, and Oahu Tourism Bureau are participating as advisory.



Mark Perriello
President & CEO
Kauai Chamber of Commerce, Inc.

The Kaua'i Chamber is a nonprofit trade association that represents all elements of Kauai'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

The Kohala Coast Resort Association 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
Hawaii Korean Chamber of Commerce

The Hawaii 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.



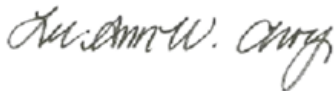
Michael Pye
Board Chairman
Maui Hotel & Lodging Association

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.



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.



Tina Yamaki
President
Retail Merchants of Hawaii

Retail Merchants of Hawaii (RMH) is a state-wide, not-for-profit trade association committed to the growth and development of the retail industry in Hawaii. 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 Hawaii, 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

For more than 50 years, the Waikiki Improvement Association 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."



Robert Finley
Chair
Waikiki Neighborhood Board

The Waikiki Neighborhood Board is an advisory board within Honolulu's neighborhood board system that plays a significant role in community engagement.

