



**HĀLĀWAI PAPA ALAKA'Ī KŪMAU
KE'ENA KULEANA HO'OKIPA O HAWAII'**

**HĀLĀWAI KINO A KIKOHO'E
HYBRID MEETING**

**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY**

Pō'ahā, 18 Nowemapa 2021, 9:30 a.m.
Thursday, November 18, 2021 at 9:30 a.m.

Kikowaena Hālāwai O Hawaii'
Papahēle 'Ehā | Lumi Nui C
1801 Alaākea Kalākaua
Honolulu, Hawaii' 96815

Hawaii Convention Center
Fourth Floor | Ballroom C
1801 Kalākaua Avenue
Honolulu, Hawaii' 96815

'O ka ho'opakele i ke ola o ka lehulehu ka makakoho nui. E malū ana ke ke'ena i ke kuhikuhina a nā loea no ke kū kōwā, ka uhi maka, me nā koina pili olakino 'ē a'e. Koi 'ia ke komo i ka uhi maka a me ke kū kōwā ma nā ke'ena a ma nā hālāwai.

Koi 'ia ka hō'ōia i kou olakino maika'i ma mua o ke komo i ke Kikowaena Hālāwai O Hawaii' ma ka 'īpuka o waena o ka hale ho'okū ka'a. E pāpā 'ia ke komo 'ana o ke kanaka nona ka piwa ma luna a'e o ka 100.4°F. Inā 'ōma'ima'i 'oe, e 'olu'olu, e 'imi i ke kauka nāna e kōkua iā 'oe.

No nā kānaka a pau e komo ana i kēia hale, koi 'ia ka hō'ike 'ana i ke kāleka lā'au ko'oko'o a i 'ole ka hō'ike COVID-19 'ole i loko o nā lā 'ehiku ma mua pono o ke komo.

The safety of the public is of the utmost importance. Pursuant to expert guidance, HTA will be following strict physical distancing, facial coverings, and other health-related requirements. Face coverings and physical distancing are required in HTA offices and meetings.

Entrance to the Hawaii Convention Center requires a health screening at the center parking garage entrance. Persons with a temperature of over 100.4°F will be denied entry.

Anyone entering this facility are required to provide proof of vaccination or proof of a negative COVID-19 test result within the past 72 hours before entering our facility.

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Ma hope o ke kāinoa 'ana, e ho'ouna 'ia ka leka uila hō'ōia iā 'oe me ka 'ikepili ho'oku'i hālāwai.
After registering, you will receive a confirmation email containing information about joining the webinar.



Papa Kumumana'o
AGENDA

1. *Ho'omaka*
Call to Order
2. *Wehena*
Opening Cultural Protocol
3. *'Āpono I Ka Mo'o'olelo Hālāwai*
Approval of Minutes of the October 28, 2021 Board Meeting
4. *Hō'ike Lālā*
Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c)
5. *Hō'ike, Kūkākūkā A Ho'oholo No Nā Mo'okālā*
Presentation, Discussion and Action on HTA's Financial Report for October 2021
6. *Hō'ike A Ka Luna Ho'okele*
Report of the Chief Executive Officer/Chief Administrative Officer/Chief Brand Officer Relating to Staff's Implementation of HTA's Programs During October 2021
7. *Hō'ike No Ko HTA Ho'okō I Ka Papahana Ho'okele Huliau*
Update on HTA's Implementation of Change Management Plan
8. *Hō'ike 'Ikepili Noi'i 'Oihana Ho'omāka'ika'i*
Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets
9. *Hō'ike A Ka Hui Noi'i Loiloi Mo'okālā*
Report of the *Budgetary Review Investigative Committee* of their Meeting held on November 16, 2021
10. *Kūkākūkā A Ho'oholo No Ka Mo'okālā Makahiki 2022 O Ke Ke'ena Kuleana Ho'okipa Hawai'i*
Discussion and Approval of the Fiscal Year 2022 Budget of the Hawai'i Tourism Authority
11. *Hō'ike A Ke Kōmike Ho'okele Kūmau*
Report by the *Administrative Standing Committee* of their Meeting held on November 4, 2021
12. *Kūkākūkā A Ho'oholo No Nā Kulekele O Ke Ke'ena*
Discussion and Action on Proposed Draft Bylaws



13. *Kūkākūkā A Ho'oholo No Ke Kulekele #100-03*
Discussion and Action on Proposed Draft Code of Conduct
14. *Kūkākūkā A Ho'oholo No Nā Lālā O Nā Kōmike Kūmau*
Discussion and Action on Proposed Committee Assignments for Standing Committees
15. *Kūkākūkā A Ho'oholo No Ka Ho'okumu I Hui No Ke Kau 'Aha'ōlelo 2022*
Discussion and Action on the Creation of a Legislative Permitted Interaction Group for the Purpose of Developing Policy Positions and Legislation for the 2022 Legislative Session
16. *Kūkākūkā A Ho'oholo No Ka Ho'onohonoho Hui 'Aha'ōlelo*
Discussion and Action on the Assignment of Board Members to the Legislative Permitted Interaction Group. This Agenda Item is Dependent on the Approval of the Creation of the Legislative Permitted Interaction Group
17. *Hō'ike A Ke Kōmike Hokona Kūmau*
Report by the *Marketing Standing Committee* of their Meeting held on November 15, 2021
18. *Kūkākūkā A Hō'ike No Ke Kuleana Pāhana Hālāwai A Me Ke Kikowaena Hālāwai*
Discussion and Update on Meetings, Conventions, and Incentives (MCI) Business and Convention Center
19. *Panina*
Closing Cultural Protocol
20. *Ho'oku'u*
Adjournment

*** *'Aha Ho'okō: Ua hiki i ka Papa Alaka'i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawai'i Revised Statutes (HRS) § 92-4. E mālama 'ia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alaka'i kūkā a ho'oholo 'ana i nā nīnūnē a nīnau i pili i ko ka Papa Alaka'i kuleana me ko ka Papa Alaka'i loio. He hālāwai kūhelu kēia i 'ole paulele 'ia ka 'ikepili a i mea ho'i e mālama kūpono ai ko Hawai'i 'ano, he wahi i kipa mau 'ia e nā malihini.*

*** **Executive Session:** The Board may conduct an executive session closed to the public pursuant to Hawai'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to HRS § 92-5 (a) (2), § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) for the purpose of consulting with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities; to consider hiring and evaluation of officers or employees, where consideration of matters affecting privacy will be involved; and to discuss information that must be kept confidential to protect Hawai'i's competitive advantage as a visitor destination.
Ma lalo o ka māhele 531.5 o ka Budgetary Control Accounting Manual, Moku'āina o Hawai'i, he māhele ka 'aina awakea o ka hālāwai. E mau ana ka hālāwai ma loko nō o ka 'ai 'ana, 'a'ole ho'i ia he wā ho'omalolo.



HAWAII TOURISM AUTHORITY

Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
kahua pa'a web hawaiiitourismauthority.org

David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

Pursuant to Section 531.5, of the Budgetary Control Accounting Manual, State of Hawaii, lunch is served as an integral part of the meeting, while the meeting continues in session, and not during a break.

Kono 'ia ka lehulehu e komo mai i ka hālāwai a ho'ouna mai i ka 'ōlelo hō'ike kākau 'ia no kēlā me kēia kumuhana i helu 'ia ma ka papa kumumana'o. Hiki ke ho'ouna mai i nā 'ōlelo hō'ike kākau 'ia ma mua o ka hālāwai iā carole@gohta.net a i 'ole ma o ke kelepa'i. Inā pono ke kōkua ma muli o kekahi kīnānā, e ho'omaopopo aku iā Carole Hagihara (973-2289 a i 'ole carole@gohta.net), he 'ekolu lā ma mua o ka hālāwai ka lohi loa.

Members of the public are invited to register to attend the public meeting and provide written testimony on any agenda item. Written testimony may also be provided by submitting the testimony prior to the meeting by email to carole@gohta.net or by facsimile transmission. Any person requiring an auxiliary aid/service or other accommodation due to a disability, please contact Carole Hagihara (973-2289 or carole@gohta.net) no later than 3 days prior to the meeting so arrangements can be made.

3

Approval of Minutes of the October 28, 2021
Board Meeting



**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, October 28, 2021, at 9:31 a.m.**

**In-Person and Virtual Meeting
Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815**

MINUTES OF REGULAR BOARD MEETING

MEMBERS PRESENT:

George Kam (Chair), David Arakawa, Kimi Yuen, Micah Alameda, Fred Atkins, Dylan Ching, Daniel Chun, Keone Downing, Kyoko Kimura, Sherry Menor-McNamara, Sig Zane, Ben Rafter

MEMBER NOT PRESENT:

HTA STAFF PRESENT:

John De Fries, Keith Regan, Kalani Ka'anā'anā, Caroline Anderson, Carole Hagihara, Iwalani Kaho'ohanohano, Todd Toguchi, Maka Casson-Fisher,

GUESTS:

Jennifer Chun, Charlene Chan, John Reyes, Erin Khan, John Monahan, Jay Talwar, Nathan Kam, Jessica Lani Rich, Eric Takahata

LEGAL COUNSEL:

Gregg Kinkley

1. Call to Order

Mr. Regan, HTA Chief Administrative Officer, called the meeting to order at 9:31 a.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.

2. Opening Cultural Protocol

Mr. Casson-Fisher opened the meeting with a pule that calls upon the responsibilities of the aumākua of this season.

3. Approval of Minutes of the September 30, 2021, Board Meeting

Chair Kam requested a motion to approve the noted changes from \$464 million to \$64 million in the minutes of the September 30th, 2021, board meeting. The motion was seconded by Ms. Yuen. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

4. Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Under HRS section 92-2.5(c)

Chair Kam requested a motion. The motion was seconded by Mr. Ching. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

5. Presentation, Discussion and Action on HTA's Financial Report for September 2021

Mr. Regan thanked the finance team. He mentioned that moving forward, the use of the American rescue plan act funds, the ARPA monies, that a significant amount of time and resources will be dedicated to monitoring reporting on the expenditure of those funds.

Mr. Toguchi reported that as of September 30th, there is \$64.3 million in cash and investments, which represents a \$3.1 million decrease from the August financials. \$5 million is reserved as the Emergency Fund. Approximately \$56.6 million is encumbered to contracts. \$2.7 million remaining is unencumbered. He noted that the Tourism Special Fund is set to sunset on January 1st, 2022, upon which all unencumbered funds will be remitted to the State's General Fund and the \$5 million Emergency Fund will remain as HTA's reserve. He reported that the Board has approved approximately \$35 million for the Tourism Federal Fund, of which \$3.2 million has been encumbered for payroll. He spoke about a table in the Executive Summary that shows the four levels of approval that are required to expend funds and the status at each level.

He reported that the Convention Center Enterprise Special Fund has \$47.7 million in cash, which is an \$11 million increase from August due to the \$11 million in TAT that was received. \$35.9 million is encumbered toward contracts and the remaining \$11.8 million of unencumbered funds will include future deposits of Convention Center revenue. He reported that at the beginning of the fiscal year the CCESF had reserves of \$870,000 which they anticipate increasing to about \$16.8 million by the end of the fiscal year.

Ms. Kimura asked if, in the 2022 budget breakdown, they could breakdown the 85% branding to four pillars.

Mr. Toguchi stated that they have \$8.6 million approved by the Board so far that includes \$100,000 of cruise consulting costs, \$22.5 million dedicated for the U.S. major market area RFP, \$4.5 million related to MCI, and about \$1.5 million remaining for support costs.

Mr. Ka'anā'anā stated that most of the support for Hawaiian culture, natural resources and community had already been funded out of the FY 2021 budget and the allocation is in branding for the 2022 budget because the majority is the U.S. MMA RFP at \$22.5 million.

Chair Kam asked for a motion to approve the September budget.

Mr. Arakawa made a motion, and it was seconded by Ms. Yuen. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

6. Report of the Chief Executive Officer/Chief Administrative Officer/Chief Brand Officer Relating to Staff's Implementation of HTA's Programs During September 2021

Mr. De Fries reported that the Public Affairs Officer, Mr. Gionson, will start on November 1st, 2021 and gave background information on his career to date. He spoke about a three-day visit to Maui with the Senate Ways and Means Committee and the creation of a tourism working group within HBR headed by Bob Harrison.

Mr. Regan reported that Ms. Ariana Kwan has accepted a job within DBEDT and will be leaving on Friday and he recognized her as a valuable asset to the organization. He reported that a lot of focus has been placed on human resource related activities throughout the month of September for the change management plan.

Mr. Ka'anā'anā introduced two new staff to the brand team, Todd Toguchi, the new Administrative Assistant and Iwalani Ku'ali'i Kaho'ohanohano, the new Senior Brand Manager.

7. Discussion Related to 1). DLNR Reservation System; 2). Senate Ways and Means (WAM) Committee in Maui Meeting (October 18, 2021); 3a). Hospitality Industry Update – Kaua'i County (October 20, 2021); 3b). Hospitality Industry Update – City and County of Honolulu (October 25, 2021); 4). HTA Advisory Group Initial Meeting (October 29, 2021); 5). UHERO Blog Post Entitled (October 13, 2021) *"Hawaii Needs to Focus on Good Governance in Managing Tourism"*

Mr. De Fries spoke about the webinar that took place at the Convention Center on October 1st, 2021. He stated that it would help people gain knowledge on the use of federal funds and how it will affect HTA moving forward, the DMAP programs in each of the counties and

brand marketing plans. He stated that the feedback from the webinar is coming from the airline industry senior executives, hotel marketing senior executives, communities, heads of neighborhood boards and native Hawaiian organization, indicating how the community and the industry work together as a seamless system.

On the topic of the importance of educating visitors Mr. Ka'anā'anā reported that visitors were aware of tourism activities, 92%, and aware of local government mandates, 98%.

He spoke about opening restaurant capacity and other attractions to vaccinated guests and modifying the safe travels program to align with the new federal guidance.

Mr. De Fries mentioned that the mayor made an announcement regarding the lifting of restrictions that there is a 71% vaccination rate as well as vaccinations for children becoming available.

Mr. Ching mentioned that restaurants were at a point where they were at 100% capacity, but six-foot distancing, which in essence is 50% capacity and that the lifting of restrictions is good news for the industries it applies to. He mentioned how safe access, protocols and vaccinations have helped contain the coronavirus and that circumstances are improving.

Mr. Atkins mentioned that, whether 75% or 100% capacity is allowed for the restaurants, it's not going to happen overnight because of the labor shortage, staff needs to be brought in and trained, which he hopes is taken into consideration.

Mr. Alameda complimented the upgrades to the airport.

Mr. Atkins spoke about his encouragement towards the CEO taking time for meetings regarding the legislature.

Mr. De Fries spoke on the various meetings regarding the legislature, specifically the trip to Maui where the strategic plan regarding the DMAP's was spoken about and collaboration among departments was emphasized on day one. He noted that he believes they are succeeding with the actionable items because every one of the mayors has taken ownership of DMAPS and made it a priority.

He mentioned that on the evening of day one they went through the Maui technology part where emphasis was placed on the diversification of the economy and the technology sector and the importance of the presence of the supercomputer.

He reported that they were briefed by the air force and then we went into the Pacific Disaster Center where they begin to understand how important that center is and how

important it is to have that kind of advanced warning system for the safety and security of their own residents as well as a visitor population.

He stated that the next morning they had to watch a film called The Wisdom of Trauma on their way to Hana where there was a panel that presented on alternative learning pathways that have been designed and implemented within the Department of Education. He mentioned that they visited farms and value-added agricultural products and HTA was called upon to find ways in which to help the local farmers move products both locally and globally through their systems. He emphasized the importance of sensitivity towards the community with regards to tourism.

Ms. Kimura spoke about the fact that Maui has the greatest number of vacation rentals, approximately 9,000, and that there is a need to eliminate the illegal ones.

Mr. Ka'anā'anā stated that marketing funds go beyond paid media, marketing is about educating the travel agents and wholesalers and all the other people that are involved in the industry that become extensions of HTA and help to educate visitors before they arrive.

Mr. De Fries asked Mr. Ka'anā'anā to give an update on the field and reservation system.

Mr. Ka'anā'anā stated that at the meeting on October 15th with DLNR and members of the Senate, DLNR identified 10 parks that they felt were appropriate for a reservation system, and what HTA would build on their end is something similar to a channel manager that connects to the existing systems of other partners, so they could provide a platform for educating visitors on the branding content, safety information and natural and cultural history background of the sites all them in one central unified place.

He stated that he would be presenting to TIG group on Maui on Friday to discuss a parks reservation system for their country parks.

Mr. Regan reported that a total of 55 people attended the hospitality industry update meeting on 20 October where the mayor shared a lot of insight in terms of his support for the visitor industry as well as his desire to protect the community as part of that process. He stated that on the 25 October they had a meeting with Mayor Blangiardi where 122 individuals attend, and he was able to provide some insight as to his announcement.

He spoke about the statute with regards to the development or the creation of an Advisory Group that may be created by the Hawai'i Tourism Authority. He said they reached out to those listed in the statute and the first meeting is going to be going to be held on 29 October from 2:30 to 3:30. He stated that it will to be an opportunity for them to share with

those directors a high-level overview of their strategic plan including the six Destination Management Action Plans. He reported that the goal is to establish whether synergies can exist and to ensure that they design a framework that will allow them to address and implement the over 150 actions and sub actions that are contained within the Destination Management Action Plans.

Ms. Kimura stated that during the one meeting the idea of reestablishing the tourism liaison at a state cabinet level came up and the mayor was in support of it, but they had not said anything.

Mr. Chun commented on the Advisory Council or Committee bringing together different people within state governments and then having HTA sort of be the convener because that's what they are, and the cabinet level tourism liaison position was.

Mr. De Fries spoke about the blog post entitled ‘Hawai’i needs to focus on Developing Good Governance in Managing Tourism’ that received coverage in media, and he mentioned that yesterday they had a chance to meet. He stated that the concern that was expressed is having another layer of governance and that the staff currently enjoys a governance structure that is accountable to the 12 board members that all went through Senate confirmation.

Mr. Arakawa stated that the key message that he took away from the meeting was that they were looking for a model to ensure that this type of governance and working together with departments is part of the law or part of legal authority so that what they are doing right now continues.

Mr. Ka’anā’anā stated that they feel there needs to be a longer framework for institutionalizing the governance model moving forward. He mentioned that he challenged the fact that there was no governance model.

Mr. Regan mentioned that, rather than create this additional layer of bureaucracy, instead enhance and strengthen 201B because it is a very effective statute.

8. Update on HTA’s Implementation of Change Management Plan

Mr. De Fries highlighted that Governor AGA, on September 21, signed off on the use of the article budget so Mr. Regan and his team have been working with Budget and Finance to submit the necessary forms to begin encumbering and expending the funds.

He reported that for a total of 14 out of 25 positions requiring varying degrees of redistribution in their job positions, realignments have been completed and recruiting is ongoing and that a review and revision of policies and procedures is in motion.

9. Presentation, Discussion and Action on Draft Revised Bylaws of the Hawai'i Tourism Authority

Mr. Arakawa asked to make a motion to send both new versions of the Code of Conduct to the administration committee and vote on them in the next meeting.

Chair Kam stated that they have been working on revising the bylaws and they think it best to refer it back to the administrative committee to get it finalized and then presented to the members.

He stated that what Mr. Arakawa is recommending is they vote on item number 9 and 10 and the revised committee assignments at the next board meeting, he asked for a motion.

Chair Kam requested a motion. The motion was seconded by Mr. Alameda. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

10. Presentation, Discussion and Action on Draft Policy #100-03 Code of Conduct Policy

Mr. Arakawa motioned that this item is given to the administrative committee for revision to be updated and approved at the next board meeting.

11. Presentation of Hawai'i Tourism Authority's Visitor Satisfaction & Activity Report (VSAT) Special COVID Survey

Ms. Chun stated that this is the fourth round of this COVID study, and it is the last one for the contract. She handed over to Mr. Pettinger from anthology research group to do the presentation.

Mr. Pettinger handed over to Ms. Ankersmit to start with an introduction and methodology for how the study was conducted.

Ms. Ankersmit stated that the survey conducted from October 14th to October 20th and all of the respondents in the study were in Hawai'i from October 1st to October 5th, 2021. She reported that they completed 263 surveys from the U.S. West and 262 from the U.S. East and when looking at the total overall the margin is a little over 4%, which means there is a 95% level of confidence that the results wouldn't change by more than about 4%.

Mr. Pettinger stated that the arrival experience started with testing protocols. He reported that the first question asked was did visitors who are not fully vaccinated understand that protocols were in place and required, the result of which was 9% said that they were not aware.

He reported that about 1 in 7 visitors, 14% from the U.S. West and 13% from the U.S. East expressed some level of difficulty during the pretesting process, whether that was getting a test, reporting on the test or something else.

He stated that many of the comments related to the Safe Travels website were about issues with reporting for dependence children, especially issues with directions and understanding the process overall and interacting with the website and then just various technology issues with getting logged out.

He reported that 15% mentioned the airport, COVID screening or doing the testing at the airport and some of the challenges that they had there and there were other comments about the window of 72 hours for test results being unreasonable or difficulty finding trusted partners.

He reported that 92% were aware before coming to Hawai'i that there would be some limitations in areas including restaurants, bars, gyms, and other attractions which is important because it directly impacts their level of satisfaction and their ability to do what they expected to do coming to the State.

He stated that almost everyone coming to Hawai'i in October was aware that there are government mandates for social distancing, masks wearing and other things.

70% said that they would not have changed anything about postponing their trip or otherwise rescheduling but 30% of 44 people said they would have.

Ms. Ankersmit reported that satisfaction has remained relatively stable over the course of this whole year with just a minor dip in, 80% to 76% and that they had a few people complaining about the capacity available at the restaurants and attractions.

Ms. Ankersmit stated that, looking at the comparison of before the pandemic and now, U.S. West in 2019 had 9,990 people compared to 263 now and the U.S. West and East have gone down 9%.

She stated that in June they had only 64% who said they were very likely to recommend a trip to Hawai'i in the next six months, whereas now it went back up to 74%.

Mr. Pettinger stated a full 90% of visitors would recommend visiting Hawaii in the next six months.

Ms. Ankersmit stated that 8.0 would be a perfect score and most people gave somewhere between a 6 and 8.

Mr. Pettinger reported that about 60% of the respondents identified as repeat visitors that they'd come to Hawai'i before. 13% said that this trip was a lot more enjoyable than their pre pandemic trip, 18% said somewhat more enjoyable so a little over 30% say that it was a little more enjoyable this time, 32% said that there was no difference between the two trips and 38% of visitors identifying somewhat less or much less enjoyable in comparison to their pre pandemic visit. He said there was a 14% difference in overall satisfaction between the two trips with 81% now being satisfied with their current trip, which are excellent scores, 40% of visitors said this current trip exceeded their expectations, mainly visitors under 35- and first-time visitors, for 50%, it met their expectations, and about 9% said that they left disappointed. He stated that 90% of visitors did all or most of the things that they had planned to do, only 2% said that they were not able to do any of their planned activities. He stated that these results were largely due to restrictions and limitations due to covid.

He reported that 70% said they will visit Hawai'i again regardless of COVID, 18% say that they would visit again when the pandemic is over and the COVID related mandates and restrictions are removed, 8% say that they just have no plans to return to Hawai'i ever again, primarily visitors from U.S. East who have a long distance to travel.

Ms. Ankersmit stated that 1 in 5 said that Hawai'i's relatively low rate of COVID infections was a factor in choosing to come for another quarter and 35% said it had no bearing whatsoever. She reported that nearly everybody was fully vaccinated, only 5% will not get vaccinated. She said for 2 out of 3 the vaccination status had no impact on their trip planning, but another third did wait until the vaccine exemption was in place before they came.

She reported that, of 96 people, over 90% found information on COVID-19 guidelines on the Safe Travels website and 1 in 5 said they had issues with the website, 8 out of 10 said they had no problems, 40% said it was confusing.

Mr. Arakawa reported that 61% of the visitors who responded to the survey indicated business and not their first visit to the islands, 39% said it was their first visit.

Mr. Ka'anā'anā stated that they are seeing a lot more first-time visitors, a year to date it's up 5.7% and in September it was up 34.3%.

12. Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets

Ms. Chun reported that, looking at September compared to 2019, there is an overall increase in expenditures from the U.S. West and U.S. East, but not necessarily the other markets and per person per day spending is higher across the State.

She said there are decreased visitor arrivals compared to 2019, but tremendously higher than 2020 and with regards to TAT collections \$61.3 million was collected in September of 2021 and FY2022 preliminary collections were \$195.5 million, which is up 1300% over last fiscal year. She stated that they collected \$61.2 million in August of 2019.

She said that occupancy is lower than 2019 levels for hotels and vacation rentals, and people are mostly staying in hotels. She stated that visitors coming in September of 2021 are mostly coming for vacation and listed the most popular points of interest. Ms. Chun reported that overall unemployment for the state was 6.4% in September, accommodations has increased 232% and food service and drinking places have increased 47.6% in terms of jobs. She stated that, looking at travel sentiment, 42% of people are planning a vacation in the U.S., 42% of companies are planning to resume domestic business travel, 82% of people say they are ready to travel and 86% have travel plans within the next six months and cancellations and rebooking of trips is reducing.

Mr. Alameda mentioned a lack of respect to Hawai'i National Volcano Park.

13. Presentation and Discussion on the Fiscal Year 2022 Budget of the Hawai'i Tourism Authority

Mr. Regan mentioned almost \$35 million of the \$60 million has already been approved by the board through interim proposed budgets which leaves approximately \$25 million that they have worked to allocate and to propose as part of the FY2022 budget.

Mr. Ka'anā'anā, Chief Brand Officer, spoke about the high-level budget items.

One of them is a continuation of the Kukulu Ola and Aloha 'Āina Program, which under 201B is a shell and the other amount is for Fest pack, planning continues with the festival to be hosted in June of 2024. He stated that many of the interpretive signs across the state are in disrepair and recommended using QR codes which is included in the natural resources section. He stated that the other one I would call out is the VIP program, the visitor impact

program which helps to measure consumption around water waste and energy at the hotel partners and event partners.

The other one is a new series called the Hawai'i Wahi Pana series which helps to further educate visitors about natural resources and about those who are caring for them.

He stated that most of the sports line item is the PGA commitment that was already approved by the board, as well as \$1.5 million for an RFP for a major sporting event.

He stated that, with regards to community, a lot of the DMAP implementation money has already been encumbered as part of fiscal 2021 funds so they also added some funding pursuant to workforce development as well as a line of about \$500,000 for community product development and capacity building.

He stated that, in branding there is a small business support program as part of this recovery phase and promoting local businesses and tourism related businesses as well as rebranding of the Hawai'i islands.

He stated that there is a line for consulting services for destination management technology services for leveraging technology to make sure they are positioned for the future.

He reported the biggest single line item represents \$10 million to position them to create a digital ecosystem where they can follow that visitor through their entire travel journey and leverage technology to improve the visitor satisfaction and be able to contact and communicate with their visitors.

Ms. Anderson stated that roughly around \$2 million is for activities such as hotspot mitigation, community engagement, meetings, and forum, program evaluation, events evaluation, development of dashboards, tracking of different programs, planning tools, and assessments to help with destination analysis and also to communicate, information to the public, and a new program it's called the community tourism collaborative.

Mr. Regan mentioned that from a safety and security standpoint there are the visitor assistance programs, funding to support crisis, safety and security funding. He stated that, in terms of administrative, governance and organization wide costs, there is payroll, operating funds, leases and board costs.

Mr. Ka'anā'anā emphasized the importance of branding.

Mr. Regan stated that the state has until the end of December 2024 to spend the ARPA monies fully, but they are being told to do their best to spend the \$60 million by June 30th.

14. Closing Cultural Protocol

Mr. Casson-Fisher offered a Pule about spiritual entities or ancestors.

15. Adjournment

Respectfully submitted,



Sheillane Reyes

Recorder

5

Presentation, Discussion and Action on
HTA's Financial Report for October 2021

HAWAII TOURISM AUTHORITY

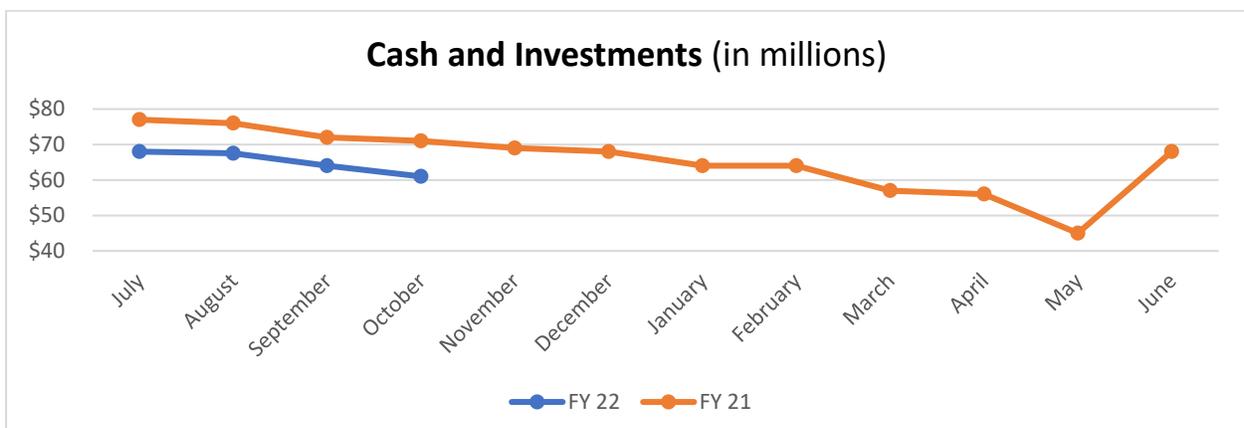
Financial Statements – Executive Summary October 1, 2021 – October 31, 2021

Foreword:

- FY21 Transactions Processed in FY22. As noted in HTA’s June 30, 2021 financial statements, some transactions using FY21 funds that we submitted to DAGS in FY21 were processed by DAGS as FY22 business. It is necessary to include these transactions processed in July 2021 in HTA’s official records for FY22 and accordingly are acknowledging that via a separate Budget Statement included in these financial statements for informational purposes only. However, we have included these transactions in HTA’s unofficial FY21 encumbrance records and we will omit these transactions from our focus in FY22 business discussed in these financial statements. Further detail can also be found in HTA’s June 30, 2021 financial statements.
- New Fund Accounts. With HTA now appropriated Federal ARPA funds in FY 2022, we have added two new sections to the Executive Summary to discuss the Tourism Federal Fund (ARPA) and Convention Center Federal Fund (ARPA).

Tourism Special Fund (TSF):

1. The Tourism Special Fund is set to sunset on January 1, 2022, pursuant to Act 001, 2021 Legislative Special Session, upon which all unencumbered funds will be remitted to the State’s General Fund. The \$5M Emergency Fund will remain with HTA.
2. \$61.2M in cash and investments



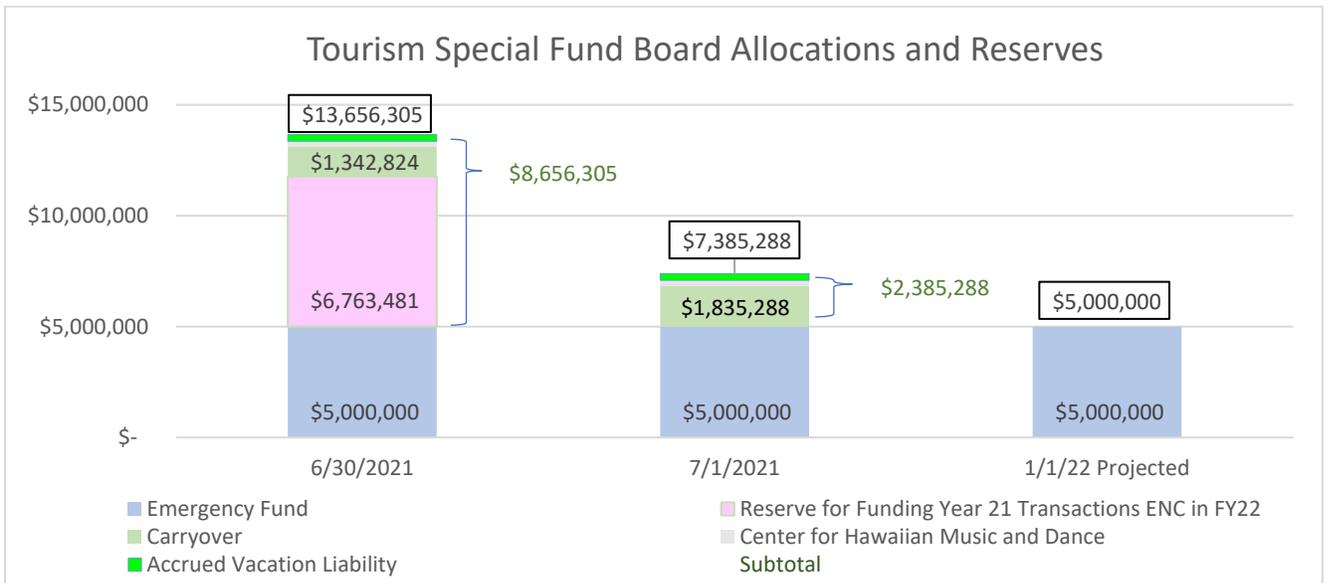
- a. Includes \$5M in Emergency Fund held as investments.
 - i. Approximately \$5.0M held in money market funds
 - ii. Further detail provided in the financial statements (as of September 2021)
- b. Cash decreased by approximately \$3.1M from September 30, 2021 primarily due to disbursements related to operational and program expenditures.
- c. We anticipate the cash balance to decrease to \$0 over time once all encumbered funds are expended, except for the \$5M Emergency Fund.

3. HTA's outstanding encumbrances are summarized as follows:

\$53.5M	Prior year encumbrances currently being spent down	
\$0.00	Current year encumbrances remaining	
\$53.5M	Total encumbrances outstanding at October 31, 2021	

Staff routinely makes a concerted effort to liquidate older encumbrances that should no longer be encumbered and that is reflected here.

- 4. In addition to HTA's \$5M Emergency Fund, \$2.3M was reserved as Board allocations as of July 1, 2021. This compares to \$8.6M at the end of last fiscal year. The reduction is due to the FY21 transactions that DAGS processed in July of FY22, as previously discussed. A supporting schedule is also embedded in these financial statements to provide greater detail. These balances are comprised of the following:



Pursuant to Act 001, Special Session 2021 (HB 862), the Tourism Special Fund will be repealed on January 1, 2022. At that time, any unencumbered funds will return to the State's General Fund, which we currently anticipate being approximately \$2.7M.

5. There is no budget for the Tourism Special Fund in FY 2022, as only Federal funds were appropriated.
6. Operating Income (Loss):
 - a. Pursuant to Act 001, Legislative Special Session 2021, HTA is no longer included in the TAT allocation.
 - b. No revenue was earned in October 2021.

Tourism Federal Fund (ARPA TFF) – [Official Name: HTA CSFRF Subaward]:

7. \$4.1M in cash (remaining from amount that has been allotted to HTA so far).
8. The release of TFF funds for HTA use is accomplished through an approval process that includes approval by the Governor (CSFRF approval), the State's Department of Budget & Finance's (B&F) and the HTA Board of Directors. Below is a summary of the status of those approvals:

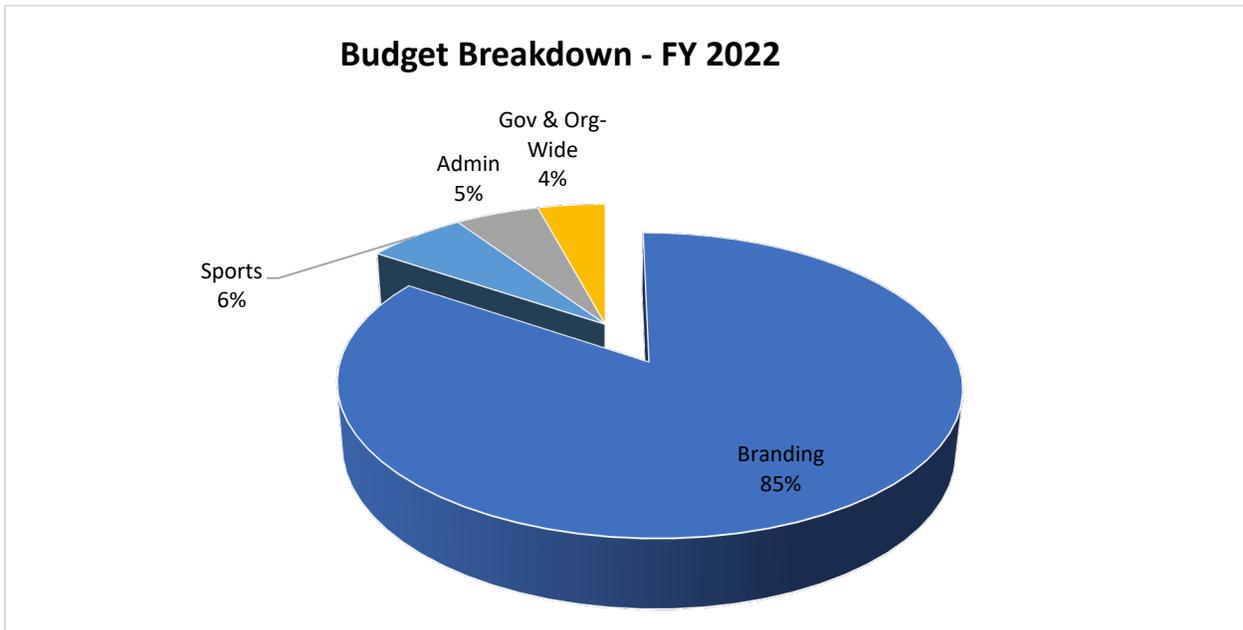
	CSFRF Approved	B&F Funds Release		Board Approved	Encumbered
		Requested	Approved	Amount	
Hawaiian Culture	-	-	-	-	-
Natural Resources	-	-	-	-	-
Community	27,289,500	-	-	-	-
Branding	28,500,000	28,600,000	-	28,600,000	-
Sports	-	-	-	2,177,889	-
Safety & Security	-	-	-	-	-
Research	-	-	-	-	-
Planning	-	-	-	-	-
Admin	648,700	648,700	648,700	648,700	-
Governance and Org-Wide	351,800	246,800	246,800	351,800	-
Payroll	3,210,000	3,210,000	3,210,000	3,210,000	3,210,000
	60,000,000	32,705,500	4,105,500	34,988,389	3,210,000

9. At its July and September 2021 meetings, the HTA Board approved a partial FY 2022 budget of \$35M. As of October 31, 2021, \$3.2M of the \$35M FY2022 budget was utilized/encumbered, or 9.1%.

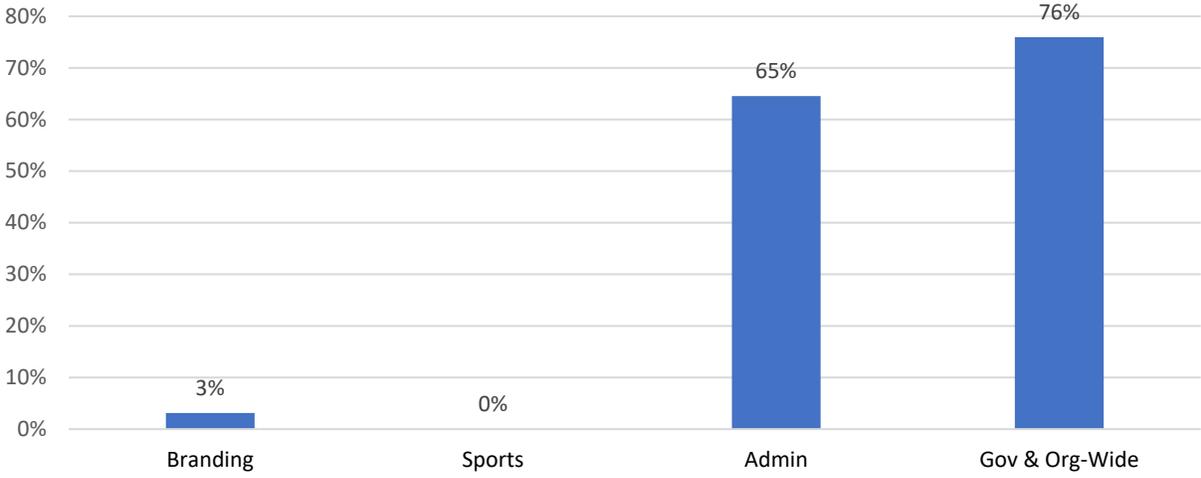
Below is a summary of the FY 2022 budget based upon Federal reporting categories (titles were paraphrased):

Primary Federal Category	Budget	Encumbered	Remaining
Economic Recovery	31,778,389	-	31,778,389
Continuation of Government Services			
Payroll	3,210,000	3,210,000	-
	34,988,389	3,210,000	31,778,389

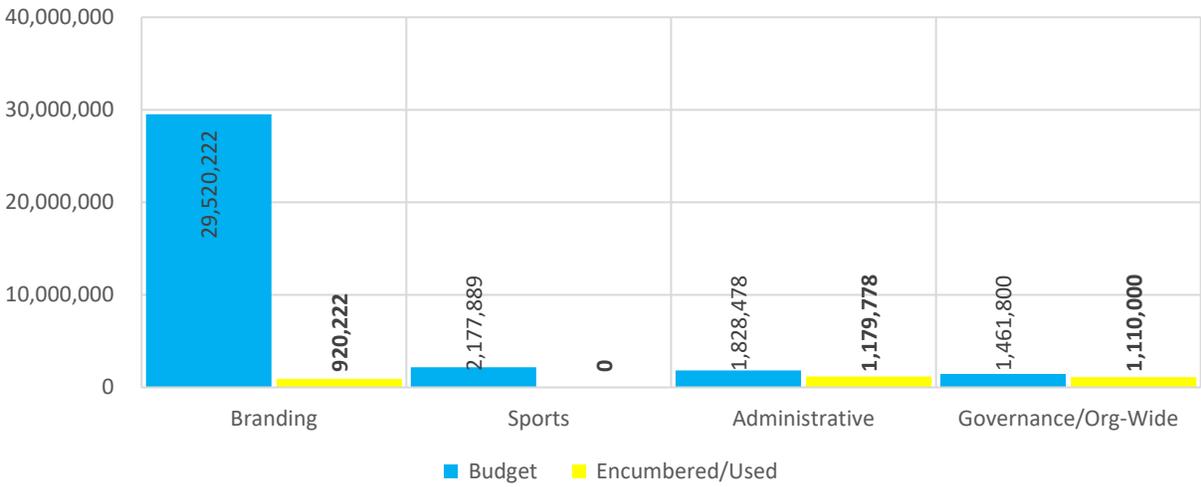
The following are various charts to depict our FY 2022 budget, budget utilization and trends. It is important to note that only a portion of HTA's budget has been approved as of the date of these financial statements, and accordingly are reflected here below. A more balanced budget would be evident upon approval of HTA's full FY 2022 budget and when considering the contracts for FY 22 services that HTA encumbered using FY 2021 funds (sourced from June 2021 TAT revenue and HTA Board Resolution funds).



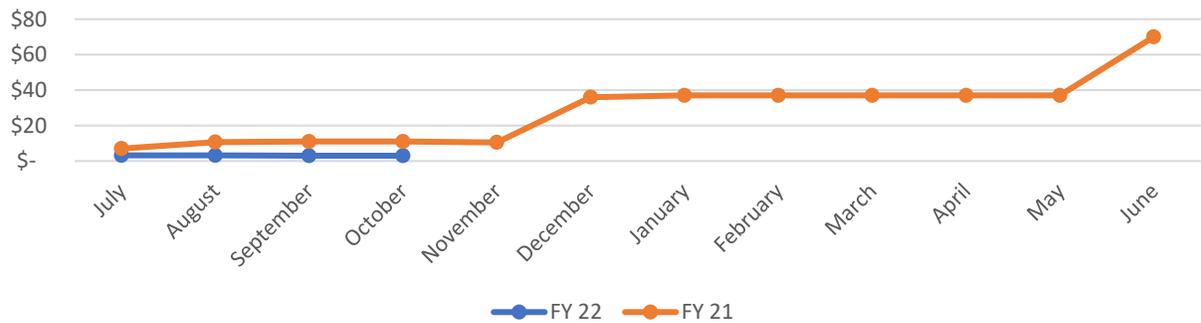
Percentage of Budget Utilized 10/31/21



Budget vs Encumbered as of 10/31/21 (Budget Used)



Budget Utilized (in millions)



10. No budget reallocations were made in October 2021. A detail of the reallocations made for the reporting period and cumulatively for the fiscal year are typically detailed on the accompanying Budget Reallocation Summary.

11. Operating Income (Loss):

- a. Approximately \$895K in ARPA funds were allotted to HTA during the October 2021 period. Cumulatively, \$4.1M has been allotted to HTA year-to-date, which represents ARPA funds HTA will use in FY 2022 for staff's payroll and admin and governance costs.
- b. Since this is the fund's first year in operation, no Statement of Revenues and Expenditures associated with prior year funds is included.

Convention Center Enterprise Special Fund (CCESF):

11. \$47.7M in cash

- a. Cash remained consistent from September 30, 2021.

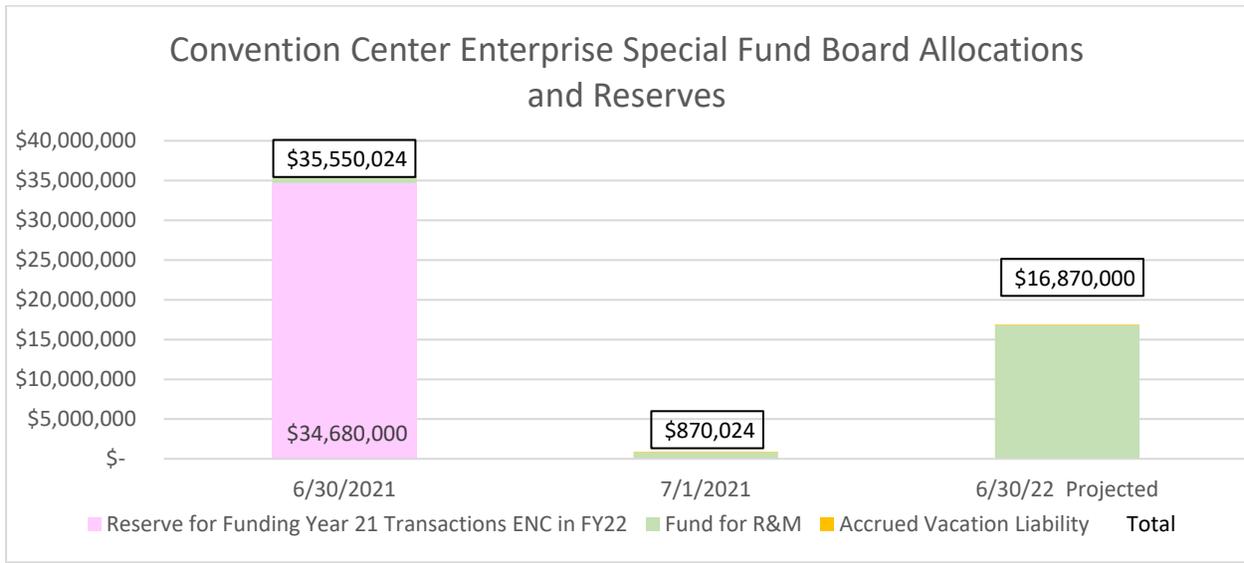
12. \$19.2M in cash with contractor or with DAGS, for R&M projects (as of September 2021).

- a. Includes \$2M in Emergency R&M funds
- b. These funds are encumbered or budgeted toward specific projects such as kitchen wall rehabilitation and exterior planter repairs, exterior building painting, trellis replacement, house audio upgrades, ballroom gutter and transom glass repair, chiller replacement, and various equipment purchases and upgrades. Of the \$19.2M, approximately \$7.4M has been contracted (as of September 2021).
- c. The amount of cash remaining with the contractor already takes into account \$5.1M expended on current and future projects (in-progress costs or preliminary work).

13. \$11.8M reserved as Board allocations as of October 31, 2021. This compares to a reserve balance of \$35.5M as of June 30, 2021. The decrease is due to the FY 2021 transactions that were processed by DAGS in July 2021 (as FY 2022 business) discussed earlier, partially offset by \$11M in TAT revenue deposited into the CCESF in FY 2022, pursuant to HRS 237D, as amended by Act 1 of the 2021 Legislative Special

Session. We anticipate the \$11.8M reserve balance to further increase to \$16.8M by June 30, 2022, due to:

- a. The deposit of Convention Center revenues throughout FY 2022.
- b. The inability to spend these funds due to the CCESF not having an appropriation ceiling in FY 2022.



14. \$35.9M of prior year outstanding encumbrances currently being spent down.

15. Budget:

- a. No budget has been established for the CCESF in FY 2022, as no expenditure ceiling was appropriated, as discussed earlier.
- b. Note: In FY 2021, HTA used the \$16.5M TAT it received in June 2021 and \$18.6M previously reserved as Board Allocations to fund AEG's FY 2022 operations contract. Staff advised the Board of its intention to do so at the June 10, 2021 Board meeting, including to deploy reserve funds in an effort to ensure we maximize HCC's ROI and efficiently use any time afforded during the pandemic to address major repair and maintenance. The \$16.5M and \$18.6M were encumbered as follows:

	FY22 HCC Operations - Encumbrance Funded with		
	TAT Restart Funds	Reserve / Board Reso Funds	Total
HCC Facility Operations Expenses	5,517,400	5,169,000	10,686,400
HCC Operating Contingency	-	2,500,000	2,500,000
HCC Local Sales	533,000	-	533,000
Major R&M (from TAT Restart funds)	10,129,600	-	10,129,600
Major R&M (from CCESF Reserves)	-	10,831,000	10,831,000
Property Insurance	320,000	100,000	420,000
	<u>16,500,000</u>	<u>18,600,000</u>	<u>35,100,000</u>

* Additionally, the AEG contract included \$5,948,568 funded from the TSF for the Center for Hawaiian Music & Dance.

16. Operating Income:

- a. \$11M in TAT funds were received YTD.
- b. Convention Center Operations
 - i. Note: \$1.0M operating loss fiscal-year-to-date per HCC financial statements (as of September 2021). Funded by FY21's encumbrance as discussed above.

Convention Center Federal Fund (ARPA CCFF) – [Official Name: Convention Center CSFRF Subaward]:

17. \$490K in cash (remaining from amount that has been allotted to HTA so far).

18. The Board approved a \$490K budget for payroll, which was fully encumbered earlier in FY 2022.

19. Operating Income:

- a. No ARPA funds were allotted to the Convention Center in October 2021. Cumulatively, \$490K has been allotted year-to-date, which represents ARPA funds HTA will use in FY 2022 for staff's payroll.
- b. Since this is the fund's first year in operation, no Statement of Revenues and Expenditures associated with prior year funds is included.

Hawaii Tourism Authority

Balance Sheet

Tourism Special Fund

As of 10/31/21

	<u>Current Year</u>
Assets	
Current Assets	
Checking	56,227,429.66
Petty Cash	<u>5,000.00</u>
Total Current Assets	<u>56,232,429.66</u>
Total Assets	<u><u>56,232,429.66</u></u>
Fund Balance	
Encumbered Funds	
FY 2015 Funds	7,851.29
FY 2016 Funds	6,047.12
FY 2017 Funds	15,706.80
FY 2018 Funds	4,137.03
FY 2019 Funds	376,057.71
FY 2020 Funds	1,867,560.64
FY 2021 Funds	<u>51,229,191.40</u>
Total Encumbered Funds	<u>53,506,551.99</u>
Unencumbered Funds	
Total Unencumbered Funds	2,725,877.67
Total Fund Balance	<u><u>56,232,429.66</u></u>

Hawaii Tourism Authority
Balance Sheet
Tourism Federal (ARPA) Fund
As of 10/31/21

	Current Year
Assets	
Current Assets	
Checking	4,105,500.00
Total Current Assets	4,105,500.00
Total Assets	4,105,500.00
Fund Balance	
Encumbered Funds	
FY 2022 Funds	3,210,000.00
Total Encumbered Funds	3,210,000.00
Unencumbered Funds	
Total Unencumbered Funds	895,500.00
Total Fund Balance	4,105,500.00

Hawaii Tourism Authority
Balance Sheet
Convention Center Enterprise Special Fund
As of 10/31/21

	Current Year
Assets	
Current Assets	
Checking	47,789,220.00
Total Current Assets	47,789,220.00
Total Assets	47,789,220.00
Fund Balance	
Encumbered Funds	
FY 2019 Funds	110,894.39
FY 2021 Funds	35,796,538.80
Total Encumbered Funds	35,907,433.19
Unencumbered Funds	
Total Unencumbered Funds	11,881,786.81
Total Fund Balance	47,789,220.00

Hawaii Tourism Authority
Balance Sheet
Convention Center Federal (ARPA) Fund
As of 10/31/21

	<u>Current Year</u>
Assets	
Current Assets	
Checking	490,000.00
Total Current Assets	<u>490,000.00</u>
 Total Assets	 <u>490,000.00</u>
 Fund Balance	
Encumbered Funds	
FY 2022 Funds	490,000.00
Total Encumbered Funds	<u>490,000.00</u>
 Total Fund Balance	 <u>490,000.00</u>

Hawaii Tourism Authority

Balance Sheet

Emergency Trust Fund

As of 10/31/21

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,014,937.07
Total Current Assets	<u>5,014,937.07</u>
 Total Assets	 <u><u>5,014,937.07</u></u>
 Fund Balance	
Current year net assets	
	(4,022.01)
Total Current year net assets	<u>(4,022.01)</u>
Prior years	
Total Prior years	5,018,959.08
 Total Fund Balance	 <u><u>5,014,937.07</u></u>

HTA Allocations
FY 2021 and FY 2022 (Projected)

Annual Budgets:
-\$60M FY 2022 HTA Tourism Federal (ARPA) Fund
 [subject to approval]
-\$11M FY 2022 Convention Center Federal (ARPA) Fund
 [subject to approval]

\$5M Emergency Funds	
\$5M Emergency Fund Reserve (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor)	\$0M Mandated by Board (designated for use in the event of a significant economic downturn upon Board approval; used to fund FY 21 budget)

	Tourism Special Fund Long-Term Obligations, Commitments and Allocations:			Convention Center Fund Long-Term Obligations, Commitments and Obligations:		
	6/30/2021	7/1/2021	Projected 1/1/2022	6/30/2021	7/1/2021	Projected 6/30/2022
Carryover of FY 2020 to FY 2021 Budget (Use in FY 21)	-	-	-	-	-	-
Reserve for Funding Year 21 Transactions Enc in FY22	6,763,481	-	-	34,680,000	-	-
Carryover	1,342,824	1,342,824	-	790,024	790,024	16,790,000
FY21 Interest, Refunds and Other Income	-	-	-	-	-	-
Encumbrance liquidations	-	492,464	-	-	-	-
Center for Hawaiian Music & Dance	250,000	250,000	-	-	-	-
Accrued Health Liability	-	-	-	-	-	-
Accrued Retirement Liability	-	-	-	-	-	-
Accrued Vacation Liability	300,000	300,000	-	80,000	80,000	80,000
Total Long-Term Obligations and Commitments	8,656,305	2,385,288	-	35,550,024	870,024	16,870,000

TOTAL RESERVES (incl \$5M Emergency Fund) 13,656,305 7,385,288 5,000,000

35,550,024 870,024 16,870,000

Hawaii Tourism Authority
 Statement of Revenues and Expenditures
 Tourism Special Fund
 FY 2022 Funds
 From 10/1/2021 Through 10/31/2021

	<u>Total Budget - FY22</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance - FY22</u>
Revenue				
Miscellaneous	0.00	0.00	10,192.89	10,192.89
Refunds	<u>0.00</u>	<u>0.00</u>	<u>47,200.00</u>	<u>47,200.00</u>
Total Revenue	<u>0.00</u>	<u>0.00</u>	<u>57,392.89</u>	<u>57,392.89</u>
Net Income	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>57,392.89</u></u>	<u><u>57,392.89</u></u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Tourism Federal (ARPA) Fund
FY 2022 Funds
From 10/1/2021 Through 10/31/2021

	<u>Total Budget - FY22</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance - FY22</u>
Revenue				
Alloted Federal Funds	60,000,000.00	895,500.00	4,105,500.00	(55,894,500.00)
Total Revenue	<u>60,000,000.00</u>	<u>895,500.00</u>	<u>4,105,500.00</u>	<u>(55,894,500.00)</u>
Expense				
Branding	29,520,222.00	0.00	0.00	29,520,222.00
Sports	2,177,889.00	0.00	0.00	2,177,889.00
Administrative	1,828,478.00	0.00	0.00	1,828,478.00
Governance and Organization-Wide	1,461,800.00	0.00	0.00	1,461,800.00
Total Expense	<u>34,988,389.00</u>	<u>0.00</u>	<u>0.00</u>	<u>34,988,389.00</u>
Net Income	<u>25,011,611.00</u>	<u>895,500.00</u>	<u>4,105,500.00</u>	<u>(20,906,111.00)</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Convention Center Enterprise Special Fund
FY 2022 Funds
From 10/1/2021 Through 10/31/2021

	<u>Total Budget - FY22</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance - FY22</u>
Revenue				
Transient Accomodations Tax	11,000,000.00	0.00	11,000,000.00	11,000,000.00
Miscellaneous	<u>0.00</u>	<u>0.00</u>	<u>11,762.91</u>	<u>11,762.91</u>
Total Revenue	<u>11,000,000.00</u>	<u>0.00</u>	<u>11,011,762.91</u>	<u>11,011,762.91</u>
Net Income	<u>11,000,000.00</u>	<u>0.00</u>	<u>11,011,762.91</u>	<u>11,011,762.91</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Convention Center Federal (ARPA) Fund
FY 2022 Funds
From 10/1/2021 Through 10/31/2021

	<u>Total Budget - FY22</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance - FY22</u>
Revenue				
Alloted Federal Funds	11,000,000.00	0.00	490,000.00	(10,510,000.00)
Total Revenue	<u>11,000,000.00</u>	<u>0.00</u>	<u>490,000.00</u>	<u>(10,510,000.00)</u>
Expense				
Branding	72,958.00	0.00	0.00	72,958.00
Administrative	247,042.00	0.00	0.00	247,042.00
Governance and Organization-Wide	170,000.00	0.00	0.00	170,000.00
Total Expense	<u>490,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>490,000.00</u>
Net Income	<u>10,510,000.00</u>	<u>0.00</u>	<u>490,000.00</u>	<u>(10,020,000.00)</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Prior Year Funds - Tourism Special Fund
From 10/1/2021 Through 10/31/2021

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Expense				
Perpetuating Hawaiian Culture	11,199,632.00	700,000.00	813,621.00	10,386,011.00
Natural Resources	3,447,910.00	700,000.00	705,000.00	2,742,910.00
Community	8,462,772.12	8,948.00	310,711.00	8,152,061.12
Branding	33,112,516.00	1,615,124.80	3,820,461.74	29,292,054.26
Sports	160,222.00	0.00	7,222.00	153,000.00
Safety and Security	770,114.66	0.00	37,125.00	732,989.66
Tourism Research	2,270,248.83	48,123.51	769,307.28	1,500,941.55
Administrative	933,514.62	11,030.49	190,801.76	742,712.86
Governance and Organization-Wide	201,675.92	30,575.92	114,607.71	87,068.21
Total Expense	<u>60,558,606.15</u>	<u>3,113,802.72</u>	<u>6,768,857.49</u>	<u>53,789,748.66</u>
Net Income	<u>(60,558,606.15)</u>	<u>(3,113,802.72)</u>	<u>(6,768,857.49)</u>	<u>53,789,748.66</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Prior Year Funds - Convention Center Enterprise Special Fund
From 10/1/2021 Through 10/31/2021

	Total Budget	Current Period Actual	Current Year Actual	Total Budget Variance
Expense				
Branding	6,080.00	0.00	6,079.86	0.14
Administrative	19,449.64	0.00	19,449.86	(0.22)
HCC Operating Expense	13,465,701.52	0.00	0.00	13,465,701.52
HCC Repair and Maintenance	20,960,600.00	0.00	0.00	20,960,600.00
HCC Sales and Marketing / MFF	902,672.93	0.00	0.00	902,672.93
Governance and Organization-Wide	587,376.00	0.00	8,917.40	578,458.60
Total Expense	<u>35,941,880.09</u>	<u>0.00</u>	<u>34,447.12</u>	<u>35,907,432.97</u>
Net Income	<u>(35,941,880.09)</u>	<u>0.00</u>	<u>(34,447.12)</u>	<u>35,907,432.97</u>

Hawaii Convention Center
Facility
Income Statement
From 9/01/2021 Through 9/30/2021
(In Whole Numbers)

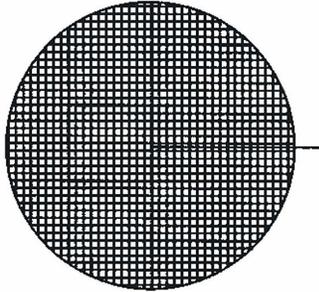
	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Direct Event Income								
Rental Income (Net)	122,133	156,388	(34,255)	227,942	552,700	439,088	113,613	1,088,445
Service Revenue	149,387	139,805	9,582	216,782	435,930	401,865	34,065	620,092
Total Direct Event Income	271,519	296,193	(24,673)	444,724	988,630	840,953	147,678	1,708,537
Direct Service Expenses	87,325	182,144	94,819	199,653	463,040	469,857	6,817	570,557
Net Direct Event Income	184,194	114,049	70,146	245,070	525,590	371,095	154,495	1,137,979
Ancillary Income								
Food and Beverage (Net)	11,378	65,267	(53,889)	3,623	(1,498)	155,067	(156,565)	99,279
Event Parking (Net)	214	20,180	(19,966)	10,129	334,872	34,280	300,592	31,649
Electrical Services	0	2,000	(2,000)	0	0	2,000	(2,000)	0
Audio Visual	4,054	6,500	(2,446)	313	9,745	7,800	1,945	2,292
Internet Services	0	0	0	0	0	0	0	0
Rigging Services	0	0	0	0	0	1,000	(1,000)	0
First Aid Commissions	0	0	0	0	0	0	0	0
Total Ancillary Income	15,646	93,947	(78,301)	14,066	343,119	200,147	142,972	133,221
Total Event Income	199,840	207,996	(8,155)	259,136	868,709	571,242	297,466	1,271,200
Other Operating Income								
Non-Event Parking	1,800	0	1,800	0	3,300	0	3,300	0
Other Income	9,292	1,417	7,875	1,657	20,383	4,251	16,132	6,557
Total Other Operating Income	11,092	1,417	9,675	1,657	23,683	4,251	19,432	6,557
Total Gross Income	210,932	209,413	1,520	260,793	892,392	575,493	316,899	1,277,757
Net Salaries & Benefits								
Salaries & Wages	328,149	362,195	34,046	288,852	956,629	1,082,555	125,926	863,709
Payroll Taxes & Benefits	85,437	125,893	40,456	67,348	251,917	377,679	125,762	238,677
Labor Allocations to Events	(72,803)	(137,248)	(64,445)	(180,088)	(295,438)	(386,214)	(90,776)	(531,287)
Total Net Salaries & Benefits	340,784	350,840	10,056	176,112	913,108	1,074,020	160,912	571,099
Other Indirect Expenses								
Net Contracted Services	13,658	23,447	9,789	11,469	40,752	68,675	27,923	36,171
Operations	9,395	10,534	1,139	17,847	19,281	31,602	12,321	28,231
Repair & Maintenance	84,631	72,367	(12,264)	64,068	194,266	217,101	22,835	157,889
Operational Supplies	23,429	33,227	9,798	(9,139)	73,242	98,080	24,838	18,732
Insurance	11,763	10,194	(1,569)	7,353	35,886	30,065	(5,821)	26,527
Utilities	139,457	126,688	(12,769)	147,225	540,962	394,954	(146,008)	474,924
Meetings & Conventions	475	1,850	1,375	5,106	2,079	3,550	1,471	6,206
Promotions & Communications	(7,046)	2,300	9,346	169	(2,663)	6,900	9,563	7,245
General & Administrative	5,405	13,653	8,248	10,114	29,918	40,847	10,930	35,540
Management Fees	18,633	18,633	(0)	18,232	55,900	55,899	(1)	54,697
Other	200	2,166	1,966	20,064	1,367	6,498	5,131	20,578
Total Other Indirect	300,002	315,059	15,057	292,507	990,989	954,171	(36,818)	866,741
Net Income (Loss) before CIP Funded Expenses	(429,854)	(456,487)	26,633	(207,826)	(1,011,705)	(1,452,698)	440,993	(160,083)
CIP Funded Expenses	0	0	0	20,064	0	0	0	20,378
Net Income (Loss) from Operations	(429,854)	(456,487)	26,633	(187,762)	(1,011,705)	(1,452,698)	440,993	(139,705)
Fixed Asset Purchases	4,409	8,333	3,924	(7,192)	25,181	24,999	(182)	22,770
Net Income (Loss) After Fixed Asset Purchases	(434,263)	(464,820)	30,557	(180,570)	(1,036,886)	(1,477,697)	440,811	(162,475)

Hawaii Convention Center
Facility
Income Statement
From 9/01/2021 Through 9/30/2021
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Revenues								
Food & Beverage	14,371	107,688	(93,317)	18,793	184,414	256,329	(71,915)	150,407
Facility	287,265	328,440	(41,174)	456,823	1,396,636	894,134	502,502	1,749,035
Total Revenues	301,636	436,128	(134,491)	475,616	1,581,050	1,150,463	430,587	1,899,442
Expenses								
Food & Beverage	79,087	136,596	57,509	64,481	430,688	381,432	(49,256)	228,443
Facility	652,403	756,018	103,615	618,962	2,162,067	2,221,728	59,661	1,831,082
Total Expenses	731,490	892,614	161,124	683,442	2,592,755	2,603,160	10,405	2,059,525
Net Income (Loss) before CIP Funded Expenses	(429,854)	(456,487)	26,633	(207,826)	(1,011,705)	(1,452,698)	440,993	(160,083)
CIP Funded Expenses	0	0	0	20,064	0	0	0	20,378
Net Income (Loss) from Operations	(429,854)	(456,487)	26,633	(187,762)	(1,011,705)	(1,452,698)	440,993	(139,705)
Fixed Asset Purchases	4,409	8,333	3,924	(7,192)	25,181	24,999	(182)	22,770
Net Income (Loss) after Fixed Asset Purchases	(434,263)	(464,820)	30,557	(180,570)	(1,036,886)	(1,477,697)	440,811	(162,475)

Summary Of Investments

Investment Allocation



0.0%	CASH	41.23
100.0%	CASH EQUIVALENTS	5,014,895.84
100.0%	TOTAL	5,014,937.07

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	41.23	0.00	0	0.00
CASH EQUIVALENTS	5,014,895.84	100.00	501	0.01
Total Fund	5,014,937.07	100.00	501	0.01

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	41.23	41.23	100.00
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
5,014,895.84	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	5,014,895.84	5,014,895.84	100.00
	Total Fund	5,014,937.07*	5,014,937.07*	100.00*

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Hawaii Tourism Authority
 Budget Statement - Summary
 FY 2022
 As of October 31, 2021

Category	Tourism Federal Fund - ARPA [TFF]				Convention Center Federal Fund - ARPA [CCFF]			
	Fiscal Year 2022				Fiscal Year 2022			
	Budget	YTD Amount of Budget Used	Balance	Activity for October 2021	Budget	YTD Amount of Budget Used	Balance	Activity for October 2021
Revenues								
TAT Revenue Allocation			-	-	-	-	-	-
Federal ARPA Funds	60,000,000	3,210,000	56,790,000	-	11,000,000	490,000	10,510,000	-
Prior Year Carryover			-	-			-	-
Availability of \$5M Emergency Fund (Subject to Governor Approval)			-	-			-	-
Other			-	-			-	-
Total Revenues	60,000,000	3,210,000	56,790,000	-	11,000,000	490,000	10,510,000	-
Expenditures								
Perpetuating Hawaiian Culture								
Hawaiian Culture Programs			-	-	-	-	-	-
In-House Contracted Staff - Hawaiian Culture			-	-	-	-	-	-
State Employee Salaries - Hawaiian Culture			-	-	-	-	-	-
Subtotal			-	-			-	-
Natural Resources (Statute: \$1M minimum)								
Natural Resources Programs			-	-	-	-	-	-
In-House Contracted Staff - Natural Resources			-	-	-	-	-	-
State Employee Salaries - Natural Resources			-	-	-	-	-	-
Subtotal			-	-			-	-
Community								
Community Programs			-	-	-	-	-	-
In-House Contracted Staff - Community			-	-	-	-	-	-
State Employee Salaries - Community			-	-	-	-	-	-
Subtotal			-	-			-	-
Branding								
Branding Programs	28,600,000		28,600,000	-	-	-	-	-
In-House Contracted Staff - Branding			-	-	-	-	-	-
State Employee Salaries - Branding	920,222	920,222	-	-	72,958	72,958	-	-
Subtotal	29,520,222	920,222	28,600,000	-	72,958	72,958	-	-
Sports								
Sports Programs	2,177,889		2,177,889	-	-	-	-	-
Subtotal	2,177,889		2,177,889	-			-	-
Safety and Security								
Safety and Security Programs			-	-	-	-	-	-
Subtotal			-	-			-	-
Tourism Research								
Tourism Research Programs			-	-	-	-	-	-
In-House Contracted Staff - Tourism Research			-	-	-	-	-	-
State Employee Salaries - Tourism Research			-	-	-	-	-	-
Subtotal			-	-			-	-
Hawai'i Convention Center								
Sales & Marketing			-	-	-	-	-	-
Operations			-	-	-	-	-	-
Major Repair & Maintenance			-	-	-	-	-	-
Subtotal			-	-			-	-
Administrative (Statute: Cannot exceed 3.5% = \$2,765,000)								
Operations	648,700		648,700	-	-	-	-	-
In-House Contracted Staff - Admin			-	-	-	-	-	-
State Employee Salaries - Admin	1,179,778	1,179,778	-	-	247,042	247,042	-	-
Subtotal	1,828,478	1,179,778	648,700	-	247,042	247,042	-	-
Organizationwide Costs								
State Employee Fringe	1,110,000	1,110,000	-	-	170,000	170,000	-	-
Organization-Wide	230,000		230,000	-	-	-	-	-
Governance - Board/Others	121,800		121,800	-	-	-	-	-
Subtotal	1,461,800	1,110,000	351,800	-	170,000	170,000	-	-
Total Expenditures	34,988,389	3,210,000	31,778,389	-	490,000	490,000	-	-
Revenues vs Expenditures	25,011,611	-			10,510,000	-		

Category	Tourism Special Fund (TSF)				Convention Center Enterprise Special Fund (CCESF)			
	Fiscal Year 2022				Fiscal Year 2022			
Revenues								
TAT Revenue Allocation	-		-	-	11,000,000	11,000,000	-	-
Other		57,393	(57,393)	-		11,763	(11,763)	-
Total Revenues	-	57,393	(57,393)	-	11,000,000	11,011,763	(11,763)	-

Hawaii Tourism Authority
 Budget Statement
 October 31, 2021

Program Code	Program Title	Budget - FY22	YTD Amount of Budget Used	Remaining Balance	October 2021 Activity
Tourism Federal Fund - ARPA (TFF)					
Branding					
4	Cruise Infrastructure Improvements and Arrival Experience	100,000.00	0.00	100,000.00	0.00
321	US (formerly North America)	28,500,000.00	0.00	28,500,000.00	0.00
934	State Employee Salaries - Branding	920,222.00	920,222.00	0.00	0.00
Subtotal	Branding	29,520,222.00	920,222.00	28,600,000.00	0.00
Sports					
312	PGA Tour Contracts	2,177,889.00	0.00	2,177,889.00	0.00
Subtotal	Sports	2,177,889.00	0.00	2,177,889.00	0.00
Administrative					
901	General and Administrative	648,700.00	0.00	648,700.00	0.00
930	State Employee Salaries - Admin	1,179,778.00	1,179,778.00	0.00	0.00
Subtotal	Administrative	1,828,478.00	1,179,778.00	648,700.00	0.00
Governance and Organization-Wide					
915	Organization-Wide	230,000.00	0.00	230,000.00	0.00
919	Governance - Gen Board/Others	121,800.00	0.00	121,800.00	0.00
931	State Employees Fringe	1,110,000.00	1,110,000.00	0.00	0.00
Subtotal	Governance and Organization-Wide	1,461,800.00	1,110,000.00	351,800.00	0.00
Total	FY 2022 Funds	34,988,389.00	3,210,000.00	31,778,389.00	0.00

Convention Center Federal Fund - ARPA (CCFF)

Branding					
934	State Employee Salaries - Branding	72,958.00	72,958.00	0.00	0.00
Subtotal	Branding	72,958.00	72,958.00	0.00	0.00
Administrative					
930	State Employee Salaries - Admin	247,042.00	247,042.00	0.00	0.00
Subtotal	Administrative	247,042.00	247,042.00	0.00	0.00
Governance and Organization-Wide					
931	State Employees Fringe	170,000.00	170,000.00	0.00	0.00
Subtotal	Governance and Organization-Wide	170,000.00	170,000.00	0.00	0.00
Total	FY 2022 Funds	490,000.00	490,000.00	0.00	0.00

Budget Reallocation Summary
 FY 2022
 Through October 31, 2021

Budget Line Item	Program Code	Budget	Reallocation	Budget After Reallocations	October 2021 Activity
				-	
				-	
				-	
			-		-
Branding					
<i>From:</i>					
None				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
			-		-
Sports					
<i>From:</i>					
None				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
			-		-
Safety and Security					
<i>From:</i>					
None				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
			-		-
Tourism Research					
<i>From:</i>					

Budget Reallocation Summary
 FY 2022
 Through October 31, 2021

Budget Line Item	Program Code	Budget	Reallocation	Budget After Reallocations	October 2021 Activity
None				-	
				-	
			-		-
To:				-	
				-	
			-		-
<hr/>					
Planning					
From:					
None				-	
				-	
			-		-
To:				-	
				-	
			-		-
<hr/>					
Administration					
From:					
None				-	
				-	
			-		-
To:				-	
				-	
			-		-
<hr/>					
Governance and Organization-Wide					
From:					
None				-	
				-	
			-		-
To:				-	
				-	
			-		-
<hr/>					

Budget Reallocation Summary
 FY 2022
 Through October 31, 2021

Budget Line Item	Program Code	Budget	Reallocation	Budget After Reallocations	October 2021 Activity
Board Allocations					
<i>From:</i>					
None			-	-	-
			-		-

Hawaii Tourism Authority
Budget Statement
July 1, 2021

Note: This schedule summarizes transactions that were encumbered with FY21 funds, processed by FY22 business. See further discussion in Executive Summary.

Program Code	Program Title	FY21 Funds Transactions, Processed in FY22
Perpetuating Hawaiian Culture		
201	Kukulu Ola: Living Hawaiian Cultural Prog	-
202	Hawaiian Culture Initiative	-
206	Kahea Program - Harbor Greetings	-
207	Kahea Program - Airport Greetings	-
208	Hawaiian Music and Dance Center	5,948,568
212	Merrie Monarch Hula Festival	-
215	Hawaiian Culture Opportunity Fund	99,995
216	Olelo Hawaii	-
297	Memberships and Dues - Hawaiian Culture	-
717	Monthly Music Series	-
932	Salaries - Hawaiian Culture	-
	Total - Perpetuating Hawaiian Culture	6,048,563
Natural Resources		
402	Aloha Aina (formerly NR and Leg Prov NR)	-
406	Visitor Impact Program	-
407	Hawaii Eco Tourism Association	-
499	In-House Contracted Staff - Natural Resources	-
936	State Employee Salaries - Natural Resources	-
	Total - Natural Resources	-
Community		
700	Community Opportunity	-
701	Community Enrichment Program	-
731	Community-Based Tourism - Oahu	-
732	Community-Based Tourism - Maui County	20,000
733	Community-Based Tourism - Hawaii Island	15,000
734	Community-Based Tourism - Kauai	15,000
797	Memberships and Dues - Community	-
933	State Employee Salaries - Community	-
	Total - Community	50,000
Branding		
4	Cruise Infrastructure Improvements and Arrival Experienc	-
318	gohawaii.com (formerly Online Website Coordination)	-
320	Island Chapters Staffing and Admin	-
321	US (formerly North America)	-
322	Canada	800,000
323	Japan	-
324	Korea	-
325	Oceania	-
329	China	-
331	Meetings, Convention & Incentives	-
339	Global Digital Marketing Strategy (former Intl Online Stra	-
350	Global Mkt Shared Resces (formerly Intellect Prop Data B	-
380	Marketing Opportunity Fund	-
397	Memberships and Dues - Branding	-
398	Travel - Branding	-
723	Hawaii Film Office Partnership	-
934	State Employee Salaries - Branding	-
	Total - Branding	800,000
Sports		
312	PGA Tour Contracts	-
377	Polynesian Football HoF	-
378	UH Athletics Branding Partnership	-
384	Football	-
	Total - Sports	-
Safety and Security		
601	Visitor Assistance Programs	55,000
602	Crisis Management	-
	Total - Safety and Security	55,000

Hawaii Tourism Authority
Budget Statement
July 1, 2021

Tourism Research		
505	Est of Visitor Arrivals by Country by Month	-
506	Infrastructure Research (Accomodations and Airseats)	-
512	Visitor Arrivals and Departure Surveys	(390,082)
513	Evaluation and Performance Studies	-
514	Marketing Research	-
597	Memberships and Dues - Research	-
935	State Employee Salaries - Research	-
	Total - Tourism Research	(390,082)
Administrative		
101	Community-Industry Outreach & Public Relations Svcs	200,000
103	hawaiitourismauthority.org (formerly HTA web/Global Sc	-
901	General and Administrative	-
909	Protocol Fund	-
930	State Employee Salaries - Admin	-
	Total - Administrative	200,000
Governance and Organization-Wide		
915	Organization-Wide	-
919	Governance - Gen Board/Others	-
931	State Employees Fringe	-
	Total - Governance and Organization-Wide	-
	Total	6,763,481

Convention Center Enterprise Special Fund:

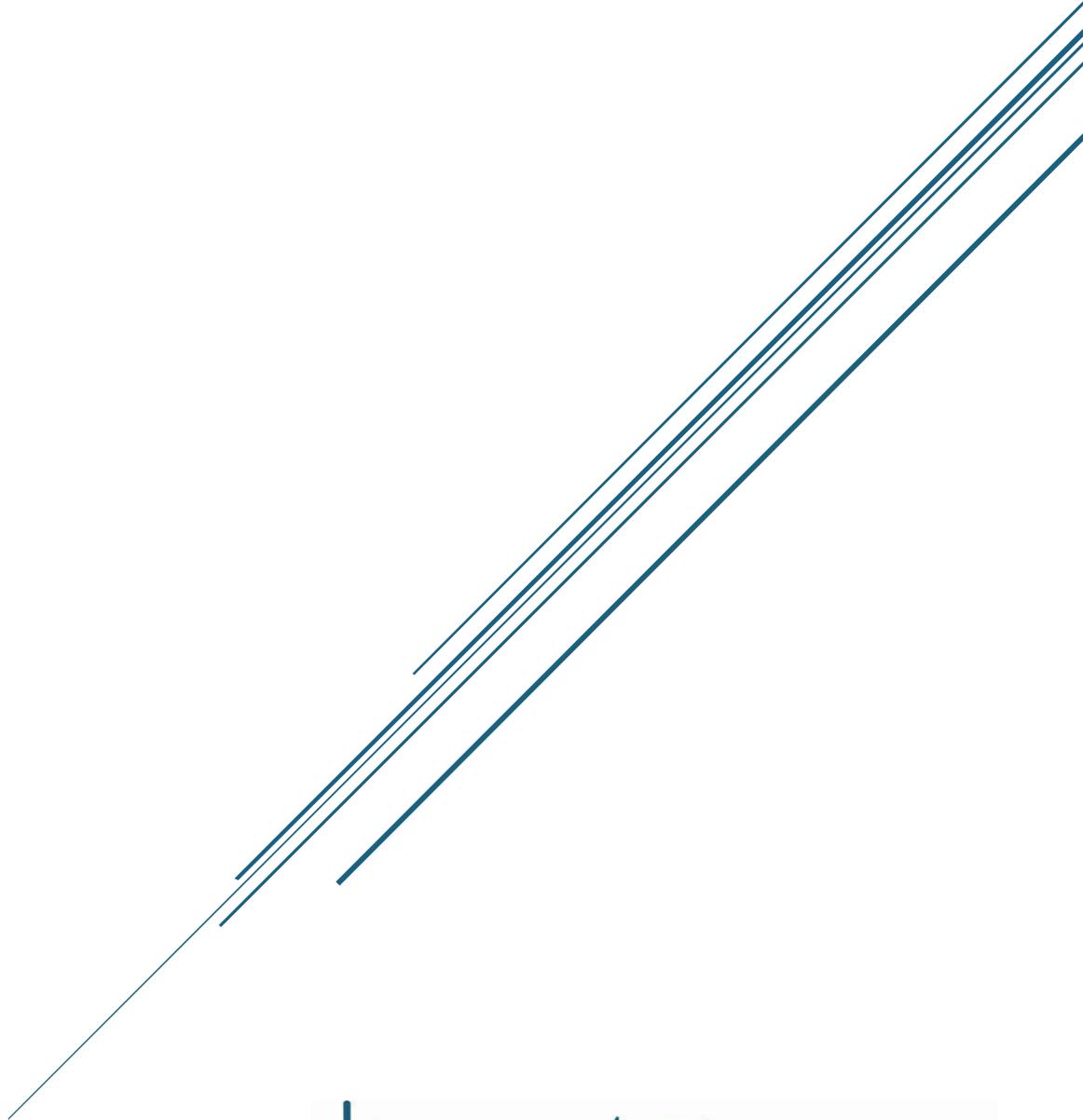
Branding		
934	State Employee Salaries - Branding	-
	Total - Branding	-
Administrative		
930	State Employee Salaries - Admin	-
	Total - Administrative	-
HCC Operations		
850	HCC Operating Expense	13,186,400
860	HCC Repair and Maintenance	20,960,600
870	HCC Sales and Marketing / MFF	-
871	HCC Local Sales	533,000
	Total - HCC Operations	34,680,000
Governance and Organization-Wide		
915	Organization-Wide	-
931	State Employees Fringe	-
	Total - Governance and Organization-Wide	-
	Total CCESF	34,680,000

6

Report of the Chief Executive Officer/
Chief Administrative Officer/Chief Brand Officer
Relating to Staff's Implementation of HTA's Programs
During October 2021

HTA CEO REPORT

NOVEMBER 2021



EXECUTIVE SUMMARY

Each month, the Hawai'i Tourism Authority (HTA) provides this report as a resource to the Board and the public to better understand the activities and actions taken by the team in support of the organization's overall mission. HTA's 2025 Tourism Strategic Plan and its four interacting pillars (Natural Resources, Hawaiian Culture, Community, and Brand Marketing) guides the team in the various matters worked on during October 2021. Overall, this report provides insight into the actions conducted by the staff to implement the HTA budget previously approved by the Board.

HTA is excited to resume the Aloha 'Āina program that works to preserve, manage and enhance Hawai'i's natural resources; in partnership with Hawai'i Community Foundation (HCF). The request for proposals (RFP) submission window for this program has closed and the evaluation committees will be reviewing proposals throughout the month of November. In addition, HTA continues to support the efforts of the Sustainable Tourism Association of Hawai'i (STAH) to bolster the expansion of sustainable tourism management practices in Hawai'i through certifications, trainings and partnerships. Furthermore, discussions with stakeholders and the Hawai'i State Department of Land and Natural Resources (DLNR) continue to include the implementation of a statewide reservations system for park access. HTA's natural resource team worked to identify best practices and examples of systems that epitomize the goals outlined in our strategic plan, as well as the various Destination Management Action Plans (DMAP) that this system would help fulfill.

In the Hawaiian Culture pillar, our staff continues to manage projects that include the Merrie Monarch Festival Digitization, Hawaiian Language Newspaper Digitization and the Festival of Pacific Arts and Culture (FestPAC). In partnership with the Hawai'i Community Foundation (HCF) and the Hawai'i Visitors & Convention Bureau (HVCB), HTA is proud to resume the Aloha 'Āina, Kūkulu Ola and Community Enrichment Programs. The window to respond to the RFPs for these three programs has closed and the evaluation committees will be reviewing proposals throughout the month of November.

The planning team continued transitioning the Community Enrichment Program (CEP) to the brand team, as well as the Hawai'i Visitors and Convention Bureau (HVCB) and its Island Chapters. The planning team continued working with the various destination managers to continue moving DMAP actions forward. The planning team also met with the counties, Island Chapters and branding team to review all DMAPs in preparation for drafting the Fall Progress Reports for the Steering Committee meetings that will take place in November.

The USA MMA RFP was released on October 5. A pre-proposal conference was held virtually on October 22 to answer questions and to provide clarifying information to potential applicants. Proposals are due on November 12.

The Global MCI RFP was released on November 10. The release date for the Global Support Services RFP is pending while the brand team and contracts team continue to finalize the RFP.

All Global Marketing Team (GMT) partners updated their respective Brand Marketing Plan (BMP) utilizing the remaining contract balance for calendar year 2021 which was approved by the HTA board at the two September board meetings. These updated plans have a clear focus on market education, collaboration with industry partners, and aim to recover travel demand for Hawai'i. The brand team is working closely with the GMT to execute the approved BMPs.

“Mālama Ku'u Home: An Update from the Hawai'i Tourism Authority” was live streamed via Zoom Webinar and Facebook Live on October 1, 2021. The HTA leadership team's presentation focused on the organization's strategic direction, administrative updates, progress on the Destination Management Action Plans, and market insights. The event's recording and full presentations are available on HTA's website. There were over 1,600 people who viewed the update via Zoom webinar, FB and YouTube to date.

Pursuant to Act 088, HTA's Tourism Research Division (TRD) was transferred to the Department of Business, Economic Development and Tourism's (DBEDT) Research & Economic Analysis Division (READ) effective July 1, 2021, and was renamed the Tourism Research Branch (TRB). TRB published the September 2021 Visitor Statistics press release and monthly reports, an updated air seat outlook for October to December 2021, the September 2021 Hawai'i Hotel Report, and the September 2021 Vacation Rental Performance Report. In addition, TRB published weekly Destination Brand Index reports, the weekly Destination Brand Index – Responsible Traveler Segment, weekly Travel Agency Booking Trend reports, and the September 2021 Coronavirus Impact Report. They also updated the Symphony Dashboards.

I. CHANGE MANAGEMENT PLAN

In October, human resource needs was again our primary focus. We have been working closely with DBEDT-Human Resources (DBEDT-HR) to resolve a few issues with the position descriptions that were previously approved by DBEDT. This includes adding essential function identifiers to the responsibilities section of each redescribed position description. This process requires additional analysis of the functions described in the position descriptions to ensure that the correct identifiers are attached to each responsibility.

As previously reported, there are a number of recruitments underway with a number of offers pending. More information will be provided in the November CEO report. We feel confident that we will have the vacancies in the branding team filled by the end of November.

Work continues on the official reorganization document that will be submitted to DBEDT-HR, Department of Human Resources Development (DHRD), and Budget and Finance (B&F). Our goal is to submit this information once we have completed the hiring process for all vacancies. Internally, we continue our regular update meetings and discussions on the overall progress on the Change Management Plan (CMP).

A draft of the revised HTA bylaws were submitted to the HTA board for consideration at its October Regular Board Meeting. The board referred the draft revised bylaws to the Administrative Standing Committee, which met on November 4 to consider the matter. This is similar to the draft revised Code of Conduct that was submitted to the board at the October meeting.

Work is ongoing by our procurement and finance teams to continue updating the HTA's policies and procedures that have been impacted by the Change Management Plan (CMP) and the recent changes to the Hawaii Revised Statutes (HRS). Modifications to policies will be presented to the board for consideration at a future board meeting.

At the October board meeting, we introduced the completed HTA Fiscal Year 2022 budget. Our team worked diligently to determine how to best utilize the remaining \$25M of \$60M in American Rescue Plan Act (ARPA) funds that were not previously budgeted as part of the interim budget that was approved by the board. The intent will be to introduce the proposed FY22 budget to the board and then to have meetings with board members to review the content/proposals to answer any questions. Once done, we will present these changes to the Budget Review Investigative Committee for their input/guidance on the proposal. The final draft FY22 budget should be before the board in November for final approval barring any major issues/concerns.

Our procurement team has been regularly communicating with the State Procurement Office and HTA's deputy attorney general on procurement-related questions and concerns. As mentioned in previous

reports, the SPO has been very understanding and available to our team to work through any issues or questions.

Meetings with state legislators to provide updates on HTA's priorities and programs are ongoing and have proven to be valuable in improving our overall relationships with our lawmakers. We have made ourselves available to answer questions, participate in townhalls and other meetings. Response continues to be positive.

II. NATURAL RESOURCES PILLAR

1. *Aloha 'Āina (Natural Resources) Program*

HTA is excited to resume the Aloha 'Āina program, that works to preserve, manage and enhance Hawai'i's natural resources. HTA has partnered with the Hawai'i Community Foundation (HCF) to administer the 2022 Aloha 'Āina program via CON 21033. HCF has issued an RFP to provide funding support to qualified nonprofit organizations and is seeking proposals from the community. The application deadline was October 29, 2021 at 4 p.m. HST. The evaluation committee will be reviewing proposals throughout the month of November and anticipates notifying awardees during the 4th week of December.

2. *DLNR Partnership*

The DLNR's Nā Ala Hele staff continues to implement various portions of CON 20210: Universal Trail Assessment and Sign Initiative, and Trail Safety and Enhancement - Brushing/Maintenance/Rehabilitation, to enhance the resident and visitor experience statewide across 128 trails spanning approximately 855 miles. Interim Nā Ala Hele Program Manager Bill Stormont has indicated that the project timeline may need to be extended due to insufficient contractor performance which was beyond DLNR's control. Additionally, HTA staff have been notified that DLNR sent its O'ahu trails brushing/clearing sub-contractor a letter requesting consent to relinquish remaining incomplete line items from the scope of services. Because the vendor did not respond or relinquish the other line items, the contract will need to be terminated. HTA staff are committed to working with the DLNR leadership to manage this statewide project and its presented challenges. The next steps will be to file the appropriate Change Order forms in order to extend the time of performance.

3. *Park Reservation, User Fee Program and Universal Reservation System (URS)*

HTA leadership and staff have continued to hold meetings with DLNR, representatives of the Office of the Governor, the Senate and others to understand and discuss the opportunity to implement a centralized, statewide channel manager for reservations at state parks. Through these discussions the team learned that there is a desire to have other assets included in the system beyond just state parks, that could include state trails and county parks. It is becoming apparent that a centralized reservations site may need to be built that focuses on the user experience and education that links to existing systems on the back end, much like a channel manager. There is more work to come, however, HTA's staff continues to advance this project.

HTA has contracted with HVCB to support a manager-level position to oversee the market research, procurement, and development of a robust Universal Reservations System (URS) for statewide leisure activities via CON 20138. The Notice to Proceed from HTA was issued on July 30, 2021. HVCB is in the process of finding the appropriate individual to fill the position.

4. Tour Guide Certification and Licensure

In partnership with the Native Hawaiian Hospitality Association (NaHHA) and the University of Hawai'i at Mānoa School of Travel Industry Management (TIM), HTA has contracted these two organizations to complete a comprehensive study to better understand current tour guide certification and licensure programs that exist in Hawai'i, while exploring industry best practices globally for possible implementation throughout the state. We believe the study can be completed by TIM before June 2022. The contract for this work was issued under HTA CON 18200 S3 to NaHHA with oversight provided by HTA.

5. Sustainable Tourism Management in Hawai'i Through Certifications, Trainings & Partnerships

HTA has contracted with the Hawai'i Ecotourism Association, d.b.a. Sustainable Tourism Association of Hawai'i (STAH), to protect Hawai'i's unique natural environment and host culture through the promotion of responsible travel and educational programs relating to sustainable tourism for residents, businesses and visitors. STAH will focus on three areas: 1) a Sustainable Tour Operator Certification Program, 2) a Tour Operator/Tour Guide Training Program, and 3) an Educational Outreach/Partnership Development. PON 20134 received a Notice to Proceed from HTA on August 9, 2021 and has been moving forward throughout the month of October.

III. HAWAIIAN CULTURE PILLAR

1. *Kūkulu Ola Program*

HTA has partnered with the Hawai'i Community Foundation (HCF) to administer its 2022 Kūkulu Ola program (HTA CON 21033). HCF issued an RFP to provide funding support to qualified nonprofit organizations and is seeking proposals from the community. The deadline for applicants to submit proposals to the Hawai'i Community Foundation was October 29, 2021 at 4 p.m. HST. The evaluation committee will be reviewing proposals throughout the month of November and anticipates notifying awardees during the 4th week of December.

2. *Native Hawaiian Hospitality Association*

HTA and the Native Hawaiian Hospitality Association (NaHHA) continue to strengthen ties between the Hawaiian community and the visitor industry. NaHHA continues to support HTA staff with Festival of Pacific Arts and Culture (FestPAC) planning and coordination. The FestPAC Commission has decided to recruit a Festival Director for a three-year term (with the option for a six-month extension) to lead the 13th FestPAC event scheduled for June 2024. The Festival Director will be based in Honolulu, Hawai'i at FestPAC Hawai'i Headquarters in the Hawai'i Convention Center. For Fiscal year 2021-2022, the Festival Director will be a contracted position with NaHHA. Interviews for the position have been completed.

On October 8, the Native Hawaiian Hospitality Association and travel2change hosted an informational presentation about their partnership called Kaiāulu Ho'okipa. The goal is to help Hawai'i nonprofit organizations and community groups build capacity to host experiences for kama'āina and visitors in a manner that advances the community's vision and aspirations, a key concept of regenerative tourism. Cohort applicants have been notified of their selection and must attend one of the pre-requisite training classes in order to proceed with the program.

Originally scheduled for November 6, 2021 at the Waikīkī Shell, it was announced on September 28 that the "Home in the Islands™ with Henry Kaponō & Friends" show would be rescheduled to June 18, 2022. This NaHHA contract with Kaponō Inc. will bring an all-star lineup of Hawai'i's most iconic and emerging musical artists together on one stage for a magical night under the stars, celebrating the soundtrack of Hawai'i. The event is a partial benefit for the Henry Kaponō Foundation with \$1 from every ticket and a portion of the show's proceeds going towards helping the many musicians, stagehands, audio engineers, lighting technicians, and backstage crews that were mainly put out of work over the past 18 months due to the COVID-19 pandemic.

3. *Pop-Up Mākeke Season 3*

In collaboration with DBEDT, HTA is continuing its support of the Pop-up Mākeke, produced by the Council for Native Hawaiian Advancement (CNHA). CNHA, a 501(c)(3) nonprofit, manages the online store, including the warehouse and order fulfillment. The inception of the marketplace happened

during the early months of the pandemic to support and uplift Hawai'i artisans and small businesses impacted by the coronavirus pandemic. Since its conception, the Pop-Up Mākeke has extended the opportunity to participate to vendors statewide and has provided support to over 400 Hawai'i-based businesses and sold over 115,000 products. Making a splash with over \$2.4 million dollars in sales over its three seasons, the Pop-Up Mākeke has redefined the way Hawai'i does business in the 21st century. The Pop-Up Mākeke's approach to bringing together Hawai'i-based artisans, vendors, and sponsors to create a centralized online marketplace has woven together two fundamental Hawaiian cultural values of kākou and kākō'o, gathering as a community to support and uplifting each other. Equally as important, the mākeke has created a new income stream for Hawai'i small businesses, with over 40% of its customer base outside of Hawai'i.

4. Native Hawaiian Festivals and Events

13TH FESTIVAL OF PACIFIC ARTS AND CULTURE (FESTPAC)

The commission for the 13th FestPAC continues its planning and HTA staff are supporting efforts around marketing, public relations and communications for the festival. The festival commission is now focused on recruiting a Festival Director. Interviews for the position have been completed and the Native Hawaiian Hospitality Association will be announcing its hire very soon.

MERRIE MONARCH FESTIVAL DIGITIZATION PROJECT

The digitization work of previous Merrie Monarch Festivals is ongoing and expected to be completed by June 2022. The work of digitizing the archived collection has been slowed due to the COVID-19 restrictions, as well as the tedious nature of the work.

SIGNATURE EVENTS

HTA has contracted with the Hawai'i Visitors and Convention Bureau (HVCB) to administer the Signature Events Program for CY2022. HTA decided to combine the Signature Events program with the Community Enrichment Program to simplify administration of the programs. Events that previously fell under the Signature Events Program will now apply to funding opportunities through the Community Enrichment Program (administered by HVCB). CON 21038 received the Notice to Proceed from HTA on July 30, 2021 and the RFP was published on September 27, 2021. The submission deadline was November 5, 2021.

5. Center for Hawaiian Music and Dance

During the 2021 legislative session, HTA tracked several bills which would affect the Center for Hawaiian Music and Dance (CHMD). HB321 HD1 and SB926 repealed the allocation of Transient Accommodations Tax (TAT) funds to the CHMD. HB1165 and SB916 SD1 amend the language that allowed for the development and operations of the CHMD and leaves its location undetermined. HTA staff has paused exploration of a digital/virtual exhibit component of the project, as clarity is obtained on what will allow the state to meet the challenges faced with the economic recovery from COVID-19.

6. *‘Ōlelo Hawai‘i – He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers*

Work towards the preservation and digitization of the Hawaiian Language Newspapers is ongoing and in process through the finalized and executed supplemental contract with Bishop Museum that allows more time for work to be completed on CON 20195 “He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers.” The State of Hawai‘i benefits to support programs that preserve and increase access to rare and historical Hawaiian language newspapers to further the understanding and knowledge contained therein. By making readily available these important documents for education, research, and preservation, the project will provide the state with a completely unique and robust resource for Hawaiian language learners and workers to strengthen ‘ōlelo Hawai‘i.

The year 2022 will mark a century of printing in Hawai‘i. To recognize the occasion and to further share the work of He Aupuni Palapala, project staff are teaming up with the Library & Archives and Exhibits colleagues to create a temporary exhibit in Hawaiian Hall that celebrates this remarkable occasion. While the exhibit will include printing in Hawai‘i prior to the origins of nūpepa Hawai‘i, overall content will focus on nūpepa and will also promote He Aupuni Palapala.

7. *Kāhea Greetings*

AIRPORTS

HTA has re-established its partnership with the Department of Transportation (DOT) Airports Division to implement the Kāhea Greetings program from July 2021 to June 2022 at the Honolulu (HNL), Kahului (OGG), Hilo (ITO), Kona (KOA), and Līhu‘e (LIH) airports, which will include a combination of Hawaiian music and hula ‘auana, lei greetings, refreshments, and/or other services to create an authentic Hawaiian experience to be provided to visitors upon their arrival. CON 21039 is awaiting the Notice to Proceed from HTA.

HARBORS

HTA has re-established its partnerships with community organizations to implement the Kāhea Greetings program for the 2022 cycle at Hilo Pier, Kailua Pier, and Nāwiliwili Harbor. Greetings will include, but not be limited to, entertainment, lei greetings, informational brochures and maps, and other services to create an authentic Hawaiian experience, to be provided each day a cruise ship arrives. CON 21035, CON 21036, and CON 21038 are awaiting the Notice to Proceed from HTA. Lahaina greetings are not needed because the pier is undergoing repairs. HTA staff is working with state and local partners to understand a need for greetings at Kahului Harbor.

IV. COMMUNITY PILLAR

1. *Community Enrichment Program (CEP)*

There is only one 2020 CEP project remaining, the Hale'iwa Interpretative Signage Project and Walking Tour Map. This project is set for completion on December 31, 2021.

HTA has contracted with the Hawai'i Visitors and Convention Bureau (HVCB) to administer the Community Enrichment Program for 2022. HTA CON 21038 received the Notice to Proceed from HTA on July 30, 2021 and the CEP RFP was released on September 27, 2021. Informational RFP briefings were held virtually for each island in the following weeks. The deadline for submissions was November 5, 2021.

2. *DESTINATION MANAGEMENT ACTION PLANS (DMAP)*

HTA has contracted with the Hawai'i Visitors and Convention Bureau (HVCB) to implement the DMAPs for each county in CY2022. CON 21038 received the Notice to Proceed from HTA on July 30, 2021. The following DMAP managers have been hired by HVCB:

- Kaua'i - Patti Ornellas
- Hawai'i Island – TBD by November 15, 2021
- Maui Nui – Meagan DeGaia
- O'ahu - Catherine Orlans

3. *HOSPITALITY INDUSTRY UPDATES (COUNTY)*

HTA recognized the need to connect with stakeholders from both the public and private sectors to improve awareness and build an understanding of the current state of the visitor industry related to COVID-19. As such, HTA staff coordinates with each county to identify a day and time that is most convenient for the respective mayor to participate in a hosted meeting with government officials, association leaders, contract partners and the visitor industry.

In October, hospitality industry updates were conducted for the County of Maui on October 12, County of Hawai'i on October 13, County of Kaua'i on October 20, and City and County of Honolulu on October 25.

4. *Communication and Outreach*

NEWS RELEASES/REPORTS/ANNOUNCEMENTS

- News Release: HTA Issues New RFP for USA Market (October 5). Also distributed via PR Newswire.
- Report: HTA Hawai'i Hotel Performance Report for September 2021 (October 20)
- News Release: Public Invited to Participate in DMAP Meetings for Maui Nui (October 20)

- Report: HTA Hawai'i Vacation Rental Performance Report for September 2021 (October 22)
- Announcement: Message from John De Fries on Welcoming Back Domestic Travel (October 25)
- KVB News Release: KVB Names Patricia Ornellas as Destination Manager (October 26)
- News Release: Statement by John De Fries on City and County of Honolulu Easing Capacity Restrictions (October 27)
- DBEDT News Release: Total Visitor Spending and Arrivals in September 2021 (October 28)
- News Release: T. Ilihia Gionson Joins the HTA as Public Affairs Officer (October 28)
- Announcement: Message from John De Fries on Bill 41 (October 29)
- News Release: DMAP Community Meetings for Moloka'i Postponed (October 29)

NEWS BUREAU

- Coordinated and assisted with 10 interviews and statements, including:
 - Hawai'i Hospitality, Brett Alexander-Estes: Caroline Anderson (CA) email interview on DMAPs (October 8)
 - Hawai'i News Now, Howard Dicus: Pitched and coordinated Kalani Ka'anā'anā (KK) live interview on U.S. MMA RFP, Mālama Ku'u Home and CBO role (October 12)
 - KITV, Nicole Tam: John De Fries (JDF) on the Biden administration's announcement allowing international travel to the U.S. starting Nov. 8 (October 15)
 - KHON, Kristy Tamashiro: KK on tourism industry preparations once Gov. announces resumption of leisure travel (October 15)
 - KAOI AM, Business Matters (Maui): JDF on impacts of Gov.'s August 23 message to curtail travel and HTA updates (October 19)
 - KHON, Aloha Authentic: KK on eco-tourism and regenerative tourism at the Hawai'i Convention Center (October 19)
 - KHON, Kristy Tamashiro: KK on Gov.'s announcement on Nov. 1 resumption of leisure travel (October 19)
 - CBC Radio (Canada), Missy Johnson: JDF interview on Hawai'i travel for Canadians (October 26)
 - KHON, Dallis Ontiveros: Dylan Ching live interview on Nov. 1 return of leisure travel (October 29)
 - Hawai'i Public Radio, Casey Harlow: JDF interview on Nov. 1 return of leisure travel (October 29)
- Assisted with the following media relations:
 - Hawai'i News Now, Josh Meeks: Hawai'i Convention Center rooftop deck repair proposal
 - Skift, Lily Girma: Follow-up on Mālama Ku'u Home Update
 - Honolulu Star-Advertiser, Allison Schaefer: Follow-up on HVCB contracts
 - The Travel Vertical, Laurie Farr: Mālama Ku'u Home and U.S. MMA RFP
 - Hawai'i News Now, Samie Solina: JDF interview on lifting of event restrictions by the City and County of Honolulu; HNN canceled due to breaking news
 - RMWorldTravel, Kayla Kelly: HTA info@gohta.com address for contact list

- KHON, Max Rodriguez: Recommended industry partners for interview on preparation for influx of holiday visitors
- TravelAge West, Shane Nelson: Gov. news release on Nov. 1 greenlight for non-essential travel
- Honolulu Star-Advertiser: Allison Schaefer: Response by interested applicants for U.S. MMA RFP
- Hotel News Now, Danny King: Nov. 1 resumption of domestic travel
- Honolulu Civil Beat, Suevon Lee: Clarification on outbound research data
- Ka Wai Ola, Cheryl Tsutsumi: JDF participation in AIANTA conference
- KHON, Kristy Tamashiro: Car rental agency contact for story on return of leisure travel

COMMUNITY INITIATIVES AND PUBLIC OUTREACH

- HTA E-Bulletin: Finalized and distributed October 2021 HTA E-Bulletin in English and ‘Ōlelo Hawai‘i
- Mālama Ku‘u Home Update – October 1
 - Monitored Facebook live and livestream comments during the event
 - Drafted and distributed post-event mahalo message (October 5)
 - Drafted and distributed social posts highlighting quotes from the update and encouraging the public to view the presentation
 - Uploaded registered attendee list to Constant Contact
- City and County of Honolulu – Proposed Amendments to Short-Term Rental Ordinance
 - Reviewed and provided edits to O‘ahu Visitors Bureau talking points
 - Drafted advocacy letter
- DMAPs
 - Reviewed Kaua‘i Visitors Bureau news release announcing its new Destination Manager, and provided CA quote
 - Created Facebook events for Maui Nui DMAP Community Meetings

CRISIS COMMUNICATIONS

- Conducted updates to HTA’s website – COVID-19 alerts page

HTA’S SOCIAL MEDIA

- Monitored and responded to direct messages on HTA’s Facebook, Instagram and Twitter accounts.

Facebook (HawaiiHTA)

- Number of followers: 19,056 (+20.71%)
- Engagement rate: -88.69%
- Daily page engaged users: 40,895
- Posts: 15

Instagram (@HawaiiHTA)

- Number of followers: 5,516 (+40.36%)
- Engagement rate: +34.31%
- Number of engagements: 552
- Posts: 12

Twitter (@HawaiiHTA)

- Number of followers: 38,743 (+4.18%)
- Engagement rate: -51.06%
- Number of engagements: 69
- Posts: 12

INTER-AGENCY & INTERNAL INITIATIVES

- Reviewed Hawai'i Visitors and Convention Bureau's Meet Hawai'i news release announcing A. Nudo, including JDF quote

5. *Safety and Security*

VISITOR ASSISTANCE PROGRAM (VAP)

HTA currently has four contracts, one in each county, to provide funding support for the Visitor Assistance Program. These contracts are:

- CON 17031 (S6) – Visitor Aloha Society of Hawai'i (O'ahu) was issued a contract on December 30, 2020, Supplemental #6, which encumbered funds for three-fourths of calendar year 2021 in the amount of \$277,500 (April 1, 2021 to December 31, 2021). HTA has processed a contract extension to fund this program from January 1, 2022 to December 31, 2022.
- CON 17032 (S5) – VASHI – Island of Hawai'i VAP was issued a contract on December 30, 2020, Supplemental #5, which encumbered funds for three-fourths of calendar year 2021 in the amount of \$127,500 (April 1, 2021 to December 31, 2021). HTA has processed a contract extension to fund this program from January 1, 2022 to December 31, 2022.
- CON 17033 (S4) – VASK – Kaua'i VAP was issued a contract on December 30, 2020, Supplemental #6, which encumbered funds for three-fourths of calendar year 2021 in the amount of \$41,250 (April 1, 2021 to December 31, 2021). HTA has processed a contract extension to fund this program from January 1, 2022 to December 31, 2022.
- CON 17034 (S4) – MVCB – Maui VAP was issued a contract on December 30, 2020, Supplemental #6, which encumbered funds for three-fourths of calendar year 2021 in the amount of \$41,250 (April 1, 2021 to December 31, 2021). HTA has processed a contract extension to fund this program from January 1, 2022 to December 31, 2022.

During the month of September:

- Maui County's program handled 5 cases and helped 6 visitors (year-to-date: 102 cases/ 195 visitors). This included visitors primarily from the U.S. West/East markets. The program team also attended meetings at the Emergency Operations Center (EOC), Airport, Hotel and Resort Security Association, car rental and Maui Police Department committee meeting. The industry assisted with \$1,200 of in-kind contributions.
- Hawai'i County's program handled 19 cases and provided assistance to 76 visitors (year-to-date: 191 cases/ 530 visitors). This included visitors primarily from the U.S. West market, and Asia. The industry assisted with \$4,291 of in-kind contributions.
- City and County of Honolulu's program handled 39 cases and helped 87 visitors (year-to-date: 567 cases/ 1,513 visitors). This included visitors primarily from the U.S. West market. The industry assisted with \$8,475.70 of in-kind contributions and VASH received \$495.26 for the Foodland Give Aloha Program.
- Kaua'i County's program handled 4 cases and provided assistance to 14 visitors (year-to-date: 75 cases/ 200 visitors). This included visitors from U.S. West/East market, and O'ahu. The program team also participated in the VASK ED/Dispatch coordinator meeting, VASK Board of Directors Meeting, and continue to air the VASK Crime Prevention and Safety Tips video on KVIC channel 3. VASK received \$1,600 of in-kind assistance from the industry and other sources to assist in carrying out their mission.

V. BRAND MARKETING PILLAR

1. Major Market Area (MMA) Market Conditions

International MMA Border/Entry Restrictions

- Japan's government announced the shortening of the quarantine period from 14 to 10 days starting from October 1, 2021. According to Prime Ministry's Office of Japan, as of November 2, Japan's vaccination rate reached 72.5% (fully vaccinated).
- Korea will implement a 3-phase "With COVID-19" plan (6 weeks per phase). In the first phase effective November 1, curfews applied for most of the livelihood facilities will be lifted, and the restriction for private gatherings will be eased. As of November 2, Korea's vaccination rate reached 75.6% (fully vaccinated).
- The Canadian border reopened to fully vaccinated travelers from all countries on September 7. Fully vaccinated travelers no longer must do on-arrival and day eight testing, but they may be subject to random testing at the border. The U.S. land border is set to reopen to non-essential (i.e., tourism) travel effective November 8.
- October was a breakthrough month for the Oceania market with a relaxing of travel restrictions in Australia allowing airlines and consumers to confirm specific dates for the restart of travel. As per the Australian government promise around opening international travel, November 1 became the landmark date for the opening of borders. The first cities to see an expansion of scheduled flights are London and LAX.

U.S. Domestic Market Conditions

- Competition for the U.S. traveler will intensify with the November 8 lifting of COVID-19 travel restrictions for fully vaccinated international travelers. While most tourism observers are focused on the potential return of international travelers to the U.S. after a long absence, the concern for Hawai'i is that American's pent-up desire to travel internationally is now within reach. The planes that had been moved from European routes to Hawai'i routes as the U.S. closed its borders are now being moved back to those routes.

MMA Airlift Update

- USA: The forecast for domestic scheduled non-stop air seats to Hawai'i for October-December 2021 will increase by +24.5 percent compared to the same period in 2019, based on flights appearing in Diio Mi. The constant fluidity of seats and flights will continue as the COVID-19 pandemic evolves. An overall increase of flights is expected for U.S. West (+23.9%) and U.S. East (+28.9%).

- Canada: Carriers are now offering 148,000 direct seats in 2021. This is 41,000 fewer seats than available throughout 2020 and 30% of the service offered in 2019.
- Japan: There were a total of 48 flights (12,020 air seats) from Japan to Hawai'i in the month of October. Hawai'i is expecting to receive 53 flights (13,379 air seats) and 80 flights (19,817 seats) for November and December respectively.
- Korea: Korean Air resumed 3 weekly flights from Incheon to Honolulu starting November 1 and will operate 5 weekly flights beginning in January 2022. Hawaiian Airlines is maintaining its 3 weekly flights and planning 4 weekly flights from January 22 to mid-February during the holiday season. Asiana Airlines is internally planning to resume its service for ICN-HNL from January 2022.
- Oceania: More flights have been scheduled between Sydney and Honolulu in December. Hawaiian has firmed up their schedule commencing December 15, which will include 5 weekly flights, while Qantas will operate 4 weekly flights commencing on December 20.

2. *MMA Contract Status*

- USA: Current contract for the USA MMA ends on December 31, 2021, with no options to extend. HTA has issued an RFP for the USA MMA for 2022.
- Japan: Current contract for the Japan MMA ends on December 31, 2021, with no options to extend. A new one-year contract covering calendar year 2022 using fiscal year 2021 funds has been fully executed. Through August, HTJ has been on a fixed cost payment schedule. Starting in September, HTJ utilized program funds approved for market education and promotion.
- Canada: Current contract for the Canada MMA ends on December 31, 2021, with no options to extend. A new one-year contract covering calendar year 2022 using fiscal year 2021 funds has been fully executed. HTCAN has been utilizing program funds approved for Mālama Hawai'i promotions and market education.
- Oceania: Current contract for the Oceania MMA ends on December 31, 2023, with two one-year options to extend. A supplemental contract covering calendar year 2022 using fiscal year 2021 funds has been fully executed. Through September, HTO has been on a fixed cost payment schedule.
- Korea: Current contract for the Korea MMA ends on December 31, 2022, with two one-year options to extend. A supplemental contract covering calendar year 2022 using fiscal year 2021 funds has been fully executed. Through June, HTK has been on a fixed cost payment schedule. Starting in July, HTK utilized program funds approved for Mālama Hawai'i promotions and market

education.

- China: Due to the COVID-19 pandemic and through no fault of the contractor, the contract for China MMA was terminated on December 31, 2020. A new one-year contract covering calendar year 2022 using fiscal year 2021 funds has been fully executed.

3. *2022 MMA RFP and BMP Outlines*

The Global MCI RFP was released on November 10. The release date for the Global Support Services RFP is pending while the brand team and contracts team continue to finalize the RFP. The Brand Marketing and Management Plan (BMMP) Outline for 2022 for all international GMT partners was released on October 5 with a submission deadline of November 12.

4. *MMA Brand Marketing Highlights*

HTA's Global Marketing Team (GMT) has been directed to pivot towards visitor and industry education and focus brand marketing to attract high-spending, positive-impact prospects with programs aligned with responsible and regenerative tourism.

- USA: The Mālama Hawai'i brand campaign continued to garner momentum in October, supported by public relations, paid social and search media, travel trade training and education, and a coordinated promotion with the Hawai'i travel industry to entice travelers with a trip that gives back – to both Hawai'i and to visitors. Strong traction for the Mālama Hawai'i promotion with industry partners continues to materialize. To date, 110 travel industry and community organizations are participating on a statewide basis. With expressed interest from even more industry partners who are expected to collaborate and contribute to a truly destination-wide effort, it is proving to be the largest public-private partnership that the Hawai'i industry has collectively supported.
- Japan: In October, Hawai'i Tourism Japan continued to work closely with major travel agencies and airlines for their support of Mālama Hawai'i initiatives. Hawaiian Airlines (HA) and All Nippon Airways (ANA) created a column about Mālama Hawai'i on their websites. HA also distributed mail magazines to its 100,000 members. A total of eight travel agents posted Mālama Hawai'i banners and videos on their owned media, in addition to playing videos at their stores.
- Canada: The Mālama Hawai'i campaign continues to be the focus of Hawai'i Tourism Canada's (HTCAN) efforts to promote sustainable tourism and volunteer opportunities by educating the Canadian market (consumer and trade) about Hawai'i as a destination, its culture and the need for a more responsible/respectful traveler that will embrace the value of mālama. HTCAN executed the 2021 Aloha Canada trade mission which took place virtually on October 28.
- Oceania: October saw an increase in social media activity along with an increase in reach and engagement. This reflects a market that is now entertaining the thought of actively traveling

again. Planning has begun around key campaigns to help launch the restart of travel from Oceania to Hawai'i. This includes a partnership with Mastercard which will provide the opportunity to reach an avid audience with a propensity to travel. HTO is working around content that is true to the HTA pillars.

- Korea: Hawai'i Tourism Korea (HTK) partnered with COEX, Korea's top convention center in Seoul, to be a part of COEX's anniversary event to inspire and refresh consumers from the fatigue of coronavirus by showcasing beautiful video footages of the Hawaiian Islands during lunchtime. The event takes place for four weeks from October 20 to November 10, 2021.

5. *Collaborations and Communications*

- The brand team continues to communicate with its industry partners to exchange information on market and business development.
- The brand team continues to conduct teleconference meetings with the GMT members to get regular updates on market trends, marketing activities, Hawai'i messaging, airlift development, and visitor and industry education efforts. During these meetings, HTA also conducts financial reviews with the GMT members.
- HTA staff attended a meeting for island-specific MCI updates on October 19 for Kaua'i.
- HTA staff met with the International Festivals & Events Association to discuss 2022 plans for capacity building workshops.
- HTA staff attended the Cruise Line MOA Working Group meetings with other state departments and agencies on October 20 and 27.
- HTA staff attended a meeting with Honolulu City Councilwoman Andria Tupola and Hawai'i Tourism China on October 12 to discuss the establishment of a sister city relationship between Honolulu and Fuzhou, China.
- HTA staff met with DBEDT and Taiwan Economic & Cultural Office on October 26 to further discuss a possible travel bubble between Taiwan and Hawai'i.
- HTA staff attended HTJ's PR stakeholders meeting on October 13.
- HTA staff did a presentation on HTA to 45 students at UHTIM 100 class on October 13.
- HTA staff participated in a meeting with HTJ and HVCB to discuss and share Mālama Hawai'i initiatives and potential collaborative opportunities.
- HTA staff met with Anthology's research team to discuss next steps on the Workforce Needs Assessment.
- Chief Brand Officer (CBO) participated in the HTA Mālama Ku'u Home Update with members of the leadership and community, industry and other members of the public.
- CBO had a meeting about RFP 21-06 Evaluators.
- CBO attended a virtual information session for Maui Nui RFP.
- CBO participated in a zoom webinar about Transforming Hawai'i Tourism/HBMF, discussing regenerative tourism, HTA Destination Management Action Plans, other models of destination management: Venice, NZ; and Tech/apps for over tourism management

- CBO attended a meeting about Mālama Hawai'i Voluntourism Program.
- CBO had a meeting with ESPN about the Hawai'i Bowl and Diamond Head Classic.
- CBO had a meeting with DOT-A Director Ross Higashi and DOT-H Deputy Director Ed Sniffen.
- CBO had a meeting with Senator Kouchi about Universal Statewide Reservation System.
- CBO had a WAM Maui Site -Strategic Plan Presentation.
- CBO had Cruise Line MOA Working Group meeting.
- CBO participated in 22-01 USA MMA Pre-Proposal Conference.
- CBO had a meeting with Senate EET Committee.
- CBO attended virtual HGG Annual Member Event.
- CBO had a meeting with UHERO Blog Writers.
- CBO had a meeting with GMT executives on 2021-2022 Performance Measures and KPIs.
- CBO had a meeting with NOAA ONMS to discuss what HTA plans to do with any EDA funds that may have been received.
- CBO had a meeting with Candice (GIVESPACE) to explore and understand the opportunity to drive donations to our parks and trails or other HTA partners.
- CBO met with HTCAN about airline concerns about international travel restart.

VI. PLANNING DIVISION

1. *Destination Management Action Plans (DMAPs)*

Below is an update on activities undertaken to support the implementation of the various DMAPs.

- The Planning team held meetings with the counties, Island Chapters, HTA staff, and NaHHA to review DMAP actions to date. This is in preparation for drafting the Fall DMAP Progress Reports, and the upcoming DMAP Steering Committee meetings in November. The Fall DMAP Progress Reports will be shared with the board in December.
- O'ahu DMAP:
 - The City & County of Honolulu's Office of Economic Revitalization (OER) held a meeting with county agencies that have a role in transportation, HTA, and O'ahu Visitors Bureau staff. The purpose of this meeting is to begin discussions to move action I ("Manage the visitors' use of cars as transportation on O'ahu.") forward.
- Maui Nui DMAP: HTA's Director of Planning (DOP) Caroline Anderson continued to work with MVCB Destination Manager Meagan DeGaia throughout the month to guide her in the implementation of the Maui Nui DMAP actions, and to plan for upcoming Lāna'i and Moloka'i DMAP advisory board meetings held in late October.
 - On October 25, DOP joined MVCB at its first Lāna'i DMAP Advisory Board Meeting (subaction E.1). The purpose of this meeting was to work on messaging to visitors. A public meeting was scheduled for November 9 to obtain public feedback on their work. However, this meeting needed to be rescheduled.
 - On October 29, DOP joined MVCB at its first Moloka'i DMAP Advisory Board Meeting (subaction C.1). The purpose of this meetings was to work on messaging to visitors. However, the committee focused on getting to know each other, especially M. DeGaia and C. Anderson's roles, as well as to learn more about the intention of the committee and HTA and MVCB's actions.
- Kaua'i DMAP: Kaua'i Visitors Bureau's Destination Manager Patti Ornelas started on October 18.
- Hawai'i Island DMAP: Island of Hawai'i Visitors Bureau continues its efforts to hire a Destination Manager.
- Outreach:
 - DOP participated in HTA's Mālama Ku'u Home webinar event on October 1 sharing the progress of the DMAPs.
 - DOP participated on a panel entitled "What Visitors Want vs. What Residents Want" at the Hawai'i Economic Association Annual Conference on October 7. Also on the panel were Colin Moore, director of the UH Public Policy Center, David Pettinger, president of Anthology Research, and Representative Richard Onishi. The panel was moderated by John Knox.
 - DOP provided an overview of each island's DMAP and fielded questions at the HVCB's Hawai'i Tourism Authority's Community Enrichment Program RFP Informational Sessions, October 5, 6 and 7.

- DOP went with the executive leadership team to the Senate Ways and Means hearing on Maui on October 18 to share information on the DMAPs progress, programs relating to economic development and workforce development.
- DOP participated in the Senate EET Committee meeting on October 22.

2. *Tourism Recovery and Marketing Plan*

- The planning team is preparing the Tourism Recovery and Marketing Plan with the brand team for board approval at the November meeting.

VII. TOURISM RESEARCH

Pursuant to Act 88, the Tourism Research Division (TRD) was transferred to DBEDT's Research & Economic Analysis Division (READ) effective July 1, 2021, and was renamed the Tourism Research Branch (TRB).

TRB issued the September 2021 monthly visitor statistics on October 28, 2021, including monthly arrivals by country, category expenditures for major markets, and monthly visitor characteristics for each major market area. A press release was issued by DBEDT, distributed by HTA, and the files were posted on the HTA and DBEDT websites.

TRB posted updates to Seat Outlook data tables for October through December 2021-2019 to the Infrastructure Research Section of the HTA website and the Air Seats Capacity Outlook page of the DBEDT website. This report also includes flight information.

State, market, and island fact sheets were updated with the September 2021 data and were published on the Monthly Visitor Statistics page of the HTA website and the Market Highlights page on the DBEDT website.

TRB issued the September 2021 Hawai'i Hotel Performance Report on October 20, 2021. The report and related September 2021 data tables were posted to the Infrastructure Research section of the HTA website. The Hawai'i Hotel Performance Report is produced using hotel survey data compiled by STR, Inc., the largest survey of its kind in Hawai'i.

TRB issued the September 2021 Hawai'i Vacation Rental Performance Report on October 22, 2021. The report and related September 2021 data tables were posted to the Infrastructure Research section of the HTA website. This report utilizes data compiled by Transparent Intelligence, Inc.

TRB published the September 2021 YouGov Coronavirus Travel Sentiment report prepared by HVCB. This report focuses on the impact of COVID-19 on U.S. Avid Travelers and provide travel planning trends, attitudes, and demographics.

Jennifer Chun, HTA's director of tourism research, was the moderator for Hawai'i Economic Association's 2021 Annual Conference entitled "Can We Leverage Tourism to Drive Diversification in Hawai'i's Economy?", featuring John De Fries, (HTA President and CEO) Denise Hayashi Yamaguchi (CEO, Hawai'i Food & Wine and Executive Director of Hawai'i Agriculture Foundation, former HTA Board Member), Chenoa Farnsworth (Managing Partner, Blue Startups, O'ahu DMAP Steering Committee Member), and Pauline Sheldon, Ph.D.(Professor Emeritus, University of Hawai'i, School of Travel Industry Management and Hawai'i Green Growth Local2030 Hub Advisory Board Member) on October 7, 2021. J. Chun was also on the planning committee for the conference and is on the HEA board.

J. Chun represented DBEDT and HTA at the TRUE (Technology Readiness User Evaluation) Committee quarterly meeting on October 20, 2021. TRUE is an initiative of the Hawai'i Executive Collaborative where leaders adopted the CHANGE Framework by creating committees and initiatives within each sector to drive collaborative action. TRUE is dedicated to tech-enabling organizations through collaboration and sharing of solutions.

TRB continued publishing the weekly Hawai'i YouGov Destination Brand Index for U.S., Japan, and Canada and the weekly Responsible Traveler Segment for the U.S. The report currently features the U.S. market and presents trends on a by-island basis. Other markets will be added as data becomes available. These reports utilize data from YouGov's Brand Index and are posted on the Other Research Section of the HTA website.

TRB continued publishing weekly Travel Agency Booking Trend reports, which features forward-looking data for the U.S., Japan, Canada, and Australia from Global Agency Pro. These reports are posted on the Other Research Section of the HTA website.

TRB is assisting with the Mandatory 10-Day Quarantine including: posting of daily transpacific passenger arrival data derived from data provided through the Office of Enterprise Technology Service's Safe Travels Program, providing air service schedules for the Safe Travels Program, and supporting State and county law enforcement and prosecutors.

TRB continued to work with the State Attorney General's office to analyze visitor data related to the impacts of the national travel ban on inbound travel from seven affected countries.

TRB continues to reply to requests for information from HTA's Global Marketing Team, industry, media, and the general public. Data requests completed include:

- Additional detailed visitor statistic data for UHERO and DBEDT/READ for their databases, and the monthly data requests.
- Research inquiries routed through DBEDT.

VIII. ARPA UPDATE

Following is an update on activity related to the American Rescue Plan Act (ARPA) funds that were provided to HTA during the 2021 Legislative Session.

In October, we continued our ongoing meetings and discussion with our contacts at Budget and Finance (B&F). These meetings and discussions primarily focused on the need to consider extensions for the subaward period given that HTA's normal expenditure cycle is typically calendar year based. We feel relatively confident that, should any of our encumbrances go beyond the June 30, 2022 period, B&F will consider granting our extension request. In the meantime, we have also brought this to the attention of DBEDT leadership to provide support should it be needed. As a reminder, the subaward period is May 11, 2021 to June 30, 2022.

IX. ADMINISTRATIVE

Contracts List: Pursuant to Hawai'i Revised Statutes §201B-7 (9), please note that the following contract was executed during the month of October 2021.

October 2021						
Contract No.	Contractor	Description	Contract Amount	Total Contract Value	Start Date	End Date
21013 S1	Access Cruise, Inc.	Hawai'i Cruise Industry Consultant Service	\$50,000.00	\$200,000.00	10/19/2021	09/30/2023

Contract Type: • Sole Source † Procurement Exemption

APPENDICES

Hawai'i Tourism United States

2021 Monthly Leisure Marketing Report – October

Market Intelligence/Market Conditions

Economy

- “U.S. real GDP increased at a modest +2.0 percent annualized rate in the third quarter, well below the +6.7 percent growth rate from the second quarter. Real consumer spending was soft, increasing at only a 1.6 percent rate following a +12.0 percent growth rate in Q2. Lack of inventories for automobiles and other durable goods products held consumer and business spending back. The Q3 surge on COVID also hurt consumer spending in a variety of areas,” according to Robert Dye of Comerica Economics.
- Initial claims for unemployment insurance continued their declining trend through October, falling by 10,000 for the week ending Oct. 23, to hit 281,000. Continuing claims for the week ending Oct. 16 fell by 237,000, to hit 2,243,000.
- The Conference Board *Consumer Confidence Index* increased in October, following declines in the previous three months.
 - The *Index* now stands at 113.8 (1985=100), up from 109.8 in September.
 - The *Present Situation Index* based on consumers’ assessment of current business and labor market conditions rose to 147.4 from 144.3 last month.
 - The *Expectations Index* based on consumers’ short-term outlook for income, business and labor market conditions improved to 91.3, from 86.7 last month.
- “Consumer confidence improved in October, reversing a three-month downward trend as concerns about the spread of the Delta variant eased,” said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. “While short-term inflation concerns rose to a 13-year high, the impact on confidence was muted. The proportion of consumers planning to purchase homes, automobiles, and major appliances all increased in October—a sign that consumer spending will continue to support economic growth through the final months of 2021. Likewise, nearly half of respondents (47.6%) said they intend to take a vacation within the next six months—the highest level since February 2020, a reflection of the ongoing resurgence in consumers’ willingness to travel and spend on in-person services.”

Outbound Travel Market

- *Wholesale Partner* – Bookings have stabilized. Christmas/Festive season still has sufficient availability throughout the state due to high hotel and car rental rates. Low airfares are not enough to stimulate demand Q1 2022 pace is significantly behind Mexico and the Caribbean. Mexico is up triple digits when compared to the same time period in 2019. The news of increased tax rates by island is having negative impact. As long as there is no resurgence of COVID and entry requirements remain stable I am optimistic about 2022 for the Hawaii market.
- *Airline Wholesale Partner* – We are still experiencing cancellations, and Q1 2022 pick-up has slowed but are seeing positive booking growth from June 2022 forward. November 2021-June 2022 remains positive. The TAT for, Maui, Kaua'i and O'ahu is still worry some. For example, with Maui, tax is now owed on all existing bookings. It equals a great amount that we are responsible to cover as we will not go back to our customers to ask them to pay.

Competitive Environment

- *U.S Opens Borders to Vaccinated International Visitors.* On Oct. 15, the White House announced it will lift COVID-19 travel restrictions for fully vaccinated international visitors starting Nov. 8, ending historic restrictions that had barred much of the world from entering the United States for as long as 21 months. The unprecedented travel restrictions kept millions of visitors out of the United States from China, Canada, Mexico, India, Brazil, much of Europe, and elsewhere.
- *St. Kitts Offering 5th Night Free for Vaccinated Travelers.* St. Kitts is welcoming vaccinated travelers with a new Winter Escape Promotion, giving families the option to receive a free night or two when they stay at a participating resort. The Winter Escape Promotion offers a fifth night free when vaccinated guests book four nights.
- *Visit Great Britain Welcomes Back Guests.* The campaign “I Travel For...” uses short films and storytelling to shine the spotlight on unexpected experiences and less-explored destinations in Britain, alongside its globally renowned and iconic landmarks and attractions. The campaign aligns the passions that motivate people to travel with experiences that can only be had in Britain, inspiring overseas visitors to book a trip right now. The digital campaign kicks off internationally with a launch film on *Facebook* and *Instagram* followed by a series of films and images promoting destinations across Britain. The digital campaign is launching across social media channels from February to April in Britain’s largest and most valuable inbound visitor markets including Australia, France, Germany, and the US and its high-spending markets.
- *Sydney Scraps Quarantine, Readies to Welcome Overseas Visitors.* Sydney will scrap all quarantine requirements for travelers, officials stated, an abrupt step toward reopening Australia's long-shuttered borders. In a surprise announcement, Premier Dominic Perrottet of New South Wales said that from Nov. 1 vaccinated travelers would be allowed to enter the state without quarantine of any kind. "For double vaccinated people around the world, Sydney, New South Wales, is open for business," Perrottet said.

Consumer Trends

Key insights about U.S. consumers from Deloitte’s State of the Consumer Tracker – October 2021:

- Americans appear increasingly ready to stay in hotels compared to 2020, although the Delta variant has dented a bit of confidence. This, along with elevated safety perceptions about restaurants and bars, will aid real personal consumption expenditure (PCE) on accommodation and food services. Concerns about air travel, however, have not improved as much—only 49% of respondents in Deloitte’s latest survey feel safe to take a flight.
- As people feel more confident visiting stores, retail ecommerce will likely face headwinds. Growth in retail ecommerce sales (excluding food services), fell to 3.3% in Q2 2021 from 7.8% in Q1; sales had grown a massive 31.9% in Q2 2020 due to the initial impact of the pandemic.
- A rise in preference for in-person events bodes well for recreation services, like theaters and sporting events. The workplace, however, is an area of concern for many, particularly since the Delta variant appeared. Nearly half of respondents said that they work from home at least two days a week.
- Overall, as health concerns ease, consumers seem increasingly eager to spend on food services, travel, and leisure activities—things they likely missed out in 2020. Hence, we forecast that PCE on durable goods—a hallmark of the pandemic—will give way to services spending over the next few years.

Media Trends

According to Content Stadium:

- *Social media trends: Stay up to date with the latest platform news.*
 - Facebook released an updated list of content types that get less prominence in newsfeeds. These include low-quality videos, engagement baits (posts that explicitly request engagement) and links to webpages full of ads.
 - Facebook launched Reels on Facebook in the U.S.
 - TikTok has reached a billion active users.
 - Instagram and YouTube are the social media platforms that experience the most outages.
- *Content Creation Tip: Increase quantity, without sacrificing quality. Is creating your social media content taking you too much time? Try one of these best practices to create quality content faster:*
 - Define your brand's visual identity to set some guidelines.
 - Build a bank of images.
 - Make your social media content in bulk.
 - Use templates instead of creating content from scratch every time.
 - Write your captions quickly and edit them slowly.
 - Reuse, recycle and break down your existing content into new content types.
- *Instagram Tip: Post less for engagement, more for reach.* Their findings varied based on your number of followers and overall strategy (do you want to reach more accounts or increase engagement per post?). These were their recommendations:
 - If you have less than 1k followers: Post 14 times per week to benefit from the highest reach and engagement rates per post.
 - If you have between 1k and 250k followers: Post 14-20 times per week for the highest reach rate per post. Or post once per week for the highest engagement rate per post.
 - If you have more than 250k followers: Post only once per week for the highest reach rate and engagement rate per post.

Airlift

HTA Airline Seat Capacity Outlook for October-December 2021 was updated on Oct. 26. The forecast for domestic scheduled nonstop air seats to Hawai'i during this period will increase by +24.5 percent compared to the same period in 2019. This projection is based on flights appearing in *Diio Mi*. The constant fluidity of seats and flights will continue as the COVID-19 pandemic evolves. An overall increase of flights is expected from all major market areas: U.S. West (+23.9%) and U.S. East (+28.9%). The situation is being monitored daily and the forecast adjusted accordingly.

Note: Beginning in June, HTA began benchmarking airline seat capacity against 2019.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- Competition for the U.S. traveler will intensify with the Nov. 8 lifting of COVID-19 travel restrictions for fully vaccinated international travelers. While most tourism observers are focused on the potential return of international travelers to the U.S. after a long absence, the concern for Hawai'i is that American's pent-up desire to travel internationally is now within reach. The planes that had been moved from European routes to Hawai'i routes as the U.S. closed its borders are now being moved back to those routes.
- On Oct. 25, Mayor Rick Blangiardi announced the City and County of Honolulu is easing restrictions for managed events if all attendees are vaccinated and safety measures are followed. The first

phase of the Safe O'ahu Response reopening plan begins Nov. 3, followed by phase two on Nov. 24.

- On Nov. 3 through the end of the year, both indoor and outdoor seated entertainment will be able to operate at full capacity with 100% of attendees vaccinated and masked. Concessions will be limited to water only. These events include sports arenas and concert venues with assigned seating.
 - Indoor interactive events are currently not allowed with more than 10 people, however beginning Nov. 3, they will be able to operate at 50% capacity with a maximum of 150 people (including employees). Beginning Nov. 24, they will still be able to operate at 50% capacity, however the maximum number of people will increase to 300 (including employees). Attendees must be vaccinated and masked while not eating or drinking. Employees, contractors, vendors, etc. who are working the event must follow Safe Access O'ahu guidelines. Food and beverages will be allowed in both phases.
 - Beginning Nov. 3, outdoor interactive events will operate at 50% capacity, with a maximum of 500 people (including employees). On Nov. 24, they may operate at full capacity of the venue. Attendees must be vaccinated. Employees, contractors, vendors, etc. who are working the event must follow Safe Access O'ahu guidelines. Food and beverages will be allowed in both phases.
- U.S. West
 - Weary health care workers across California enter the 19th month of the pandemic, thousands are walking off the job and onto the picket line, demanding more staffing. The strikes and rallies threaten to cripple hospital operations that have been inundated by the COVID-19 Delta surge as well as patients seeking long-delayed care. More than two dozen hospitals across the state — including some Kaiser Permanente and Sutter Health facilities and USC Keck Medicine — have experienced strikes by engineers, janitorial staff, respiratory therapists, nurses, midwives, physical therapists, and technicians over the past four months.
 - As of Oct. 31, health officials in Colorado are growing increasingly concerned as the rate of COVID-19 infections grows to levels not seen in more than 10 months. There is "a clear increase in cases statewide," state epidemiologist Dr. Rachel Herlihy said in a COVID-19 briefing on Thursday. In the last month alone, the state's daily case average has nearly doubled -- increasing by 91.5% since late September, according to federal data, and state data shows that Colorado's average positivity rate has risen from just under 7% last week, to nearly 8.5% this week.
 - U.S. East
 - New York City officials are preparing for shortages of firefighters, police officers, and other first responders as a showdown looms between the city and its unvaccinated uniformed workforce, who face a deadline to be immunized. Mayor De Blasio, who announced the mandate nine days ago, said officials would manage any staffing gaps with overtime and schedule changes and by enlisting private ambulance companies to cover for the city's paramedics. "We have all of the typical tools of how you use staff, move them around, how you use overtime," de Blasio told reporters on Thursday, adding that the city also faced staffing shortages last year when many first responders were infected with COVID. Leaders of unions representing firefighters and police officers have said the city could put more than one-third of their members on unpaid leave when enforcement of the vaccine mandate takes effect on Monday.

Leisure Activity Update

Consumer

- On-line

Digital Campaign October – Estimated Impressions

PARTNERS	Impressions
AdTheorent	3,342,417
<i>Buzzfeed</i>	955,401
Complex	1,168,263
<i>Condé Nast</i>	4,631,716
Matador	9,420,920
Ogury	308,877
Programmatic	2,828,902
Search	100,000
Tremor	1,087,180
<i>Facebook</i>	7,650,000
<i>Instagram</i>	3,250,000
<i>YouTube</i>	28,950,000
<i>Pinterest</i>	6,700,000
Total	70,393,676

- *Mālama Hawai'i* Brand Campaign
 - The *Mālama Hawai'i* brand campaign continued to garner momentum in October, supported by public relations, paid social and search media, travel trade training and education, and a coordinated promotion with the Hawai'i travel industry to entice travelers with a trip that gives back – to both Hawai'i and to visitors.
 - Strong traction for the *Mālama Hawai'i* promotion with industry partners continues to materialize. To date, 110 travel industry and community organizations are participating on a statewide basis. With expressed interest from even more industry partners who are expected to collaborate and contribute to a truly destination-wide effort, it is proving to be the largest public-private partnership that the Hawai'i industry has collectively supported.
 - Travel trade efforts also continued to actively educate travel sellers across the country on the benefits their customers will reap by experiencing a deeper connection with Hawai'i.
- Consumer Paid Media
 - A national flight of paid digital media continued in October to reach the Hawai'i target audience and to share *Mālama Hawai'i* brand messaging via four *mālama* videos distributed in various lengths on vetted paid digital and paid social media.
 - OTT/CTV/Advanced Television streaming media partners include Amazon, Roku, Hulu to distribute *mālama* videos in 30-second length versions.

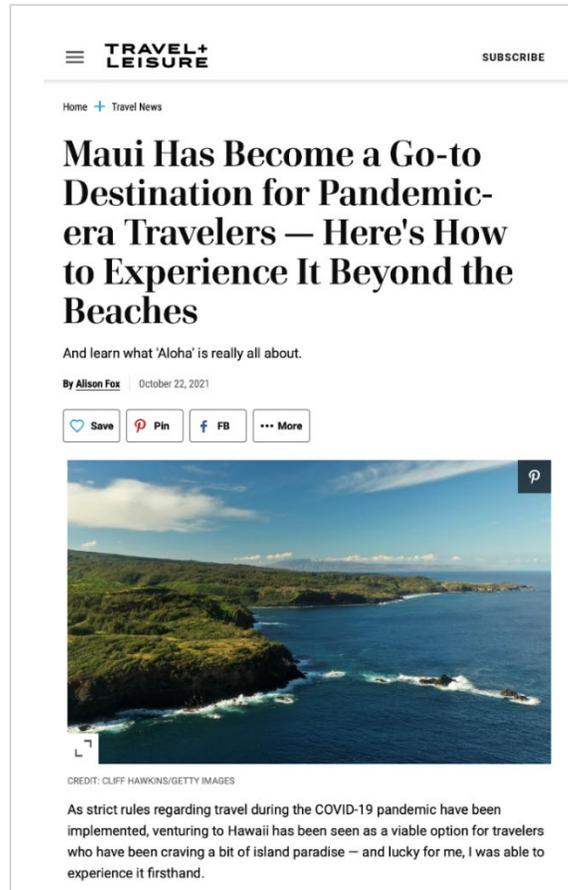
- Video Distribution media partners include AdTheorent, *BuzzFeed*, Complex, Tremor, Ogury, OMD programmatic to distribute *mālama* videos in 15-second and 30-second length versions (optimized for video completion metrics).
- The consumer paid media strategy also includes partnering with trusted travel partners to help tell the *Mālama Hawai'i* story in their own voice that resonates with their own audience - who align well with a Mindful Traveler. Partnerships with *Condé Nast Traveler* and *Matador* resulted in custom-made videos for digital and social media distribution, as well as accompanying written story articles, which were promoted digitally through October.

Travel Trade

- Paid Trade Media
 - The Travel Trade campaign continued in October with a flight of digital media that shares the *Mālama Hawai'i* brand messaging with travel advisors, directs them to get the latest updates and learn more about the current destination entry requirements, and invites them to become certified Hawai'i Destination Specialists. Paid travel media partners include Northstar and TravAlliance and paid social media partners *Facebook* and *Instagram*. Total estimated digital gross impressions – October: 2,188,569

Public Relations

- Hawai'i Tourism USA (HTUSA)
 - The HTUSA and Island Chapter PR teams are coordinating a fall statewide Hawai'i Virtual Media Blitz slated for Nov. 8-12. During the one-on-one appointments with media, the teams will bring them up to speed on the latest destination news as well as connect them with an amazing group of partners and ambassadors from each island to share meaningful visitor experiences relating to culture, voluntourism, destination management, and more.
 - As a result of a HTUSA press trip coordinated with United Airlines earlier this year, Alison Fox produced the following story in *Travel + Leisure* titled, "Maui Has Become a Go-to Destination for Pandemic-era Travelers — Here's How to Experience It Beyond the Beaches." Alison's experience focused on regenerative and responsible tourism, highlighting partners such as United Airlines, Kiawe Outdoor, and Maui Cultural Lands. She encourages travelers to experience beyond the crowds and beaches by participating in voluntourism activities Maui has to offer that give back to the land and offer an enriching travel experience.



- With the Governor's Oct. 19 announcement welcoming back non-essential travel to Hawai'i starting on Nov. 1, the PR team communicated key travel and protocol information to PR industry professionals, local and national broadcast stations, leisure publications, editors, and freelance journalists. In addition, HTUSA distributed a press release titled, "Governor Ige gives the greenlight to non-essential travel for fully vaccinated residents and visitors" through PR Newswire on Oct. 20th. A total of 199 publications picked up the release, including *Forbes*, *Lonely Planet*, *Travel Weekly*, and other notable Hot 100 publications, with a total audience of 166,376,420 and 3,586 release views and hits.
- HTUSA and MVCB conducted a *Mālama Hawai'i* Orientation and Update for Maui Nui community organizations. The purpose of the webinars was to provide an overview of the *Mālama Hawai'i* Program and destination marketing efforts, share how the program could evolve moving into 2022, hear from participating Maui Nui community partners and outline best practices. Similar webinars are planned for the other islands.
- Media coverage highlights:
 - “Things For Southern Californians to do – Part 12 – Honolulu” – *Adelente Magazine* – Scott Smith & Sandra Wells – Oct. 1
 - “The 10 best hikes in Hawaii serve up stunning island views” – *Lonely Planet* – Lonely Planet Editors – Oct. 14
 - “Governor Ige gives the greenlight to non-essential travel for fully vaccinated residents and visitors” – *PR Newswire* – HTUSA – Oct. 20
 - “Maui Has Become a Go-to Destination for Pandemic-era Travelers — Here's How to Experience It Beyond the Beaches” – *Travel + Leisure* – Alison Fox – Oct. 20

- Kaua'i Visitors Bureau (KVB)
 - Reached out to KVB partners to gauge interest and availability to promote and feature cultural and mindful experiences embodying *Mālama Hawai'i* values through TV network ABC. Following partner interest to participate, connected ABC's San Francisco team with partners. This media opportunity took place from Oct. 20-22 in partnership with Hawaiian Airlines.
 - Corresponded with national travel writers to gauge interest in visiting Kaua'i on an individual media visit to highlight mindful travel, *Mālama Hawai'i*, history and culture, conservation, and outdoor adventure on Kaua'i.
 - Distributed early priority invitations to select national media for HTUSA's virtual media blitz, Nov. 8-12 with specific information about KVB's meeting date and times, and a link to reserve a preferred time slot.
 - Worked with HTA and HTUSA on a press release announcing Kaua'i's new Destination Manager Patti Ornellas. Press release, "Kaua'i Visitors Bureau Names Patricia Ornellas as Destination Manager" was distributed on Oct. 26.
 - Kaua'i was featured in:
 - "Best Match Play Holes" – *Golfpass* – Brandon Tucker – Sept. 23. Article was a result of Jason Deegan attending the Kaua'i Golf FAM trip in June 2021.
 - "'100% illegal and culturally inappropriate': Hawaii orders wedding photographers to cease and desist" – *Houston Chronicle* and *SF Gate* – Andrew Chamings – Oct. 8
 - "Kauai is Cracking Down on Wedding Photographers Ignoring State Rules" – *PetaPixel* – Jaron Schneider – Oct. 8
 - "DLNR issues cease-and-desist orders to 2 wedding photographers for photos shot on Kauai" – *Yahoo! News* – Nina Wu – Oct. 9
 - "The 10 best hikes in Hawaii serve up stunning island views" – *Lonely Planet* – Jim Brody – Oct. 15
 - Liaised with 20 media in October:
 - Sunny Fitzgerald, *Travel + Leisure*
 - Ramsey Qubein, *Forbes*
 - Sarah Dubbeldam, *Darling Magazine*
 - Sarah Sekula, *USA Today*
 - Elaine Glusac, *The New York Times*
 - Michele Bigley, *AFAR*
 - Barbara Noe Kennedy, *The Washington Post*
 - Jennifer Chan, *Elle.com*
 - Jim Brody, *Lonely Planet*
 - Christine Tran, *Tour de Lust*
 - Adrienne Jordan, *Forbes*
 - Kylie Ruffino, *Budget Travel*
 - Cheryl Tsutsumi, *AAA Hawaii Explorer*
 - Jean Chen Smith, *USA Today*
 - Julie Patterson, *@wanderfullyplanned*
 - Lindsay Meyers, *@lindsayhmeyers*
 - Scott Kramer, *PGA Magazine*
 - Matt Ginella, *Firepit Collective*
 - Brodie Smith, *@brodiesmith21*
 - Kelsey Lowrance Smith, *@kelseylowrance*

- O‘ahu Visitors Bureau (OVB)
 - O‘ahu was featured in:
 - *Lonely Planet*. Coverage resulted from media requested assistance from Sarah Sekula, who helped update the “The 7 best day trips from Honolulu” section of this publication. The article features Pearl Harbor, The Polynesian Cultural Center, Hanauma Bay.
 - *Lonely Planet*. Coverage resulted from media requested assistance from Sarah Sekula. Featured within the article, “The 10 best hikes in Hawaii serve up stunning island views” is Kuli‘ou‘ou Ridge Trail.
 - Individual Media Visits
 - No individual media visits to report for October.
 - Liaised with 7 media in October:
 - Rachel Ng, *London Times*
 - Steven Bramucci, *UPROXX*
 - Benjamin Setiawan, *Forbes*
 - Kim Westerman, *Out Traveler*
 - Sarah Sekula, *Lonely Planet*
 - Sunny Fitzgerald, *Travel + Leisure*
 - Anne Sternheim

- Maui Visitors and Convention Bureau (MVCB)
 - Individual Media Visits: MVCB had no media visits in October.
 - Press Trips:
 - MVCB Eat Your Heart Out Press Trip: Nov. 9-14. Coordinating media invites, *Mālama Hawai‘i* activities, local experiences, and accommodations.
 - Liaised with and/or provided information or image(s) assistance to the following media:
 - Brad Japhe and Jared Ranahan, *Forbes* (uvpm: 201Mil), *Travel + Leisure* (uvpm: 8.5Mil), and *Thrillist* (uvpm: 13Mil). Setting up itinerary for Maui visit in December (dates TBA).
 - Robert Kaufman, freelance *Golf Tips* (uvpm: 42K). Provided images as follow-up on August visit to Maui.
 - Eric Grossman, freelance, *USA Today* (uvpm: 110K). Liaised regarding *USA Today* Top Ten Lists for Maui small towns.
 - Tim Ebner, freelance, *Edible DC* (circ: 30K) and *Thrillist* (uvpm: 13Mil). Provided assistance for possible Maui visit in December.
 - Sarah Sekula, freelance, *Lonely Planet* (uvpm: 7.6K). Provided assistance with images and fact-checking content for *Lonely Planet* guidebook.
 - Al Lunsford, editor, *LINKS* (uvpm: 83K). Provided contacts for Kapalua golf coverage in November e-blast feature.
 - Nicole Pilacios, executive editor, *Inside Weddings* (uvpm: 162K). Provided assistance with upcoming visit to Maui, Jan. 6-10, 2022.
 - William Patterson, director, *ABC-KGO-TV San Francisco*. Coordinated *Mālama Hawai‘i* activities for Hawaiian Airlines *Mālama Hawai‘i* promotional shoot.
 - Jay Jones, freelance, *Lonely Planet* (uvpm: 7.6K). Provided assistance with Maui information for *Lonely Planet* guidebook.

- Island of Hawai‘i Visitors Bureau (IHVB)
 - Liaised with six media in October:
 - Amber Gibson, *FreelanceWriter*
 - Glenda Winders, *South Magazine*
 - Keely Spitler, *South Magazine*

- Cherry Pascual, *KITV*
- Sarah Sekula, *Lonely Planet*
- Tanvi Chheda, *Freelance Writer*
- o Drafted and posted social posts on IHVB’s social platforms alerting visitors about the eruption and pointing them to Hawai’i Volcanoes National Park for the latest updates

Travel Trade Activities

B2B Meetings, Trade Shows, Training Events

	Airline/Wholesaler/TA/TO/OTA/Other
HTUSA	10
KVB	-
OVB	4
MVCB	2
IHVB	2

Summary of Key Activities

- HTUSA
 - o For the month of October, there were 10 travel trade activities consisting of educational webinars and training sessions for a total of 521 participants. Travel trade participated in three industry partner meetings with a total of 11 partners. HTUSA and the Island Chapters continue to communicate with industry partners and travel advisors regarding updates and changes to the Safe Travels Program, lifted restrictions for those who have been vaccinated, and sharing all the important links via the travel agent website, linking to *gohawaii.com* and the DOH accordingly.
 - o The team fielded all inquiries received from travel advisors across the United States via the *agents.gohawaii.com* site who required assistance to plan their clients’ trips and navigate the Safe Travels program.
 - o Cruise Planners held their annual conference Oct. 2-6 in Cancun, Mexico, drawing nearly 500 travel advisors. In addition to participating in the vendor trade show, HTUSA conducted a pre-conference destination seminar for 60 attendees providing a comprehensive destination overview, entry protocols, *Mālama Hawai’i*, and travel advisor resources.
 - o HTUSA hosted a Hawai’i Night for 21 advisors of the Long Island Travel Agents Association (LITAA) on Oct. 5 in Farmingdale, NY. HTUSA conducted a presentation covering the latest travel protocols and restrictions in the destination, as well as an island overview with updates.
 - o The Midwest ‘Ohana hosted two webinars on Oct. 6-7 for a total of 104 advisors. HTUSA presented the latest travel protocols and updates in Hawai’i. Participating Hawai’i partners included Courtyard Marriott O’ahu North Shore, Delta Vacations, Fairmont Kea Lani and Fairmont Orchid, Globus Family of Brands, Grand Wailea, Hawaiian Hotels & Resorts, Hyatt Hotels Hawai’i, Kā’anapali Beach Hotel, Marriott International - Hawai’i, MVB, OVB, and Pleasant Holidays.
 - o HTUSA hosted the Association of Central Jersey Travel Professionals (ACT) New Jersey meeting on Oct. 7 in Point Pleasant, NJ. In addition to participating in a trade show, HTUSA presented to 66 advisors on the latest travel protocols, an island overview, and island updates.
 - o HTUSA was recognized as the top “U.S. Tourism Board Providing Best Travel Advisor Support” and having the “Best Pandemic Community Response by a Tourism Board” at the *TravelAge West 2021 Wave Awards* held on Oct. 7. HTUSA also received an Editors Pick for having the “Best Travel Advisor Engagement Program by a Tourism Board.” All three awards came in the

Tourism Board category of the competition. Hawai'i topped other destination marketing organizations, including the Arizona Office of Tourism, Las Vegas Convention and Visitors Authority, Visit California, Visit New Orleans, Jamaica Tourist Board, and Tourism Authority of Thailand.



*Domestic Tourism Board Providing
the Best Travel Advisor Support*

HAWAII VISITORS AND CONVENTION BUREAU



Best Pandemic Community Response

- HTUSA co-hosted a Hawai'i Night with Pleasant Holidays and Shoreline Hospitality for the Working in Travel Services (WITS) meeting on Oct. 12 in Latham, NY. In addition to participating in a trade show, HTUSA conducted a presentation for 41 advisors on the latest travel protocols, an island overview, and updates on each island.
- Apple Leisure Group (ALG) hosted its ASCEND Conference in-person Oct. 14-17 in Cancun, Mexico, drawing 600 travel advisors nationwide. In addition to participating in a vendor trade show, HTUSA's sponsorship included a coffee break with Hawaiian entertainment and refreshments, a destination presentation to 65 advisors, and a panel discussion for 80 attendees. Hawai'i received additional exposure as HTUSA, in partnership with Outrigger Hotels and Resorts, provided live Hawaiian entertainment with Kumu Kona Washington-Garcia and two *hula* dancers for the kick-off of the second day's general session. Hawai'i suppliers in attendance included Outrigger Hotels and Resorts, Hawaiian Hotels & Resorts, Hilton Hotels & Resorts, Turtle Bay Resort, and Marriott International - Hawai'i.
- HTUSA attended the Travel Leaders EDGE Conference Oct. 18-21 in Orlando, FL. This event drew over 1,100 travel advisors for a vendor trade show and various sessions. HTUSA sponsored live Hawaiian entertainment with Kumu Kona Washington-Garcia and two *hula* dancers and conducted two workshops (provided *kukui* nut *lei* to travel advisors) highlighting entry protocols, *Mālama Hawai'i*, destination updates, and travel advisor resources reaching 150 travel advisors.
- HTUSA participated in the Association of Westchester Travel Advisors (AWTA) Fall trade show in New Rochelle, NY, on Oct. 25 with 148 advisors in attendance.
- Four Seasons Resorts Lāna'i co-hosted a training luncheon with HTUSA for 14 luxury travel advisors on Oct. 26 in New York, NY. HTUSA presented Hawai'i's latest travel protocols and an island overview.
- HTUSA participated in the ASTA New Jersey trade show on Oct. 27 in Totowa, NJ, with 125 advisors in attendance.
- HTUSA participated in the Travel Agents of Suffolk County (TASC) trade show on Oct. 28 in East Islip, NY, with 100 advisors in attendance.



- Travel agent website *agents.gohawaii.com* update: There were 418 online graduates who completed the Hawai'i Destination Specialist and/or Island Specialist educational courses online, and 503 new registrants signed up for access to online resources. The overall travel agent database numbers are now at 125,611 email contacts, which includes 71,100 active U.S. travel advisor profile records.
- KVB - Nothing new to report
- OVB
 - Midwest 'Ohana: Holomua webinar, Oct. 7 (8 advisors). O'ahu Destination Updates.
 - Mailpound webinar, Oct. 7 (94 advisors). Celebrate History & Culture on O'ahu. Guest Speakers: Outrigger Reef Waikīkī Beach Resort, The Laylow, Autograph Collection
- MVCB
 - Webinar on Oct. 5 for Northern California 'Ohana (NorCal 'Ohana) – audience was suppliers and travel agents – 43 members participated
 - Second Webinar on Oct. 7 for Midwest 'Ohana – audience was suppliers and travel agents – 35 members participated
- IHVB
 - Frosch Travel / Woodland Hills, CA, on Oct 6. Destination updates (18 advisors).
 - Travel Leaders Rancho Travel / San Diego, CA, on Oct 18. Destination updates (10 advisors).

Key Performance Indicators - Leisure Market

Consumer

Digital Campaign September Actual Impressions

PARTNERS	Impressions
AdTheorent	3,441,972
BuzzFeed	2,811,664
Complex	976,164
<i>Condé Nast</i>	6,860,586
Matador	14,178,308
Ogury	422,228
Programmatic	3,317,006
Search	139,793
Tremor	1,379,885
<i>Facebook</i>	6,676,392
<i>Instagram</i>	4,539,252
<i>YouTube</i>	29,543,092
<i>Pinterest</i>	6,676,392
Total	80,962,734

Public Relations

- Month-end impressions and publicity values for articles that included Hawai'i – September results

Impressions and Publicity Values for September

SEPTEMBER	Impressions	Publicity Values
Print	86,663,507	\$18,975,031
Online	79,281,137,970	\$27,754,072
Broadcast	520,381,495	\$13,672,141
Total	79,281,137,970	\$60,401,246

Countermeasures

- HTUSA shared Governor Ige's message regarding Hawai'i welcoming non-essential travel for fully vaccinated residents and visitors beginning Nov. 1. The call/email team and staff continued to respond to inquiries about requirements for travel and Safe Travels program details, and communicate with the airlines, OTAs, media, travel trade industry, MCI clients/potential clients, and Hawai'i partners.
- The HTUSA 1-800-GoHawaii call center fielded 15,700 calls in October. In addition, HTUSA staff and call center agents responded to 6,500 Safe Travels inquiries to info@gohawaii.com.

Responsible Tourism Update

- Hawaiian Culture
 - HTUSA – The consumer and travel trade enewsletters focused on historical and cultural aspects of surfing and its origins in the Hawaiian Islands.
 - KVB – Webinars and presentations included components of Hawaiian history and culture.
 - OVB – All presentations at webinars and meetings included a component of Hawaiian culture.
 - MVCB – All presentations at webinars and interviews included a component of Hawaiian culture.
 - IHVB – All webinars included components of Hawaiian history and culture.
- Natural Resources
 - HTUSA – *Travel + Leisure* produced a story titled, "Maui Has Become a Go-to Destination for Pandemic-era Travelers — Here's How to Experience It Beyond the Beaches." The piece focused on regenerative and responsible tourism and encouraged travelers to experience beyond the crowds and beaches by participating in voluntourism activities that give back to the land and offer an enriching travel experience.
 - KVB – Nothing new to report
 - OVB – As a part of O'ahu's destination management efforts, educational Travel Tips are being displayed (digitally) in the baggage claim areas of Terminals One and Two at Daniel K. Inouye International Airport on O'ahu. The travel tips include important information for travelers and are

focused on ways to preserve Hawai'i's culture, protect wildlife, hike safely and responsibly, and support ocean conservation and safety.

- MVCB – Nothing new to report
- IHVB – IHVB supporting Hawai'i Volcanoes National Park focus on safety and planning a respectful visit as visitor numbers to the park increases due to new volcanic activity.
- Community
 - HTUSA
 - Smaller community cultural events were promoted in the consumer and travel trade newsletters.
 - Safety tips for surfing in the Hawaiian Islands were also featured in the consumer newsletter.
 - KVB
 - In response to the current pandemic, executive director Sue Kanoho continued to work regularly with the Kaua'i Emergency Management Agency Office in cooperation with the County of Kaua'i's Mayor and Mayor's office, Kaua'i Police Department, and other state and county officials and organizations.
 - KVB continued to provide a weekly update of activities open or closed for the County of Kaua'i's website, *kauaiforward.com*.
 - KVB jointly with HTA held an informational RFP grant process webinar for potential applicants for the Community Enrichment Program (CEP) on Oct. 5.
 - In coordination with Life's Bridges, met with the Winteregg family from Switzerland to assist with the final follow-up of the Safari Helicopter crash in late 2019.
 - Met with All Trails representatives to discuss better partnership on the places and trails they promote for Kaua'i to ensure safety as well as provide awareness of community and cultural sensitivity. All Trails agreed to remove hiking information leading to the bottom of Wailua Falls which is illegal due to hikers trespassing. Suggested they reach out to other islands too to review the same for those locations and communities.
 - Met with representatives from the Princeville Community Association about Queen's Bath and the parking situation and impact there.
 - Sat in on discussion with the car rental company representatives about new Kaua'i legislation affecting their industry.
 - KVB finalized the members for the Kaua'i Community Enrichment Program (CEP) Selection Committee and has been in communication with them.
 - KVB, HTA, and the County of Kaua'i met to review and report updates and progress on the action items of the DMAP on Oct. 27.
 - KVB attended a training meeting held by HTA on the CEP proposal scoring and evaluation process on Oct. 29.
 - Participated in a Kaua'i visitor industry Zoom webinar with Mayor Kawakami, HTA, HTUSA, and HLTA for island updates on Oct. 30.
 - OVB
 - Held an O'ahu DMAP introduction meeting with Rick Egged from Waikīkī Improvement Association on Oct. 5.
 - Provided CEP RFP information to Sustainable Tourism Association of Hawai'i newsletter sent out on Oct. 5.
 - Held an O'ahu DMAP Pre Arrival Messaging Meeting with Adam Kurtz from NOAA on Oct. 7.
 - Held an O'ahu DMAP introduction meeting with OVB Board of Directors on Oct. 14.
 - Held an O'ahu DMAP Action meeting with City and County of Honolulu DTS-CCSR-HTA on Oct. 19.

- Held an O'ahu DMAP introduction meeting with Hawai'i Lodging & Tourism Association on Oct. 20.
- Held an O'ahu *Mālama Hawai'i* presentation meeting with HTUSA, NaHHA, Travel2Change, and Kanu Hawai'i on Oct. 21.
- Held an O'ahu DMAP actions meeting with OVB Board of Directors on Oct. 28.
- Held an O'ahu DMAP introduction meeting with Hawai'i Hotel Alliance on Oct. 28.
- Held an O'ahu DMAP introduction with Joe Obrien from Alltrails (App) on Oct. 29.
- Provided CEP RFP information to Hawai'i State Foundation on Culture and the Arts enewsletter sent out on Oct. 29.
- Provided CEP RFP information to Hawai'i Alliance of Nonprofit Organizations enewsletter sent out on Oct. 29.
- o MVCB
 - All presentations at webinars include *Malama Hawai'i* and Road to Hana Code of Conduct.
 - Supporting Maui County's Mālama Maui County Pledge promotion with distribution of a rack card to hotel and activity partners. Continuing to showcase video on social media channels in October 2021. Also showcasing *Mālama Hawai'i* videos on social media channels.
 - MVCB is partnering with Pacific Media Group on a digital marketing program in September and October to promote the Mālama Maui County Pledge video and *Mālama Hawai'i* video to the local community through *MauiNow.com* and to the West Coast market through *Google Search*.
 - Filmed two segments in mid-October with *HI Now* featuring two *Mālama Hawai'i* partners, Ka'ehu and Na Mahi'ai 'o Keanae. Segments will air on *HI Now* Holoholo Maui program on Nov. 12.
 - Coordinated *Mālama Hawai'i* activities for Hawaiian Airlines ABC KGO-TV San Francisco shoot on Maui including Leilani Farm Sanctuary and Kipuka Olowalu. Promotional segments to air in 2022.
- o IHVB
 - All webinar presentations include program elements of *Mālama Hawai'i*.
- HTA Events and Programs.
 - o Provided media assets on behalf of HTA for event and program sponsorships.
 - Big West Conference: Provided television commercials and billboard for airing in conference schedule of games coverage.

Island Chapters Engagement Update

- KVB
 - o Participated in Aloha Canada Media day on Oct. 27
 - o Participated in Aloha Canada Trade Show for Travel Agents on Oct. 28
- OVB
 - o Held an O'ahu DMAP introduction meeting with Consulate-General of Japan and Hawai'i Tourism Japan on Oct. 5.
 - o Held an O'ahu DMAP introduction meeting with Hawai'i Tourism Japan on Oct. 8.
 - o Held an O'ahu DMAP introduction meeting with Hawai'i Tourism Japan and 13 O'ahu attraction partners on Oct. 13.
 - o Held an O'ahu DMAP introduction meeting with Hawai'i Tourism Japan and 17 O'ahu hotel partners on Oct. 13.
 - o Held an O'ahu DMAP introduction meeting with Hawai'i Tourism Japan and 14 PR/Marketing partners on Oct. 13.
 - o Participated in Aloha Canada Media day on Oct. 27 (4 media interviews).

- Participated in Aloha Canada Trade Show for Travel Agents on Oct. 28 (2 MCI appointments).
- **MVCB**
 - Participated in Aloha Canada Media day on Oct.27
 - Participated in Aloha Canada Trade Show for Travel Agents on Oct. 28
- **IHVB**
 - Participated in Aloha Canada Media day on Oct. 27
 - Participated in Aloha Canada Trade Show for Travel Agents on Oct. 28

“Coming Attractions” for Leisure Market

	What	When	Where
HTUSA	Entertainment Tonight	Oct. 30-Nov. 5	O’ahu
	Marla Cimini (<i>USA Today</i> , part of HFWF)	Nov. 6-14	O’ahu
	Michelle Lawrence (social influencer)	Nov. 10-14	O’ahu
	Steve Bramucci (UPROXX)	Nov. 9-15	O’ahu
	Virtual Media Blitz	Nov. 8-12	Virtual
	Signature Travel Network Conference	Nov. 9-12	Las Vegas, NV
	Cruise World	Nov. 10-12	Miami, FL
	ASTA (American Society of Travel Advisors) Destination Showcase	Nov. 14-16	Savannah, GA
	MAST Travel Network Sales Sensation	Nov. 16	Oakbrook Terrace, IL
	The Hawaiian Islands “Mālama Ambassadors” Virtual Event	Dec. 1-2	Virtual
KVB	Signature Travel Conference	Nov. 8-10	Las Vegas, NV
	IMEX America	Nov. 9-11	Las Vegas, NV
	NorCal ‘Ohana	Nov. 16-17	Sacramento, CA San Francisco, CA
OVB	IMEX America	Nov. 9-11	Las Vegas, NV
	Signature Travel Network Conference	Nov. 9-12	Las Vegas, NV
MVCB	Rescheduled Destination Hawai‘i Conference	Dec. 6-8	Maui
MVCB	Rescheduled Destination Hawai‘i FAM Trip	Dec. 8-9	Maui
IHVB	Signature Travel Network Conference	Nov. 8-9	Las Vegas, NV
	Consumer Opt-in Email (KOA Airport Mural)	Dec. 9	N/A

**Hawai'i Tourism Japan
2021 Monthly Leisure Marketing Report – October**

Market Intelligence/Market Conditions

Economy

- **New Prime Minister elected:** New Prime Minister Fumio Kishida was elected and formed a Cabinet to meet challenges including recovering an economy affected by the pandemic and prevention of COVID-19 spread. PM Kishida made his first speech to transform the Japanese economy by implementing a “new model of capitalism”, where growth and the distribution of wealth identified as “mutually necessary.”
- **Economic recovery initiatives:** With relaxation of COVID-19 regulation, slowly the government plans economic recovery by setting up ¥500 billion fund aimed at supporting firms developing vaccines for infectious diseases and new drugs along with expanding the “university fund” by ¥600 billion into enhance research activities making Japan a nation of science and technology.
- **COVID-19 new infection and vaccination:** According to a health ministry advisory board, the number of new COVID-19 cases confirmed each day in Japan is continuing to fall, even after the full lifting of the government’s state of emergency at the end of last month. As of October 18, 95.6 million people (75.5%) are vaccinated once, and 85.3 million people (67.4%) are fully vaccinated.

Outbound Travel Market

- **Japan overseas travel:** Based on Japan National Tourism Organization (JNTO) report, Japanese outbound for September 2021 was 52,400 passengers. (-97.0% vs 2019)
- **Shortened quarantine period:** Japan’s government announced the shortening of the quarantine period from 14 to 10 days starting from October 1, 2021. Business and resident track will be resumed as industry expected. Also, with Prime Minister Kishida’s new cabinet economic policy and Keidanren’s (Japan Business Federation) strong requests, there is high potential of shorter quarantine days.
- **Competitive destination travel initiatives**

Destination	Details
Taiwan	<ul style="list-style-type: none"> • Collaborated with Natural Lawson and conducted Taiwan Fair from October 5 to 8. Participants were able to enjoy Taiwanese gourmet.
New Zealand	<ul style="list-style-type: none"> • Announced that original special movie for Japan market was created. While travel can’t resume, it was created so that a trip to New Zealand can be envisioned.
Italy	<ul style="list-style-type: none"> • ENIT Italy trip workshop 2021 was conducted online with the theme of leisure and luxury. Approximately 50 groups, including new suppliers such as Italian travel agencies and hotels, participated and had a meeting with travel agencies and tour operators about resumption of overseas travel.

Consumer Trend

- **Survey result on travel awareness:** Nippon Travel Agency’s research division conducted a survey to find out about travel awareness due to the effects of COVID-19. Most of the participants would like to use transportation and accommodations that implements safety measures and agreed that new standard of travel to avoid crowds will be the new norm. Also “super-individual type” became a

key word that seeks to balance the enjoyment of traveling with small groups such as individuals and families. The tendency to seek "travel that fills the heart" has increased, and consumer value standards have changed. [\(source\)](#)

- **Empirical survey conducted to create a mechanism that allows travel:** As the restriction is slowly easing, Japan Tourism Agency has started the study for group tours of travel agencies to verify the effectiveness of the "vaccine/test package," an infection control technology that utilizes vaccination certificates and negative test certificates. A total of 38 tours using public transportation will be conducted in cooperation with 11 travel agencies. Also, survey of 108 accommodation facilities was conducted. It will be considered to incorporate it into the operation of tourism promotion measures such as "GO TO Travel".[\(source\)](#)
- **Home-based leisure activity has increased in 2020:** Leisure Research Institute has issued the leisure report that summarizes the status of leisure activities in 2020. Home-based leisure such as watching videos ranked in the higher position while the number of people participating in domestic travel and eating out which ranked first in second in 2019 has decreased significantly. Video viewing increased by 3.9 million to 39 million, jumping from 8th to 1st. The second place was reading, the third place was listening to music, and the top three were all related to home leisure. The ranking of digital communication such as SNS and walking also increased. On the other hand, the tourism and leisure sector was particularly affected by a 43.7% decrease. Overseas travel decreased by more than 90% due to travel restrictions and other factors. [\(Source\)](#)

Digital Marketing Trend

- **Internet usage surpasses TV for the first time:** According to survey on information and communication media by Ministry of Internal Affairs and Communications, the average media usage time during the weekdays for all generations was 168.4 minutes for "Internet usage," which exceeded TV for the first time(163.2 minutes). On holidays, "Internet use" was 174.9 minutes and "TV (real-time viewing)" was 223.3 minutes. Looking at the average usage time of communication media, the number of people in their teens, 20s, and 40s who used social media for the longest time exceeded 50% for the first time. [\(source\)](#)
- **Instagram save function is popular for finding travel destinations for Generation Z:** Regarding the usage status of SNS for Gen Z, LINE was the top in 2014, but YouTube was the top in 2021. Instagram came in 4th place after LINE and Twitter. On the other hand, Facebook is rarely used on a daily basis and is recognized as a tool for contacting working people. As for Instagram, many young people use the function to bookmark posts in a large amount of feeds, and there is a strong tendency to use this function when searching for travel destinations. [\(Source\)](#)

Media Trends

- **Publishers also promote SDGs:** The women's magazine "VERY" published by Kobunsha, a major publisher, conducted the "VERY Carbon Neutral Test" to give an opportunity to correctly understand carbon neutrality, think about environmental issues, and take a step forward. A special page was set up on VERYweb to show the outline of the test, online courses to watch before taking the test, self-study materials, and how the "VERY" models challenge the test. Hearst Fujingaho, a major publisher, publishes 13 magazines and carried out a subscription campaign where you can apply for a set of popular SDGs items and your favorite magazines. A limited number of high-quality cypress essential oils, water bottles, soy sauce bottles, and hand wash from the famous brand are available. [\(Source\)](#)

Travel Trends

- **Inclusive PCR test package:** In line with lifting of state of emergency, tourism-related companies are getting ready to resume tourism and launching campaigns and new products. Many of them are in line with the concept of “vaccination/test package” based on the completion of vaccination and negative test results of PCR tests, etc., and each company is developing demand stimulating measures that reduce the risk of infection and lead to a sense of security for participants. ANA Holdings and Japan Airlines announced the launch of the campaign for those who are fully vaccinated on September 30. Campaign participants may win round-trip of domestic flights by lottery, purchase travel related products, and receive discounts at airport shops.
- **New businesses:**
 - Hawai'i HIS Corporation announced that it has established "HAWAI'I SQUARE", a comprehensive service company that supports expansion into Hawai'i and Japan and handles real estate business as a new business. It will develop three main businesses: "Concierge Service", "Hawai'i / Japan Advancement Support Project", and "Real Estate Business".
 - H.I.S. (HIS) announced that it will enter the agricultural dispatch business. The new company will focus on the business of mediating and dispatching human resources during the busy farming season. In developing the business, HIS established a new company "Green Ocean" on June 1 this year.
 - JTB is planning to create new pamphlet "MyStyle" series and will start proposing trips that allow consumers to select their favorite stay.
 - Major wholesalers package tour stop-sell

Wholesalers	Stop-sell until
HIS	11/15
ANA Sales, Hankyu, JTB, KNT-CT, Club-Tourism	11/30
JALPAK	1/10/22

Airlift

- **Airline operations & suspensions:** Four airlines (ANA, Hawaiian, JAL and ZIPAIR) operated direct flights to Honolulu (48 flights with 12,020 air seats) in October. ANA and JAL announced their flight operations including Year-End period. JAL will operate 1 flight each from Kansai (KIX) and Nagoya (NGO) in end of December. For November and December, there will be a total of 52 flights /13,180 air seats and 56 flights/13,568 air seats respectively (as of October 19).

Operation	Details
All Nippon Airways (ANA)	2 flights/week from Haneda until 1/12/22 Increase flight in December (14 flights, 3,444 seats)
Hawaiian Airlines (HA)	3 flights/week from Narita & 1 flight from Kansai (total 4 flights per week) until 12/15
Japan Airlines (JAL)	Total 3 flights/week until 1/31/22 Special flight schedule including KIX and NGO in December (total 21 flights/4,130 seats)
ZIPAIR	3 flights per week from end of October
Suspension (no change from September)	
<ul style="list-style-type: none"> – Delta Air Lines: Haneda until 3/23 & Kansai & Nagoya: until further notice – Korean Air: until 11/30 – United Airlines: until 12/16 – AirAsia: Until further notice 	

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- **Vaccine Passport:** Japan's Vaccine Certificate (VC) program for overseas travelers started on July 26th and as of mid-October, about 51 countries/regions have accepted the Japan issued VC. Japan is planning to introduce online COVID-19 vaccination certificates from December.
- **Weak Yen & oil price surge:** The yen's recent slip to a nearly four-year low against the U.S. dollar coupled with a surge in U.S. oil prices to a seven-year high threatens to cut into household spending. This combination is also set to make divergence between companies that have enjoyed a recovery from the pandemic fallout and those that have not even more apparent, according to economists. The yen's weakening, raises prices of imported products, such as oil, putting Japan at serious risk especially at a time when resource-scarce counties saw import prices rising at the fastest pace in four decades last month. [\(source\)](#)

Leisure Activity Update

Mālama Hawai'i initiatives

- **Message video diffusion:** In order to convey the message of Mālama Hawai'i to the Japanese market, YouTube advertisements of four Mālama Hawai'i videos with Japanese subtitles were distributed from October 18th to 31st. There were 647,210 views, 7,555,837 impression, 2,296,485 engagement gained. In November, HTJ will conduct YouTube advertisement and will continuously focus on video diffusion. Also, video has been continuously shared through October with below results.

	Views	Impression
SNS	74,887	303,445
YouTube	263,761	117,000
TOTAL	338,648	420,445



- **Visit to Chigasaki City:** On October 22, HTJ visited Mayor Sato of Chigasaki City to commemorate the 7th anniversary of the sister city relationship with Honolulu on October 24. Chigasaki City and Honolulu City signed a sister city agreement on October 24, 2014, and since then have deepened various cultural exchange projects, including international exchanges between educational programs and beach cleanup activities. Diverse cultures and values of both sides were shared, and comments were exchanged for the further development of the sister city exchange in the future.



- **Promotion video receiving award:** HTJ's promotion video "Our Islands", which shows the cultural connection and common values between Japan and Hawai'i, won a gold medal at the "shots Award Asia Pacific 2021", which praises innovative and exciting advertising works. HTJ distributed the news release and there were 36 media coverages with 3,453,927,541 impressions.



- **Mālama Hawai'i recognition survey:** HTJ conducted a recognition survey of "Mālama Hawai'i" on HTJ's official Twitter and Instagram. 2,257 people participated in the survey and 40% people responded that they understand the meaning of it. HTJ will continue to raise awareness by utilizing SNS to increase the number of Pono traveler who has Mālama mindset.
- **Mālama Hawai'i micro site:** HTJ's Mālama Hawai'i micro site was introduced in Hawaiian Airlines' e-mail newsletter delivered on October 6, reaching approximately 70,000 people. Hawaiian Airlines independently created videos about individual employees' Mālama efforts, and disseminated through e-mail newsletters, owned media, and SNS. In the future, HTJ will continue to collaborate with Hawaiian Airlines to educate Hawai'i fans having Mālama mindset.
- **E-Newsletter:** On October 15, HTJ distributed 366,395 e-mail newsletters for general consumers and had more than 19.3% opening rate and a click rate of 27%. Since the state of emergency was lifted and number of newly infected people in Japan decreased, awareness survey of traveling to Hawai'i was conducted through the newsletter with below additional contents:
 - "Our Islands" won the gold medal at the shots Award Asia Pacific, which celebrates innovative and exciting advertising works
 - Hawai'i Specialist Certification Acquisition Campaign
 - Hula Hoolauna Aloha Virtual & Live event 2021
 - Mālama Hawai'i Message Video Popular Video Ranking
 - 44th Prince Lot Hula Festival Virtual Event
 - Hilton Grand Vacations "Feel Aloha! Let's enjoy Hawai'i campaign"
 - The importance of water taught by the traditional sailing canoe "Hokule'a"
- **Collaboration with television show:** HTJ has been collaborating with BS12's "Hawai'i ni Koishite!" since September. Every Monday during the show, 30 second Mālama Hawai'i video is aired and HTJ's initiatives are introduced once a month. On October 25, "Aloha Program" was introduced featuring Hawaiian culture courses and webinars. There are 1,210,000 listeners and 5,236,400 impression every month.
- **Local magazine feature:** In October's issues of local free magazine Light House Hawai'i, HTJ introduced contents on Aloha Program which readers can learn about Hawaiian culture and examples of Hawai'i-Japan past cultural exchange & environmental education projects, reaching to 20,000 people.
- **Educating the youth:** "Youth Conference" was held as part of the education project aiming younger generation and the final screening of the competition was held on October 30. 15 groups presented on how to appeal Mālama Hawai'i to the Japanese market. As a result, the presentations of the final 5 groups made way for the "National Mālama Hawai'i Design Content." The event that involves schools and educates students nationwide about Mālama Hawai'i and proposals of new projects will be presented to HTJ in the future.

Public Relations

- In Japan, the fifth wave of coronavirus infection has eased. The number of infected people in late August exceeded to 25,000 people nationwide, but in less than two months, the number decreased to 250 people. Due to this rapid decrease in the number of infected people, the Japanese government's domestic tourism support measure "Go To Travel" has come into the limelight again, and local governments have already recommended microtourism as a tourism reconstruction support measure. Campaigns and vaccination discounts are offered specifically for citizens of the prefectures. Although there is no prospect of resuming travel, Hawai'i is a destination that is always

attracting attention in Japan, so there are many requests for image and video materials from the media and travel industry, so in order to increase the number of materials requested from the Japanese market, HTJ is arranging preparations for shooting.

- In Hula Lea Vol 86 (released on October 12th) issue, HTJ introduced the Mālama Hawaii website and the WASA Aloha shirt reader gift plan with a wonderful hula style (released on October 27th) about Koa tree planting of the Ahupuaa project. In October, HTJ provided 46 media supports. Inquiries about Hawai'i information from the media are increasing about the resumption of tourism in Hawai'i. HTJ will continue to pitch the message of Mālama Hawai'i in addition to providing tourism information.
- In the month of October, there was a total of 110 media exposures, 6,048,529,102 impressions and \$252,753,179 AVE were earned through Public Relations.
- HTJ issued one press release in October to 1,134 media and generated 36 exposures, 3,453,927,541 impressions, and 312,480 AVE.
- The December 1st issue of the Japanese magazine "Katei Gaho", which features travel, food, and lifestyle, will feature Hawai'i's Royal Connection to Japan tour of 'Iolani Palace and Hawai'i version of aruco's series.

Event support

- In October, HTJ sponsored several events: 2 Hula performance events, 2 Hawaiian Festival with Hula, Ukulele workshop, and a Hawaiian Quilting exhibition. Each event had to downsize its scale to 1,000 pax capacity but succeed as real events with the safety measures against COVID-19. To increase the awareness of the Mālama Hawai'i concept, HTJ distributed Mālama Hawai'i message brochures at these events.
- **Asukayama Hawai'i Festival (10/30):** It is a hula event to be held at Asukayama Park, which connected with King Kalākaua when he visited Japan. 20 Hālaus performed Hula with mele relating to King Kalakaua and the royal family. HTJ distributed Aloha program booklets.
- **HTJ will support "Hug the earth" in November.** It is an event that specializes in the marine environment and will share how to mālama the ocean through surfing and Hōkūle'a.

Aloha Program

- During the month of October, live webinar was conducted and HTJ prepared educational programs for higher level as a privilege only for advanced users. 467 new members registered in October and 1,063 people passed the test.
- The Aloha Program is running the "Learning in Autumn" campaign until December 26th to encourage Hawai'i repeaters to take the Hawai'i Specialist Examination and accelerate education of Hawaiian culture. As of October 25, 454 people have applied to acquire Hawai'i Specialist qualifications.
- On October 8 and October 29, HTJ conducted webinars featuring how participants can be part to protect the marine environment and how to make local food. There were total of 188 participants. HTJ invited a speaker from Sustainable Coastlines Hawai'i to share its mission and activities to Mālama the ocean. Recipe on making malasada and poke was also introduced.

- 44,553 mail magazines were sent to Aloha Program members on October 28. Introduced King Kalakaua’s upcoming birthday in November and his deep relationship with Japan.

Hawaiian Culture

- HTJ posted about Na Hoku Hanohano Award on owned media. On the day of the event, livestreaming was shared on Facebook and gained 23,444 reach and 186,000 reach on allhawaii and other SNS accounts.
- HTJ assisted with translating 44th Prince Lot Hula Festival’s website to Japanese and disseminated information through HTJ’s owned media including SNS.
- HTJ spread the information about Made in Hawai’i Festival which will be held from November 11 through HTJ’s owned media. Also HTJ has been directly communicating with the organizers to arrange shopping tours and connecting local Hawai’i media participation to the event. On the day of the event, HTJ will film the event and some of the vendors and will conduct Instagram live so that viewers from Japan can have a better feel about the festival.
- HTJ posted about Bishop Museum’s online program on allhawaii and Aloha Program and also shared the schedule in the e-mail newsletter for Aloha program members.

Island Chapters Engagement Update

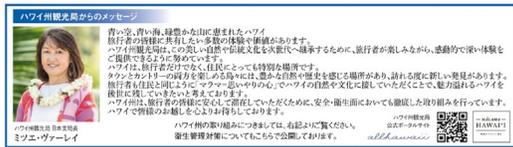
- On each SNS, HTJ introduced the beauty and attractiveness of O’ahu, Island of Hawai’i, Maui, and Kaua’i:

Islands	Reach	# posts	Featured contents
O’ahu	726,998	30	i.e. - cultural and historical events; Princess Kaiulani, Nā Hōkū HanoHano, Prince Lot Festival - “Today’s O’ahu” with beach, sunset, sunrise
Island of Hawai’i	143,365	7	i.e. - dynamic nature and interesting landscape - Mālama Hawai’i message with ‘Ōhi’a, Nene, and Koa
Maui	80,560	5	i.e. - beautiful landscape of Maui (beach, farm)
Kaua’i	69,963	4	i.e. - dynamic view of Na Pali Coast

Travel Trade Activities

- **Mālama Hawai’i:** HTJ has communicated with major travel agencies and airlines for their support to distribute the Mālama Hawai’i message. In October, Hawaiian Airlines and ANA created a column about Mālama Hawai’i on their websites. HA also distributed mail magazines to their 100,000 members. A total of 8 travel agents posed banners and videos on their owned media, in addition to playing videos at their stores. HTJ will continue with these pre-arrival educational efforts.

- **Travel agent pamphlets:** JTB and HIS are preparing to publish tour pamphlets for 2022, and they are scheduled to be published in November. Reliable supportive information and Mālama Hawai'i message with banner to the microsite will be incorporated.



(JTB)



(HIS)

- **Co-op:** HTJ discussed with major wholesalers and airlines about co-op to increase future bookings. HTJ emphasized Mālama Hawai'i initiatives to encourage their customers/members to be mindful travelers as well as to educate their representatives and showcase Mālama Hawai'i for sales & promotion. HTJ is reviewing the applications from each of the wholesalers and airlines.
- **JATA JOTC Online Travel Mart:** HTJ communicated with JATA Outbound and shared Hawai'i's situation and tourism recovery in a seminar on 11/9 along with HPCJ (Hawai'i Promotion Committee Japan). HTJ also secured 30 JOTM B2B sessions for Hawai'i industry partners which will be held between 11/10-12, 2021.
- **Made in Hawai'i Festival:** HTJ communicated with wholesalers in Hawai'i to be involved with the Made in Hawai'i Festival. HIS/JALPAK/JTB showed their interest to conduct SNS promotion like Instagram Live.
- **Monthly Mail Magazine:** Travel trade e-magazines were distributed to over 7,680 members on October 27. In the e-mail magazines, HTJ continued diffusing the Mālama Hawai'i message, COVID-19 information especially of Safe Access O'ahu Updates, Airline's flight updates, Made in Hawai'i Festival, and HTJ activity reports. Web media/GDS system, Infini picked up this mail magazine and distributed the information to their members (UU: 35,000; PV: 40,000/Monthly).
- **SNS reach:** HTJ posted a total of 36 columns on Travel Trade member's Twitter and increased about 80 followers (total 1,060 followers). The posts consisted of Safe Access O'ahu, Mālama Hawai'i and vaccination status in Hawai'i and more.
- **Satellite office activities:** 48 articles were posted on Aloha Program by satellite offices. Since the state of emergency has lifted, more stores reopened and so the number of posts has been increased. HTJ will continue to communicate with satellite offices to share Mālama Hawai'i and focus on educating their customers to be Pono travelers.
- **Wholesaler support:** Due to the announcement of C&C HNL Safe Access O'ahu implementation, the majority of agent inquiries were associated with Safe Access O'ahu. HTJ handled and provided the information.

Travel Trade Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
22	29	20	71

Parnters Relations

- **Partners relations**
 - **Quarter meeting:** HTJ conducted 3 partner meetings (Japan Sub-Committee, PR & Marketing partners, and Attraction partners) on October 13. In the meeting, HTJ shared the current Japan situation and preparation of tourism recovery plan. Also, HTJ asked for partners' input for 2022 marketing initiatives. HTJ continues conducting regular partner meetings in the rest of 2021 to encourage partners' participation.
 - **Information distribution:** HTJ continued providing tourism related information including HTA's visitor arrival reports as well as airlifts by airlines. Also, when HTJ received the partners' press releases, it was translated in Japanese and posted on HTJ owned media like allhawaii.jp and the travel trade website.
- **Japan Hawai'i Travel Association (JHTA) Board meeting:** HTJ joined the JHTA board member meeting on 10/20 and updated on market conditions as well as Hawai'i's COVID-19 related updates, including Safe Access O'ahu. Also, HTJ shared DMAPs and encouraged the board members to review it. With JHTA request, HTJ will arrange OVB to present O'ahu DMAP at the regular member's meeting on November 17.
- **Island Chapter relations:**
 - **HVCB:** HTJ joined online meetings with HVCB (Kainoa and Lei-Ann) to exchange Mālama Hawai'i initiatives with the support of HTA. HTJ explained its initiatives involving local NPOs including PVS, Bishop Museum and others. Both HVCB and HTJ agreed to communicate with NPOs in Hawai'i, effectively by supporting each other.
 - **OVB:** HTJ had a meeting with OVB to go over O'ahu's DMAP and how HTJ can be involved in the progress of sharing HTJ Mālama Hawai'i initiatives. Also, the OVB team was invited to a partners' meeting on 10/13 to go over O'ahu DMAP.
 - **IHVB:** with the new Kona Airport project completion, HTJ requested IHVB to acquire information to showcase in Travel Trade and consumer e-newsletter in November.

“Coming Attractions” for Leisure Market

What	When	Where
Travel Plaza International Education seminar	11/5 JST	Online
JATA Online Travel Mart	11/10-12 JST	Online
Aloha Program webinar (Hawai'i Specialist Intermediate-level test seminar)	11/13 JST	Online
Instagram Live from Made in Hawai'i Festival	11/14 JST	Online
Aloha Program webinar (History of Hula)	11/19 JST	Online

**Hawai'i Tourism Canada
2021 Monthly Leisure Marketing Report – October**

Market Intelligence/Market Conditions

Economy

- The Canadian economy disappointed in the second quarter, contracting for the first time since the pandemic struck in the year prior. Add to this the anticipated impact of the fourth wave, where provincial governments are unlikely to press on re-opening plans over the fall/winter months. Canada is also prone to the same supply chain disruptions that are impacting other countries. The combination of all three factors leads to a more protracted recovery, with GDP revised down to 4.9% (from 6.2%) in 2021.
- The pause in reopening in the near-term will shift the growth patterns into 2022, as the fourth wave ebbs and supply chain constraints ease. Past gains in income, employment, and savings should fuel stronger growth in consumption and business investment next year. In addition, firms will continue to rebuild inventories. Despite this, some experts foresee 2022 forecast remains unchanged at 4.4% for the annual average due to the markdowns in the second half of 2021. However, the pattern through next year on a fourth quarter to fourth quarter basis captures an acceleration to 4.6%.
- Experts anticipate the Bank of Canada (BoC) will maintain the current low-rate environment until the final quarter of 2022. At that point, the central bank is expected to initiate rate hiking cycles, with policy rates eventually reaching up to 1.75%, by 2024.
- The loonie has been hovering at a value of USD \$0.80 throughout the first ten months of 2021.

Outbound Travel Market

- As travel protocols continue to adapt, 606 thousand Canadian residents returned from overnight trips in August. This is almost twice the volume recorded the previous month and represents one-third of all activity recorded throughout the first eight months of 2021. Overall, 1.8 million trips were recorded during the period, compared to 8.36 million last year, and 23.2 million in 2019. Following a large boost in August, the first four months of the summer travel season (May-Aug) saw 1.2 million Canadians return from an international trip, compared to almost 11.5 million in 2019. Half of these trips were to overseas destinations, a much larger share than recorded throughout the same period in 2019 (34%).
- More than 264 thousand Canadians return from an overnight transborder trip in August—the highest monthly volume recorded since March 2020. Activity was up 61.7 per cent from the previous month and reflects 11.1 per cent of pre-pandemic monthly volume. So far in 2021, 885 thousand Canadians have taken an overnight transborder trip, almost half of which occurred in July and August. With the land border still closed, the first four months of the summer season recorded 608 thousand visitors, compared to 2.8 million in 2019. 40 per cent of this activity occurred in August.

Competitive Environment

- Compared to 2019, sun destinations recorded a 95 percent decline in activity throughout the first eight months of 2021. There were 190 thousand arrivals registered during the period, with almost half of this activity reported in July and August. Overall, the first half of the summer season recorded 119 thousand arrivals—more than 5 times the level of activity seen last summer.
- The first eight months of 2021 saw just 43 thousand Canadian arrivals in the Asia-Pacific region, a 98 per cent drop over 2019. The majority of APAC countries still have significant visitor entry restrictions in place, which continue to affect Canadian travellers. The first four months of the summer season saw fewer than 18 thousand Canadian arrivals in the region. This is a decline of 98 per cent compared to 2019, but more than double the volume recorded last summer (135%).

Consumer Trends

- Following two consecutive monthly declines, the Index of Consumer Confidence ticked up 3.2 points in October to 113.2. The index is now 6 per cent below its pre-pandemic level. An increase was seen across Canada, except in the Atlantic provinces. Notably, Canadians are finally starting to feel more confident about future job prospects as the share of consumers with pessimistic views of future employment dropped to a record low of 14.5 per cent. However, the share of positive sentiments regarding current finances dipped to 13.0 per cent, a seven-month low.

Travel Trends

- Compared to 2019, direct arrivals have declined by 97%, while indirect arrivals have fallen 91%.
- Nine-in-ten visitors so far this year were independent travellers, a much higher share than previous years.
- Half of the package trips counted in the first three quarters of 2021 occurred in August.
- So far in 2021, 16 thousand independent travellers were recorded, while package trip volumes fell to 2 thousand.

Media Trends

- Pinterest debuts new tools focused on shopability.

The features include a tool that dynamically creates ads based on a retailer's product catalogue.

Pinterest has debuted new tools and features that make it easier for both content creators and brands to facilitate shopping on the platform.

For brands, the new shopping products are meant to help to convert Pinterest users that tend to already be primed to purchase as they look for products that could be incorporated into whatever project or goal they are seeking inspiration for.

Those updates include “Slideshow for Collections,” which pulls products from a retailer catalog to create an automatically generated collections ad. This content is also dynamically created, meaning it can be tailored to individual users.

Pinterest is also launching a new “merchant details” feature, which allows brands to “showcase their values” on their profile by identifying themselves with markers such as “responsibly sourced” or “Black-owned.” Also among the company’s updates is the expansion of the Verified Merchant Program, which has the platform vet and verify sellers to improve customer trust.

Pinterest is also testing an “Idea Ads with Paid Partnership” feature, geared towards helping advertisers scale collaborative content with creators. When a creator part of Pinterest’s paid partnership platform tags a brand in content featuring one of its products, the tool will allow the brand to easily promote the content as an Idea Ad on the platform.

“We’re designing Pinterest to thoughtfully attract the most compelling creators out there and allowing them to create content for their community that is inspiring and actionable,” says Colleen Stauffer, head of global creator marketing at Pinterest. “In doing this, we’re creating the best opportunity for creators and brands to collaborate on meaningful content for pinners that continues to be additive to their experiences.”

- Discovery+ to launch in Canada.

The ad-supported tier will maintain the company's focus on ad-light, engagement heavy viewing experiences.

Discovery is bringing its factual programming to Canadian viewers more apt to streaming with the launch of Discovery+ on Oct. 19.

Discovery+ features 200 original series, a collection of natural history content licensed from the BBC and 60,000 episodes of content from networks including the Discovery Channel, HGTV, Food Network, TLC, ID, OWN, Travel Channel, Animal Planet and Magnolia. Over 1,000 episodes will be subtitled for French audiences at launch.

The ad-supported subscription tier still comes with a \$4.99 CAD price tag per month, with the ad-free tier costing \$6.99 CAD.

Discovery+ has been slowly rolling out to more markets since first launching in India in March 2020, including the U.K. and Ireland last October and the U.S. in January. In the company’s most recent quarterly financial update in August, Discovery said its full portfolio of streaming services (which also includes Food Network Kitchen, MotorTrend On Demand and GolfTV) had reached 18 million subscribers, with “most” of those being paid Discovery+ subscribers.

One of the main selling points of Discovery+ on the ad front was offering an ad-light experience more palatable to viewers. The initial five minutes of brand messages per hour were trimmed to four in Q2 as demand for the more engaging light ad load stayed strong and drove rates that were significantly higher than what the company charges on linear TV.

That focus is going to continue in Canada, where the company says it will have lighter ad loads, cross-platform capabilities and incremental scale and reach. Ad partners in Canada at launch include The Trade Desk, MediaMath, Adobe, Magnite and Freewheel.

Corus, which co-owns and distributes the Canadian versions of several Discovery networks through a joint venture, has established a new integrated marketing partnership to promote the streaming service across linear TV, radio, digital and social.

Airlift

- Carriers offered 28 thousand direct seats throughout the first three quarters of 2021, compared to 183 thousand in 2020 and 378 thousand in 2019.
- After suspending service in January, Air Canada offered 5,400 seats in August and September.
- WestJet has offered 19 thousand seats so far in 2021, 40% of which were available in August and September.
- Carriers are now offering 134 thousand seats throughout the second half of 2021, 90% of which are scheduled for Q4.
- Carriers are now offering 148 thousand direct seats in 2021. This is 41 thousand fewer seats than available throughout 2020 and just 30% of the service offered in 2019.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- As of November 4, 29,799,589 people (89.09% of the population ages 12+) have received their first doses, at least 28,364,678 people (84.8% of the population ages 12+) have been fully vaccinated, and 480,119 3rd doses have been administered.
- The Ontario government is expecting a November approval for the kids' (5-11) vaccine. Earlier, Ontario's health minister said the province will be ready to roll out vaccines as soon as it gets the OK from Health Canada, and plans to immunize small children at existing mass immunization clinics at or near schools, at pharmacies, and at pediatricians' offices.
- Starting November 6, the province of Ontario will start administering third doses of the vaccine to an additional 2.8M people this month, including health care workers and everyone over the age of 70, with a view to offering the public booster shots sometime in 2022.
- In Québec, the head of the province's vaccination campaign said their goal is to have kids (5-11 years old) vaccinated with their first dose by Christmas and have been in talks with school boards and service centres to get everything linked up and ready to go when approval comes from Health Canada.

- The province of Alberta announced it is expanding availability of booster shots. Effective November 8, the third dose will be available to four distinct groups, including all Albertans aged 70 and older.
- The Saskatchewan government says the province's fourth wave is waning as case numbers drop but health officials say hospitals are still under significant pressure.
- The province of Manitoba is seeing the highest number of virus-related hospitalizations and test positivity rate reported since July 2021.
- The federal government's ban on international cruises in Canadian waters was lifted as of November 1.
- The U.S. land border is set to reopen to non-essential (i.e., tourism) travel effective November 8.
- Many Canadian insurance companies now offer Emergency Medical policies that include additional coverage for COVID-19 and related conditions for Canadian residents. Most major Canadian travel insurers will not cover the cost of the new government-mandated COVID-19 tests for travellers looking to re-enter the country.
- Canada's major airlines have reinstated many of their most popular routes across the world.

Leisure Activity Update

Consumer

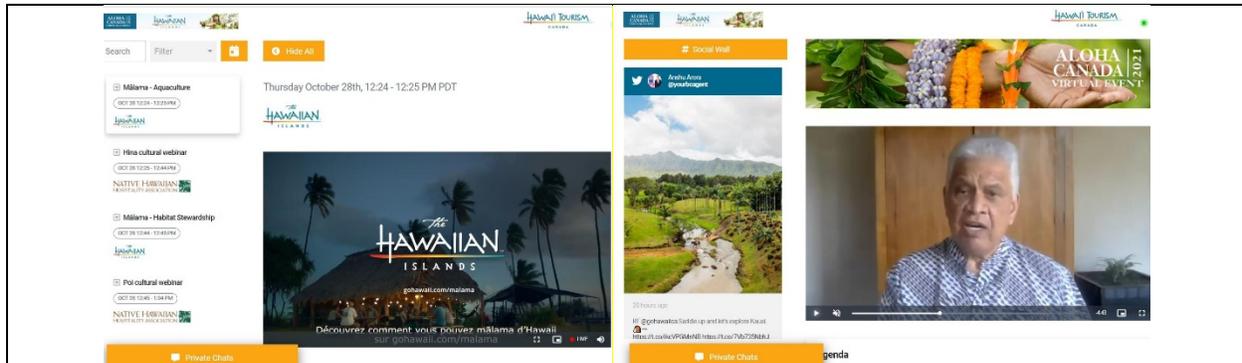
- Air Canada: a cooperative campaign will be launched on November 1 including the insertion of one of the Mālama videos in two landing pages, one with AC and the other with Expedia.
- WestJet Vacations and HTCAN started a campaign with a high number of insertions in company owned channels including placement of the 'Mālama Stewardship of the Land' video at the airline's lounge in Calgary Airport and all their flights bound to Hawai'i in January and February.
- HTCAN has a digital and social network campaign running in the Fall promoting responsible travel with the Mālama messaging.

Travel Trade

- Aloha Canada 2021. On October 28, More than 450 travel advisors, industry partners and members of the media took part in the virtual show. Agents were able to interact with key hotel representatives and other partners, as well as with the individual island chapters and airlines representatives.

Aloha Canada 2021 featured cultural webinars focused on Hina, Poi, and Hula. The Mālama Hawaii videos were also part of the virtual event. the HTCAN team prepared a welcome video with a special message from John De Fries, President and CEO of the Hawai'i Tourism Authority.

Many travel advisors have shared how much they enjoyed the webinars. A survey will be sent to all participants to gather more information on their experience. Participants were encouraged to show their Aloha spirit by sharing a photo in Aloha attire or a virtual background image of Hawai'i for a chance to win prizes using #AlohaCanada2021. The most creative pictures will be selected and announced in the upcoming days.



- Air Canada Vacations has put together a campaign that will launch on November 1 highlighting Hawai'i in paid travel trade and owned media. The campaign also includes the insertion of the one of the Mālama videos in their Hawai'i dedicated site and insertions in The Weather Network site.
- Mālama Hawai'i Webinar with Spoiled Agent. On October 14, Hawai'i Tourism Canada conducted a special webinar with 'Spoiled Agent' to promote the Mālama Hawai'i campaign, HTCAN Account director Lorenzo Campos presented a review of the latest travel requirements and many options to Mālama in the Hawaiian Islands. Sixty advisors were in attendance during the live webinar and another eleven followed along via Facebook. The recorded version of the webinar can be viewed on the Spoiled agent platform.

Public Relations

- Proactive and reactive pitching with prior approvals from the HTA. Pitching themes include virtual experiences for families during the fall season to keep Hawai'i top of mind.
- In regular conversation with media to ensure they are updated on all regulations and safety protocols pertaining to COVID testing.
- In discussion with journalists for potential visits to Hawai'i in 2022, waiting for media to provide dates and timing. Themes include outdoor adventure, culture, culinary and responsible travel.
- In discussion with Sandrine Champigny (Le Bel Age) regarding a potential early 2022 visit. TBD on exact dates, will follow up with journalist and share with HTA once more details available.
- In discussion with Janice Mucalov (Sand in my Suitcase) who will be travelling to Maui in November. HTCAN to provide assistance with meals and tours.

- Shared media questions from Canadian Travel Press Editor Bob Mowat with the Island Chapters ahead of the Aloha Canada 2021 virtual show, will follow up with HTA once the article is published.
- Arranged and executed four virtual media interviews on October 27, the day before the Aloha Canada 2021 virtual show:
 - Jim Byers (JimByersTravel.com)
 - Mike Baginski (Travel Industry Today)
 - Cindy Sosroutomo (Travel Week)
 - Martha Chapman (Open Jaw)

Shared media bios and anticipated questions with the Island Chapters ahead of the interviews. Shared all resulting coverage to date with the Island Chapters and HTA team, will continue to monitor any additional coverage.

- In discussion with Air Canada to send one journalist each from Toronto, Montreal, Vancouver, and Calgary on the new routes launching in the winter. Journalists will not be on the inaugural flights. HTC Canada will work with Air Canada on selecting tier A journalists. Working with Four Seasons to secure hotel stays for media. Exact dates TBD.
- Working on preliminary a media list for the Montréal-Honolulu flight inauguration reception in December, will work to secure a select group of A-tier media to host at the event.

Travel Trade Activities

Airline	Wholesaler/TA/TO/OTA	Other	Total
12	37	0	49

Travel advisors have reported an improvement in the number of bookings to Hawai'i for the winter season and the beginning of 2022. Most travelers are booking accommodations, car rentals, and activities in advance to secure space. The Mālama Hawai'i program has been a great incentive for travelers to select hotels participating in the program.

- With the United States set to reopen its borders to fully vaccinated travelers on November 8, and with Hawai'i's Safe Travels pre-testing program still in place, travelers are feeling optimistic about planning their upcoming vacations to Hawai'i, regarding the destination as safe. Canadians are reaching out to travel advisors and tour operators for quotes and other travel arrangements.
- Air Canada is offering an easy option for travellers to get a PCR test when travelling to a foreign country.

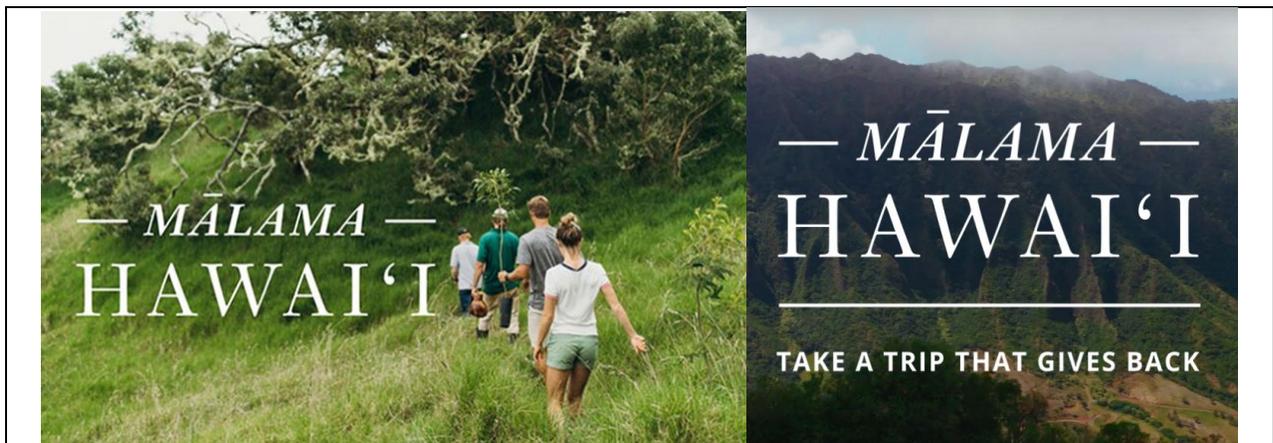
Air Canada has partnered with Canadian-based Switch Health to provide travellers with a full range of COVID-19 testing options. These options include new self-administered COVID-19 tests that they can complete from the comfort of their accommodation around the world. Switch Health has introduced a new portable RT LAMP test kit that makes completing the travel testing requirements easier. It's a molecular test, similar to a PCR, that meets testing requirements for entry into Canada.

- Travel Insurance companies offering coverage for COVID-19

Many Canadian insurance companies are now offering emergency medical policies that include additional coverage for COVID-19 and related conditions for Canadian residents. Most major Canadian travel insurers will not cover the cost of the new government-mandated COVID-19 tests for travellers looking to re-enter the country.

Responsible Tourism Update

- Mālama Hawai'i Campaign
The Mālama Hawaii campaign continues to be the main focus of HTCAN's efforts to promote sustainable tourism and voluntourism opportunities. Hawaiian culture is the center of the promotion.



- An effort has been made to create awareness in the travel advisors to pass along the message to their clients about visitors being respectful of the communities, traditions, environment, etc., when visiting Hawai'i.
- HTCAN is continuously looking for “greener” partners to engage with.
- Mālama Advocate incentive with Spoiled Agent (Travel Trade section).

Island Chapters Engagement Update

- HTCAN is in communication with the Island Chapters. The design of the social posting calendars has been sent for their approval.
- HTCAN has set the calendar for the Spoiled Agent series and is working with the Island Chapters to produce the e-blast previous to its webinar.
- HTCAN had great response from the ICs with the Aloha Canada mission obtaining each of them great coverage in travel trade publications.

“Coming Attractions” for Leisure Market

What	When	Where
Educational Campaign with Spoiled Agent	November-December	Canada-wide
Digital Campaign	November	Canada-wide
Air Canada Cooperative Program	November-December	Canada-wide
Air Canada Vacations Campaign	November	Canada-wide
WestJet Campaign	November-December	Canada-wide
Trade Campaign with Open Jaw	November-December	Canada-wide
TDC Virtual Tradeshow	November	Canada-wide with focus in Quebec
TravelBrands Cooperative Program	December	Canada-wide
YUL-HNL Flight Inaugural Event	December	Montreal

Hawai'i Tourism Oceania 2021 Monthly Leisure Marketing Report – October

Market Intelligence/Market Conditions

Australia & New Zealand

October was a breakthrough month for the Oceania market with a relaxing of travel restrictions in Australia allowing airlines and consumers to confirm specific dates for the restart of travel. Thus, mid-December will see the return of flights between Sydney and Honolulu, operated by both Hawaiian Airlines and Qantas.

After the most recent lockdowns in Australia, the market is beginning to bounce back strongly, particularly in Sydney, New South Wales. This region will form the basis of the initial tourism recovery to Hawai'i

While the most recent lockdowns in New South Wales and Victoria caused an economic hit to the economy, in general, Australia has held up well with the elimination approach over the past 18 months. There is money in the economy and there is also a pent-up demand to spend it on overseas travel.

New Zealand also saw developments around the move towards the loosening of restrictions around borders and seems to be on track for the return of international travel in the new year.

There has been a positive movement for the local currencies against the USD. Currently, the rates are sitting at AUD.74 cents & NZD.71 cents.

Outbound Travel Market

Australia & New Zealand

- As per the Australian government's promise around opening international travel, November 1st became the landmark date for the opening of borders. The first cities to see an expansion of scheduled flights are London and LAX.

Competitive Environment

Australia & New Zealand

- The advertising and editorial landscapes are now being populated by international travel destinations as opposed to domestic ones. While it is good to be part of this conversation, we believe that much of the first wave of travel will have predetermined their destination of choice. There will be more opportunities to play a part in the decision-making of the 2nd and 3rd waves.

Consumer Trends

Australia & NZ

- The COVID-19 pandemic has provided a huge boon to online retailers, and this has also driven the increased usage of online payment platforms such as PayPal. Now 47.3% of Australians have used

PayPal in the last 12 months, up nearly 10% points from 37.8% in February 2020 just before the pandemic hit Australia.

Travel Trends

Australia & New Zealand

- New Zealanders on the whole have displayed a conservative view to opening international borders given the success of having (on the whole) a covid free community. However, we are now seeing a marked shift in attitude towards the re-opening of the NZ border sooner, according to the latest KANAR survey released by Tourism New Zealand. Researched in October, the survey shows that 57% of the 1,200 plus respondents would 'prefer the NZ borders to open sooner to a limited number of low-risk countries to help the economy, with safety measures in place.' This is up from 49% in the same survey in July 2021.

Media Trends

Australia & New Zealand

- The upcoming re-opening of borders will see a return to more internationally themed travel stories. This is good news and will provide story and blog opportunities through Q4

Airlift

Australia & New Zealand

- Continuing the good news, more flights have been locked in between Sydney and Honolulu during December. Hawaiian have firmed up their schedule commencing December 15th which will include 5x weekly flights, while Qantas will operate 4x weekly flights commencing December 20th.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

Australia & NZ

- The outlook has markedly improved with conditions relaxing around international travel along with a market-ready to travel and with the propensity to travel. We are fortunate to still have Hawai'i's three key airline partners active in the market (Qantas, Hawaiian, and Air NZ) along with a stable exchange rate that is higher than pre-Covid levels.

Leisure Activity Update

Consumer

- **Social media:** October saw an increase in social media activity and an increase in reach and engagement. This reflects a market that is now entertaining the thought of actively traveling again.
- **Blog –** We have been working with freelance writers to produce new blog content which will be uploaded this month and promoted through eDMs and social media

- **Q4 Campaigns:** Planning has begun around key campaigns to help launch the restart of travel from Oceania to Hawai'i. This includes a partnership with Mastercard which will provide the opportunity to reach an avid audience with a propensity to travel. HTO is working around content that is true to the HTA pillars. We have also received a proposal from Luxury Escapes for a campaign to commence on December 1st.
- **Research:** HTO has been working with HTA/DBEDT around the YouGov research data to prepare for the market re-opening. Training on the system is taking place in November.
- **TV –** We have been approached by The Amazing Race Australia about the possibility of them filming a few episodes of the next series in Hawai'i.

Travel Trade

- **Trade meetings –** Virtual meetings continued with trade partners as they start expanding products and planning for the restart. HTO had another busy month meeting and scheduling virtual meetings with key trade partners. We have also begun to receive several inquiries from specialist tour operators who are planning itineraries for Hawai'i for next year.
- **Travel Daily industry event –** We have been asked to be a joint sponsor of this industry event with Norwegian Cruise Lines and Hawaiian Airlines and are working through this opportunity.

Public Relations

This month, HTO is working with Qantas magazine around a story that shares the top tips from a hotel concierge. HTO is working with Marriott Hawai'i and in particular the Royal Hawaiian Hotel.

Trade Activities

Trade Calls (Please list # of calls only without company names)

Airline	Wholesaler/TA/TO/OTA	Other	Total
1	7	1	9

Meetings included several wholesaler partners, Expedia, Brand USA, as well as Marriott Hawai'i :

Responsible Tourism Update

Mālama Hawai'i has been a key part of the discussions with many trade partners. As well as our upcoming initiative with Mastercard. HTO will also be working with HVCB to ensure the best learnings as we roll our Mālama into the AU/NZ market.

Island Chapters Engagement Update

The upcoming re-opening of the market has more opportunities to engage with ICs. This has included assisting with tour operator product expansion, PR leads, and DMAP discussion.

“Coming Attractions” for Leisure Market

HTO is beginning the market restart in November. Activities for the final two months include:

- Travel agent training workshops
- Research analysis
- Mālama Hawai'i launch
- Partner & digital campaigns

Hawai'i Tourism Korea

2021 Monthly Leisure Marketing Report – October

Market Intelligence/Market Conditions

Economy

- Korea's economy is on a recovery track on the back of robust exports, a 16.7% increase on-year in September and a 36.1% increase on-year in the first 20 days of October. Korea's economic growth is expected to reach 4% in 2021.
- Korea's trade volume for this year surpassed the US\$1 trillion mark at the end of October supported by the solid export growth, reaching the milestone at the fastest pace ever. It made the achievement within the shortest period of time since 1956 when the country began compiling data on trade.
- The average USD/WON exchange rate in October was KRW 1,181.92 won, slightly depreciated compared to the previous rate of 1,170.84 won in September.

Outbound Travel Market

- The number of outbound travelers from Korea in September recorded 116,615, 51.8% year-on-year increase.
- According to an analysis of overseas flight ticket sales data from one of the leading e-commerce sites;
 - The air transaction amount increased 790% in October compared to the previous month.
 - 90% booked flights departing immediately within this year (October to December).
 - The rest of 10% booked flights departing early next year (January to March)
 - Popular destinations in October were Southeast Asia (55%), U.S. (35%), and Europe (7%). (Source: WeMakePrice, data from Oct 1 to 25, 2021)
- According to two major e-commerce sites of Korea, sales of international flight tickets has increased 69% year-on-year in September. Based on the growth rate of flight bookings, Canada ranked the highest with a 131% year-on-year increase, followed by the U.S. (74%), and Vietnam (17%). Regarding the travel period, flight sales departing in December 2021 and January 2022 increased 160% year-on-year. (Source: Gmarket & Auction)

Competitive Environment

- Singapore will become the second travel bubble destination for Koreans from November 15 that fully vaccinated Korean travelers would travel to Singapore without any quarantine. All vaccines approved by the World Health Organization (WHO) and cross-vaccination are applicable, and individual and group travels for the purpose of leisure and business are allowed. Following this announcement, Hana Tour promptly showcased two Singapore travel packages.

Consumer Trends

- Korea's consumer sentiment rose to the highest level in 4 months in October due to an accelerated pace of COVID-19 vaccination and hopes for "With COVID-19." The composite consumer sentiment index (CCSI) came in at 106.8 in October, up 3 points from the previous month, the highest since the index rose to 110.3 in June. (source: Bank of Korea)

Travel Trends

- Travel agencies are introducing more travel products to diverse destinations and launching new sales channels to prepare for the winter vacation season.
 - Hana Tour added 'Hana Live,' live e-commerce function, in its app as a new sales channel to target the young generation.
 - Mode Tour confirmed charter flight operations to Spain in Q1 2022, and plans to add more flights to travel bubble destinations for the lunar New Year holiday in late January 2022. Also, it is expanding its product line-up to the U.S. and Canada as demand increases.
 - Yellow Balloon opened a special promotion for European package products including Turkey, Spain, and Switzerland, and plans to expand destinations to the needs of consumers.
 - KRT plans to run a home-shopping program at the end of October to boost its top 5 European package products and is expected to achieve the highest performance ever this year.

Airlift

- Korean Air plans to operate 3 weekly flights from Incheon to Honolulu starting November 1 and 5 weekly flights from January next year.
- Hawaiian Airlines is maintaining its weekly 3 flights and planning weekly 4 flights from January 22 to mid-February during the holiday season.
- Asiana Airlines is internally planning to resume its service for ICN-HNL from January 2022.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- Korea will have a new social distancing measure from November. The 3-phase "With COVID-19" plan will be implemented for 6 weeks per phase. In the first phase effective November 1, curfews applied for most of the livelihood facilities will be lifted, and the restriction for private gatherings will be eased.

Leisure Activity Update

- **New Guideline for International Travelers:** As the new guideline for international travelers was released, HTK updated it on GoHawai'i KR Alert Page and owned social channels including Instagram and Facebook. HTK urgently shared this positive update with key travel trade partners as this is expected to generate more interest for Hawai'i among people who are living in out of Seoul - which means far from TTPs. Additionally, as antigen testing is accepted, testing time and costs will be reduced, which will greatly reduce the burden on travelers.

Consumer

- **Digital Recovery Consumer Co-op Campaign with Naver Travel+:** HTK has launched digital consumer co-op campaign with Naver Travel+, a travel content platform in Naver to publish 12 contents on Naver Travel + Blog until the end of this year. Some of the contents will also be published as online articles of Maeil Business Newspaper, the no.1 economy daily newspaper in Korea. The goal is to position the Hawaiian Islands as first-go-to travel destination and to educate consumers on Mālama Hawai'i targeting the mindful travelers who are ready to go abroad after getting vaccinated. The stories will cover entry protocols, COVID-19 rules, Mālama Hawai'i, Kuleana Campaign, Pono Travel Tips, 6 Neighbor Islands and various themed trips to Hawai'i.
- **Media FAM:** HTK is in active discussion with OVB and MVB to develop a media FAM in December inviting 3 editors from Elle, Cosmopolitan and Vogue. The concept of the FAM is "It's Time for Hawai'i again" to showcase the signature places of the Hawaiian Islands and feature Mālama Hawai'i activities available at partner hotels. O'ahu and Maui, the 2 most visited islands among

Korean travelers will be showcased on the magazines' social channels in December and through January issue print magazine. The ultimate goal is show voluntourism activities and local food experiences to inspire and engage the MZ Korean travelers with the concept of Mālama Hawai'i.

- **B2C & B2B Newsletter Distribution:** HTK has distributed both B2C & B2B newsletters in October to announce Hawai'i's new TTP partner, Incheon Airport COVID-19 Test Center Terminal 2 along with Safe Access O'ahu. The B2C newsletter covered HTK's activity highlights, upcoming festivals which will be conducted in hybrid format and hotel promotions. For B2B newsletter, HTK shared the HTK's major activities, COVID-19 updates and positive outlooks of travel market in Korea.
- **Consumer Co-op Campaign with COEX:** HTK partnered with COEX, Korea's top convention/event center in Seoul, to be a part of COEX's anniversary event to inspire and refresh consumers from the fatigue of coronavirus by showcasing a beautiful video screening event during lunchtime. The event takes place for 4 weeks starting from October 20 to November 10. For this event, HTK provided videos from HTA's Knowledge Bank and discussed future collaborative opportunities as well.

Travel Trade

- **Trade FAM with KE:** In time for Korean Air's return to Hawai'i from November, HTK is working closely with trade partners to stimulate the travel demand for Hawai'i. To keep Hawai'i on top of minds of our top travel agents, KE has agreed to host a high-level travel agent FAM tour in November. A total of 10 top travel agents, 1 Korean Air representative will visit Hawai'i Island (2N) and O'ahu (3N) during November 14 - 19. By communicating with each island chapter, HTK prepared FAM itinerary including Mālama Hawai'i/voluntourism activities to include reforestation and beach clean-up.

Travel Trade Activities

Travel Trade Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
3	11	-	14

- **Summary of Key Travel Trade Activities**
 - **Airlines:**
 - Met with KE and discuss online consumer promotion and FAM tour
 - Met with HA to discuss co-promotion
 - Met with OZ to request for January resumption to Hawai'i
 - **Travel Agencies:**
 - Met with Yellow Balloon and update latest destination information
 - Met with Very Good tour and discuss market and consumer trend
 - Met with Redcap Tour and update latest destination information
 - Met with Hana Tour, Mode Tour, Online Tour, KRT, Doctor Travel, Hanjin Travel, Interpark, Lotte Travel, Yellow Balloon Tour, Very Good Tour and Korean Air to plan for the trade FAM to Hawai'i in November.

Responsible Tourism Update

- **HTK has promoted responsible tourism and Mālama Hawai'i through below activities:**
 - Consumer e-newsletter
 - Social media posts
 - Naver Travel+ digital recovery content co-op
 - Mālama Hawai'i campaign with key wholesalers
 - Mālama Hawai'i themed trade/ media fam

Island Chapter Engagement Update

- Travel Agent FAM (November 14 -19): HTK is in final stage of itinerary development with O'ahu Visitors Bureau and Island of Hawai'i Visitors Bureau bringing KE and leading travel agents.
- Media FAM (December 5 -10): HTK had zoom calls with O'ahu Visitors Bureau and Maui Visitors Bureau to discuss the upcoming FAM inviting 3 leading consumer fashion/lifestyle magazines including Cosmopolitan, Elle and Vogue.

Coming Attractions for Leisure Market

What	When	Where
Digital Recovery Consumer Co-op Campaign with Naver Travel+	November - December	Naver (portal site)
Travel Trade Fam	November 14 -19	Hawai'i island/ O'ahu
Media Fam	December 5 -10	Hawai'i island/ Maui
Generation Z Mālama Hawai'i Education Content Campaign	December	Korea



Group Sales Status Report – October 2021

OVERVIEW

In a recent poll by Global Business Travel Association (GTBA), 66 percent of companies are allowing non-essential domestic business travel. Increased vaccinations and reduced COVID-19 infection rates will accelerate the return of business travel as safety is a top concern. With the U.S. border scheduled to open on November 8, an increase of international travel is expected in the next six months. A recent article by *Skift*, IMEX Americas in Las Vegas will be the first major event after the return of international travel. Managing expectations will be critical as it can impact the success of the event. International events hosted in the U.S. will be a critical for the recovery of domestic and global economies.

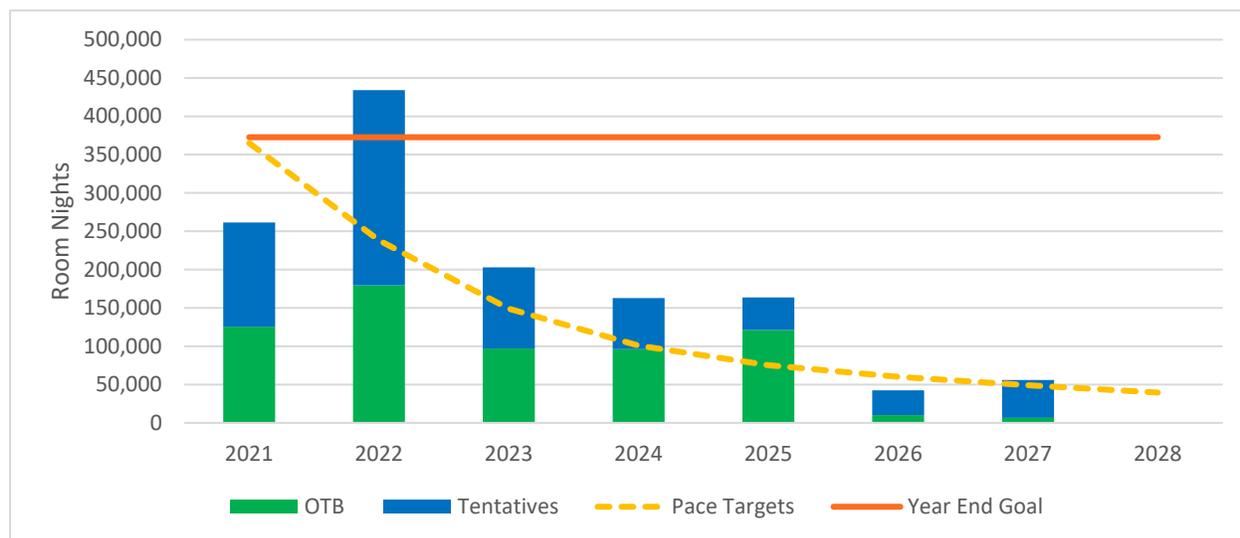
As the impact of the Delta variant decreases, feelings of normalcy continue to return. According to Destination Analyst 44.9 percent of Americans will embark on holiday related trip, a 17 percent gain from 2020 which showed a decline in travel due to the COVID-19 pandemic. There is an increase in American travelers planning overnight trips in the upcoming months for leisure (57.7%, up from 49.3%) and business (14.7%, up from 11.8%). With more travel coming up in the holiday season, an increase in spending is expected as well. As the fall season approaches, American travelers have a bright outlook for upcoming holiday travel.

CONSUMPTION

The FuturePace Reports on the next page show the number of events and room nights on the books for each year 2021-2028 against a 3-Year Average Year-End Goal.

Table 1: FuturePace Report: Hawai'i 8-year Pace (citywide and single property)

Period Ending: October 31, 2021



Room Nights

Year	OTB	Pace Targets	Variance	Variance %	LTB	Tentatives	Year End Goal
2021	125,555	365,022	(239,467)	-66%	247,155	135,800	372,710
2022	179,554	238,303	(58,749)	-25%	193,156	254,609	372,710
2023	96,968	148,874	(51,906)	-35%	275,742	106,032	372,710
2024	96,277	100,728	(4,451)	-4%	276,433	66,587	372,710
2025	121,100	75,252	45,848	61%	251,610	42,510	372,710
2026	9,977	60,027	(50,050)	-83%	362,733	32,588	372,710
2027	6,508	49,026	(42,518)	-87%	366,202	49,410	372,710
2028	0	39,574	(39,574)	-100%	372,710	0	372,710

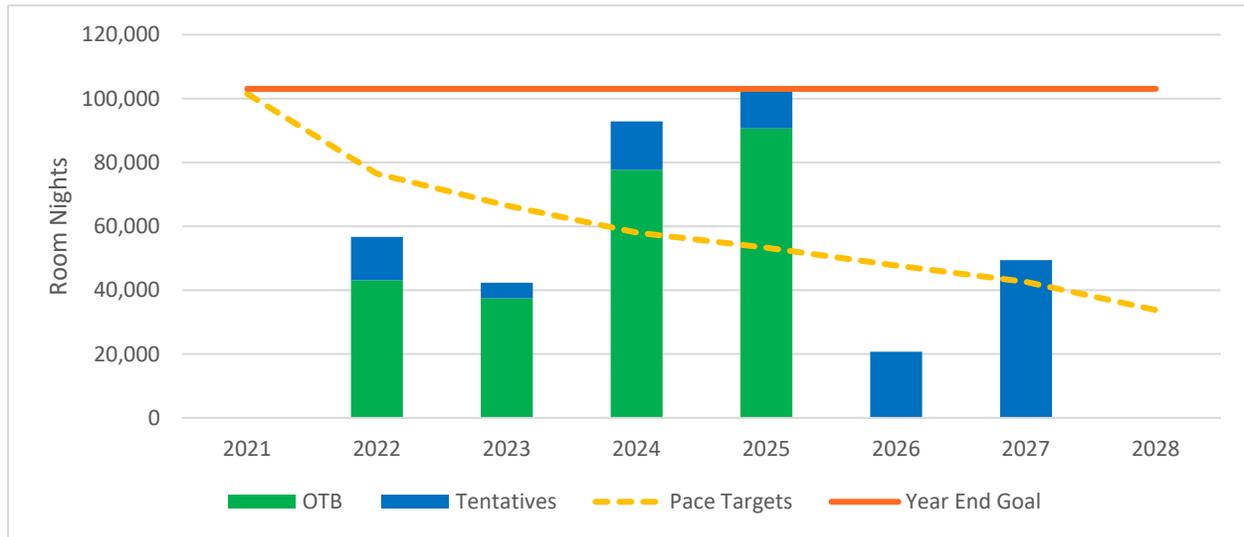
Events

Year	OTB	Pace Targets	Variance	Variance %	LTB	Tentatives	Year End Goal
2021	149	578	(429)	-74%	454	282	603
2022	111	207	(96)	-46%	492	352	603
2023	42	74	(32)	-43%	561	109	603
2024	20	35	(15)	-42%	583	34	603
2025	17	17	(0)	0%	586	20	603
2026	5	10	(5)	-48%	598	8	603
2027	2	6	(4)	-64%	601	2	603
2028	0	4	(4)	-100%	603	0	603

The number of events reported in FuturePace is slightly higher than the actual number of events due to a number of overflow programs and the splitting of some bookings into two in order to track shared credit.

Table 2: FuturePace Report: Convention Center 8-year Pace (citywide only)

Period Ending: October 31, 2021



Room Nights

Year	OTB	Pace Targets	Variance	Variance %	LTB	Tentatives	Year End Goal
2021	0	101,490	(101,490)	-100%	103,041	0	103,041
2022	43,110	76,464	(33,354)	-44%	59,931	13,600	103,041
2023	37,435	66,517	(29,082)	-44%	65,606	4,913	103,041
2024	77,650	58,016	19,634	34%	25,391	15,189	103,041
2025	90,687	53,319	37,368	70%	12,354	11,895	103,041
2026	0	47,725	(47,725)	-100%	103,041	20,700	103,041
2027	0	42,601	(42,601)	-100%	103,041	49,410	103,041
2028	0	33,781	(33,781)	-100%	103,041	0	103,041

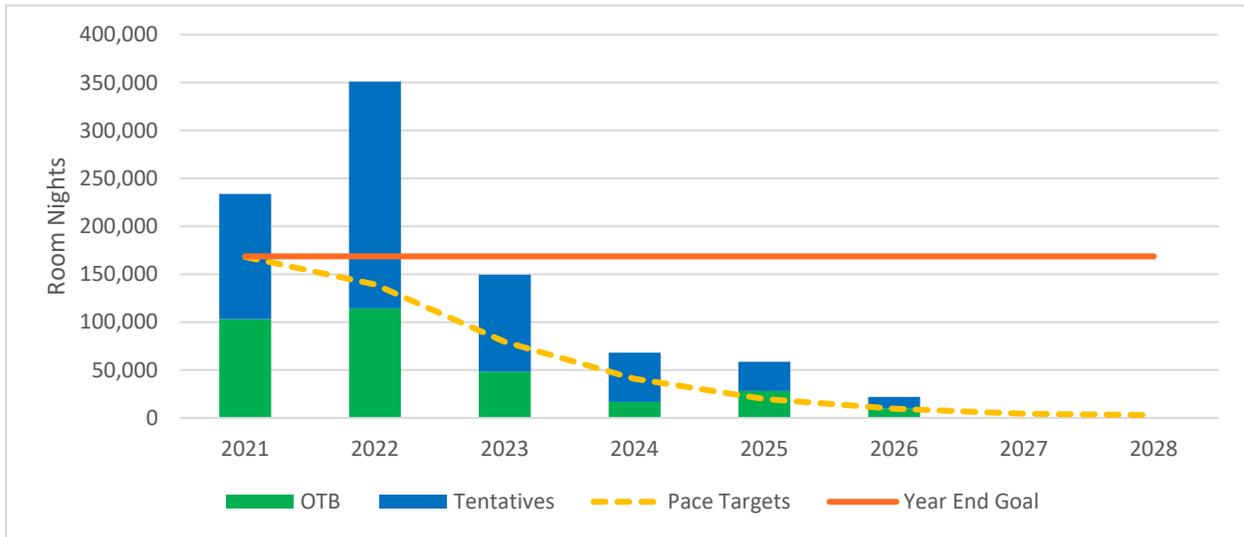
Events

Year	OTB	Pace Targets	Variance	Variance %	LTB	Tentatives	Year End Goal
2021	0	27	(27)	-100%	28	0	28
2022	9	13	(4)	-31%	19	1	28
2023	7	9	(2)	-17%	21	2	28
2024	7	7	1	7%	21	2	28
2025	5	5	(0)	-6%	23	2	28
2026	0	4	(4)	-100%	28	2	28
2027	0	3	(3)	-100%	28	2	28
2028	0	2	(2)	-100%	28	0	28

The number of events reported in FuturePace is slightly higher than the actual number of events due to a number of overflow programs and the splitting of some bookings into two in order to track shared credit.

Table 3: FuturePace Report: Single Property 8-year Pace (HTUSA only)

Period Ending: October 31, 2021



Room Nights

Year	OTB	Pace Targets	Variance	Variance %	LTB	Tentatives	Year End Goal
2021	103,065	168,003	(64,938)	-39%	65,547	130,706	168,612
2022	114,207	139,305	(25,098)	-18%	54,405	236,771	168,612
2023	48,302	79,294	(30,992)	-39%	120,310	101,119	168,612
2024	16,629	40,866	(24,237)	-59%	151,983	51,398	168,612
2025	27,981	19,788	8,193	41%	140,631	30,615	168,612
2026	9,977	9,684	294	3%	158,635	11,888	168,612
2027	0	4,236	(4,236)	-100%	168,612	0	168,612
2028	0	2,965	(2,965)	-100%	168,612	0	168,612

Events

Year	OTB	Pace Targets	Variance	Variance %	LTB	Tentatives	Year End Goal
2021	105	267	(162)	-61%	165	267	270
2022	70	160	(90)	-56%	200	343	270
2023	28	62	(34)	-55%	242	107	270
2024	11	27	(16)	-59%	259	32	270
2025	11	11	(0)	-4%	259	18	270
2026	5	5	(0)	-5%	265	6	270
2027	0	2	(2)	-100%	270	0	270
2028	0	1	(1)	-100%	270	0	270

The number of events reported in FuturePace is slightly higher than the actual number of events due to a number of overflow programs and the splitting of some bookings into two in order to track shared credit.

Glossary of FuturePace Report Terms

Cancelled: The status of a Lead for an event that was once in a Booked or Definite status but now will no longer occur.

Definite: The status of a Lead indicating the event is booked or confirmed. To qualify or count as Definite, the Lead snapshot must show the 'Booked' status type within the selected date range. In addition, the Lead cannot show in a Lost or Cancelled status during the report time frame.

LTB: An acronym for "Left to Book," this term reflects the number of room nights that still need to be booked to reach the Year-End Goal(s).

OTB: An acronym for "On the Books," this designation refers to a confirmed or definite booking.

Pace Target: A performance goal based on the percentage of your Year-End Goal that should be booked as of the report's run date, for a certain month, quarter or year. The Pace Target reflects the total number of room nights or events that should be booked as of the report's run date.

Tentatives: Business or Leads that have yet to move to a booked or Definite status. In other words, Tentatives are Leads in an unbooked or Lead status in the arrival month/year. For the Long-Term Pace report, Tentatives reflect the current count, as of the report's run date, for the years displayed on the report.

Variance: In the Long-Term Pace report, Variance reflects the OTB (or Cancelled or Tentative) figure minus the Pace Target, as of the report's run date. Positive numbers indicate performance is also positive; negative numbers suggest booking deficiencies.

Variance %: The Variance Percentage, or percentage of variance, reflects the Variance divided by the Pace Target, multiplied by 100 and then expressed as a percentage. Positive percentages indicate performance is also positive; negative numbers suggest booking deficiencies.

Year-End Goal: The Long-Term Pace report includes a 3-Year Average Year-End Goal to establish a benchmark for the years displayed on the report.

SALES PRODUCTION (in the month for any year)

Table 4: Total Sales Production – October 2021

Room Nights	2021 Actual Month	2019	Variance to 2019	2021 Year-to-Date	2019	Variance to 2019
Definite & Assist-Definite	870	27,056	-97%	48,402	203,888	-76%
Tentative & Assist-Tentative	41,719	51,132	-18%	490,731	784,336	-37%

Definites and Tentatives generated by HTUSA plus definites, assist-definites, tentatives and assist-tentatives generated by the international GMTs. Production measured to 2019, the last normal production year for more relevant comparison.

**Table 5a: Hawai'i Tourism USA (HTUSA) Sales Production
October 2021**

Room Nights	2021 Actual Month	2019	Variance to 2019	2021 Year-to-Date	2019	Variance to 2019	Annual Goal	YTD as % of Annual Goal
Citywide								
Definite	0	0	N/A	3,911	24,035	-84%	40,000	10%
New to Hawai'i	0	0	N/A	0	11,805	-100%	15,000	0%
Tentative	0	7,386	-100%	94,123	170,477	-45%	190,000	50%
Single Property								
Definite	870	21,441	-96%	43,294	123,976	-65%	125,000	35%
New to Hawai'i	870	15,956	-95%	27,121	55,170	-51%	65,000	42%
Tentative	37,564	33,812	11%	387,789	541,002	-28%	200,000	194%

The ongoing auditing and database cleansing may result in changes to previously reported figures.

COMMENTS

Sales Production vs. Goals Analysis

Citywide planners remain focused on managing current citywide business on the books for 2021 and 2022. This continues to stall the availability of citywide planners to look at future bookings affecting actual month and year-to-date definite room night production. The continued bright spot for citywide room nights is in the year-to-date tentative performance, which is down by only 50 percent.

Single property production remains stronger than citywide. Tentative production exceeding the annual goal by +194 percent expresses the desire for meetings, conventions, and incentive planner to book Hawai'i over the next two years.

Highlights of Any Key Definites

Single Property

- Convention – fraternal, service, May 2023 (870 room nights)

Highlights of Any Key Tentatives

Single Property

- Convention – medical, pharm, January 2025 (4,535 room nights)
- Convention – medical, pharm, January 2024 (4,535 room nights)
- Convention – high tech, August 2022 (2,910 room nights)

- Convention – trade assns, January 2023 (2,745 room nights)
- Convention – scientific, September 2024 (2,725 room nights)

Highlights of Any Key Cancellations

Citywide

- Convention – scientific, February 2022 (6,240 room nights)

Marketing Efforts

- Activity highlights include:
 - Content production and platform development work on a digital bid book and an IMEX Edition digital guide.

Advertising Efforts

- Meetings, conventions and incentives (MCI) Paid Media Recap
 - None to report for the month.

Public Relations Efforts

- Activity highlights include:
 - Due to Governor Ige’s announcement encouraging the cancelation of all non-essential travel to the islands, proactive PR outreach has been paused through October.
 - Anthology distributed a personnel announcement on October 21st introducing introduce Adrienne Nudo as Meet Hawai’i’s Senior Director, Citywide Midwest Region.
 - In preparation for HTUSA’s participation in at IMEX 2021, Anthology identified a list of key media attendees, and drafted and distributed a media invitation to garner appointments during the conference days.
- Media Coverage Highlights:
 - “Island Innovation – Hawai’i’s resorts continue to add new and improved spaces and offerings for groups” – *Meetings Today* – October 2021.

- Impressions and Publicity Values for Articles that included Hawai’i:

September <u>Impressions</u>	September <u>Publicity Values</u>
Print: 478,773	Print: \$31,574
Online: 553,920,992	Online: \$380,374
Broadcast: 3,616,800	Broadcast: \$265,446
Total: 554,399,765	Total: \$677,395

**Table 5b: Hawai'i Tourism Canada Single Property Sales Production
October 2021**

Room Nights	2021 Actual Month	2019	Variance to 2019	2021 Year-to- Date	2019	Variance to 2019	Annual Goal	YTD as % of Annual Goal
Definite & Assist-Definite	0	0	N/A	1,197	1,305	-8%	2,000	60%
New to Hawai'i	0	0	N/A	1,197	1,305	-8%	1,000	120%
Tentative & Assist-Tentative	1,665	2,520	-34%	6,269	9,254	-32%	10,000	63%

COMMENTS

Market Conditions

- Now that the boarder restrictions have eased and mixed doses are allowed by the WHO and CDC, interest in incentive travel is starting to grow. However, there are still many planners who are confused by the Hawai'i Safe Travels program and are reaching out to HTCAN for clarification.
- Carriers are now offering 142,000 seats throughout the second half of 2021, 90 percent of which are scheduled for Q4.

Sales Production Analysis

Hawai'i Tourism Canada (HTCAN) has received a couple inquiries for the month of October. Due to the ever-changing world of COVID, the booking patterns have changed drastically. Usually, the first two quarters of the fiscal year are slower than the latter two quarters. This might very well change again for 2022.

Highlights of Any Key Tentatives/Assist-Tentatives

- Meeting – insurance, November 2022 (1,100 room nights)
- Meeting – consumer products, February 2023 (565 room nights)

Advertising and PR Activity

- None to report for the month.

**Table 5c: Hawai'i Tourism Japan Single Property Sales Production
October 2021**

Room Nights	2021 Actual Month	2019	Variance to 2019	2021 Year-to-Date	2019	Variance to 2019	Annual Goal	YTD as % of Annual Goal
Definite & Assist-Definite	0	4,724	-100%	0	38,304	-100%	5,000	0%
New to Hawai'i	0	1,864	-100%	0	22,897	-100%	3,600	0%
Tentative & Assist-Tentative	2,490	5,799	-57%	2,550	38,458	-93%	7,000	36%

COMMENTS

Market Conditions

- **Incentive trend:** MLM, real estate, life insurance companies are beginning to consider incentive travel after 2022, and there is an expected trend for more flights in the future. In recent years, the life insurance industry has been putting a hold on their reward trips overseas, however, discussions have begun within the industry of Hawai'i being a possible destination. HTJ will continue pursuing the revival for businesses by collaborating closely with these groups.
- **Major Initiatives in October:** Since the lift of state of emergency, the travel trade industry as whole is slowly returning and actively planning outbound travel programs. Additionally, with the remaining 2021 funds, HTJ is communicating with major wholesalers for Co-op opportunities to increase the MICE bookings for 2022 onward.
- **Tourism recovery:** HTJ conducted meetings with major wholesalers to discuss how MICE bookings for 2022 and onward can be increased. According to the wholesalers, more MICE inquiries are incoming especially for summer and fall 2022. HTJ emphasized to major wholesalers that an increase in more destination education for their sales staff, Mālama Hawai'i concept understanding, and message distribution are key to the recovery of MICE business for Hawai'i.

Sales Production Analysis

Hawai'i Tourism Japan (HTJ) has no definite production to report for the month amid the COVID-19 pandemic.

Highlights of Any Key Tentatives/Assist-Tentatives

- Meeting – educational, December 2021 (90 room nights)
- Incentive – multi-level marketing, January 2023 (2,400 room nights)

Advertising and PR Activity

- None to report for the month.

**Table 5d: Hawai'i Tourism Korea Single Property Sales Production
October 2021**

Room Nights	2021 Actual Month	2019	Variance to 2019	2021 Year-to- Date	2019	Variance to 2019	Annual Goal	YTD as % of Annual Goal
Definite & Assist-Definite	0	442	-100%	0	9,144	-100%	0	N/A
New to Hawai'i	0	24	-100%	0	4,961	-100%	0	N/A
Tentative & Assist-Tentative	0	442	-100%	0	9,074	-100%	0	N/A

COMMENTS

Market Conditions

- **Travel agencies to resume group travel sales:** Overseas travel is recovering as vaccinations are in progress, especially among the 20-40 age group. Travel agencies are successfully resuming their group travel sales operations, and customer satisfaction was high.
- **Airlift updates:** Korean Air plans to operate three weekly flights from Incheon to Honolulu starting in November and five weekly flights in January next year. Asiana Airlines is expected to return to service in January next year. Hawaiian Airlines is maintaining its three weekly flights and is planning four weekly flights starting mid-January during the winter peak season.

Sales Production Analysis

Hawai'i Tourism Korea (HTK) has no production to report for the month amid the COVID-19 pandemic.

Advertising and PR Activity

- None to report for the month.

**Table 5e: Hawai'i Tourism Oceania Single Property Sales Production
October 2021**

Room Nights	2021 Actual Month	2019	Variance to 2019	2021 Year-to- Date	2019	Variance to 2019	Annual Goal	YTD as % of Annual Goal
Definite & Assist-Definite	0	449	-100%	0	7,124	-100%	250	0%
New to Hawai'i	0	449	-100%	0	6,500	-100%	0	N/A
Tentative & Assist-Tentative	0	1,173	-100%	0	16,071	-100%	1,000	0%

COMMENTS

Market Conditions

- During October the Roy Morgan Business Confidence surveyed increased 10.7pts (+10.2%) to 115.3. This is the biggest increase in Business Confidence so far during 2021 and comes as long-running lockdowns ended in Greater Sydney.
- Both Hawaiian Airlines and Qantas have scheduled flights between Sydney and Honolulu commencing in December. Hawaiian Airlines with five weekly flights starting December 15 and Qantas with four weekly flights starting December 20.
- While the first wave of travellers is more of the leisure and VFR market, the greater long-term certainty around travel will start to feed through to business and events.
- New Zealand is making progress towards a re-opening but this will likely be in the new year with Hawai'i airlift possibly returning in March.

Sales Production Analysis

Hawai'i Tourism Oceania (HTO) has no production to report for the month amid the COVID-19 pandemic. Q4, particularly in November and December, will see the rebuilding of the HTO team and increase in associated marketing. The market is looking towards 2022 for when the MCI business opportunities will begin appearing.

Advertising and PR Activity

- None to report for the month.

**Table 6: Island Distribution of HTUSA Single Property Sales – Year-to-Date
October 2021**

Island	Tentative Room Nights YTD Actual*	Definite Room Nights Annual Goal	Definite Room Nights Month Actual	Definite Room Nights YTD Actual	Percent of Goal	Lead-to-Booking Conversion (Room Nights) Goal	Lead-to-Booking Conversion (Room Nights) Actual
O‘ahu	263,174	34,000	0	17,811	52%	12%	7%
Kaua‘i	112,764	9,000	0	0	0%	11%	0%
Maui County	287,846	52,000	870	19,408	37%	18%	7%
Hawai‘i	179,801	30,000	0	6,075	20%	15%	3%
Total	843,585	125,000	870	43,294	35%		

*Tentative room nights do not match those in Table 5a for Single Property because many leads are distributed to more than one island.

‘ELELE PROGRAM

Meetings and updates for the month from Deborah Zimmerman, ‘Elele Program Director from New Millennium Meetings (NMM):

- ‘Elele Program Director assisted with onboarding the new citywide sellers. This took place through zoom calls and in person meetings where orientation to the ‘Elele program, accounts, and processes were discussed.
- Additionally, the director participated in a zoom meeting organized by a scientific association to launch its Hawai‘i meeting in May 2022 for an estimated 4,000 delegates.
- Finally, a new medical ‘Elele was recruited for a Hawai‘i Convention Center citywide prospect.

LOST BUSINESS

**Table 7a: HTUSA Citywide Lost Business
October 2021**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
Convention (11793)	Trade Assns	3,935	1,500	06/25/2023 - 07/03/2023	Initially, Hawai'i only	Client no longer considering Hawai'i.
Convention (18434)	Educational	28,275	16,000	04/21/2024 - 04/29/2024	Initially, Hawai'i only	Client no longer considering Hawai'i.

**Table 7b: HTUSA Single Property High Profile Lost Business
October 2021**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
Convention (19290)	Government	2,437	700	08/10/2023 - 08/20/2023	Initially, Hawai'i only	Program lost to Oklahoma City.
Incentive (19814)	Real Estate	1,400	200	10/22/2022 - 10/29/2022	Initially, Hawai'i only	Program cancelled.
Incentive (19862)	High Tech	615	270	01/25/2023 - 02/02/2023	Initially, Hawai'i only	Program lost to St. Kitts.
Meeting (20012)	Finance, Banking	535	150	01/29/2023 - 02/03/2023	Initially, Hawai'i only	Program dates changed.

**Table 7c: International Single Property Lost Business
October 2021**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
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None to report for the month.

New-to-Hawai'i Definite Bookings

**Table 8a: HTUSA Citywide New to Hawai'i Definite Bookings
October 2021**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
None to report for the month.					
TOTAL NEW TO HAWAI'I CITYWIDE BOOKINGS FOR THE MONTH					0
TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I CITYWIDE BOOKINGS					0

**Table 8b: HTUSA Single Property High Profile New to Hawai'i Definite Bookings
October 2021**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
Convention (19600)	Fraternal, Service	870	450	05/10/2023 - 05/16/2023	Initially, Hawai'i only

**Table 8c: International Single Property New to Hawai'i Definite Bookings
October 2021**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
None to report for the month.					
TOTAL NEW TO HAWAI'I SINGLE PROPERTY BOOKINGS FOR THE MONTH					1
TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I SINGLE PROPERTY BOOKINGS					870

New to Hawai'i bookings are accounts that have never met in Hawai'i before or, in the case of citywides, have not met in Hawai'i in the last 10 years or for single property bookings, not in the past five years.

MAJOR SALES AND MARKETING ACTIVITIES

Meet Hawai'i participated in the following MCI events for the month:

- 2 educational events
 - HTUSA
 - Executive Women International (EWI) Monthly Meeting, Virtual, October 13
 - International GMT
 - HTCAN – SITE Canada Education Day, Toronto, Canada, October 27

- 2 trade shows
 - HTUSA
 - Experiential Marketing Summit (EMS), Chicago, IL, October 5-7
 - International GMT
 - HTCAN – Aloha Canada 2021, Virtual, October 28

- 5 major site visits and familiarization (FAM) tours with clients and potential clients
 - HTUSA
 - 2 site visits, island of Hawai'i
 - 2 site visits, O'ahu
 - 1 site visit, Maui

FUTURE SALES AND MARKETING ACTIVITIES

Meet Hawai'i will participate in the following MCI events in the upcoming months:

November 2021			
Nov. 9-11	IMEX America, Las Vegas, NV	Trade Show	HTUSA
December 2021			
Dec. 1 – 4	The Council of State Governments (CSG) 2021 National Conference, Santa Fe, NM	Attendance Promo	HTUSA
Dec. 6-8	Destination Hawai'i, Maui, HI	Trade Show	HTUSA
Dec. 7-9	International Association of Exhibitions and Events (IAEE) Expo! Expo!, Philadelphia, PA	Attendance Promo	HTUSA
Dec. 12-14	SITE SoCal Holiday Event & Charity Gala, Palm Desert, CA	Industry Event	HTUSA
None to report for January 2022.			

*In compliance with Governor David Ige's August 23rd announcement, Hawai'i based staff did not travel in October 2021. Only HTUSA mainland-based staff attended in-person events.

CONVENTION CENTER PERFORMANCE

Table 9: Convention Center Performance – September 30, 2021 Year-to-Date

PERFORMANCE MEASURE	YTD	TARGET	VARIANCE
Occupancy	19%	20%	-1%
Total Events	85	47	38
Total Attendance	150,157	16,560	133,597
Visitor Spending	\$0	\$0	\$0
Tax Revenue	\$0	\$0	\$0
Revenue per Attendee	\$24.31	\$199.64	-\$175.33

COMMENTS

The new fiscal year in July 2021 began with the Department of Labor and Industrial Relations (DLIR), Department of Health (DOH) and Hawai'i Housing and Finance Development Corporation (HHFDC) continuing to use the facility for unemployment calls and claims, contact tracing and its housing rent relief program. With the surge in COVID cases locally during July and August 2021, the State and City and County of Honolulu implemented an updated order restricting gatherings to 10 indoor/25 outdoor effective August 25, 2021, which remained in effect through most of October 2021. This restriction resulted in 20 event cancellations including three offshore events scheduled the during this fiscal year ending June 30, 2022. In addition, HCC was notified by DLIR of its intent to discontinue use of the facility by December 31, 2021. The other agencies, DOH and HHFDC are likewise following suit to move out by the end of the year. The impacts of this lost business have been included in this reforecast. Cost mitigating efforts including reductions in departmental expenses, sending two F&B (Levy) staff to assist at other venues, and deferring filling vacant positions have been put into place. At this time the reforecast for the fiscal year ending June 30, 2022 reflects a net loss of \$5.8M which is \$320,000 more than budget.

Visitor spending and tax revenue remain at \$0 until the return of offshore events. All other performance metrics are a function of the local events.

DEFINITIONS

- **Single Property Group:** A group that can be booked into a single hotel for both guest rooms and meeting space.
- **Citywide Group:** A group that books Hawai'i Convention Center for meeting space; and which needs two or more hotels and has a minimum of 1,000 out-of-town attendees.
- **Group Bookings:** The total number of group room nights booked for the future. A group is defined as needing a minimum of 10 hotel rooms.
- **MCI and Non-MCI Bookings:** Both MCI and Non-MCI Bookings must primarily be off-shore bookings requiring attendees to stay in visitor accommodations. An MCI booking is an association or corporate meeting, convention or incentive program that requires meeting space. A Non-MCI booking requires off-site meeting space or no meeting space, or is public/consumer-facing like expos, sporting events, etc.
- **Definite Room Night:** Room nights associated with groups that have a signed contract or letter of commitment with the convention center and or a signed contract with a hotel.
- **Tentative Room Night:** Room nights associated with groups that have indicated interest in holding a meeting or convention in Hawai'i and a lead has been sent to the convention center and/or the hotels. Citywide leads are considered tentative when space is blocked at the convention center. Includes leads generated by partners at HTUSA coordinated trade shows.
- **Economic Impact:** The direct and induced spending generated from a group meeting in Hawai'i. The economic impact formulas are based on research of attendee spending patterns.
- **Lead-to-Booking Conversion:** Conversion of tentative leads into definite bookings as measured by dividing tentative room nights generated in the month/year by definite room nights for the same month/year.
- **Consumed Room Night:** Room nights generated from groups that have convened in Hawai'i. For citywide events, this figure is calculated from the number of attendees. For single property meetings, the figure is the contracted room nights.
- **Goal:** A level of achievement that has been determined through the goal setting process that includes industry stakeholders and the HTA board.
- **International Markets:** Current areas of focus for international groups. These markets are supported by contractors of HTA.
- **New to Hawai'i – New Business:** A group that has never met or has not had a single property meeting in Hawai'i over the past five years or a citywide meeting within the past 10 years.
- **Repeat Business:** A group that has had a single property meeting in Hawai'i within the past five years or a citywide meeting in Hawai'i within the past 10 years.

- **Island Distribution:** The breakdown of room nights that have been booked on the neighboring islands. This includes Maui, Kaua'i, O'ahu and the Island of Hawai'i.
- **Pace:** A calculation that evaluates the annual sales activity level by comparing production to the same time frames for previous years. This calculation shows if the current year-to-date room night bookings are at the same or higher/lower levels than the past year.
- **Need Period:** A future timeframe where the projections for room night demand are lower, therefore warranting specific sales strategies to attract business.
- **Lost Business:** A group where a lead has been generated due to client interest and Hawai'i was not chosen for the meeting or convention.
- **Total Events:** Total licensed events held at the Hawai'i Convention Center.
- **Total Attendance:** Total delegate attendees at licensed events at the Hawai'i Convention Center.
- **Visitor Spending:** State economic impact of offshore licensed events.
- **Tax Generation:** State tax generation of offshore licensed events.

8

Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets

HTA REGULAR BOARD MEETING

Thursday, November 18, 2021

Hō'ike 'Ikepili Noi'i 'Oihana Ho'omāka'ika'i

Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets, including the United States, Japan, Canada, Oceania, and Cruise

Jennifer Chun

Director of Tourism Research

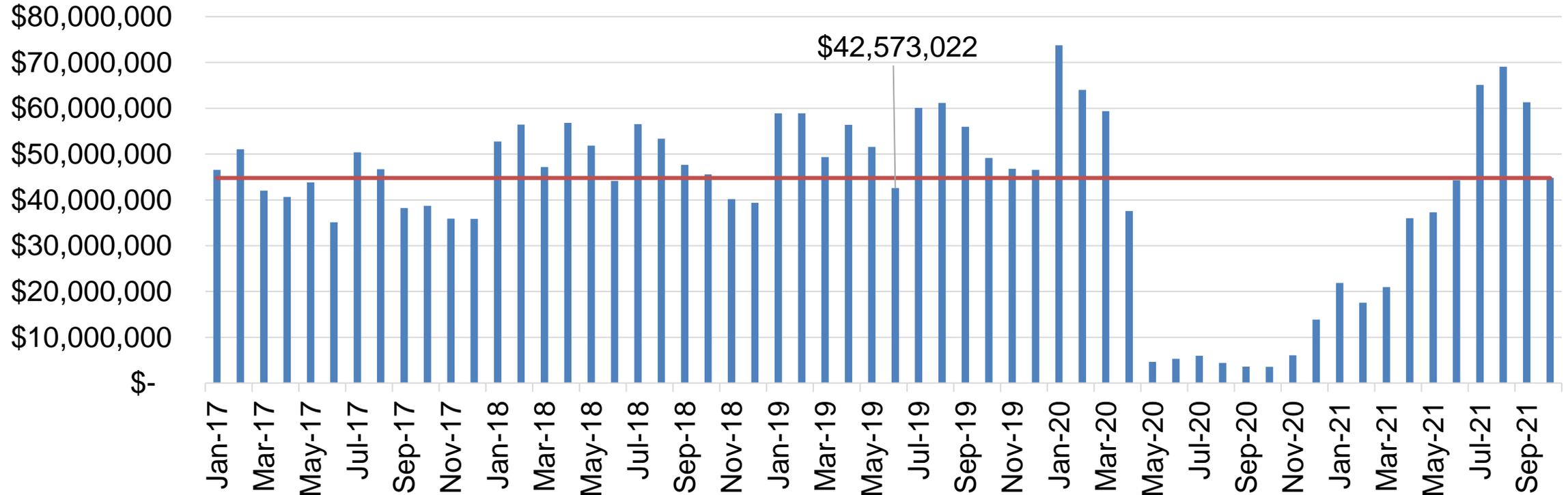
HAWAII TOURISM
AUTHORITY

The logo for the Department of Business, Economic Development & Tourism (DBEDT) of the State of Hawaii. It features a stylized blue wave graphic to the left of the acronym 'DBEDT' in large, bold, white letters. Below the acronym, the text 'STATE OF HAWAII • DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM' is written in a smaller, white, sans-serif font.

STATE OF HAWAII • DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

October 2021 Highlights

- Preliminary September TAT Collections: \$44.8 million
- Preliminary Fiscal 22 TAT Collections: \$240.3 million (+1,273.4%)
- Fiscal 21 TAT Collections: \$17.5 million (+\$22.8 million)



Source: Department of Taxation

Scheduled Nonstop Seats to Hawai'i by Port Entry

November	Total			Domestic			International		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
STATE	1,195,053	595,932	1,240,436	1,080,577	557,760	898,261	114,476	38,172	342,175
HONOLULU	592,161	328,050	750,881	518,993	297,754	456,929	73,168	30,296	293,952
KAHULUI	336,915	175,410	277,908	306,191	167,534	250,970	30,724	7,876	26,938
KONA	147,743	77,725	115,152	141,161	77,725	98,565	6,582	0	16,587
HILO	4,654	0	4,316	4,654	0	4,316	0	0	0
LIHU'E	113,580	14,747	92,179	109,578	14,747	87,481	4,002	0	4,698

December	Total			Domestic			International		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
STATE	1,185,594	593,169	1,128,387	983,882	557,668	763,632	201,712	35,501	364,755
HONOLULU	638,052	320,075	695,632	485,002	289,660	388,968	153,050	30,415	306,664
KAHULUI	314,512	185,146	227,818	279,996	180,756	195,030	34,516	4,390	32,788
KONA	123,636	79,886	114,953	114,710	79,190	97,410	8,926	696	17,543
HILO	2,685	0	2,822	2,685	0	2,822	0	0	0
LIHU'E	106,709	8,062	87,162	101,489	8,062	79,402	5,220	0	7,760

Source: HTA/DBEDT READ analysis based on scheduled flights from Diio Mi flight schedules as of November 8, 2021, subject to change

Scheduled Nonstop Seats to Hawai'i by Port Entry

January	Total			Domestic			International		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
STATE	1,033,260	437,024	1,066,503	962,201	421,726	764,288	71,059	15,298	302,215
HONOLULU	504,559	234,788	656,979	462,284	219,490	395,176	42,275	15,298	261,803
KAHULUI	294,348	107,560	231,519	273,394	107,560	209,739	20,954	0	21,780
KONA	126,314	45,458	93,017	121,964	45,458	78,213	4,350	0	14,804
HILO	4,296	0	3,818	4,296	0	3,818	0	0	0
LIHU'E	103,743	49,218	81,170	100,263	49,218	77,342	3,480	0	3,828

Source: HTA/DBEDT READ analysis based on scheduled flights from Diio Mi flight schedules as of November 8, 2021, subject to change

TRAVEL AGENCY BOOKING TRENDS

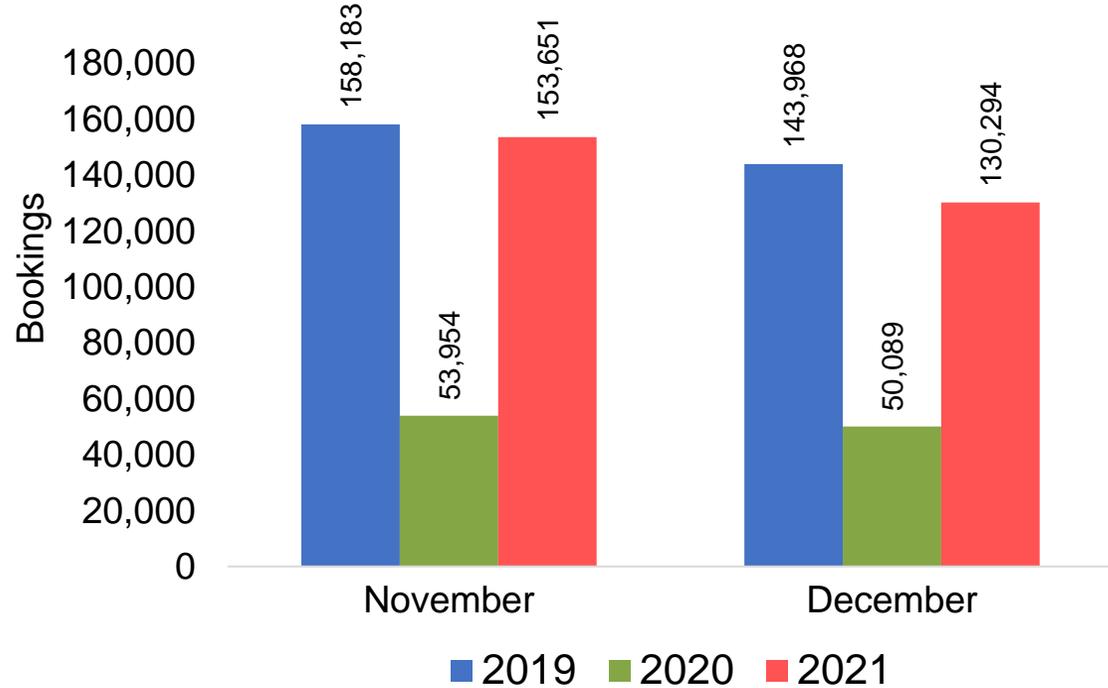
NOVEMBER 1, 2021

TRAVEL AGENCY BOOKING TRENDS

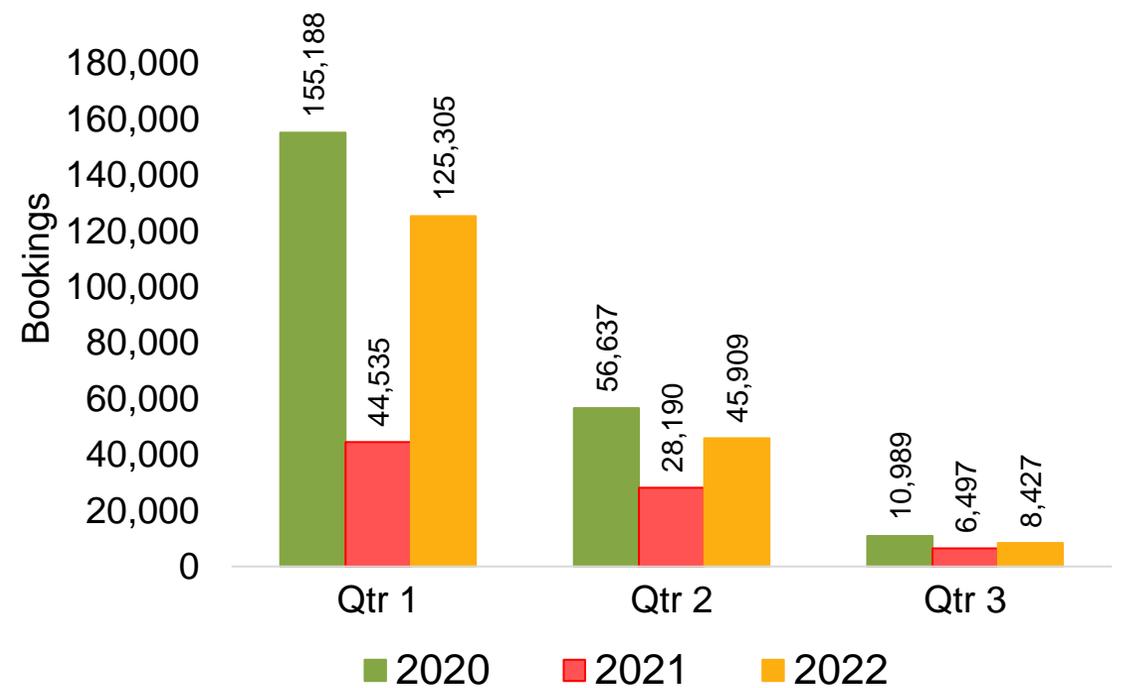
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US

Travel Agency Booking Pace for Future Arrivals, by Month



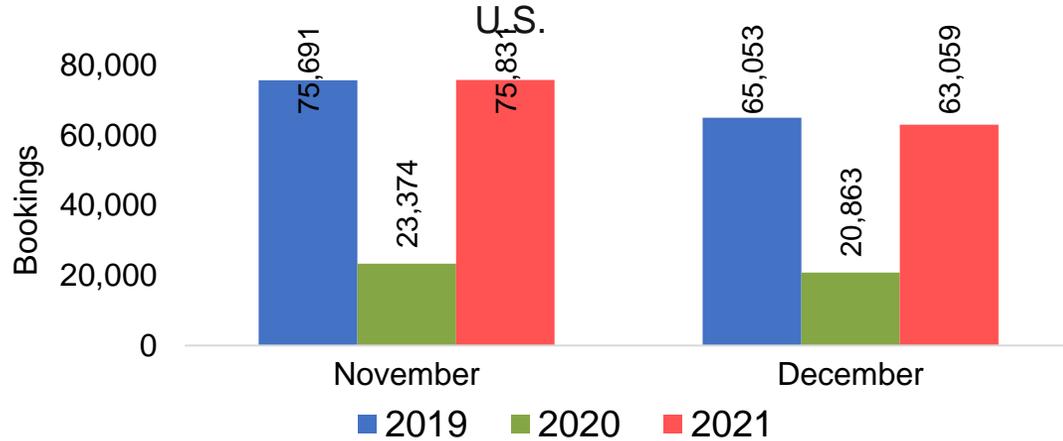
Travel Agency Booking Pace for Future Arrivals, by Quarter



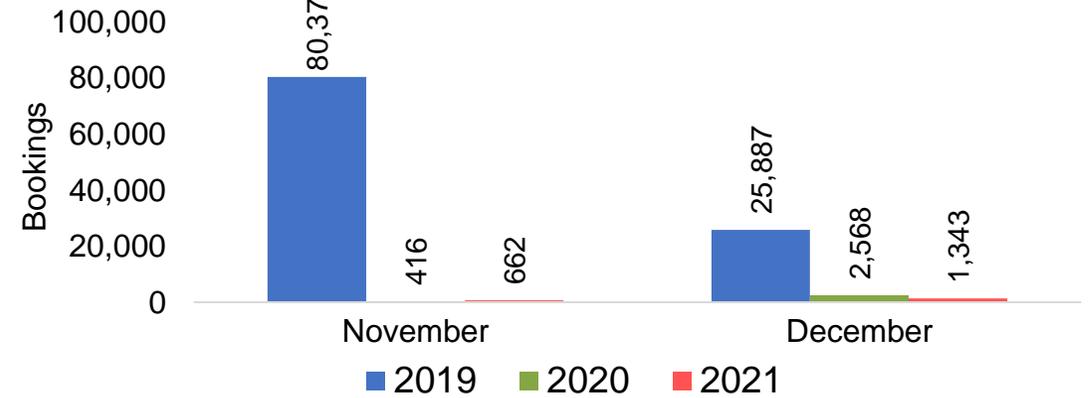
Source: Global Agency Pro as of 10/30/21

O'ahu by Month 2021

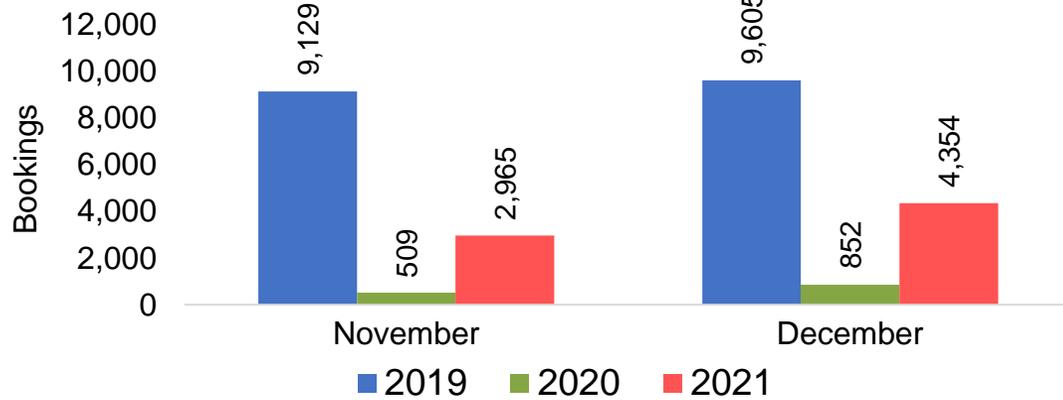
Travel Agency Booking Pace for Future Arrivals



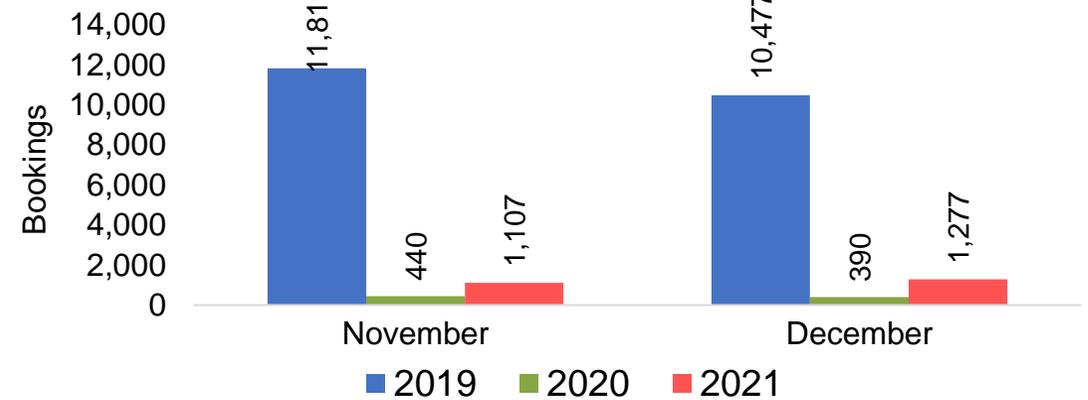
Travel Agency Booking Pace for Future Arrivals Japan



Travel Agency Booking Pace for Future Arrivals Canada

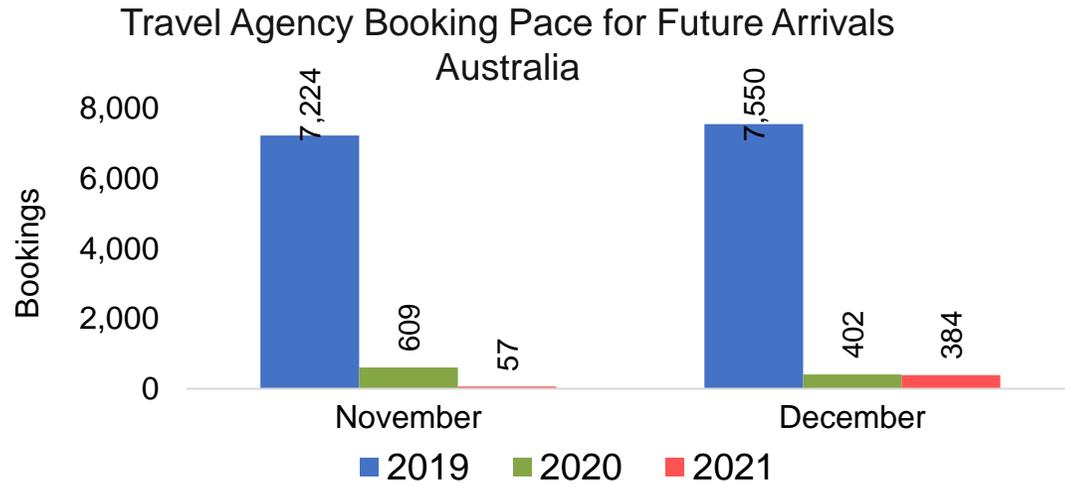


Travel Agency Booking Pace for Future Arrivals Korea



Source: Global Agency Pro as of 10/30/21

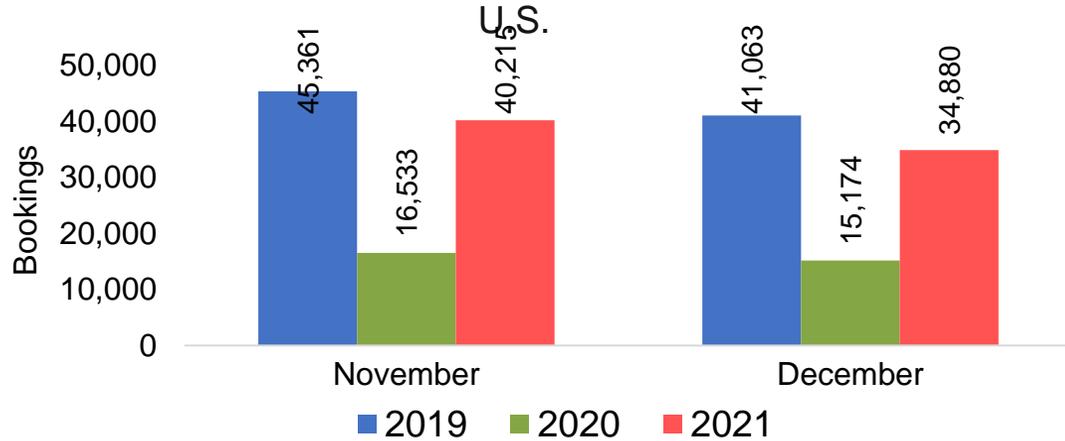
O'ahu by Month 2021 (cont.)



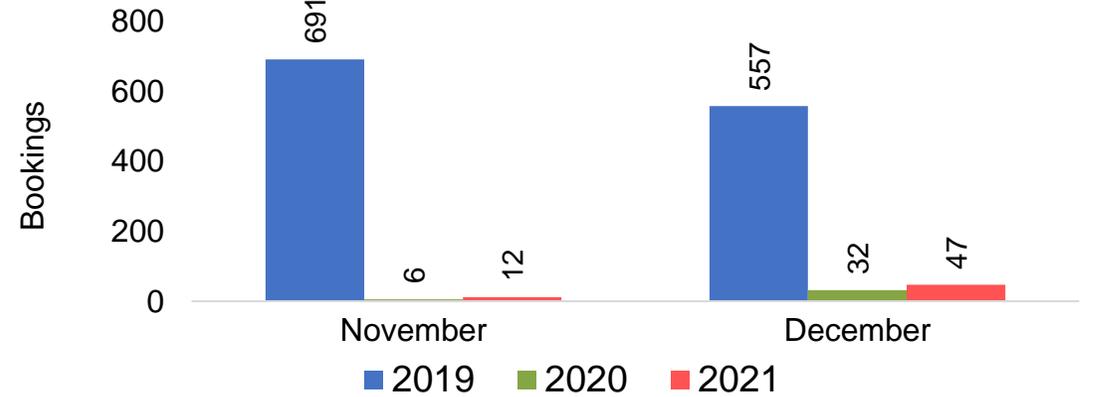
Source: Global Agency Pro as of 10/30/21

Maui by Month 2021

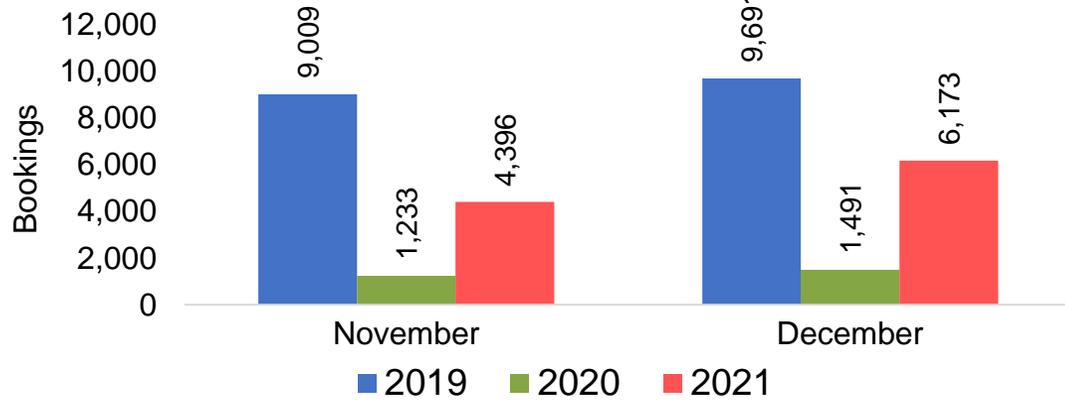
Travel Agency Booking Pace for Future Arrivals U.S.



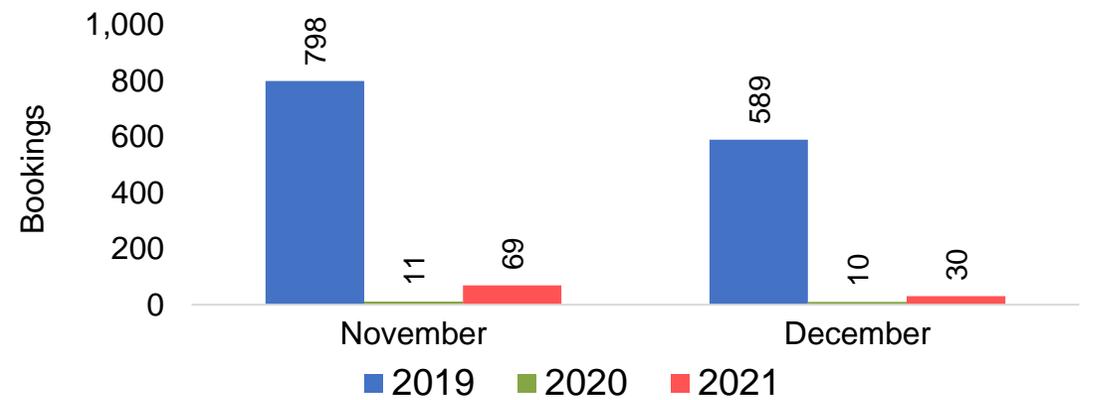
Travel Agency Booking Pace for Future Arrivals Japan



Travel Agency Booking Pace for Future Arrivals Canada

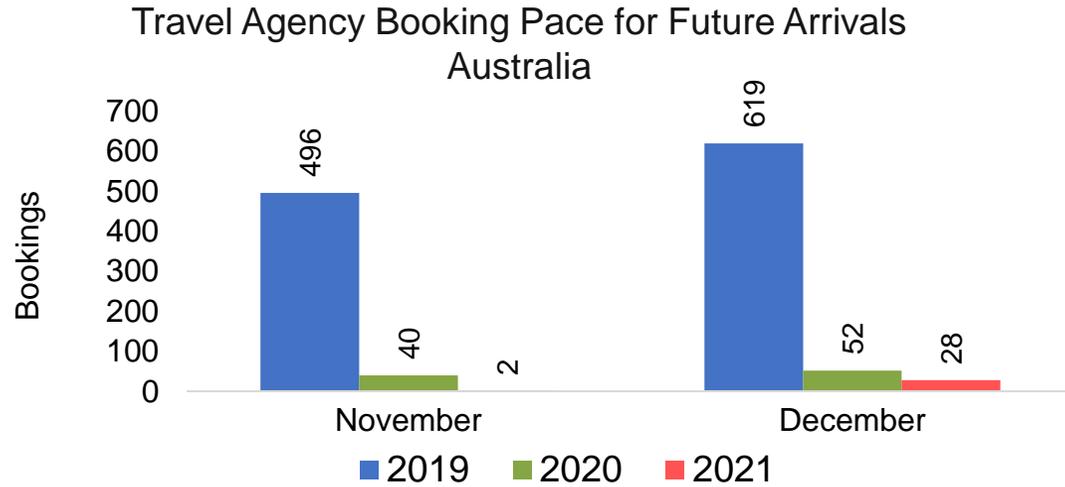


Travel Agency Booking Pace for Future Arrivals Korea



Source: Global Agency Pro as of 10/30/21

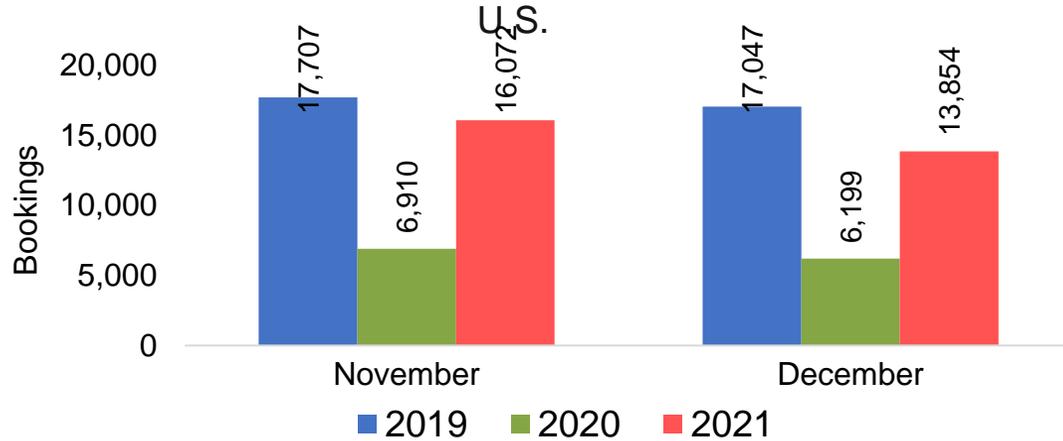
Maui by Month 2021 (cont.)



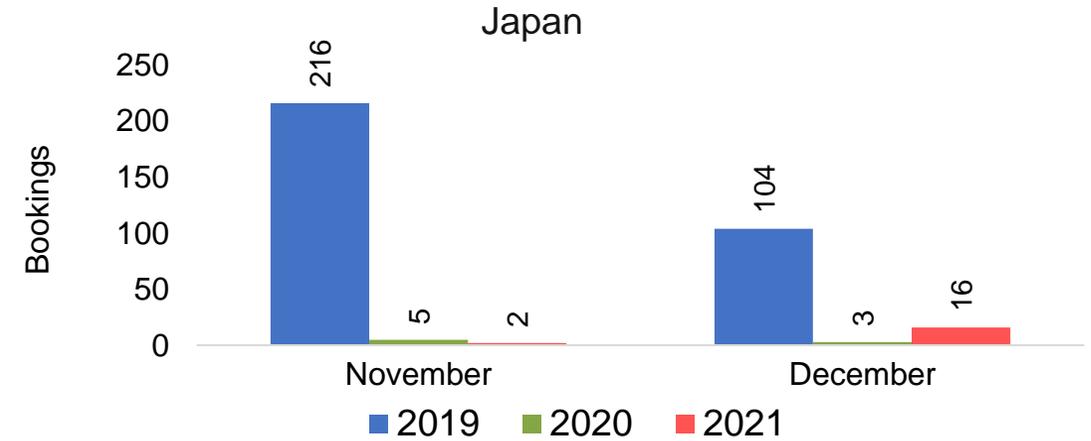
Source: Global Agency Pro as of 10/30/21

Kaua'i by Month 2021

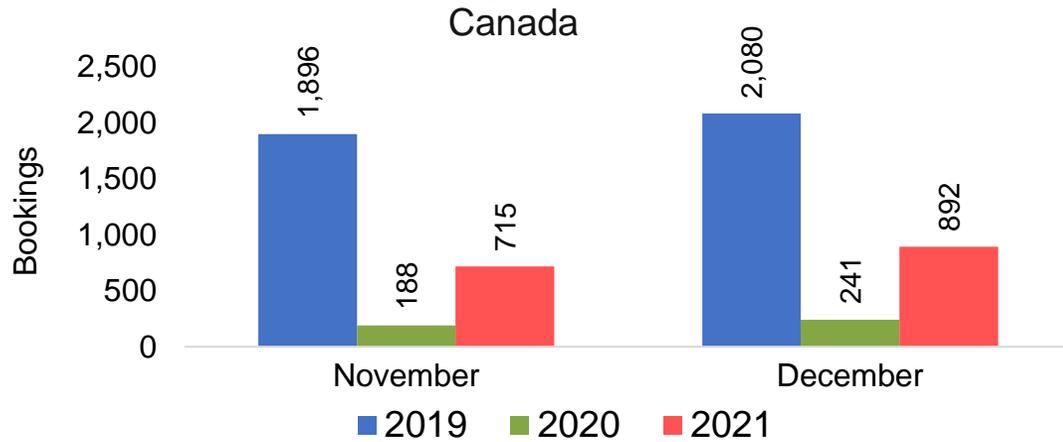
Travel Agency Booking Pace for Future Arrivals



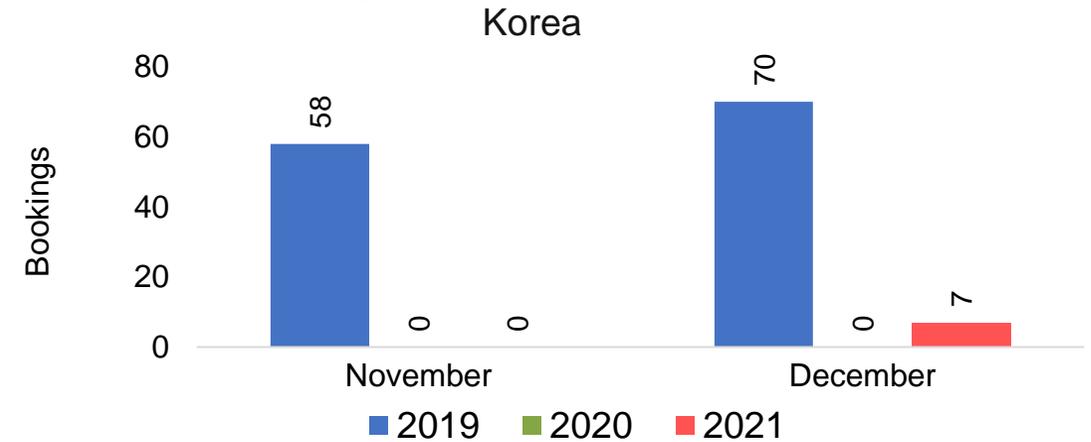
Travel Agency Booking Pace for Future Arrivals



Travel Agency Booking Pace for Future Arrivals

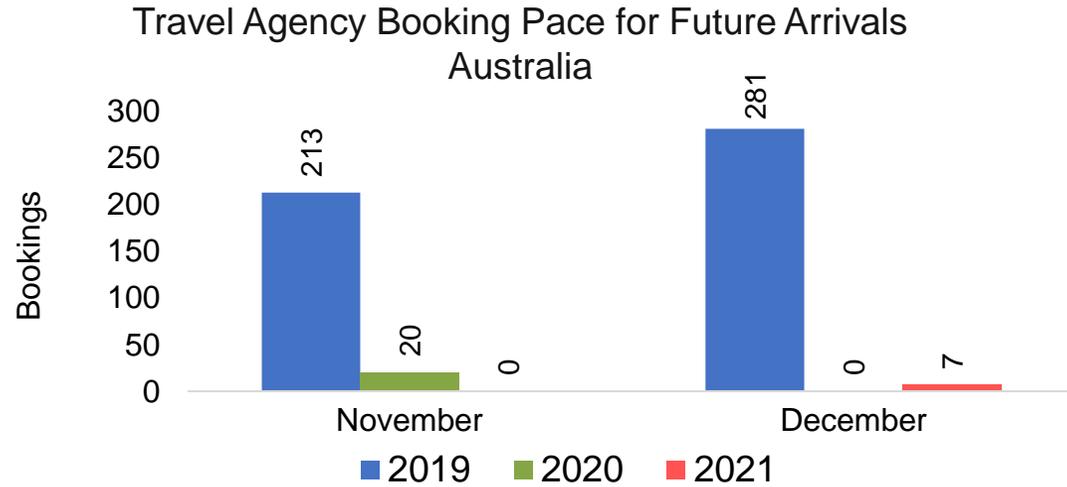


Travel Agency Booking Pace for Future Arrivals



Source: Global Agency Pro as of 10/30/21

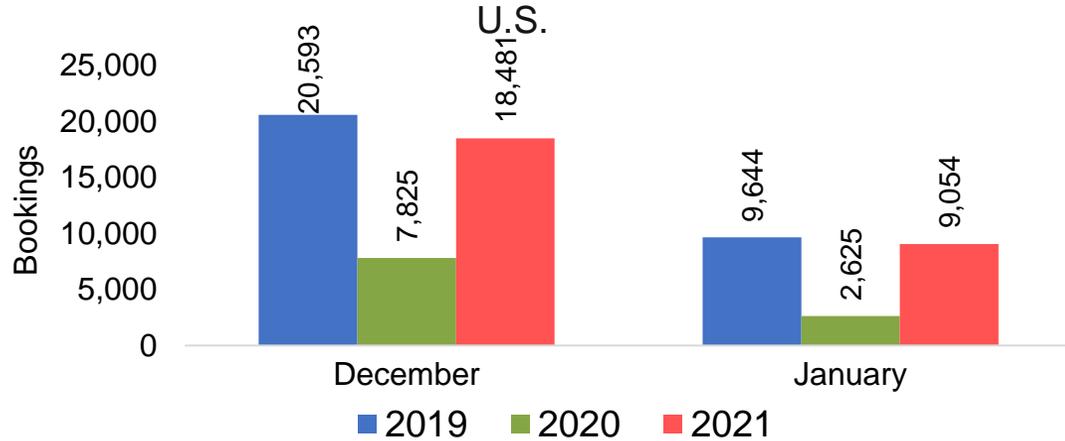
Kaua'i by Month 2021 (cont.)



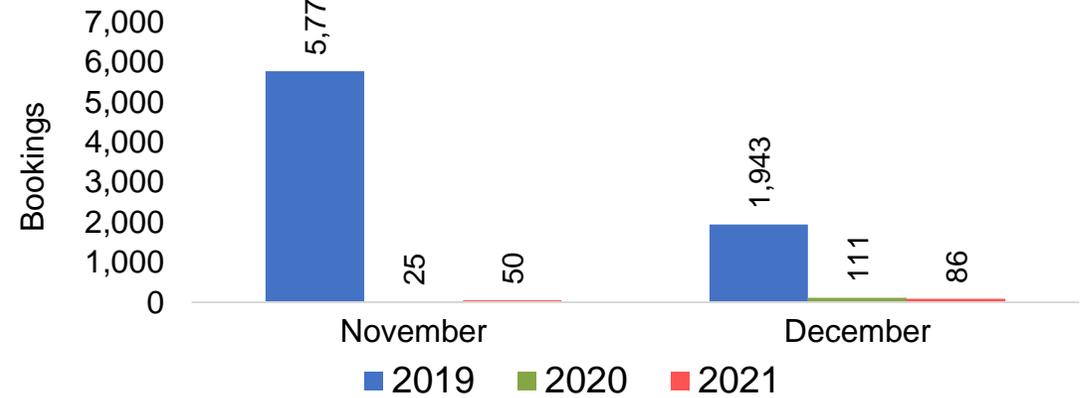
Source: Global Agency Pro as of 10/30/21

Hawai'i Island by Month 2021

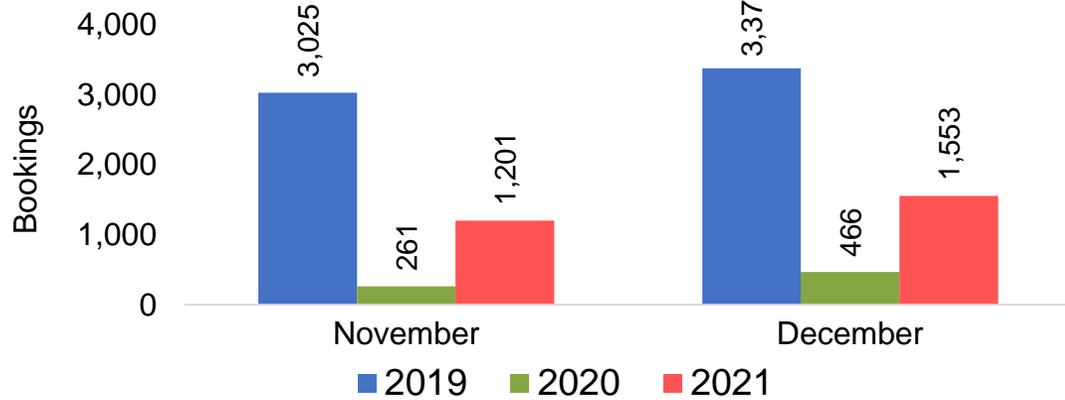
Travel Agency Booking Pace for Future Arrivals



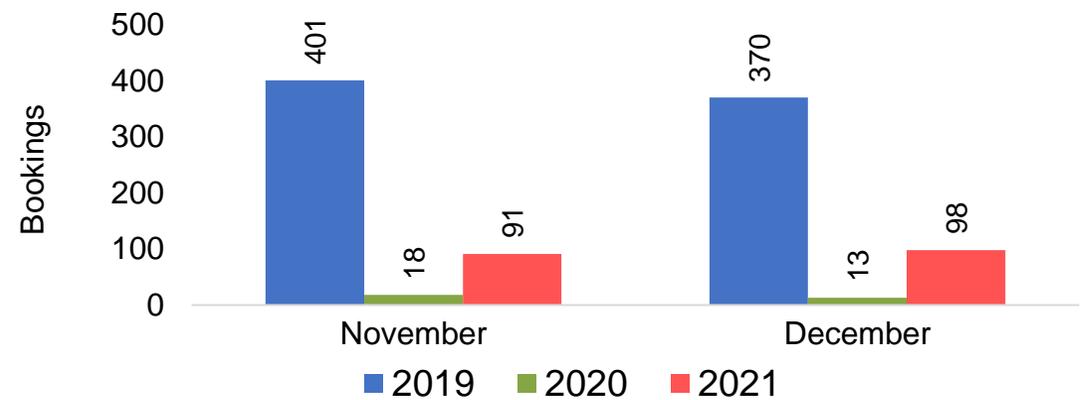
Travel Agency Booking Pace for Future Arrivals
Japan



Travel Agency Booking Pace for Future Arrivals
Canada

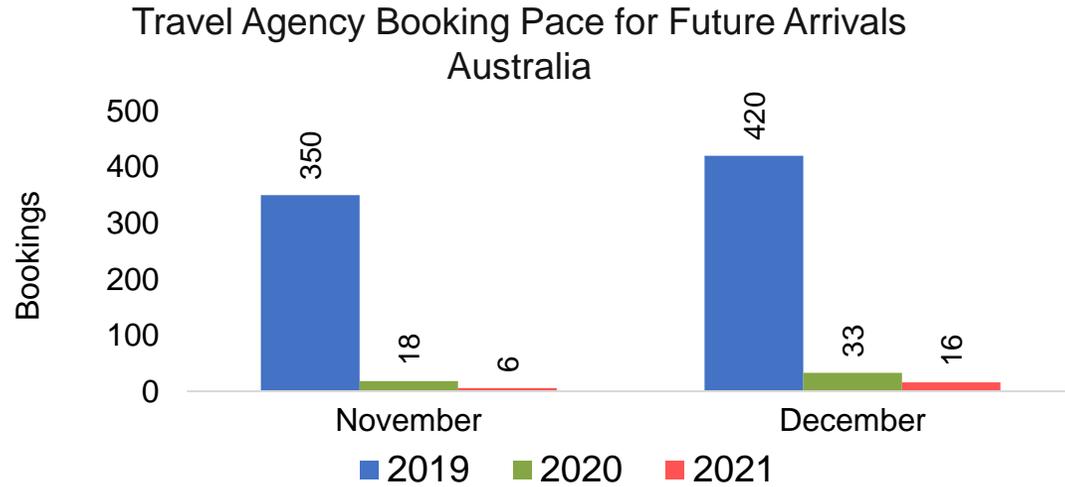


Travel Agency Booking Pace for Future Arrivals
Korea



Source: Global Agency Pro as of 10/30/21

Hawai'i Island by Month 2021 (cont.)



Source: Global Agency Pro as of 10/30/21

MAHALO!



12

Discussion and Action on Proposed Draft Bylaws

**BYLAWS
OF THE
HAWAI‘I TOURISM AUTHORITY**

[Historical Note: The Bylaws were adopted on November 4, 1998, and amended on November 28, 2001, February 10, 2005, January 27, 2011, June 30, 2011, August 22, 2012, August 8, 2014, July 9, 2015, February 28, 2019, and November 18, 2021.]

ARTICLE I – DEFINITIONS

Section 1. As used in these Bylaws:

“Authority” means the Hawai‘i Tourism Authority established by chapter 201B, Hawaii Revised Statutes.

“Board” means the policymaking Board of Directors authorized to be the governing body or the head of the Authority under chapter 201B, Hawai‘i Revised Statutes.

“Temporary Absence” means a leave of absence of 180 days or less.

ARTICLE II – NAME

Section 1. Name. The official name of the Authority shall be “Hawai‘i Tourism Authority”.

Section 2. Office and Place of Meeting. The office of the Authority shall be at 1801 Kalākaua Avenue, Honolulu, Hawai‘i, but the Authority may hold its meetings at such places as may be designated by the Chairperson. This may include holding meetings virtually through the use of technology.

ARTICLE III – OFFICERS

Section 1. Election and Term of Officers. The officers shall be the Chairperson and one or more Vice-Chairperson(s). The officers shall be elected by the Board of Directors from among its members and shall serve for one (1) year or until their successors are duly elected or in the case of an officer elected to fill a vacancy, for the unexpired term of the officer thus succeeded. All officers shall be subject to removal at any time without cause by the Board of Directors. The Board of Directors may, at its discretion, elect acting or temporary officers and may elect officers to fill vacancies occurring for any reason whatsoever, and may limit or enlarge the duties and powers of any officer elected by it.

Section 2. Chairperson. The Chairperson shall preside over all meetings of the Board of Directors. The Chairperson shall have general charge and supervision of the

Authority as delegated by the Board of Directors and shall perform such duties as are incidental to the office or are required by the Board of Directors.

Section 3. Vice-Chairperson. In the absence of the Chairperson, a Vice-Chairperson shall perform the Chairperson's duties. A Vice-Chairperson shall also perform all other duties assigned by the Chairperson or by the Board of Directors.

ARTICLE IV – MEETINGS

Section 1. Annual Meeting. An annual meeting may be held each year at such time and place as the Board of Directors determines for the purposes of electing officers and transacting such other business as may come before the meeting. The Board of Directors may dispense with the annual meeting by unanimous consent.

Section 2. Regular and Special Meetings. Regular meetings for any purpose may be held once a month. Special meetings may be held at any time upon the call of the chairperson or upon the call of any two directors.

Section 3. Parliamentary Procedure. Except as otherwise provided by statute or these Bylaws, the most recent edition of Robert's Rules of Order shall govern procedural questions that may arise at a meeting.

Section 4. Presumption of Assent. Any member of the Board who is present at a meeting at which action on any matter is taken shall be presumed to have assented to the action taken unless the dissent or refusal to vote is entered in the minutes of the meeting or unless the director either files a written dissent to such action with the chairperson of the meeting before the adjournment thereof or forwards such dissent by certified mail to the Chairperson immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE V – COMMITTEES

Section 1. Establishment. The Board may establish any committee to assist the Board of Directors on any matter related to its powers, duties, and responsibilities. A committee may be established and be terminated at the discretion of the Board. The Board may appoint a committee chairperson to head any committee and appoint any voting member to the committee. All Board members are members of all committees, but only those members appointed as voting members of a committee may vote at committee meetings. Board members who are not appointed as voting members of a committee may attend committee meetings as ex-officio non-voting committee members. All committees may convene, as necessary, to receive information, updates and recommendations from the Authority's staff and others. All committees may from time to time make recommendations to the Board.

Section 2. Branding Standing Committee. There is established a Branding Standing Committee that shall be responsible for the review, evaluation, and

recommendation of the Authority's branding and marketing initiatives, programs, and/or activities which support the Authority's vision, mission, goals and objectives including meetings, conventions, and incentive business

Section 3. Administrative & Audit Standing Committee. There is established an Administrative & Audit Standing Committee for the purpose of reviewing existing policies, making findings and recommendations to modify, create, amend and/or replace existing policies relating to the administration of the Authority; and establishing criteria and making recommendations related to the evaluation of the President & Chief Executive Officer. The committee shall also be responsible for the establishment and the proper execution of internal audit controls by (i) consulting with the Authority's external auditors to determine whether the internal controls have been properly executed; (ii) ensuring that financial statements are timely prepared and accurate, and that the statements will properly report financial information necessary for the fiscal operation of the Authority; and, (iii) establish and enforce a code of conduct to ensure the financial integrity of the Authority's management of public funds. The committee shall also be responsible for matters relating to legislative and governmental affairs.

Section 4. Budget, Finance, and Convention Center Standing Committee. There is established a Budget, Finance, and Convention Center Standing Committee for the purpose of reviewing the Authority's financial reports, investments, annual budget, and other budget and finance related matters, including the Convention Center. The committee shall, in conjunction with the Authority's staff, be responsible for the development and monitoring of the Authority's annual budget. The committee shall review the Authority's financial reports, inclusive of the Convention Center, and other budget and finance-related matters, and make recommendations to the Board. The committee shall also be responsible for the long-term strategic planning for the Hawaii Convention Center, including capital improvement plans, facility modernization efforts, and facility management.

Section 5. Ho'okahua Hawai'i Standing Committee. There is established a Ho'okahua Hawai'i Standing Committee for the purpose of developing, reviewing, evaluating, monitoring, reporting, and providing recommendations on issues relating to natural resources, Hawaiian culture, and community.

Section 6. Quorum; Voting. A majority of the voting members appointed to a committee shall constitute a quorum to conduct a meeting. An affirmative vote of a majority of the voting members appointed to the committee shall be necessary to adopt any action of the committee.

ARTICLE VI - PRESIDENT & CHIEF EXECUTIVE OFFICER AND STAFF

Section 1. President & Chief Executive Officer. The Board of Directors shall appoint the President & Chief Executive Officer, who shall serve at the pleasure of the Board of Directors, and whose compensation shall be set by the Board. The President &

Chief Executive Officer shall serve as the chief executive officer of the Authority and shall be directly responsible for the day-to-day operations of the Authority, including control of and responsibility for the execution of the Board's policies, the administration of the Authority's affairs, and the supervision of its staff. At each meeting of the Board, the President & Chief Executive Officer shall furnish the Board with such information and make such recommendations as shall be necessary to effect the purpose of the Authority and for the proper administration of its affairs.

Section 2. Authority; Staff. The President & Chief Executive Officer may appoint, in accordance with applicable personnel laws, subordinate staff members to assist in the administration of the Authority's affairs.

Section 3. Vacancy in Office. A temporary absence of the President & Chief Executive Officer shall be filled in the following manner:

(1). The Chief Administrative Officer shall serve as the President & Chief Executive Officer until her or his return. In the event the Chief Administrative Officer is unable to serve, the Chief Brand Officer shall serve as the Acting President & Chief Executive Officer until the return of either the Chief Administrative Officer or the President & Chief Executive Officer. In the event the Chief Brand Officer is unable to serve, the Vice President of Finance shall serve as Acting President & Chief Executive Officer.

ARTICLE VII – MISCELLANEOUS

Section 1. Expiration of Board Member's Term. Unless otherwise provided by law, the term of a Board member shall expire upon the failure of the member, without valid excuse, to attend three consecutive meetings duly noticed to all members of the Board and where the Board failed to constitute quorum necessary to transact business. The Chair or Vice Chair of the Board shall determine if the absence of the member is excusable. The expiration of the member's term shall be effective immediately after the third consecutive unattended meeting and unexcused absence.

Section 2. Inspection of Bylaws. The Authority shall keep in its principal office the original or a copy of the Bylaws and its amendments, certified by the chairperson, which shall be open to inspection by the members and by the general public at all reasonable times during office hours.

Section 3. Amendments. The Bylaws may be amended or repealed by a vote of a quorum of members of the Board of Directors.

Section 4. Deposits, Checks, and Investment of Fiscal Accounts. (a) Unless otherwise provided by law or by a specific provision of these Bylaws, the duly appointed Chief Executive Officer, Chief Administrative Officer, Chief Brand Officer, Vice President of Finance, and the Fiscal/Budget Officer of the Authority, cumulatively designated and referred to herein as "fiscal accounts officers" shall have the charge and custody of and be responsible for the management of all the fiscal accounts opened or

maintained on behalf of the Authority, as a public entity of the State of Hawai‘i, including the following specifically delegated authority:

- (1) Receive and give receipts for moneys appropriated or due and payable to the Authority from any source whatsoever, and deposit all such moneys in the name of the Authority in such banks, trust companies, depositories, or financial institutions as may be selected by the Authority;
- (2) Execute and issue all checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority;
- (3) Promptly deposit all funds of the Authority not otherwise employed or expended by the Authority to the credit of the Authority in such banks, trust companies, depositories, or financial institutions as may be selected by the Authority;
- (4) Enter into any contract or execute any instrument on behalf of the Authority to manage and to provide for the safe and secure investment of deposited funds of the Authority through the purchase of investments and the sale or redemption of invested funds, including the execution of any instrument related to any investment sweep service provided by a financial institution; and,
- (5) Any authority specifically delegated by the Board or authorized by law.

(b) Any depository or investment agreement or instrument, and any check, draft, instrument, or orders for the payment of money, notes, or other evidences of indebtedness in the name of the Authority shall be executed by any two of the fiscal accounts officers.

The undersigned do hereby certify that these Bylaws, as amended, of the Hawai‘i Tourism Authority were duly approved and adopted by the Board of Directors on November 18, 2021.

**Hawai‘i Tourism Authority
State of Hawai‘i**

George Kam, Chairperson
Board of Directors
Hawai‘i Tourism Authority

John De Fries
President & Chief Executive Officer
Hawai‘i Tourism Authority

APPROVED AS TO FORM:

Deputy Attorney General

**BYLAWS
OF THE
HAWAII-HAWAI'I TOURISM AUTHORITY**

[Historical Note: The Bylaws were adopted on November 4, 1998, and amended on November 28, 2001, February 10, 2005, January 27, 2011, June 30, 2011, August 22, 2012, August 8, 2014, July 9, 2015, ~~and~~ February 28, 2019, ~~and~~ ~~October 28, 2021~~ November 18, 2021.]

ARTICLE I – DEFINITIONS
DEFINITIONS

Section ~~1.1~~. As used in these Bylaws:

“Authority” means the Hawaii-Hawai'i Tourism Authority established by chapter 201B, Hawaii Revised Statutes.

“Board” means the policymaking Board of Directors authorized to be the governing body or the head of the Authority under chapter 201B, Hawaii-Hawai'i Revised Statutes.

“Temporary Absence” means a leave of absence of 180 days or less.

ARTICLE II – NAME

Section 1. Name. The official name of the Authority shall be “Hawai'i Tourism Authority”.

Section 2. Office and Place of Meeting. The office of the Authority shall be at 1801 Kalākaua Avenue, Honolulu, Hawai'i, but the Authority may hold its meetings at such places as may be designated by the Chairperson. This may include holding meetings virtually through the use of technology.

ARTICLE III – OFFICERS
OFFICERS

Section ~~12.1~~. Election and Term of Officers. The officers shall be the Chairperson and one or more Vice-Chairperson(s). The officers shall be elected by the Board of Directors from among its members and shall serve for one (1) year or until their successors are duly elected or in the case of an officer elected to fill a vacancy, for the unexpired term of the officer thus succeeded. All officers shall be subject to removal at any time without cause by the Board of Directors. The Board of Directors may, at its discretion, elect acting or temporary officers and may elect officers to fill vacancies occurring for any reason whatsoever, and may limit or enlarge the duties and powers of any officer elected by it.

| Section ~~2-2~~. Chairperson. The Chairperson shall preside over all meetings of the Board of Directors. The Chairperson shall have general charge and supervision of the Authority as delegated by the Board of Directors and shall perform such duties as are incidentalal to the office or are required by the Board of Directors.

| Section ~~32-3~~. Vice-Chairperson. In the absence of the Chairperson, a Vice-Chairperson shall perform the Chairperson's duties. A Vice-Chairperson shall also perform all other duties assigned by the Chairperson or by the Board of Directors.

ARTICLE IV – MEETINGS
MEETINGS OF THE BOARD OF DIRECTORS

Section ~~13-1~~ 3-1. Annual Meeting. An annual meeting may be held each year at such time and place as the Board of Directors determines for the purposes of electing officers and transacting such other business as may come before the meeting. The Board of Directors may dispense with the annual meeting by unanimous consent.

Section ~~3-2~~ 3-2. Regular and Special Meetings. Regular meetings for any purpose may be held once a month. Special meetings may be held at any time upon the call of the chairperson or upon the call of any two directors.

Section ~~3-3~~ 3-3. Parliamentary Procedure. Except as otherwise provided by statute or these Bylaws, the most recent edition of Robert’s Rules of Order shall govern procedural questions that may arise at a meeting.

Section ~~3-4~~ 3-4. Presumption of Assent. Any member of the Board who is present at a meeting at which action on any matter is taken shall be presumed to have assented to the action taken unless the dissent or refusal to vote is entered in the minutes of the meeting or unless the director either files a written dissent to such action with the chairperson of the meeting before the adjournment thereof or forwards such dissent by certified mail to the Chairperson immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE IV – COMMITTEES
COMMITTEES

Section ~~4-1~~ 4-1. Establishment. The Board may establish any committee to assist the Board of Directors on any matter related to its powers, duties, and responsibilities. A committee may be established and be terminated at the discretion of the Board. The Board may appoint a committee chairperson to head any committee and appoint any voting member to the committee. ~~The chairperson (or such chairperson’s designee) of every standing committee shall serve as an ex-officio non-voting member of every other standing committee; provided that the total number of committee members in any one standing committee, including the ex-officio non-voting members, shall not exceed six (6) members. All Board members are members of all committees, but only those members appointed as voting members of a committee may vote at committee meetings. Board members who are not appointed as voting members of a committee may attend committee meetings as ex-officio non-voting committee members. All committees may convene, as necessary, to receive information, updates and recommendations from the Authority’s staff and others. All committees may from time to time make recommendations to the Board.~~

Section 2. BrandingMarketing Standing Committee. There is established a BrandingMarketing Standing Committee that shall be responsible for the review, evaluation, and recommendation of the Authority’s branding and marketing initiatives.

programs, and/or activities which support the Authority's vision, mission, goals and objectives including meetings, conventions, and incentive business. The committee shall convene, as necessary, to receive information, updates, and proposals from the Authority's staff. The committee may, from time to time, make recommendations to the Board.

Section 4.32. Audit Standing Committee. There is established an Audit Standing Committee that shall be responsible for the establishment and the proper execution of internal audit controls by (i) consulting with the Authority's external auditors to determine whether the internal controls have been properly executed; (ii) ensuring that financial statements are timely prepared and accurate, and that the statements will properly report financial information necessary for the fiscal operation of the Authority; and, (iii) establish and enforce a code of conduct to ensure the financial integrity of the Authority's management of public funds.

Section 34.34. Administrative & Audit Standing Committee. There is established an Administrative & Audit Standing Committee for the purpose of reviewing existing policies, making findings and recommendations to modify, create, amend and/or replace existing policies relating to the administration of the Authority; and, establishing criteria and making recommendations making recommendations related to the evaluation of the President & Chief Executive Officer. The committee shall also be responsible for the establishment and the proper execution of internal audit controls by (i) consulting with the Authority's external auditors to determine whether the internal controls have been properly executed; (ii) ensuring that financial statements are timely prepared and accurate, and that the statements will properly report financial information necessary for the fiscal operation of the Authority; and, (iii) establish and enforce a code of conduct to ensure the financial integrity of the Authority's management of public funds. The committee shall also be responsible for matters relating to legislative and governmental affairs.

Section 45. Budget, and Finance, and Convention Center Standing Committee. There is established a Budget, and Finance, and Convention Center Standing Committee for the purpose of reviewing the Authority's financial reports, investments, and annual budget, and other budget and finance related matters, including the Convention Center. The committee shall, in conjunction with the Authority's staff, be responsible for the development and monitoring of the Authority's annual budget. The committee shall review the Authority's financial reports, inclusive of the Convention Center, and other budget and finance-related matters, and make recommendations to the Board. The committee shall also be responsible for the long-term strategic planning for the Hawaii Convention Center, including capital improvement plans, facility modernization efforts, and facility management. The committee shall convene, as necessary, to receive information, updates and recommendations from the Authority's staff.

Section 5. Ho'okahua Hawai'i Standing Committee. There is established a Ho'okahua Hawai'i Standing Committee for the purpose of developing, reviewing,

[evaluating, monitoring, reporting, and providing recommendations on issues relating to natural resources, Hawaiian culture, and community.](#)

Section ~~64.46~~. Quorum; Voting. A majority of the voting members appointed to a committee shall constitute a quorum to conduct a meeting. An affirmative vote of a majority of the voting members appointed to the committee shall be necessary to adopt any action of the committee.

ARTICLE VI-
PRESIDENT & CHIEF EXECUTIVE OFFICER
AND STAFF

Section ~~5~~.1. President & Chief Executive Officer. The Board of Directors shall appoint the President & Chief Executive Officer, who shall serve at the pleasure of the Board of Directors, and whose compensation shall be set by the Board. The President & Chief Executive Officer shall serve as the chief executive officer of the Authority and shall be directly responsible for the day-to-day operations of the Authority, including control of and responsibility for the execution of the Board's policies, the administration of the Authority's affairs, and the supervision of its staff. At each meeting of the Board, the President & Chief Executive Officer shall furnish the Board with such information and make such recommendations as shall be necessary to effect the purpose of the Authority and for the proper administration of its affairs.

Section ~~5~~.2. Authority; Staff. The President & Chief Executive Officer may appoint, in accordance with applicable personnel laws, subordinate staff members to assist in the administration of the Authority's affairs.

Section ~~5~~.3. Vacancy in Office. A temporary absence of the President & Chief Executive Officer shall be filled in the following manner:

(1). The Chief Administrative Officer shall serve as the President & Chief Executive Officer until her or his return. In the event the Chief Administrative Officer is unable to serve, the ~~Vice President of Marketing & Product Development~~Chief Brand Officer shall serve as the Acting President & Chief Executive Officer until the return of either the Chief Administrative Officer or the President & Chief Executive Officer. In the event the ~~Vice President of Marketing & Product Development~~Chief Brand Officer is unable to serve, the Vice President of Finance shall serve as Acting President & Chief Executive Officer.

ARTICLE VII – MISCELLANEOUS
MISCELLANEOUS

Section ~~6~~.1. Expiration of Board Member's Term. Unless otherwise provided by law, the term of a Board member shall expire upon the failure of the member, without valid excuse, to attend three consecutive meetings duly noticed to all members of the Board and where the Board failed to constitute quorum necessary to transact business.

The Chair or Vice Chair of the Board shall determine if the absence of the member is excusable. The expiration of the member's term shall be effective immediately after the third consecutive unattended meeting and unexcused absence.

Section ~~6.2~~. Inspection of Bylaws. The Authority shall keep in its principal office the original or a copy of the Bylaws and its amendments, certified by the chairperson, which shall be open to inspection by the members and by the general public at all reasonable times during office hours.

Section ~~6.3~~. Amendments. The Bylaws may be amended or repealed by a vote of a quorum of members of the Board of Directors.

Section ~~6.4~~. Deposits, Checks, and Investment of Fiscal Accounts. (a) Unless otherwise provided by law or by a specific provision of these Bylaws, the duly appointed Chief Executive Officer, Chief Administrative Officer, ~~Vice President of Marketing & Product Development~~Chief Brand Officer, Vice President of Finance, and the Fiscal/Budget Officer of the Authority, cumulatively designated and referred to herein as "fiscal accounts officers" shall have the charge and custody of and be responsible for the management of all the fiscal accounts opened or maintained on behalf of the Authority, as a public entity of the State of ~~Hawaii~~Hawai'i, including the following specifically delegated authority:

- (1) Receive and give receipts for moneys appropriated or due and payable to the Authority from any source whatsoever, and deposit all such moneys in the name of the Authority in such banks, trust companies, depositories, or financial institutions as may be selected by the Authority;
- (2) Execute and issue all checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority;
- (3) Promptly deposit all funds of the Authority not otherwise employed or expended by the Authority to the credit of the Authority in such banks, trust companies, depositories, or financial institutions as may be selected by the Authority;
- (4) Enter into any contract or execute any instrument on behalf of the Authority to manage and to provide for the safe and secure investment of deposited funds of the Authority through the purchase of investments and the sale or redemption of invested funds, including the execution of any instrument related to any investment sweep service provided by a financial institution; and,
- (5) Any authority specifically delegated by the Board or authorized by law.

(b) Any depository or investment agreement or instrument, and any check, draft, instrument, or orders for the payment of money, notes, or other evidences of indebtedness in the name of the Authority shall be executed by any two of the fiscal accounts officers.

The undersigned do hereby certify that these Bylaws, as amended, of the ~~Hawaii~~Hawai'i Tourism Authority were duly approved and adopted by the Board of Directors on ~~February 28, 2019~~October 28, 2021~~November 18, 2021~~.

~~Hawaii~~-Hawai'i Tourism Authority
State of ~~Hawaii~~Hawai'i

Chairperson

~~George KamL. Richard Fried, Jr.,~~

Board of Directors
~~Hawaii~~-Hawai'i Tourism Authority

~~Chris Tatum~~John De Fries
President & Chief Executive Officer
~~Hawaii~~-Hawai'i Tourism Authority

APPROVED AS TO FORM:

Deputy Attorney General

13

Discussion and Action on Proposed Draft Code of Conduct

Board Operations & Oversight

Code of Conduct Policy



Policy Purpose

The purpose of this policy is to provide standards and expectations by which each of the Authority's Board members, management, and employees conduct themselves. It is the policy of the Authority to uphold the highest legal, ethical, and moral standards. As Board members with oversight of a State agency, we are the stewards of public funds provided to us and, as such, have a fiduciary responsibility to uphold rigorous standards of conduct. Trust in the Authority's ability to carry out its mission with integrity and excellence requires that we, as Board members, observe all applicable laws and regulations and apply good judgment that is based on the highest ethical principles. This Code of Conduct shall not supersede the State of Hawai'i Ethics Code.

Policy Provisions

Member of the Board of Directors of the Hawai'i Tourism Authority are committed to observing and promoting the highest standards of ethical conduct in the performance of their responsibilities on the board of the Hawai'i Tourism Authority. Failure to comply with this policy shall result in the application of appropriate measures and sanctions as provided by State law. Board members pledge to accept this code as a minimum guideline for ethical conduct and shall:

ACCOUNTABILITY

1. Observe the highest standards of ethical conduct and faithfully abide by the Authority's enabling Hawai'i Revised Statutes, by-laws, policies and procedures.
2. Exercise reasonable care, good faith, and due diligence in the Authority's affairs.
3. Disclose, at the earliest opportunity, information that may result in a perceived or actual conflict of interest to the board Chairperson for resolution.
4. Disclose to the board, at the earliest opportunity, information that would have significance in board decision-making.
5. Remain accountable for prudent fiscal management to the public.
6. Use sound judgement to make the best possible decisions for the Authority, taking into consideration all available information, circumstances, and resources.
7. Act within the boundaries of their authority as defined by statute, by-laws, and policies.

PROFESSIONALISM

1. Maintain a professional level of courtesy, respect, and objectivity in Authority activities.
2. Foster an environment of respect, cooperation, and collegiality among board members and not unduly disrupt the board from operating in an efficient and effective manner.
3. Strive to uphold those practices and assist other Authority board members in upholding the highest standards of conduct.
4. Conduct board duties with positive leadership exemplified by open communication, creativity, dedication, and compassion.

INTEGRITY

1. Maintain the confidentiality of information provided by contractors or not share information with those bidding for Authority contracts unless specifically authorized by the board.
2. Shall not use your position as a Board member to obtain outside employment or contracts for yourself or your employer.

OPERATIONS

1. Understand the strategic role of the board and respect the President and Chief Executive Officer's and Authority staff's responsibility to manage the Authority's day-to-day activities.
2. Refrain from intruding on administrative issues that are the responsibility of management, except to monitor results and prohibit actions that conflict with board policy.
3. Treat Authority employees in a courteous and professional manner.
4. Recognize the obligation of the board to provide the Authority with a workplace that is free from discrimination and harassment.

BOARD DECISIONS

1. Accept and publicly support board decisions.
2. Serve as an ambassador of the Authority and promote activities and actions of the board with the public.
3. Stay faithful to the intent of the board as expressed in its official statements and not reinterpret or re-characterize the board's actions to reflect her/his own personal view.
4. Have the right and responsibility to exercise independent judgment and to express dissenting opinions during Board deliberations in an appropriate manner.
5. Respect and support decisions of the majority even when the Board member dissented from the majority view.
6. Not take actions publicly that have the purpose of undermining the decisions or actions of the board.
7. Resign her/his position as a board member if she/he intends to publicly oppose a board action before doing so.

TRAINING

1. Successfully complete, on an annual basis, a course in ethics as prescribed by the Authority.

- ~~1) A Director shall discharge the Director's duties:
 - ~~a) In good faith;~~
 - ~~b) With the care of an ordinarily prudent person in a like position would exercise under similar circumstances; and~~
 - ~~c) In a manner in the Director reasonably believes to be in the best interests of the Authority.~~~~
- ~~2) In determining the best interests of the Authority, a Director, in addition to considering the law, mission, rules, and bylaws of the Authority, may, in the Director's discretion, consider any of the following factors:
 - ~~a) The interests of the Authority's employees, customers, suppliers, and creditors;~~
 - ~~b) The economy of the State and the nation;~~
 - ~~c) Community and societal considerations, including, without limitation, the economic, social, and physical impacts of tourism on the State and its natural resources infrastructure; and~~
 - ~~d) The long-term, as well as short-term interest of the Authority.~~~~

The Authority is committed to providing a safe and productive work environment for its Board Directors, management, and employees. It recognizes the importance of those who work for the Authority and strives to treat them with fairness and respect.

- ~~3) It is expected that honesty, objectivity, and integrity govern the conduct of performing and fulfilling the job duties required to achieve the mission and objectives of the Authority.~~
- ~~4) The Authority will promote full and strict compliance with all applicable laws and regulatory requirements and expect that all persons covered under this policy will adhere to this standard.~~
- ~~5) No Director or employees shall take any official action directly affecting:

 - ~~a) A business or other undertaking in which they have a financial interest; or~~
 - ~~b) A private undertaking in which they are engaged as legal counsel, advisor, consultant, representative, or in any other agency capacity.~~~~
- ~~6) A Director of the Authority shall immediately stop working on a matter in which the Director has a perceived or actual conflict of interest and immediately report the conflict to the HTA Board Chair for resolution.~~
- ~~7) Employees and Directors shall act in good faith to discharge their duties to ensure the fair and equitable treatment of all persons who deal with government procurement.~~
- ~~8) All Directors and Employees of the Authority shall complete an ethics training course on an annual basis.~~
- ~~9) Failure to comply with any provision of this policy will result in the appropriate sanctions as provided for by State law.~~

Responsibilities

Responsible Officer:
Chief Administrative Officer

Policy Owner:
Board of Directors

Approvals

Prepared by:

Keith A. Regan
Chief Administrative Officer

Date

Reviewed and Recommended for Approval by:

~~Chris Tatum~~John De Fries
President & CEO

Date

Policy Approved by:

~~Rick Fried~~George Kam
Chairman, HTA Board of Directors

Date

Code of Conduct Policy



Policy Purpose

The purpose of this policy is to provide standards and expectations by which each of the Authority's Board members, management, and employees conduct themselves.

Policy Provisions

- 1) A Director shall discharge the Director's duties:
 - a) In good faith;
 - b) With the care of an ordinarily prudent person in a like position would exercise under similar circumstances; and
 - c) In a manner in the Director reasonably believes to be in the best interests of the Authority.
- 2) In determining the best interests of the Authority, a Director, in addition to considering the law, mission, rules, and bylaws of the Authority, may, in the Director's discretion, consider any of the following factors:
 - a) The interests of the Authority's employees, customers, suppliers, and creditors;
 - b) The economy of the State and the nation;
 - c) Community and societal considerations, including, without limitation, the economic, social, and physical impacts of tourism on the State and its natural resources infrastructure; and
 - d) The long-term, as well as short-term interest of the Authority.
- 3) The Authority is committed to providing a safe and productive work environment for its Board Directors, management, and employees. It recognizes the importance of those who work for the Authority and strives to treat them with fairness and respect.
- 4) It is expected that honesty, objectivity, and integrity govern the conduct of performing and fulfilling the job duties required to achieve the mission and objectives of the Authority.
- 5) The Authority will promote full and strict compliance with all applicable laws and regulatory requirements and expect that all persons covered under this policy will adhere to this standard.
- 6) No Director or employees shall take any official action directly affecting:
 - a) A business or other undertaking in which they have a financial interest; or
 - b) A private undertaking in which they are engaged as legal counsel, advisor, consultant, representative, or in any other agency capacity.
- 7) A Director of the Authority shall immediately stop working on a matter in which the Director has a perceived or actual conflict of interest and immediately report the conflict to the HTA Board Chair for resolution.
- 8) Employees and Directors shall act in good faith to discharge their duties to ensure the fair and equitable treatment of all persons who deal with government procurement.
- 9) All Directors and Employees of the Authority shall complete an ethics training course on an annual basis.
- 10) Failure to comply with any provision of this policy will result in the appropriate sanctions as provided for by State law.

Responsibilities

Responsible Officer:

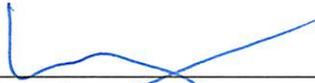
Chief Administrative Officer

Policy Owner:

Board of Directors

Approvals

Prepared by:



Keith A. Regan
Chief Administrative Officer

3/27/19

Date

Reviewed and Recommended for Approval by:

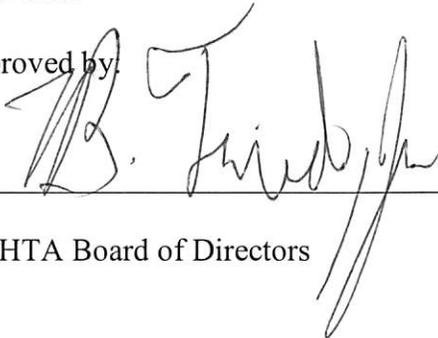


Chris Tatum
President & CEO

3/28/19

Date

Policy Approved by:



Rick Fried
Chairman, HTA Board of Directors

3/28/19

Date

CHAPTER 84 STANDARDS OF CONDUCT

Preamble

The purpose of this chapter is to (1) prescribe a code of ethics for elected officers and public employees of the State as mandated by the people of the State of Hawaii in the Hawaii Constitution, Article XIV; (2) educate the citizenry with respect to ethics in government; and (3) establish an ethics commission which will administer the codes of ethics adopted by the constitutional convention and by the legislature and render advisory opinions and enforce the provisions of this law so that public confidence in public servants will be preserved.

Part I. General Provisions

§84-1 Construction. This chapter shall be liberally construed to promote high standards of ethical conduct in state government.

§84-2 Applicability. This chapter shall apply to every nominated, appointed, or elected officer, employee, and candidate to elected office of the State and for election to the constitutional convention, but excluding justices and judges; provided that in the case of elected delegates and employees of the constitutional convention, this chapter shall apply only to the enforcement and administration of the code of ethics adopted by the constitutional convention.

§84-3 Definitions.

"Business" includes a corporation, a partnership, a sole proprietorship, a trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

"Compensation" means any money, thing of value, or economic benefit conferred on or received by any person in return for services rendered or to be rendered by oneself or another.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest be greater or less than fifty per cent.

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices and judges.

"Employment" means any rendering of services for compensation.

"Financial interest" means an interest held by an individual, the individual's spouse, or dependent children which is:

- (1) An ownership interest in a business.
- (2) A creditor interest in an insolvent business.
- (3) An employment, or prospective employment for which negotiations have begun.
- (4) An ownership interest in real or personal property.
- (5) A loan or other debtor interest.
- (6) A directorship or officership in a business.

"Official act" or "official action" means a decision, recommendation, approval, disapproval, or other action, including inaction, which involves the use of discretionary authority.

"Official authority" includes administrative or legislative powers of decision, recommendation, approval, disapproval, or other discretionary action.

"State agency" includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices, the University of Hawaii, and all independent commissions and other establishments of the state government but excluding the courts.

"Task force" means a group convened by resolution, statute, executive order, proclamation, or by invitation of the legislature, governor, or another state officer, to study a specific subject or issue, for a specific defined period of time, and to report to, offer a recommendation to, or advise the legislature, governor, or a state officer.

Part II. Code of Ethics

§84-10 University of Hawaii; technology transfer activities; exemption. (a) Sections 84-12, 84-13, 84-14 to 84-16, and 84-18 shall not apply to technology transfer activities sponsored by the University of Hawaii; provided that the technology transfer activities comply with the regulatory framework and research compliance program and policies approved by the board of regents of the University of Hawaii.

(b) Notwithstanding subsection (a), the University of Hawaii shall not sponsor, enter into, or continue to engage in technology transfer activities with a private person in which an employee of the University of Hawaii has a conflict of interest as provided in section 84-14, including a financial interest, irrespective of whether the State benefits from the technology transfer activities; provided that the prohibition under this subsection shall not apply if:

- (1) The technology transfer activities with the private person promote the timely and efficient commercialization of intellectual property created by basic and applied research at the University of Hawaii;
- (2) The State stands to benefit from the technology transfer activities with the private person;
- (3) The technology transfer activities with the private person comply with the regulatory framework and research compliance program and policies approved by the board of regents of the University of Hawaii;
- (4) The employee's conflict of interest is disclosed at the time of the proposal, and the proposals and binding agreements for each of the technology transfer activities with the private person are reviewed by the state ethics commission to assure compliance with ethics laws;
- (5) Any changes to the terms and conditions of the technology transfer activities are reported to the state ethics commission;
- (6) The employee with the conflict of interest does not:
 - (A) Take official action affecting the technology transfer activities with the private person;
 - (B) Directly or indirectly supervise an employee when that employee takes official action affecting the technology transfer activities with the private person; and
- (7) During the term of the technology transfer activities with the private person, the following employees file annually with the state ethics commission a disclosure of financial interests pursuant to section 84-17:
 - (A) Employees who have a conflict of interest as provided in section 84-14, including a financial interest, in the private person;
 - (B) Employees who take official action affecting the technology transfer activities with the private person; and
 - (C) Employees who directly or indirectly supervise an employee who takes official action affecting the technology transfer activities with the private person.

(c) Notwithstanding subsection (a), any technology transfer activities sponsored by, entered into, or engaged in by the University of Hawaii in violation of subsection (b) is voidable under section 84-16; provided that this subsection shall not apply to contracts for technology transfer activities entered into or extended by the University of Hawaii prior to January 1, 2022.

(d) The University of Hawaii shall file annually with the state ethics commission a disclosure, including its conflict of interest management plan, of any conflict of interest of any employee relating to its technology transfer activities.

(e) As used in this section:

“Person” means any individual, firm, association, organization, sole proprietorship, partnership, company, corporation, joint venture, trust, or any other form of business or legal entity or group of individuals.

“Technology transfer activities” means the process of transferring scientific findings from the public sector to the private sector for the purpose of commercial development and application for personal or financial gain. “Technology transfer activities” may include creating joint ventures, limited partnerships, or other corporate forms; allocating equity shares, partnership interests, or other forms of participation; identifying new technologies; protecting technologies through patents and copyrights; forming development and commercialization strategies, arrangements, or projects; and other related activities.

§84-11 Gifts. No legislator or employee shall solicit, accept, or receive, directly or indirectly, any gift, whether in the form of money, service, loan, travel, entertainment, hospitality, thing, or promise, or in any other form, under circumstances in which it can reasonably be inferred that the gift is intended to influence the legislator or employee in the performance of the legislator’s or employee’s official duties or is intended as a reward for any official action on the legislator’s or employee’s part.

§84-11.5 Reporting of gifts. (a) Every legislator and employee shall file a gifts disclosure statement with the state ethics commission no later than June 30 of each year if all the following conditions are met:

- (1) The legislator or employee, or spouse or dependent child of a legislator or employee, received directly or indirectly from one source any gift or gifts valued singly or in the aggregate in excess of \$200, whether the gift is in the form of money, service, goods, or in any other form;
- (2) The source of the gift or gifts have interests that may be affected by official action or lack of action by the legislator or employee; and
- (3) The gift is not exempted by subsection (d) from reporting requirements under this subsection.

(b) The report shall cover the period from June 1 of the preceding calendar year through May 31 of the year of the report.

(c) The gifts disclosure statement shall contain the following information:

- (1) A description of the gift;
- (2) A good faith estimate of the value of the gift;
- (3) The date the gift was received; and
- (4) The name of the person, business entity, or organization from whom, or on behalf of whom, the gift was received.

- (d) Excluded from the reporting requirements of this section are the following:
 - (1) Gifts received by will or intestate succession;
 - (2) Gifts received by way of distribution of any inter vivos or testamentary trust established by a spouse or ancestor;
 - (3) Gifts from a spouse, fiancé, fiancée, any relative within four degrees of consanguinity or the spouse, fiancé, or fiancée of such a relative. A gift from any such person is a reportable gift if the person is acting as an agent or intermediary for any person not covered by this paragraph;
 - (4) Political campaign contributions that comply with state law;
 - (5) Anything available to or distributed to the public generally without regard to the official status of the recipient;
 - (6) Gifts that, within thirty days after receipt, are returned to the giver or delivered to a public body or to a bona fide educational or charitable organization without the donation being claimed as a charitable contribution for tax purposes; and
 - (7) Exchanges of approximately equal value on holidays, birthday, or special occasions.

(e) Failure of a legislator or employee to file a gifts disclosure statement as required by this section shall be a violation of this chapter.

(f) This section shall not affect the applicability of section 84-11.

(g) For purposes of this section, “legislator or employee” includes any individual who was a legislator or employee for any portion of the period from June 1 of the preceding calendar year through May 31 of the year of the report.

§84-12 Confidential information. No legislator or employee shall disclose information which by law or practice is not available to the public and which the legislator or employee acquires in the course of the legislator’s or employee’s official duties, or use the information for the legislator’s or employee’s personal gain or for the benefit of anyone; provided that this section shall not preclude a person who serves as the designee or representative of an entity that is a member of a task force from disclosing information to the entity which the person acquires as the entity’s designee or representative.

§84-13 Fair treatment. (a) No legislator or employee shall use or attempt to use the legislator’s or employee’s official position to secure or grant unwarranted privileges, exemptions, advantages, contracts, or treatment, for oneself or others; including but not limited to the following:

- (1) Seeking other employment or contract for services for oneself by the use or attempted use of the legislator’s or employee’s office or position;
- (2) Accepting, receiving, or soliciting compensation or other consideration for the performance of the legislator’s or employee’s official duties or responsibilities except as provided by law;
- (3) Using state time, equipment or other facilities for private business purposes; or
- (4) Soliciting, selling, or otherwise engaging in a substantial financial transaction with a subordinate or a person or business whom the legislator or employee inspects or supervises in the legislator’s or employee’s official capacity.

(b) Nothing in this section shall be construed to prohibit a legislator from introducing bills and resolutions, from serving on a committee, or from making statements or taking official action as a legislator. Every legislator shall publicly disclose the nature and extent of the interest or transaction that the legislator believes may be affected by the legislator’s official action in accordance with section 84-17 and the rules of each house of the legislature.

- (c) Nothing in this section shall be construed to prevent a person from:
 - (1) Serving on a task force; or
 - (2) Making statements or taking official action as a task force member or a task force member's designee or representative;

provided that every task force member or designee or representative of a task force member shall publicly disclose the nature and extent of any interest or transaction that the task force member or task force member's designee or representative believes may be affected by the task force member's official action.

(d) The state ethics commission shall adopt rules pursuant to chapter 91 to effectuate the purposes of this section, except that each house of the legislature shall adopt rules regarding the disclosure of the nature and extent of any interest or transaction that the legislator believes may be affected by the legislator's official action. Rules adopted by the state ethics commission shall apply only until such time that each house of the legislature adopts its own rules. Upon the passage of rules pursuant to this section by either house of the legislature, the rules adopted by the state ethics commission shall be preempted by the rules of each respective house of the legislature.

§84-13.5 Washington Place; campaign activities. The governor shall not allow Washington Place to be used for any events intended to solicit funds, support, or votes for any candidate for elective public office.

§84-14 Conflicts of interests. (a) No employee shall take any official action directly affecting:

- (1) A business or other undertaking in which the employee has a substantial financial interest; or
- (2) A private undertaking in which the employee is engaged as legal counsel, advisor, consultant, representative, or other agency capacity.

A department head who is unable to disqualify the department head's self on any matter described in paragraphs (1) and (2) will not be in violation of this subsection if the department head has complied with the disclosure requirements of section 84-17.

A person whose position on a board, commission, or committee is mandated by statute, resolution, or executive order to have particular qualifications shall only be prohibited from taking official action that directly and specifically affects a business or undertaking in which the person has a substantial financial interest; provided that the substantial financial interest is related to the member's particular qualifications.

(b) No employee shall acquire financial interests in any business or other undertaking which the employee has reason to believe may be directly involved in official action to be taken by the employee.

(c) No legislator or employee shall assist any person or business or act in a representative capacity before any state or county agency for a contingent compensation in any transaction involving the State.

(d) No legislator or employee shall assist any person or business or act in a representative capacity for a fee or other compensation to secure passage of a bill or to obtain a contract, claim, or other transaction or proposal in which the legislator or employee has participated or will participate as a legislator or employee, nor shall the legislator or employee assist any person or business or act in a representative capacity for a fee or other compensation on such bill, contract, claim, or other transaction or proposal before the legislature or agency of which the legislator or employee is an employee or legislator.

(e) No employee shall assist any person or business or act in a representative capacity before a state or county agency for a fee or other consideration on any bill, contract, claim, or other transaction

or proposal involving official action by the agency if the employee has official authority over that state or county agency unless the employee has complied with the disclosure requirements of section 84-17.

- (f) Nothing in this section shall be construed to prevent a person from:
 - (1) Serving on a task force; or
 - (2) Making statements or taking official action as a task force member or a task force member's designee or representative;

provided that every task force member or designee or representative of a task force member shall publicly disclose the nature and extent of any interest or transaction that the task force member or task force member's designee or representative believes may be affected by the task force member's official action. The state ethics commission shall adopt rules pursuant to chapter 91 to effectuate the purposes of this subsection.

§84-14.5 Governor; outside employment and emoluments prohibited. (a) Beginning November 1, 2022, as of the sixty-first calendar day after election or appointment to office, it shall be unlawful for the governor, while holding that office, to maintain any other employment, maintain a controlling interest in a business, or receive any emolument.

(b) Where a governor has a controlling interest in a business, in order to comply with this section, the governor may transfer the interest to a blind trust within sixty-one days of election or appointment.

(c) As used in this section:

"Blind trust" means a trust agreement where neither the trustor nor the beneficiaries have any control or influence over, or knowledge of, the assets in the trust, and which complies with the definition of "qualified blind trust" in the Ethics in Government Act of 1978, 5 U.S.C. App. 4 section 101 et seq., as amended.

"Emolument" means any salary, fee, payment, wage, earning, allowance, stipend, honorarium, or reward; provided that "emolument" does not include the salary or benefits for service as the governor or any pension income; retirement income; social security payment; non-controlling ownership of stocks, mutual funds, or real estate; rental income; or other form of passive income.

§84-15 Contracts. (a) A state agency shall not enter into any contract to procure or dispose of goods or services, or for construction, with a legislator, an employee, or a business in which a legislator or an employee has a controlling interest, involving services or property of a value in excess of \$10,000 unless:

- (1) The contract is awarded by competitive sealed bidding pursuant to section 103D-302;
- (2) The contract is awarded by competitive sealed proposal pursuant to section 103D-303; or
- (3) The agency posts a notice of its intent to award the contract and files a copy of the notice with the state ethics commission at least ten days before the contract is awarded.

(b) A state agency shall not enter into a contract with any person or business which is represented or assisted personally in the matter by a person who has been an employee of the agency within the preceding two years and who participated while in state office or employment in the matter with which the contract is directly concerned. This subsection shall not apply to any contract that is awarded in accordance with subsection (a) with a person or business represented or assisted by a person who was a member of a task force or served as the designee or representative of a task force member.

§84-16 Contracts voidable. In addition to any other penalty provided by law, any contract entered into by the State in violation of this chapter is voidable on behalf of the State; provided that in any action to avoid a contract pursuant to this section the interests of third parties who may be damaged thereby shall be taken into account, and the action to void the transaction is initiated within sixty days after the determination of a violation under this chapter. The attorney general shall have the authority to enforce this provision.

§84-17 Requirements of disclosure. (a) For the purposes of this section, “disclosure period” refers to the period from January 1 of the preceding calendar year to the time of the filing of the employee’s or legislator’s disclosure of financial interests.

- (b) The disclosure of financial interest required by this section shall be filed:
 - (1) By any person enumerated in subsection (c), except a member of the legislature, between January 1 and May 31 of each year;
 - (2) By a member of the legislature between January 1 and January 31 of each year;
 - (3) Within thirty days of a person’s election or appointment to a state position enumerated in subsection (c); or
 - (4) Within thirty days of separation from a state position if a prior financial disclosure statement for the position was not filed within the one hundred eighty days preceding the date of separation;

provided that candidates for state elective offices or the constitutional convention shall file the required statements no later than twenty days prior to the date of the primary election for state offices or the election of delegates to the constitutional convention.

(c) The following persons shall file annually with the state ethics commission a disclosure of financial interests:

- (1) The governor, the lieutenant governor, the members of the legislature, and delegates to the constitutional convention; provided that delegates to the constitutional convention shall only be required to file initial disclosures;
- (2) The directors and their deputies, the division chiefs, the executive directors and the executive secretaries and their deputies, the purchasing agents and the fiscal officers, regardless of the titles by which the foregoing persons are designated, of every state agency and department;
- (3) The permanent employees of the legislature and its service agencies, other than persons employed in clerical, secretarial, or similar positions;
- (4) The administrative director of the State, and the assistants in the office of the governor and the lieutenant governor, other than persons employed in clerical, secretarial, or similar positions;
- (5) The hearings officers of every state agency and department;
- (6) The president, the vice presidents, assistant vice presidents, the chancellors, and the provosts of the University of Hawaii and its community colleges;
- (7) The superintendent, the deputy superintendent, the assistant superintendents, the complex area superintendents, the state librarian, and the deputy state librarian of the department of education;
- (8) The administrative director and the deputy director of the courts;
- (9) The members of every state board or commission whose original terms of office are for periods exceeding one year and whose functions are not solely advisory;
- (10) Candidates for state elective offices, including candidates for election to the constitutional convention, provided that candidates shall only be required to file initial disclosures;
- (11) The administrator and assistant administrator of the office of Hawaiian affairs;
- (12) The Hawaii unmanned aerial systems test site chief operating officer and
- (13) The members of the school facilities board appointed by the governor.

(d) The financial disclosure statements of the following persons shall be public records and available for inspection and duplication:

- (1) The governor, the lieutenant governor, the members of the legislature, candidates for and delegates to the constitutional convention, the trustees of the office of Hawaiian affairs, and candidates for state elective offices;
- (2) The directors of the state departments and their deputies, regardless of the titles by which the foregoing persons are designated; provided that with respect to the department of the attorney general, the foregoing shall apply only to the attorney general and the first deputy attorney general;
- (3) The administrative director of the State;
- (4) The president, the vice presidents, the assistant vice presidents, the chancellors, members of the board of regents, and the provosts of the University of Hawaii;
- (5) The members of the board of education and the superintendent, the deputy superintendent, the state librarian, and the deputy state librarian of the department of education;
- (6) The administrative director and the deputy director of the courts;
- (7) The administrator and the assistant administrator of the office of Hawaiian affairs; and
- (8) The members of the following state boards, commissions, and agencies:
 - (A) The board of directors of the agribusiness development corporation established under section 163D-3;
 - (B) The board of agriculture established under section 26-16;
 - (C) The state ethics commission established under section 84-21;
 - (D) The Hawaii community development authority established under section 206E-3;
 - (E) The Hawaiian homes commission established under the Hawaiian Homes Commission Act of 1920, as amended, and section 26-17;
 - (F) The board of directors of the Hawaii housing finance and development corporation established under section 201H-3;
 - (G) The board of land and natural resources established under section 171-4;
 - (H) The state land use commission established under section 205-1;
 - (I) The legacy land conservation commission established under section 173A-2.4;
 - (J) The natural area reserves system commission established under section 195-6;
 - (K) The board of directors of the natural energy laboratory of Hawaii authority established under section 227D-2;
 - (L) The board of directors of the Hawaii public housing authority established under section 356D-3;
 - (M) The public utilities commission established under section 269-2; and
 - (N) The commission on water resource management established under section 174C-7.

(e) The information on the financial disclosure statements shall be confidential, except as provided in subsection (d). The commission shall not release the contents of the disclosures except as may be permitted pursuant to this chapter. Any person who releases any confidential information shall be subject to section 84-31(c).

[Note: This reference to section 84-31(c) pertains to previous statutory language which was deleted by Act 221, SLH 1995.]

(f) Candidates for state elective offices, including candidates for election to the constitutional convention, shall only be required to disclose their own financial interests. The disclosures of financial interests of all other persons designated in subsection (c) shall state, in addition to the financial interests of the person disclosing, the financial interests of the person's spouse and dependent children. All disclosures shall include:

- (1) The source and amount of all income of \$1,000 or more received, for services rendered, by the person in the person's own name or by any other person for the person's use or

benefit during the preceding calendar year and the nature of the services rendered; provided that required disclosure under this paragraph for the income source of the spouse or dependent child of a person subject to subsection (d) shall be limited to the name of the business or other qualifying source of income, and need not include the income source's address; provided further that other information that may be privileged by law or individual items of compensation that constitute a portion of the gross income of the business or profession from which the person derives income need not be disclosed;

- (2) The amount and identity of every ownership or beneficial interest held during the disclosure period in any business having a value of \$5,000 or more or equal to ten per cent of the ownership of the business and, if the interest was transferred during the disclosure period, the date of the transfer; provided that an interest in the form of an account in a federal or state regulated financial institution, an interest in the form of a policy in a mutual insurance company, or individual items in a mutual fund or a blind trust, if the mutual fund or blind trust has been disclosed pursuant to this paragraph, need not be disclosed;
- (3) Every officership, directorship, trusteeship, or other fiduciary relationship held in a business during the disclosure period, the term of office and the annual compensation;
- (4) The name of each creditor to whom the value of \$3,000 or more was owed during the disclosure period and the original amount and amount outstanding; provided that debts arising out of retail installment transactions for the purchase of consumer goods need not be disclosed;
- (5) The street address and, if available, the tax map key number, and the value of any real property in which the person holds an interest whose value is \$10,000 or more, and, if the interest was transferred or obtained during the disclosure period, a statement of the amount and nature of the consideration received or paid in exchange for such interest, and the name of the person furnishing or receiving the consideration; provided that disclosure shall not be required of the street address and tax map key number of the person's residence;
- (6) The names of clients assisted or represented before state agencies, except in ministerial matters, for a fee or compensation during the disclosure period and the names of the state agencies involved; and
- (7) The amount and identity of every creditor interest in an insolvent business held during the disclosure period having a value of \$5,000 or more.

(g) Where an amount is required to be reported, the person disclosing may indicate whether the amount is at least \$1,000 but less than \$10,000; at least \$10,000 but less than \$25,000; at least \$25,000 but less than \$50,000; at least \$50,000 but less than \$100,000; at least \$100,000 but less than \$150,000; at least \$150,000 but less than \$250,000; at least \$250,000 but less than \$500,000; at least \$500,000 but less than \$750,000; at least \$750,000 but less than \$1,000,000; or \$1,000,000 or more. An amount of stock may be reported by number of shares.

(h) The state ethics commission shall provide a method for filing financial disclosure statements. The commission may require that financial disclosure statements be filed electronically.

(i) Failure of a legislator, a delegate to the constitutional convention, or employee to file a disclosure of financial interests as required by this section shall be a violation of this chapter. Any legislator, delegate to a constitutional convention, or employee who fails to file a disclosure of financial interests when due shall be assessed an administrative fine of \$75. The state ethics commission, upon the expiration of time allowed for filing, may post on its website for public inspection a list of all persons who have failed to file financial disclosure statements. The state ethics commission shall notify a person, by in-person service, electronic mail to the person's state electronic mail address, or first class mail, of the failure to file, and the disclosure of financial interests shall be submitted to the state ethics commission not later than 4:30 p.m. on the tenth day after notification of the failure to file has been mailed to the person. If a disclosure of financial interests has not been filed within ten days of the due

date, an additional administrative fine of \$10 for each day a disclosure remains unfiled shall be added to the administrative fine. All administrative fines collected under this section shall be deposited in the State's general fund. Any administrative fine for late filing shall be in addition to any other action the state ethics commission may take under this chapter for violations of the state ethics code. The state ethics commission may waive any administrative fines assessed under this subsection for good cause shown.

(j) The chief election officer, upon receipt of the nomination paper of any person seeking a state elective office, including the office of delegate to the constitutional convention, shall notify the state ethics commission of the name of the candidate for state office and the date on which the person filed the nomination paper. The state ethics commission, upon the expiration of the time allowed for filing, shall release to the public a list of all candidates who have failed to file financial disclosure statements and shall immediately assess a late filing penalty fee against those candidates of \$50 which shall be collected by the state ethics commission and deposited into the general fund. The state ethics commission may investigate, initiate, or receive charges as to whether a candidate's financial disclosure statement discloses the financial interests required to be disclosed. After proceeding in conformance with section 84-31, the state ethics commission may issue a decision as to whether a candidate has complied with section 84-17(f) and this decision shall be a matter of public record.

§84-17.5 Disclosure files; disposition. (a) All financial disclosure statements filed by a legislator, employee, or delegate to a constitutional convention shall be maintained by the state ethics commission for a period of six years from the date of the financial disclosure statement's filing. Upon the expiration of the six-year period, the financial disclosure statement and all copies thereof shall be destroyed.

(b) Upon the expiration of six years after an election for which a candidate for state elective office or a constitutional convention has filed a financial disclosure statement, the state ethics commission shall destroy the candidate's financial disclosure statement and all copies thereof.

(c) Financial disclosure statements provided for in section 84-17(d) shall cease to be public records once the six-year period in subsection (a) or (b) has run.

(d) Nothing herein shall bar the state ethics commission from retaining a financial disclosure statement or copy of a financial disclosure statement that has become part of a charge case or advisory opinion request, or is part of an ongoing investigation.

§84-18 Restrictions on post employment. (a) No former legislator or employee shall disclose any information which by law or practice is not available to the public and which the former legislator or employee acquired in the course of the former legislator's or employee's official duties or use the information for the former legislator's or employee's personal gain or the benefit of anyone.

(b) No former legislator, within twelve months after termination of the former legislator's employment, shall represent any person or business for a fee or other consideration, on matters in which the former legislator participated as a legislator or on matters involving official action by the legislature.

(c) No former employee, within twelve months after termination of the former employee's employment, shall represent any person or business for a fee or other consideration, on matters in which the former employee participated as an employee or on matters involving official action by the particular state agency or subdivision thereof with which the former employee had actually served. This section shall not apply to a former task force member who, but for service as a task force member, would not be considered an employee.

(d) This section shall not prohibit any agency from contracting with a former legislator or employee to act on a matter on behalf of the State within the period of limitations stated herein, and shall

not prevent such legislator or employee from appearing before any agency in relation to such employment.

(e) This section shall not apply to any person who is employed by the State for a period of less than one hundred and eighty-one days.

(f) For the purposes of this section, "represent" means to engage in direct communication on behalf of any person or business with a legislator, a legislative employee, a particular state agency or subdivision thereof, or their employees.

§84-19 Violation. (a) Any favorable state action obtained in violation of the code of ethics for legislators or employees and former employees is voidable in the same manner as voidable contracts as provided for under section 84-16; and the State by the attorney general may pursue all legal and equitable remedies available to it.

(b) The State by the attorney general may recover any fee, compensation, gift, or profit received by any person as a result of a violation of the code of ethics by a legislator or employee or former legislator or employee. Action to recover under this subsection shall be brought within one year of a determination of such violation.

(c) Any violation of this chapter by an employee, candidate for election to and elected delegate to the constitutional convention shall be punishable only in accordance with the code of ethics adopted by the constitutional convention.

Part III. State Ethics Commission

§84-21 State ethics commission established; composition. (a) There is established within the office of the auditor for administrative purposes only a commission to be known as the state ethics commission. The commission shall consist of five members appointed by the governor from a panel of ten persons nominated by the judicial council. Each member of the commission shall be a citizen of the United States and a resident of the State. Members of the commission shall hold no other public office.

(b) The chairperson of the commission shall be elected by the majority of the members of the commission. The term of each member of the commission shall be for four years. No person shall be appointed consecutively to more than two terms as a member of the commission. A vacancy on the commission shall be filled for the remainder of the unexpired term in the same manner as the original appointment, except that the judicial council shall nominate for gubernatorial appointment two persons for a vacancy.

(c) No member of the commission shall hold office for more than one hundred and twenty days after the expiration of the member's term. If the governor fails to appoint a person to a vacant office within sixty days after receipt of the list of nominees from the judicial council, council shall select a person from its list of nominees to fill the vacant office, notwithstanding subsection (b) and section 26-34 to the contrary.

(d) The governor may remove or suspend any member of the commission upon the filing of a written finding with the commission, and upon service of a copy of the written finding on the member to be removed or suspended.

Part IV. Administration and Enforcement

§84-31 Duties of commission; complaint, hearing, determination. (a) The ethics commission shall have the following powers and duties:

- (1) It shall prescribe forms for the disclosures required by Article XIV of the Hawaii Constitution and section 84-17 and the gifts disclosure statements required by section 84-11.5 and shall establish orderly procedures for implementing the requirements of those provisions;
- (2) It shall render advisory opinions upon the request of any legislator, employee, or delegate to the constitutional convention, or person formerly holding such office or employment as to whether the facts and circumstances of a particular case constitute or will constitute a violation of the code of ethics. If no advisory opinion is rendered within thirty days after the request is filed with the commission, it shall be deemed that an advisory opinion was rendered and that the facts and circumstances of that particular case do not constitute a violation of the code of ethics. The opinion rendered or deemed rendered, until amended or revoked, shall be binding on the commission in any subsequent charges concerning the legislator, employee, or delegate to the constitutional convention, or person formerly holding such office or employment, who sought the opinion and acted in reliance on it in good faith, unless material facts were omitted or misstated by such persons in the request for an advisory opinion;
- (3) It shall initiate, receive, and consider charges concerning alleged violation of this chapter, initiate or make investigation, and hold hearings;
- (4) It may subpoena witnesses, administer oaths, and take testimony relating to matters before the commission and require the production for examination of any books or papers relative to any matter under investigation or in question before the commission. Before the commission shall exercise any of the powers authorized in this section with respect to any investigation or hearings it shall by formal resolution, supported by a vote of three or more members of the commission, define the nature and scope of its inquiry;
- (5) It may, from time to time adopt, amend, and repeal any rules, not inconsistent with this chapter, that in the judgment of the commission seem appropriate for the carrying out of this chapter and for the efficient administration thereof, including every matter or thing required to be done or which may be done with the approval or consent or by order or under the direction or supervision of or as prescribed by the commission. The rules, when adopted as provided in chapter 91, shall have the force and effect of law;
- (6) It shall have jurisdiction for purposes of investigation and taking appropriate action on alleged violations of this chapter in all proceedings commenced within six years of an alleged violation of this chapter by a legislator or employee or former legislator or employee. A proceeding shall be deemed commenced by the filing of a charge with the commission or by the signing of a charge by three or more members of the commission. Nothing herein shall bar proceedings against a person who by fraud or other device, prevents discovery of a violation of this chapter;
- (7) It shall distribute its publications without cost to the public and shall initiate and maintain programs with the purpose of educating the citizenry and all legislators, delegates to the constitutional convention, and employees on matters of ethics in government employment; and
- (8) It shall administer any code of ethics adopted by a state constitutional convention, subject to the procedural requirements of this part and any rules adopted thereunder.

(b) Charges concerning the violation of this chapter shall be in writing, signed by the person making the charge under oath, except that any charge initiated by the commission shall be signed by three or more members of the commission. The commission shall notify in writing every person against whom a charge is received and afford the person an opportunity to explain the conduct alleged to be in violation of the chapter. The commission may investigate, after compliance with this section, such charges and render an informal advisory opinion to the alleged violator. The commission shall

investigate all charges on a confidential basis, having available all the powers herein provided, and proceedings at this stage shall not be public. If the informal advisory opinion indicates a probable violation, the person charged shall request a formal opinion or within a reasonable time comply with the informal advisory opinion. If the person charged fails to comply with such informal advisory opinion or if a majority of the members of the commission determine that there is probable cause for belief that a violation of this chapter might have occurred, a copy of the charge and a further statement of the alleged violation shall be personally served upon the alleged violator. Service shall be made by personal service upon the alleged violator wherever found or by registered or certified mail with request for a return receipt and marked deliver to addressee only. If after due diligence service cannot be effected successfully in accordance with the above, service may be made by publication if so ordered by the circuit court of the circuit wherein the alleged violator last resided. The state ethics commission shall submit to the circuit court for its consideration in issuing its order to allow service by publication an affidavit setting forth facts based upon the personal knowledge of the affiant concerning the methods, means, and attempts made to locate and effect service by personal service or by registered or certified mail in accordance with the above. Service by publication when ordered by the court shall be made by publication once a week for four successive weeks of a notice in a newspaper of general circulation in the circuit of the alleged violator's last known state address. The alleged violator shall have twenty days after service thereof to respond in writing to the charge and statement.

(c) If after twenty days following service of the charge and further statement of alleged violation in accordance with this section, a majority of the members of the commission conclude that there is probable cause to believe that a violation of this chapter or of the code of ethics adopted by the constitutional convention has been committed, then the commission shall set a time and place for a hearing, giving notice to the complainant and the alleged violator. Upon the commission's issuance of a notice of hearing, the charge and further statement of alleged violation and the alleged violator's written response thereto shall become public records. The hearing shall be held within ninety days of the commission's issuance of a notice of hearing. If the hearing is not held within that ninety-day period, the charge and further statement of alleged violation shall be dismissed; provided that any delay that is at the request of, or caused by, the alleged violator shall not be counted against the ninety-day period. All parties shall have an opportunity to:

- (1) Be heard;
- (2) Subpoena witnesses and require the production of any books or papers relative to the proceedings;
- (3) Be represented by counsel; and
- (4) Have the right of cross-examination.

All hearings shall be in accordance with chapter 91. All witnesses shall testify under oath and the hearings shall be open to the public. The commission shall not be bound by the strict rules of evidence but the commission's findings must be based upon competent and substantial evidence. All testimony and other evidence taken at the hearing shall be recorded.

(d) A decision of the commission pertaining to the conduct of any legislator, delegate to the constitutional convention, or employee or person formerly holding such office or employment shall be in writing and signed by three or more of the members of the commission. A decision of the commission rendered after a hearing together with findings and the record of the proceeding shall be a public record.

(e) A person who files a frivolous charge with the commission against any person covered by this chapter shall be civilly liable to the person charged for all costs incurred in defending the charge, including but not limited to costs and attorneys' fees. In any case where the commission decides not to issue a complaint in response to a charge, the commission shall upon the written request of the person charged make a finding as to whether or not the charge was frivolous. The person charged may initiate an action in the circuit court for recovery of fees and costs incurred in commission proceedings within one year after the commission renders a decision. The commission's decision shall be binding upon the court for purposes of a finding pursuant to section 607-14.5.

(f) The commission shall cause to be published yearly summaries of decisions, advisory opinions, and informal advisory opinions. The commission shall make sufficient deletions in the summaries to prevent disclosing the identity of persons involved in the decisions or opinions where the identity of such persons is not otherwise a matter of public record under this chapter.

§84-31.3 Filing of false charges. (a) Any person who knowingly and intentionally files a false charge with the commission, or any member of the commission who initiates action against any state official, state employee, or any other person covered by this chapter, knowing such charge to be false, shall be guilty of the crime of perjury and subject to the penalty set forth in section 710-1060.

(b) Whoever is convicted in a court of competent jurisdiction of the crime of perjury under this section, in addition to any other punishment prescribed by law thereof, shall be required by court order to reimburse the person against whom the false charge was filed for all of the person's legal expenses and any other expenses incurred in relation to the person's defense against the false complaint.

(c) If such charge is filed within six months prior to an election in which the accused's name appears on the ballot, the person filing the false complaint shall pay to the accused the amount set out above plus an equal amount to the general fund of the State.

(d) This section shall not supersede or preclude any other right or remedy at law available to the person falsely accused.

§84-32 Procedure. (a) With respect to legislators and employees removable only by impeachment: when the ethics commission after due hearings pursuant to section 84-31(c) determines that there is sufficient cause to file a complaint against a legislator or an employee removable only by impeachment, it shall issue a complaint and refer the matter to the appropriate body of the legislature. The complaint shall contain a statement of the facts alleged to constitute the violation. The complaint shall be a matter of public record. The legislature shall take appropriate disciplinary action unless it determines that disciplinary action is not warranted and, within thirty days of the referral of the complaint, shall notify the commission of the action taken. Days during which the legislature is not in session shall not be included in determining the thirty-day period. Any disciplinary action taken by the legislature, or the fact that no disciplinary action is taken, shall be a matter of public record.

(b) With respect to employees other than legislators and employees removable only by impeachment: when the commission determines after due hearing pursuant to section 84-31(c) that there is sufficient cause to file a complaint against an employee other than a legislator, or an employee removable only by impeachment, it shall issue a complaint and refer the matter to the governor who shall take appropriate disciplinary action unless the governor determines that disciplinary action is not warranted. The governor shall notify the commission of the disciplinary action taken or the fact that no disciplinary action was taken, within sixty days of the referral of the complaint. The complaint and any disciplinary action taken, or the fact that no disciplinary action is taken, shall be a matter of public record.

(c) With respect to former employees and former legislators, when the commission determines after due hearing pursuant to section 84-31(c) that there is sufficient cause to file a complaint against a former employee or former legislator, it shall issue a complaint and refer the matter to the attorney general who may exercise whatever legal or equitable remedies which may be available to the State. The complaint shall be a matter of public record.

(d) With respect to delegates to the constitutional convention removable only by impeachment: when the ethics commission after due hearing pursuant to section 84-31(c) determines that there is sufficient cause to file a complaint against a delegate to the constitutional convention, it shall issue a complaint and refer the matter to the appropriate body of the constitutional convention. The

complaint shall be a matter of public record. The appropriate body of the constitutional convention shall take appropriate disciplinary action unless it determines that disciplinary action is not warranted and, within thirty days of the referral of the complaint, shall notify the commission of the action taken. Days during which the constitutional convention is not in session shall not be included in determining the thirty-day period. Any disciplinary action taken by the constitutional convention, or the fact that no disciplinary action is taken, shall be a matter of public record.

§84-33 Disciplinary action for violation. In addition to any other powers the civil service commission or other authority may have to discipline employees, the civil service commission or authority may reprimand, put on probation, demote, suspend, or discharge an employee found to have violated the code of ethics.

§84-34 No compensation. The members of the ethics commission shall serve without compensation but shall be allowed their actual and necessary expenses incurred in the performance of their duties.

§84-35 Staff. The ethics commission may employ and at pleasure remove such persons, including an executive director, as it may deem necessary for the performance of its functions. Effective July 1, 2005, the salary of the executive director shall be the same as the salary of the director of health. The commission shall fix the compensations of its employees within the amounts made available by appropriation therefor. The employees of the commission shall be exempt from chapter 76.

§84-35.5 Prohibition from political activity. The members of the ethics commission and its staff shall not take an active part in political management or in political campaigns during the term of office or employment.

§84-36 Cooperation. The ethics commission may request and shall receive from every department, division, board, bureau, commission, or other agency of the state cooperation and assistance in the performance of its duties.

§84-37 Concurrent jurisdiction. Notwithstanding any provision contained herein, pursuant to Article III, section 12 of the Constitution of the State of Hawaii each house of the legislature may prescribe further rules of conduct covering its members and may investigate and discipline a member for any violation of its rules or the code of ethics.

§84-38 Judicial branch. The powers and duties assigned in this part IV to the governor shall, with respect to employees in the judicial branch, be assigned to the chief justice of the supreme court.

§84-39 Administrative fines. (a) Where an administrative fine has not been established for a violation of this chapter, any person, including a legislator or employee, who violates this chapter shall be subject to an administrative fine imposed by the state ethics commission that shall not exceed \$1000 for each violation. All fines collected under this section shall be deposited in the general fund.

- (b) No fine shall be assessed under this section unless:
 - (1) The state ethics commission convenes a hearing in accordance with section 84-31(c) and chapter 91 and a decision has been rendered by the commission; or
 - (2) The state ethics commission and respondent agree to resolve any charge of an alleged violation prior to completion of the contested case process and the resolution includes payment of an administrative fine or restitution, or both.

Part V. Mandatory Ethics Training

§84-41 Applicability of part. This part applies to legislators, members of the board of education, trustees of the office of Hawaiian affairs, the governor, the lieutenant governor, and executive department heads and deputies. This part does not apply to any other officer or employee of the State.

§84-42 Mandatory ethics training course. All state officers and employees enumerated in section 84-41 shall complete an ethics training course administered by the state ethics commission as provided in this part. For the purposes of this part, “ethics training” includes education and training in:

- (1) The ethics laws set forth in this chapter; and
- (2) The lobbying laws set forth in chapter 97.

§84-43 Ethics training course. (a) The state ethics commission shall establish, design, supervise, and conduct ethics training for the officers and employees to whom this part applies.

- (b) The ethics training course shall include:
 - (1) Explanations and discussions of the ethics laws, administrative rules, and relevant internal policies;
 - (2) Specific technical and legal requirements;
 - (3) The underlying purposes and principles of ethics laws;
 - (4) Examples of practical application of the laws and principles; and
 - (5) A question-and-answer participatory segment regarding common problems and situations.

The state ethics commission shall develop the methods and prepare any materials necessary to implement the course.

- (c) The state ethics commission shall:
 - (1) Administer the ethics training course;
 - (2) Designate those of its legal staff who are to conduct the ethics training course; and
 - (3) Notify each officer or employee enumerated in section 84-41 that their attendance in this course is mandatory.

(d) The state ethics commission may repeat the course as necessary to accommodate all persons who are required to attend.

(e) Each state agency shall provide to the state ethics commission the names of those required to take the course in a timely manner and assist the commission by providing adequate meeting facilities for the ethics training course.

[This revision of the code of ethics is unofficial and for convenience only. Consult Hawai'i Revised Statutes for the official codification of this law.]

September 1, 2021