



MARKETING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Wednesday, May 27, 2020
Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815

MINUTES OF MARKETING STANDING COMMITTEE MEETING

COMMITTEE MEMBERS PRESENT:

Kelly Sanders (Chair), Fred Atkins, George Kam, Sherry Menor-McNamara, Kyoko Kimura, Benjamin Rafter

HTA BOARD MEMBERS PRESENT:

Richard Fried

HTA STAFF PRESENT:

Chris Tatum, Keith Regan, Pattie Herman, Marc Togashi

GUESTS:

Jay Talwar, John Morgan, Avi Mannis, Mufi Hannemann, Tina Yamaki, Representative Richard Onishi

LEGAL COUNSEL:

Gregg Kinkley

1. Call to Order

HTA Chief Administrative Officer Keith Regan announced the beginning of the meeting at 2:00 p.m. and conducted a roll call. All marketing committee members were present, and HTA Board Chair Richard Fried was also present. Gregg Kinkley noted that there were seven HTA Board members present in the “virtual room”, but that the applicability of the Sunshine Law rules was not clear for the virtual medium. At 2:03 p.m., Mr. Regan turned the floor over to Marketing Committee Chair Kelly Sanders.

Chair Sanders began by discussing the tone he wished to set at the meeting. He acknowledged the difficulty being faced by Hawai'i and across the world, and identified the goal of understanding how to safely open the state and all of the measures that can be taken to share aloha with visitors and residents. He also noted that the meeting was the first step towards letting Hawai'i's elected officials know what HTA is doing in that regard.

2. Approval of Minutes from January 29, 2020 HTA Marketing Standing Committee Meeting.

Mr. Sanders requested a motion to approve the meeting minutes from the January 29, 2020 HTA Marketing Standing Committee Meeting. George Kam made a motion, which was seconded by Kyoko Kimura. The motion was unanimously approved via a roll call vote.

3. Report on Safety Protocol from Our Industry Partners, Small Business, Activities, Airlines, Retail Merchants, and Hotels.

Jay Talwar was not available at that time to present on recovery marketing initiatives, so this item was taken out of order. Chair Sanders recognized HTA Marketing Director Patricia Herman to introduce the presenters representing different sectors of the tourism industry. Ms. Herman explained that the top priority is a healthy and safe destination. Ms. Herman first introduced Sherry Menor-McNamara, the president of the Chamber of Commerce of Hawaii (COCH), who presented on behalf of small businesses. Ms. Menor-McNamara discussed what COCH has been doing to support businesses and disseminate information. She noted that they are working on getting clarification on whether county guidelines supersede state guidelines. Ms. Menor-McNamara explained that COCH conducted a survey, with UHERO, of 623 Hawai'i businesses. The survey showed that, even with PPP (Paycheck Protection Program) Loans, Hawai'i businesses need more assistance to survive. Ms. Menor-McNamara said that 220,000 individuals have been on unemployment and one in three businesses report that revenue has been reduced to zero during the government shutdown. Educational services have also been reduced by 54%.

Ms. Menor-McNamara said that COCH is also working on providing small businesses with reliable information. They have created a dedicated "micro-site", <http://covid19.cochawaii.org>, to provide a one-stop center for businesses. Ms. Menor-McNamara described the parts of COCH's five-point plan: 1) prioritizing safety, 2) communicating confidence in commerce, 3) advocating for policy solutions, 4) building pathways to the future, and 5) thinking local first. Ms. Menor-McNamara said that once interisland travel opens up she hopes that there can be creative ways to encourage kama'āina to travel. She added that they have also been looking at what policy solutions other states are implementing.

Ms. Herman then introduced John Morgan, the president of Kualoa Ranch, who represented activities. Mr. Morgan said that they realize that safety of the guests and the employees is the priority. He also discussed the importance of contact tracing, and using the reservation system to facilitate contact tracing. Mr. Morgan said that they will be conducting temperature screenings for both employees and guests, requiring masks for all interactions, implementing sanitation procedures, and adjusting group sizes to no more than ten people.

Ms. Herman introduced Avi Mannis, Vice President of Marketing for Hawaiian Airlines, who represented the airline industry. Mr. Mannis discussed the health and safety measures that the industry and Hawaiian Airlines are implementing to minimize the risk of COVID-19 transmission. He said that the evidence is that air travel is safe and there is little evidence of on-flight transmission, including during periods of spikes in cases. He added that there is currently not enough peer-reviewed evidence explaining why there is low on-flight transmission, but that it may have to do with all passengers facing the same direction, the fact that the seats act as a hard partition between rows, and high-quality air filtration. Mr. Mannis said that Hawaiian Airlines is implementing cleaning and sanitation procedures in high-touch areas, using electrostatic misters, and making changes to queueing and seating. Hawaiian Airlines has also

modified meal and beverage service to reduce contact, and have eliminated pillows and blankets on overnight flights. Mr. Mannis added that Airlines for America, the national trade association, has taken the position that it would be valuable for TSA to provide thermal screening at airports for visitors arriving internationally.

Benjamin Rafter asked whether there was any data available regarding consumer confidence. Mr. Mannis responded that they have looked at a number of surveys, and there is a great deal of concern among air travelers. He said that there are some people ready to fly in the next one to three months, and some who will not be ready to fly until there is a vaccine.

Representative Richard Onishi said that he has traveled back and forth between O'ahu and Hawai'i Island several times in recent weeks and that he has noticed inconsistencies in procedures. He asked Mr. Mannis who is responsible for monitoring procedures. Mr. Mannis responded that Hawaiian Airlines has changed their processes a great deal over the last month but that it is something that they will continue to work on.

Mr. Atkins asked Mr. Mannis if he feels that the government is aware that it should be taking responsibility for passenger screening. Mr. Mannis responded that there is a growing understanding that the broader air travel system is responsible for screening. He said that there is still work to be done to get a plan, and that it will be rolled out as a pilot program first, and then rolled out across the system. He said that one question that they have been considering is whether Hawai'i can wait or whether the state can implement measures in advance. Rep. Onishi said that the Legislature has appropriated \$36 million to the airport for thermal screening equipment. He asked whether Hawaiian Airlines has taken a position on that matter or whether they have been asked about the process, where it should be located, or how it should be implemented. Mr. Mannis responded that Hawaiian Airlines has been involved in the discussion with the Department of Transportation and other agencies. He said that it is Hawaiian Airlines' view that screening is an important part of a system of protection for the travel system, and that all elements of that system need to be in place so that things do not slip through the thermal screening and get out into the community.

Ms. Herman introduced Tina Yamaki, President of the Retail Merchants of Hawaii (RMH), representing the retail industry. Ms. Yamaki said that last year the retail sector employed approximately 25% of Hawai'i's workforce, and that retail is responsible for about \$12.2 billion of Hawai'i's total GDP. She also noted that essential retailers have been on the frontlines. Ms. Yamaki explained that RMH has developed guidelines and checklists for retailers. She also discussed the challenges retailers are facing due to being forced to close for two months. She noted that many have not been able to pay rent, taxes, or utilities. Ms. Yamaki added that there is a misconception that many businesses received PPP Loans, but in fact many were denied.

Ms. Yamaki explained that many retail businesses will not open until tourism is reopened. For businesses that are open, RMH is working to ensure that it is a safe place for both shoppers and employees.

Ms. Herman introduced Mufi Hannemann, President of the Hawai'i Lodging and Tourism Association, representing the hotel industry. Mr. Hannemann discussed quarantine challenges for hotels, regardless of whether they are closed or have remained open. He noted that the incoming traveler form at the airport is now more detailed, but there are still some areas that need to be refined. Mr. Hannemann discussed the importance of reopening tourism to stimulate the economy.

Chair Sanders noted that we are currently in the booking window for August and September, so the longer the State delays in announcing preliminary opening dates, the longer the delay will be for recovery, and the greater economic hardship workers will face. Mr. Tatum said that high-value visitors will want a healthy and safe destination, and residents want to protect themselves and their homes. HTA Chief Executive Officer Chris Tatum said that money has been set aside for each county to develop plans that are supported by stakeholders in that destination. He emphasized the importance of participation by communities and counties to improve the visitor experience, and the importance of speaking with one voice in communicating with the administration about everything that is being done in the industry so that they will feel confident.

Mr. Hannemann discussed the preparations being made and the procedures being implemented to resume business. He encouraged the HTA Board to be involved in the reopening process and to ask their employees to be involved. Mr. Atkins asked whether there was a date for reopening interisland travel. Mr. Hannemann responded that the sooner interisland travel is restarted the better, and it will help in asking for a date when we can begin to receive visitors beyond Hawai'i. He said that the push is for opening interisland travel in June. Mr. Atkins asked about Mr. Hannemann's opinion regarding what would make neighbor island mayors hesitant about reopening interisland travel. Mr. Hannemann responded that the county mayors prioritize their islands. Kyoko Kimura said that she had seen a presentation from the Department of Labor Workforce Development Division and learned that, excluding government employees, Maui unemployment was at 50%. Mr. Atkins said that he had spoken with the Kauai mayor and the mayor was concerned about receiving legislature funds and making sure that there was enough PPE and thermal screening. Mr. Hannemann said that one issue is that Oahu received CARES Act funding before other islands. Rep. Onishi said that the CARES Act allocation passed both the State House and Senate, and it is on the Governor's desk for signature. He said that the money will go directly to the counties and some counties have already allocated anticipated funds. He noted that Oahu received funding directly from the federal government but that the other counties, because of their size, did not get direct allocations. Mr. Rafter said that the industry has surveyed the hotels and most of them will not open with only interisland travelers because they need more visitors. Mr. Hannemann agreed and said that there needs to be planning, so he would like to know about reopening interisland travel at the same time as reopening domestic travel.

4. Presentation on Recovery Marketing Initiatives.

Ms. Herman introduced Jay Talwar, Senior Vice President for Hawai'i Tourism, to give a presentation on HVCB's COVID-19 communication initiatives. Mr. Talwar said that HVCB worked with HTA on the #LiveAloha campaign to create advertising that focused on the things that people within the community were doing to support one another. Various campaigns were engaged to promote businesses like restaurants and small businesses that specialize in goods and services. He explained that the first wave of communication was initial COVID-19 messaging, the second wave focused on sharing aloha virtually, and the third wave will be to experience aloha, which will get underway once they are allowed to market the destination to visitors again.

Mr. Talwar said that when the governor announced that he did not want new visitors, they encouraged travelers to postpone their visits and then followed up with messaging about the 14-day quarantine so that people could understand the requirements. #ShareAloha also focused on how people were sharing aloha while staying at home.

5. Review of the Proposed Budget for Brand Marketing for Fiscal Year 2021

Chair Sanders discussed the budget for brand marketing in 2021. He noted that the Transient Accommodations Tax (TAT) has stopped and the Governor has withdrawn all funding for anything that was part of TAT. Chair Sanders also said that the Governor will be issuing guidance to organizations, such as HTA, in need of funding. He said that HTA has pulled back and tried to align and reposition money available for the launch of the 2021 fiscal year. He noted that HTA will likely need to go back and request additional funding from the Governor and the Legislature.

Ms. Herman said that the 2020 branding budget was \$51 million, but for 2021 it will be dropping by 44.5% to approximately \$28 million. HTA will be investing in the strongest markets for Hawai'i - U.S. Mainland, Japan, Canada, Oceania, and Korea. HTA will have to terminate its global marketing teams for Europe, Southeast Asia, China and Taiwan. Ms. Herman said that \$28 million will not be enough to change perceptions of Hawai'i but it will be enough to continue to brand Hawai'i with safety and health, along with culture, community, and natural resources. Ms. Herman reported that the total budget for 2020 was \$86 million, which will be downsized to approximately \$51 million for 2021.

Ms. Kimura asked how much was returned to HTA for cancelled events that HTA funded but were not held. Mr. Tatum responded that they received money back from all the events that were cancelled. Ms. Kimura asked whether they were using HTA's emergency fund and Mr. Tatum responded that those funds are included in the budget. Mr. Tatum further explained that HTA is allocated \$79 million per year, based on the law. However, that funding stopped in April and it is unknown when it will be resumed, which is reflected in the budget. He noted that the entire budget would be reviewed during the full Board meeting.

Mr. Atkins whether HTA will be presenting the information presented at the meeting to the Governor, and discussed the importance of presenting information to leadership and to the community. He also noted that the Marketing Committee did not hear from the airport at the meeting. Chair Sanders responded that there are a lot of agencies working to ensure that visitors can be brought back safely and our community can be protected at the same time. Mr. Kam said that Hawai'i is at a critical but important point, and he said that he agrees HTA should be taking the lead.

Mr. Tatum said that all the information presented at the meeting is being presented to the Governor and the administration, and that he has participated in several presentations. He said that he believes there should be one voice in the state to show the community that they are working together. He said that they need to show the community that they are working together, so they have been working to consolidate information to share with the administration. He noted that he believes residents should hear this information from people who are coming from a health and safety standpoint, and not just tourism industry stakeholders. Mr. Atkins said that he has been receiving calls from individuals asking why they have not heard more from HTA. He said that HTA needs to coalesce with the medical community and find a balance. Mr. Atkins asked whether the medical community would be willing to discuss these issues with the tourism industry, and Mr. Tatum responded that he would work to set that up.

Mr. Rafter discussed the importance of setting an opening date. He said there is a perception that people are not working together, and there needs to be something for people to work towards. He added that there should be people on the ground level talking about their experience. Rep. Onishi noted that only one person that can make that determination regarding the opening date, and he is getting a lot of information about what people should do. For example, when it was announced that malls could reopen, they were not ready because they did not discuss it with shopping centers. They were taken by surprise and unprepared, and they did not have the capability to open. Rep. Onishi said the biggest problem is how to address travelers coming into Hawai'i, both visitors and returning residents and discussed the importance of addressing that threat. Gregg Kinkley noted that the topic of discussion had moved from the focus of the meeting and recommended that the discussion be continued at the upcoming full Board meeting.

6. Adjournment

Chair Sanders adjourned the meeting at 4:17pm.

Respectfully submitted:

Janjeera Hail
Janjeera S. Hail
Recorder