REGULAR MARKETING STANDING COMMITTEE MEETING
HAWAI‘I TOURISM AUTHORITY
Wednesday, September 29, 2021, at 2:31 p.m.
Virtual Meeting

MINUTES OF MARKETING STANDING COMMITTEE MEETING

COMMITTEE MEMBERS PRESENT: Daniel Chun (Chair), George Kam, Fred Atkins, Kyoko Kimura, and Sherry Menor-McNamara, Benjamin Rafter

COMMITTEE MEMBER ABSENT:

HTA STAFF PRESENT: John De Fries, Keith Regan, Kalani Kaʻanāʻanā

GUESTS: Shannon McKee, Eric Takahata, Mitsue Varley, John Monahan, Jay Talwar

LEGAL COUNSEL: Gregg Kinkley

1. Call to Order and Pule:

Mr. Regan called the meeting to order at 2:31 p.m. He provided instructions to the general public with regards to submitting testimony. Mr. Regan confirmed the attendance of the Committee members by roll call.

Mr. Casson-Fisher opened the meeting with a pule of aloha for all present in the meeting.

2. Approval of Minutes of the September 1, 2021, Marketing Standing Committee Meeting

Chair Chun requested a motion to approve the minutes of the September 1, 2021, Marketing Standing Committee meeting. Mr. Kam made a motion, which was seconded by Ms. Kimura, and was unanimously approved.
3. Presentation by Hawai‘i Tourism Japan on Brand Management Plan Amendments and Updates. Recommendation to Approve the Amended Brand Management Plan for the Remainder of CY2021 to the full HTA Board

Chair Chun recognized Mr. Ka‘anā’anā to provide an overview. Mr. Ka‘anā’anā stated that the presentation is in response to last months’ meeting where guidance was given around two of the proposals made, and that this month there are new proposals that replace those disallowed. Therefore, this is not incremental funding being requested, but it is part of the base contract. He stated that Japan’s government released encouraging news in terms of lifting the state of emergency within Japan, which is believed to be a meaningful first step towards returning to international travel.

Mr. Ka‘anā’anā recognized Eric Takahata, Managing Director of Hawaii Tourism Japan, to give an update. Mr. Takahata reported that the general economy shows the Japan GDP in Q2 grows by 1.9%. He also reported that the 100th Prime Minister was elected last night. He said this is creating a lot of optimism given his views on economic reform and his aggressive approach by Japanese standards. He said that in April–June versus the previous quarter, consumption rose by 0.8%, and exports rose 2.9%, which is a sign that the global recovery continued to underpin Japan’s economy. He also stated that capital expenditure increased by 1.7% versus the previous quarter, and domestic demand contributed 0.6% points to GDP growth. He reported that the vaccination progress is at 67.8% initiated, and the fact that the state of emergency is being removed, 1 October is looking good for the easing of restrictions on domestic and subsequently international travel. He reported that Japan is 4th in the world in terms of vaccination progress, total flights for September is 41, October is 43 and Japan is ready to open more flights with the progress of the market. He stated that the Japan Business Federation have been key in driving the Japanese Government to reduce the quarantine period to 10 days and to think about opening international travel between the US and Japan. He stated that a Japan recovery indicator is that the quarantine period was shortened from 14 days to 10 days.

Mr. Takahata reported that the remaining budget that was not previously approved is $1 338 804, and the objective of the budget is to spend 70% on driving bookings back to Hawai‘i. He said the remaining 30% is on educating the visitors before they visit Hawai‘i on, for example, the changes in Hawai‘i, protocols in place and destinations off limits. He stated that the strategies to achieve the objectives are to collaborate with the top airlines, establish B to C initiatives with key industry partners, educate new travel trade industry personnel, expand virtual educational seminars and Fam tour events, to plan and secure additional co-op advertising and increase media opportunities. He outlined the 5 key campaigns, which include airline co-op through media and loyalty memberships ($100 000), wholesaler co-op through packages, media, the satellite offices, B to C trade shows and education through webinars and Fam tours ($400,000), other co-op opportunities including credit card company initiatives ($250,000), accelerate future MICE bookings ($150,000)
Chair Chun spoke about the benefits of the lifting of the state of emergency. Ms. Kimura congratulated Mr. Takahata on the reduction in the quarantine period. They also spoke around the potential date the reduced quarantine period will be effective from, as well as the frequency of Covid testing and providing a negative test (PCR or Antigen) when visiting Hawai’i. Ms. Varley reported that the cost per person at certified clinics in Japan is $300 and they are working on bringing it down to $100. Ms. Kimura asked if there is an initiative to share the proposed initiatives with Maui. Mr. Takahata stated that they do see opportunity in the niche market segment, and they are working on those groups. Ms. Menor-McNamara asked what the comparison is regarding the pre-Covid budget and the current proposed budget. Mr. Takahata stated that the pre-Covid budget has been reduced by 50%. Mr. Ka’anā’anā further elaborated by stating that this reduction is partly due to layoffs and the change in the nature of work during Covid and that the nature of the work done is now evolving. Ms. Menor-McNamara responded by stating that she wanted to make sure that the money spent reflects the return of arrivals. Mr. Ka’anā’anā stated that the budget and work done now can be seen as an investment due to the importance of the Japan market to Hawai’i. Ms. Menor-McNamara agreed. Ms. Kimura asked for a number to reflect the total spend in KPI. Mr. Ka’anā’anā stated that the 4 KPI’s are already built into the 2022 Brand Management Plan outlines. Therefore, they are already included in the performance measure worksheet that will be provided, and therefore taken into consideration for the 2022 marketing plan. However, as it pertains to the 2021 funds the KPI’s were already set so it would be difficult to move them during the year.

Mr. Atkins asked if the vaccinated numbers in Japan will have a positive impact on the opening up of the Hawai’i market to the Japanese, and if the airlines will be flexible in terms or rebooking flights for their vacations. Mr. Takahata responded by stating that there are no guarantees by the Japanese government that the hard restrictions will be eased if 80% vaccination is reached. However, there will be many restrictions lifted and they are hoping that international travel is one of them. He stated that with regards to flexibility on rebooking, yes, the Japanese wholesalers will work with customers on this, however they will have to ask for more information from the airlines. Mr. Atkins expressed his concerns on the negative impact of inflexibility of airlines with regards to Covid on Hawai’i. Mr. Takahata stated that when travelers book, they understand what restrictions are in place including the quarantine period. Mr. Atkins asked if the Japanese would still visit Hawai’i if all the restrictions or hurdles are in place. Mr. Takahata responded by stating that the biggest hurdle now is the 14-day quarantine and if the only hurdle is the PCR test people would be a
lot more eager to book those tickets. Mr. Atkins was concerned that the 10-day quarantine period will negatively impact the return on investment due to it being a major deterrent on people booking their tickets. Ms. Varley stated that the quarantine period would gradually decrease, and they have to be ready for many different scenarios. She also mentioned that there are many different services that Japan has that will protect the visitors, and therefore the main point is pre-education and the relationships with the different stakeholders to create many backups and show support in the recovery of Hawai'i. Mr. Takahata stated that getting expected values from co-ops will be reasonable.

Ms. Menor-McNamara asked if the total spend, and the ROI will be tracked. Mr. Ka’anā’anā responded by saying that there are many performance measures, some monetary and economic and some are impact and engagement, all of which measure the effectiveness of achieving the objectives as well as the fact that for every $1 the State invests with HTA, $20 is put back through GET and TAT, so at a high level a return is being driven to the State.

Ms. Kimura asked if there is any insight on what the airlines will be doing in November and December. Mr. Takahata stated that the airlines open up flights, then closer to the time they change their plan and roll the flights back and they always make that clear. Ms. Kimura expressed her concern on the unpredictability. Mr. Takahata states that he is of the opinion that the wholesalers have additional information that is not public. Ms. Varley stated that the airlines and wholesalers are working together and watching the bookings closely and that the co-ops will be very detailed and shared with the group at a later stage.

Chair Chun invited the public to provide testimony, and there was none. Chair Chun asked for a motion to recommend approval HTJ’s amended BMP. Mr. Kam made a motion, which was seconded by Mr. Atkins. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

4. Presentation on the Results of the 2021 PGA Events and Associated Activities. Recommendation to Approve the Final Year Funding FOR CY2022 Events and Activities to the full HTA Board

Chair Chun recognized Mr. Ka’anā’anā, Chief Brand Officer, to provide an overview. Mr. Ka’anā’anā stated that the funds need to be approved so that they can be added to the final year contract. Mr. Ka’anā’anā recognized Jay Talwar to provide an overview. Mr. Talwar stated that the total for the PGA Tour is $1,500,000 and the net total including marketing, royalties, miscellaneous expenses, and the marketing fund is $1,665,375. He stated that the numbers are very similar for 2022. He shared the results summary broken down by event into attendance, community involvement and charitable donations, marketing value, program hours, visitor spending influenced by attendance, economic impact and tax revenue influenced by visitor spending. Mr. Monahan stated that the economic indicators are
understated due to Covid. Mr. Talwar reported that $1,300,000 in charitable donations was generated by the tournament and given to organizations.

Ms. Kimura asked if there could be one more tournament in 2022. Mr. Talwar stated that the funding is based on the three events in the contract. Mr. Monahan stated that the PGA Tour is a separate event. Ms. Kimura asked if an equal amount is spent on the 3 events. Mr. Monahan stated that the Sentry Tournament of Champions and the Sony Tours are very equal and make up the bulk of the $1,500,000, the Mitsubishi Tour is the senior tour, so it gets a lesser amount. Mr. Rafter asked what the consequences of ceasing sponsorship would be and how they would get a tournament later in the year rather than in the beginning. Mr. Monahan stated that it would be a lot more expensive, and that Hawai‘i has the best weather in the US in January, and it is the perfect time of the year for people to be talking about golf. He said the marketing is not focused on the golf but is focused on the players enjoying Hawai‘i. He also stated that they do get most of the players, and they enjoy coming to the tournament in January even though some players are lost due to an event at the same time in Dubai. Mr. Talwar emphasized the importance of the timing of the season and the weather, as well as some players were lost years ago when the top players were part of the tournament, however the players are now returning. Ms. Kimura expressed that she wishes the tournament could be 2 weeks earlier because it is at the peak of the year. Mr. Talwar expressed that they do not have the ability to change the dates of the tournament. Mr. Monahan stated that they would really like the location if the tour was a week later, because it would be further from the New Year’s holiday, and because this is the last year of the contract, there is an opportunity to negotiate now.

Mr. Rafter asked whether there has ever been an attempt to win the US Open. He mentioned this would drive a lot of awareness to Hawai‘i during peak golf season although it is most likely very expensive. Mr. Monahan stated that he does not know if they have ever tried to win it, but it is a large number, and that they would be dealing with the US Golf Association. He said they rotate through 10-12 courses, and it depends on huge crowds. Mr. Talwar stated that they do not have the funding. Mr. De Fries stated that if there was no funding to the events they would be lost. Mr. Monahan and Mr. De Fries agreed that Mark Rolfing is a major asset. Mr. Monahan stated that they are not a major sponsor therefore the tournaments could be lost without ‘skin in the game’ and that you depend on the tour to provide the sponsors. Mr. Ka‘anā’anā stated that the contract was a sole source contract, and they no longer have the ability, but that next year is ‘a whole new ballgame’.

Mr. Regan asked a question on Richard Onishi’s behalf: Would it be possible for you to enquire with the PGDA about looking at helping us add some additional focus to golfing in Hawai‘i. Mr. Ka‘anā’anā stated that procurement rules complicate this and includes how they engage the PGDA to help them add focus to golfing in Hawai‘i, how the procurement is structured and what is being procured, and therefore it is uncertain at the moment.
Chair Chun responded on Mr. Onishi’s behalf stating that he does not think the sole source contract is doable. Mr. Ka’anā’anā agreed and said the better strategy is to make recommendations to the board, build travel demand to the Hawai’i and be responsive to the community, as well as take a closer look at major sporting events the same way in terms of a procurement strategy. He also stated that the source of funding is the ARPA funds because they are from FY2022.

Mr. Rafter stated that he knows of the awareness created for the sports events and that Hawai’i is aiming low in having only two or three tournaments as the US Open has been held in less attractive destinations such as Tacoma. Mr. De Fries thanked Mr. Rafter for raising that point. Mr. Monahan stated that the funding arm and the tourism arm of those governments are very different. Mr. De Fries stated that they should enquire about it.

Chair Chun invited the public to provide testimony, and there was none. He asked for a motion to recommend approval of the final year funding of the CY2022 events and activities to the full HTA Board. Mr. Kam made a motion which was seconded by Mr. Rafter. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

5. Presentation on 2021 Activities Related to HTA’s Cruise Consultant and Recommendation to Approve FY22 Funds to Support CY22 Activities to the full HTA Board

Chair Chun recognized Mr. Ka’anā’anā, Chief Brand Officer, to provide an overview. Mr. Ka’anā’anā stated that him and Mr. Regan have had numerous meetings with the Department of Transport, HiEMA, and that other key stakeholders had taken place in the negotiating the State’s MOA with Carnival. He noted that they have seen progress and are aware that cruise is an important part of the market and are therefore trying to lay a foundation. He said that one of the key pieces of this foundation is the work that Ms. McKee has been doing with the various cruise operators, on behalf of the Hawaiian Islands, and that the work that she has been doing even throughout the pandemic will be presented today. He stated that looking ahead they have included requests that are larger than last year’s funding year over year and the request this year is $100,000 which will include a major FAM trip, an important strategic choice, to kick off the restart of the cruise market for Hawai’i partly because there has been a lot of change, turnover, and new faces.

Mr. Ka’anā’anā recognized Ms. McKee, Access Cruise employee, to provide more information. Ms. McKee provided a presentation on the activities she has been working on for the current year and the following year. She stated that they are presently in the middle of the largest event that takes place every year, Miami Sea Trade Global, where discussions around the restart of cruise have been taking place. She reported that cruise lines are eager to get to Hawai’i and that the demand for Hawai’i is strong.

Ms. McKee began her presentation by stating that there has been some negative press regarding cruises since the pandemic. She also mentioned that the overall benefits of cruise
are strong, such as sampling (many cruisers are first timers to Hawai’i, therefore cruise provides an introduction to Hawai’i through sampling, resulting in many visitors selecting their favorite locations and returning thereafter); sustainability (sustainability is one of the highest priorities, and there is a natural sustainability built into cruise through the existing infrastructure that Hawai’i has on each of the islands, limiting the growth capacity of cruise); promotion and ambassadors (cruise lines spend large amounts of money on promoting Hawai’i); small footprint (cruisers are limited, often by time, on what they can do, and traditionally 30-80% of cruise passengers take an organized ship tour resulting in them visiting only those places that are effectively approved for visitors by the Hawai’i community); primarily shoulder season (the high season for cruise lines in Hawai’i is in the shoulder seasons, other than Norwegian cruise lines, which are all year round, during April and May, then again in September, October and the beginning of November. This is when tourism is lower on the island. Therefore, hotels are not full and tour operators are looking to boost their numbers); education (cruise lines, particularly international cruise lines and especially premium brands such as Princess, Holland America, Disney and Celebrity work hard to educate their guests on the Hawaiian culture through their programs); supporting the local community (cruise lines support the locals, the entrepreneurs and the business owners through contribution to their income and the hiring of local talent to provide services) and distribution (many of the visitors to Hawai’i go to Oahu, but cruise lines distribute guests more evenly among the major Hawaiian Islands).

Ms. McKee stated that over the last year there have been many changes due to Covid. However, conferences, including conferences for Seatrade and CLIA (Cruise Line International Association), have continued and most of the activities have been virtual. She stated that in the past, Access Cruise shared newsletters to both the cruise lines and the local community, and during the time of Covid, due to the frequency of new information and the importance of keeping the lines of communication open, newsletters were put out every week alerting everyone to what was happening in cruise, such as where people were sailing again, and what protocols were put in place. She said that meetings with individual cruise lines continued virtually during Covid, and the first in-person conference this last year took place in Miami, with a return to service at the port of Miami in which all the major cruise lines attended at the highest levels to talk about what they are doing in order to get back to the high seas. She stated that this week is the first in-person conference with Seatrade Global Miami happening in Miami. It is lightly attended but there have been very robust conversations taking place especially with Carnival Group who is eager to return, and this includes Princess, Holland America, and Disney.

Ms. McKee then referred to the target markets, where focus has been placed, and acknowledged that the Norwegian Cruise Line is the largest player in Hawai’i, at around 42% of the marketplace (cruise capacity to the Hawaiian Islands) and forms part of the Contemporary Brands. She stated that the brands (markets) are broken down into Contemporary Brands which is more of a mass market, Premium Brands which are more
upscale, and the Luxury and Niche Market Brands. She stated that Norwegian falls into the Contemporary Brands along with Royal Caribbean, Carnival Cruise Line, MSC Cruises and in total these brands take up about 60% of the capacity that enters Hawai’i today. She stated that the real focus has been on expanding on the Premium Brands that are coming into Hawai’i as they fit what Hawai’i is looking for, and to bring in upscale, educated guests to the Hawaiian markets. She mentioned that cruise lines are big on the education of guests in the cultural program, which is very important, and therefore focus has been placed on attracting the premium and luxury brands. She reported that the Luxury Brands are usually smaller ships passing through on their world cruises and do not come as frequently, and therefore only provide for about 3% capacity, but they have a very high dollar spend, higher than the Premium Brands.

Ms. McKee acknowledged the cruise initiatives and the importance of communicating with both the cruise lines and local stakeholders that rely on the cruise businesses. She stated that a Cruise Committee was formed in order to bring together the HTA, DOT, DLNR and CLIA to have meetings around the paying points and opportunities in the cruise industry. This information is then shared to the larger group of stakeholders, including the tour operators and the port agents in order to continue to elevate the experience of the cruise guests. She said that Cruise Newsletters are distributed quarterly and targeted at cruise line executives, and a cruise-centric platform, called Zielia, features information relevant to cruise lines for each port including port details, attractions, and relevant distances.

Ms. McKee stated that the Communication Plan is multi-faceted, including in-office or virtual visits at least once a year, as well as tradeshows and events that are very important in communicating with the cruise lines on a regular basis. Newsletters are distributed quarterly to keep cruise lines updated on Access Cruise initiatives within Hawai’i. Weekly personal outreach calls are also made to different individuals in different departments to maintain constant communication between cruise lines and the local stakeholders within Hawai’i. This is for various reasons, whether it be that they are putting a marketing plan together, or if information is needed, or them asking what the market is looking like for 2023-2023, as they are usually planning 1-3 years in advance. She also mentioned that there is constant communication with the local stakeholders, the tour operators, as well as the port agents to understand what the needs are when the cruise lines come in, or maybe her sharing information that the cruise lines have shared regarding their needs.

Ms. McKee noted that next year everyone will start meeting in person. She also mentioned that due to Covid there is additional money that has been incorporated for travel next year. She stated that this was eliminated during Covid. With regards to the 2021-2022 there is a proposed timeline of activities and events. There is a Cruise Conference with a cruise taking place, which is important in order to understand the protocols that will be in place, as well as a CLIA Summit in December that is important for understanding the regulatory issues. She stated that the schedule of activities and travel is very robust as they like to meet with every
cruise line each year and would like to do all the US activities in person, as it is more meaningful. The European activities, however, will be done virtually. She stated that a Hawai‘i Visit and Fam Trip have been included for some of the more impactful customers in cruise. This is important to create ambassadors for Hawai‘i. She mentioned that having 3 Fam trips over the years and having those champions within each of the cruise lines was so important in ensuring that information is flowing and that there is support for the Hawai‘i cruise industry, as during the Kilauea volcano, they were able to keep the ships coming in, despite what was happening when the hotels were down. She mentioned this was because of the relationships they had built with the cruise lines. She stated the Cruise Stakeholder Calls will be reinstated as they get closer to having a port agreement with Carnival Corporation so that everyone is on the same page. A communication plan can be put together, not only to local stakeholders, but to the community. She stated that the weekly updates will continue with regards to what is happening in the cruise industry and will eventually return to a monthly and quarterly newsletter.

Ms. McKee spoke about the 2021-2022 proposed budget allocation and noted that additional funding is asked for travel and a Fam trip as there was no travel last year which led to the boosting in the funding now.

Chair Chun thanked Ms. McKee for the overview and opened to members for any questions. Ms. Kimura stated that although she is sure that the industry has changed a lot since, roughly 10 years ago when the NCL had 3 ships going around Hawai‘i, HTA spent about $2 million to do a cruise ship survey, and at that time the cruise benefits everywhere in Hawai‘i, except for Maui and the Moloka‘i community, gathered to refuse the cruise ships. She mentioned that she is sure the community sentiment in Moloka‘i is still the same. She stated that the retailers said that the cruise ship passengers occupy the stores and don’t spend anything, and the spenders don’t go in because the cruise ship passengers are in the stores. She said that the cruise ship passengers don’t stay in hotels or go to the restaurants, so the result of the survey was that the economic benefit to Maui was a negative impact, but everyone else benefited economically. Ms. McKee responded by emphasizing that they are very sensitive to what the local community wants when it comes to cruise, and she understands and communicates with the cruise liners that Moloka‘i is not an opportunity for the cruise ships to go to. She stated that over the years she worked closely with the Lanai community in getting their approval to bring a small cruise vessel to Lanai and that the community was very pleased with the vessel but also very specific about what they want.

Ms. Menor-McNamara asked Ms. McKee about the demographic of visitors and moving forward, since the disruptions resulting from Covid, what contingency plan is in place and whether there have been discussions around how to connect with local businesses. Ms. McKee responded stating that the visitors on the cruise ships are dependent on the brand, which is part of the target market strategy, but what they are seeking is the premium and luxury guest that has the higher spend and going on shore excursions while still contained.
She mentioned that in many cases if they are embarking and debarking in Honolulu there is the opportunity to capture them into the hotels. She further stated that some of the cruise lines offer overnight programs, especially the luxury brands that put together luaus as part of the cultural experience. She emphasized that she has been working with luxury brands, including new luxury brands that are very excited to come in and bring their passengers. She said they are all about the Malama Hawai‘i Program and they are trying to put special cooperative marketing together on what they can do to elevate, and to get their passengers involved in giving back to the community, but she mentioned it is brand specific.

Ms. Menor-McNamara restated her question regarding the contingency plan in place due to the impact of Covid. Ms. McKee stated that, in her opinion, there is no safer place than a cruise ship at this point in time during Covid due to the following: the ships are only operating at 50% capacity at this point in time; they have inserted HVAC systems so there are high filtration systems that are on airlines; people are not sitting next to each other; in some cases, for example, with the Norwegian cruise liners everybody must be vaccinated, everyone is tested before they are on the ship, and then they are tested while on the ship, and tested again before they get off the ship. She stated that when she recently went to Greece and sailed, she was tested 5 times in 12 days and when she went to the cruise conference, she was tested 5 times in 4 days. She emphasized that the cruise industry is all about testing, vaccinations, protocols, and cleanliness, and that it always has been because they used to call the norovirus, the cruise ship virus, which is just a fast-spreading stomach virus. She stated that the protocols and contingencies around cleanliness on the cruise ships have just been increased by the filtration systems, quarantine centers, testing centers and expansion of medical facilities. She said that the cruise ships have agreements with each port that states exactly what must be done and requires the cruise liner to have a relationship with a local hospital, the quarantine hotel, and a transportation provider. She noted that, although this is different to Hawai‘i, Michael Bayley, the president of Royal Caribbean stated that they have not disembarked a single passenger in all this time, and that they have contained any Covid cases on board and disembarked passengers at their home port. She further stated that in her communications with the cruise liners this week, she advised them that they should allow the press and some of the local community onboard to see and be made aware of the protocols in place, as they will be impressed.

Ms. Menor-McNamara and Ms. McKee agreed that communication is critical in ensuring health and safety protocols are adhered to and are of the utmost importance on cruise ships.

Mr. Ka‘anā‘anā added that there is active work with the stakeholders around ensuring safe travels, similar to air travel, are set up around cruise arrivals. He then stated that pre-pandemic, 2019, per person spending was $240 per day for cruise travelers, which is a good spend, and the assured activities and experiences are group-led which is an important part of the strategy.
Ms. Menor-McNamara asked how the cruise industry is connected to the local businesses. Ms. McKee responded by stating that one of the focuses of her job is connecting the local community, working through local stakeholders, the Polyads, the Roberts, Denise Clark, a Hawai‘i tour gentleman among others, ensuring the attractions, including the restaurants, are all aware of what is happening. She reiterated that it’s important to keep everyone updated through communication as the local stakeholders promote all the information to keep everyone educated on what’s happening.

Chair Chun asked if there are any other questions from the members. Mr. Atkins asked Ms. McKee, out of the total cruise liners that come into Hawai‘i, what percentage does Norwegian cruise liners make up. Ms. McKee answered that the total percentage is around 42% Norwegian, for the Pride of America. Mr. Atkins mentioned the fact that the passengers stay in Honolulu and Maui doesn’t get the benefits as much as the outer islands, but he said there is good revenue that comes in from them coming there to get on board. He mentioned that he should do a disclaimer because he does quite a bit of business while the cruise ships are there. He also stated that he agreed with Ms. Kimura with regards to most of the retail, not seeing a lot of spending as they’re not going out in cars like normal visitors. He also mentioned that with regards to retail, the passengers do not have sufficient time to shop at the local stores and recommended possibly amending the itineraries to allow for more time to buy Hawai‘i products.

Chair Chun thanked Mr. Atkins for his input and asked the members if there are any other questions.

Ms. Kimura gave the opinion that it is the art gallery that does not like the cruise passengers because when they have time, they go into the store to look at the artwork, but do not buy anything, so they buyers hesitate to go into the store because it is crowded.

Chair Chun acknowledge cruise as an important part of the tourism industry and asked if the presentation will be done at the full board meeting tomorrow. Mr. Ka’anā’anā stated that those present in the meeting will make their recommendation and the presentation will be part of the packet for the full board meeting, but it was not their intention to present twice.

Chair Chun asked for a motion to recommend approval of FY2022 funds to support CY2022 activities of the Cruise Consultant. Mr. Kam made a motion, which was seconded by Mr. Atkins. Chair Chun invited the public to provide testimony, and there was none. There were discussions of the amount that is being approved. Mr. Atkins gave his opinion on the importance and benefits of the Fam trip and getting information on protocols out to the general public in advance and reiterating that 100% of the people that go on the cruises will be vaccinated, is very important. Chair Chun agreed. Mr. De Fries commended Ms. McKee on her interaction with the port authorities as they have appreciated her knowledge and professionalism. Ms. McKee thanked Mr. De Fries. Chair Chun acknowledged the benefits of
the Cruise Committee in making sure the groups stay coordinated. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

6. Adjournment:

The meeting adjourned at 4:32 p.m.

Respectfully submitted,

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Sheillane P. Reyes
Recorder