



Ke'ena Kuleana Ho'okipa O'Hawai'i
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Josh Green, M.D.
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

Tuesday, April 4, 2023
10:30 a.m.
State Capitol Conference Room 211 & Videoconference

In consideration of
HOUSE BILL NO. 1375 HD3 SD1
RELATING TO TOURISM

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

The Hawai'i Tourism Authority (HTA) appreciates the opportunity to offer comments on HB1375 HD3 SD1, which would establish the Office of Tourism and Destination Management to assume the rights, powers, functions, and duties of HTA.

In discussion among our board members and staff, there emerged a unanimous consensus in opposition of dissolving HTA. We recognize that the impacts of tourism are real and require management. As Hawai'i emerges from the pandemic, HTA continues its pivot to destination management initiated just before the onset of the pandemic. The pivot started with the adoption of our current strategic plan, and was further refined in the community-generated Destination Management Action Plans for each island. We believe in our model, the trust we are growing with our communities, and the results we are seeing across the islands.

Although we understand the preamble in Section 1 is not the focus of this committee's consideration today, we would also like to be on the record as disagreeing with the premise of the preamble. Respectfully and for the record, HTA has not received written notification of a procurement violation from the Head of Purchasing Agency, State Procurement Office, or the Office of the Attorney General. Whatever mistakes were made in the issuance of RFP 22-01 for the U.S. Major Market Area, none rose to the threshold of a procurement violation.

We appreciate the inclusion of \$50 million in general funds annually in this measure, as well as the inclusion of our requested \$28.5 million expenditure ceiling for the Convention Center Enterprise Special Fund. Our original request was for \$60 million in base funding annually, with a \$15 million one-time incremental for FY24 to get us back to an operational cadence following funding shortfalls in previous fiscal years.

We stand by our original request to fund our work in destination management, our community programs, visitor education, and representing the Hawaiian Islands brand in the markets. Cutting funding to HTA means cutting funding to community efforts to manage tourism, beloved festivals and events, programs to protect our natural resources and preserve cultural practices, and efforts to educate visitors before they arrive in Hawai'i.

We would also like to renew our request for \$64 million in funding to permanently repair the Hawai'i Convention Center roof, an important state asset that faces more potential damage the longer the roof repair is delayed.

We look forward to a favorable outcome from your committee, and we appreciate the opportunity to offer these comments on HB1375 HD3 SD1. Mahalo.