



Ke'ena Kuleana Ho'opipa O Hawai'i
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
hawaii tourism authority.org

REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, October 3, 2024, 9:30 a.m.
Hybrid In-Person & Virtual Meeting
Hawai'i Convention Center
Parking Level | Executive Boardroom A
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815

MINUTES OF THE REGULAR BOARD MEETING

MEMBERS PRESENT:

Mufi Hannemann (Chair), Mahina Paishon (Vice Chair, Zoom), Kimberly Agas, David Arakawa, Stephanie Iona, James McCully, Blaine Miyasato, Roy Pfund, James Tokioka (Ex Officio, DBEDT Director), Mike White

MEMBERS NOT PRESENT:

Chris West

HTA STAFF PRESENT:

Daniel Nāho'opi'i, Kalani Ka'anā'anā, Isaac Choy, Talon Kishi, Caroline Anderson, Jadie Goo, Ilihia Gionson, Iwalani Kūali'i Kaho'ohanohano, Jennifer Bastiaanse, Carole Hagihara

GUESTS:

Teri Orton, Daniel Ito, Laci Goshi, Alison Schaefer, Jeffrey Eslinger, Lei-Ann Field, Susan Webb, Colin Wood, Darragh Walshe, Nathan Kam, Kris Phadunshiato, Kara Imai, Sue Kanoho, Tyler Gomes, Andrew Koh, Eric Takahata, Jessica Lani Rich, Dennis Suo, William Zhang, Lynn Whitehead, Kau'i Arce, Krislyn Hashimoto, Irene Lee, Darlene Morikawa, Andreas Schunck, Aaron Salā

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Hannemann called the meeting to order at 9:31 a.m.

2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Non-public

Mr. Gionson did the roll call, and all Board members were in attendance except for Mr. West. Ms. Paishon attended via Zoom.

3. Opening Protocol

Mr. Ka'anā'anā did the opening cultural protocol.

4. Report of Permitted Interactions at Informational Meetings or Presentations Not Organized by the Board Under HRS section 92-2.5(e)

There was no input on Permitted Interaction Groups.

5. Approval of Meeting Minutes

a. August 29, 2024 Regular Board Meeting

b. September 13, 2024 Special Board Meeting

Mr. Miyasato made the motion to adopt the minutes, and Ms. Iona seconded, and the motion passed unanimously.

6. CEO Report

Mr. Nāho'opi'i greeted Board members and expressed his gratitude to everyone participating in the recent HTA Tourism Conference. He noted that all Board members had been involved in planning, participation, and panel discussions, and he extended his thanks to others in the room who had played a key role in sharing the Hawai'i tourism story.

Mr. Nāho'opi'i mentioned that the Board members' information packet contained a detailed CEO report, from which he would highlight certain points. He reminded Board members that he had participated in the Lieutenant Governor's Korea mission, which included Dir. Tokioka of the Department of Business, Economic Development and Tourism (DBEDT) and Mr. Kuhio Lewis, the CEO of the Council for Native Hawaiian Advancement (CNHA). During the mission, they met with the Mayor of Seoul, the Governor of Jeju, and the Jeju Tourism Organization. Mr. Nāho'opi'i specifically thanked Ms. Irene Lee for coordinating these meetings. Additionally,

discussions had taken place with Korean Airlines, Air Premier, Air Mode, and Smilegate. One of the mission's outcomes had been exploring opportunities related to e-games and tournaments, viewing them as both sports and MCI (Meetings, Conventions, and Incentives) events. Smilegate had brought its programmers to Hawai'i as part of an incentive program every other year, and its CEO remarked that these trips positively affected their productivity. The typically reserved programmers become more open and shop and explore Hawai'i. Mr. Nāho'opi'i had also taken part in conversations with the Mayors of Seoul and Jeju, highlighting various cooperative conferences focused on sustainability and smart cities, which aligned with Hawai'i's goals for regenerative tourism. Both Seoul and Jeju were making efforts to achieve these aims at the city and state level.

Mr. Nāho'opi'i reminded Board members that the Governor's declaration of a tourism emergency remained in effect until November 16. This declaration is related to certain topics scheduled for discussion during the present meeting. He also informed Board members that the Legislative Auditor had begun their work and had determined that the audit of the HTA would focus on two key areas:

1. Firstly, an assessment of the HTA's achievement of its 2016 and 2020–2025 strategic plans, particularly in the realm of destination management goals and
2. Secondly, an evaluation of the effectiveness of the Destination Management Action Plans (DMAPs) will be made, along with recommendations where appropriate.

Mr. Nāho'opi'i expressed his eagerness to collaborate closely with the Legislative Auditor. He stated that the preparation for the next round of DMAPs would be an opportune moment for evaluations and recommendations. Regarding destination stewardship, the CEO's report reviewed the Mana Mele program, which had received an investment of \$40,000. The program developed meaningful content to communicate traditional practices, concerts, and interactions with visitors and residents. Mr. Nāho'opi'i also highlighted the Duke Ocean Fest, a signature event supported with \$65,000. This international festival, popular in Oceania, Australia, and New Zealand, engaged residents and attracted visitors. Furthermore, the community program Ho'olaule'a o Waimea at Waimea Valley Park has been well-received by residents, with many visitors also attending the events and concerts. The Kilohana presentation later in the present meeting would give more information about these events and post-arrival messaging, Maui wildfire funding, and cultural performances at airports.

Mr. Nāho'opi'i did not discuss branding issues since the global marketing teams would give presentations later in the meeting. He stated that planning and evaluation of productivity scholarships was underway. Destination management action plans had begun to function, with the initial stage of strategic plan incorporating not only the HTA but also statewide tourism plans involving other government agencies. Ms. Anderson would be involved in the inception of

these strategies over the following months. Committees and groups were to be formed with the Board, external partners, and stakeholders. Board members were invited to share comments and contributions regarding reactions from community members and the visitor industry.

7. Board Chair Report

Chair Hannemann expressed his gratitude to the hardworking staff of the HTA for their efforts in organizing the Tourism Conference, noting that it had been a successful collaboration with the Hawai'i Visitors and Convention Bureau (HVCB), the Council for Native Hawaiian Advancement (CNHA), and the Hawai'i Lodging & Tourism Association (HLTA). The conference not only provided an opportunity for industry professionals to share ideas but also allowed active participation and contribution of ideas from many community members and organizations.

Chair Hannemann also expressed his appreciation for the presence of the representatives of federal partners, such as Mr. Fred Dixon, President and CEO of Brand USA, and Mr. Alex Lazry, Deputy Assistant Secretary for Travel and Tourism at the International Trade Administration. Both these officials recognized Hawai'i as an important destination and were eager to support it. The Chair, along with Mr. Nāho'opi'i, had held several meetings with them, with plans for follow-up discussions.

Chair Hannemann also reminded Board members of his missions to Los Angeles and Tokyo. Emphasizing his belief in the value of repetition, the Chair introduced a video that had been seen on several previous occasions. There had been concerns regarding Hawai'i's messaging, particularly among influencers and important officials. Chair Hannemann noted that both the Governor and the Mayor of Maui had stressed the importance of clarity and alignment in messaging.

Chair Hannemann expressed special appreciation for the key role of Mr. Jay Talwar, the Chief Marketing Officer of HVCB, in organizing the Los Angeles saturation mission and program. The Chair noted that 100 businesses were involved, with 60 actively participating in amplifying the message and ensuring the provision of incentives. Marriott Hotels have been particularly helpful in this effort. Additionally, he thanked Mr. Miyasato and Hawaiian Airlines for helping make the trip first-class experience. Both Gov. Green and Mayor Bissen had been very pleased with the outcome, and Chair Hannemann anticipated positive future results from this mission.

Regarding the Mana Up event with Meli James, Chair Hannemann mentioned that the initial expectation had been 5,000 participants, but the actual attendance reached 10,000. This event generated substantial economic activity, involving 40 small businesses, 10 of which were from

Maui. Chair Hannemann and Mr. Nāho'opi'i had accompanied six legislative leaders to Tokyo. These were the Chairs of the Senate Committees on Tourism, Ways & Means, and Higher Education, as well as the majority leader, the presumed next speaker, the vice speaker, and another representative. The Chair praised Mr. Eric Takahata for ensuring that they maximized their opportunities at the Tokyo EXPO, at which 24 Hawai'i businesses had been represented. Mr. Nāho'opi'i had signed a Memorandum of Understanding (MOU) with HIS and JTB to enhance and accelerate travel from Japan.

Chair Hannemann expressed his gratitude to everyone involved, including Dr. Aaron Salā, the new president of HVCB, who had been present. He highlighted that the Hawai'i Tourism Authority (HTA) continued working closely with HVCB and Kilohana.

In sports tourism, Chair Hannemann mentioned that the Los Angeles Clippers were in town and would conduct a major dedication at Ānuenuē Elementary School, the only native Hawaiian public school in the Department of Education. In alignment with destination management and stewardship efforts, several classrooms were to be renovated, and the basketball court was to be resurfaced. The Chair also noted that the Clippers would also play the Golden State Warriors during their visit to Hawai'i. For the first time, a visiting team was to hold clinics on the North Shore. Rep. Quinlan expected that all the young athletes in the area would have the opportunity to attend a clinic with the Golden State Warriors. There was excitement about seeing Steph Curry on the North Shore since such events were usually held in town. Chair Hannemann explained that having held a clinic at the Stan Sheriff Center; the Clippers were now expanding their efforts to reach other parts of O'ahu.

Chair Hannemann referred to a conversation with the Hawai'i Community Foundation to explore potential partnerships for using visitor industry funds. The Foundation had expressed an interest in sports tourism and hoped to collaborate with the Maui County Office of Economic Development, with the enthusiastic support of Mayor Bissen. An exhibition game involving the University of Hawai'i men's and women's basketball teams was to take place on November 2 in Maui, and this was anticipated to be the precursor of a regularly scheduled season game in the future. Chair Hanneman reminded Board members that sports tourism was significant on a national level, and he hoped to see its greater development in Hawai'i.

The Chair expressed his gratitude to all the members of the Board and the HTA staff who had made such events possible.

8. Presentation on HTA Destination Stewardship Programs

Mr. Ka'anā'anā expressed his gratitude to the team for their presentations at the Hawai'i

Tourism Conference, highlighting the Qurator sessions and the Hā'ena panel as excellent examples of collaboration and coordination. He also mentioned Ms. Anderson's work in the organization of the Destination Management Action Plans (DMAPs), which showcased the elevation of destination stewardship to new levels.

The Chief Administrator of Kilohana, Mr. Tyler Gomes, greeted the Board members and provided the updates promised during previous Board meetings. He reminded Board members that 'Umeke is the HTA contract with Kilohana which comprised five different programs; Kahu 'Āina funding natural resource and land-based projects, and Kūkulu Ola focusing on projects tied to native Hawaiian culture. Ho'okipa Malihini Initiative (HMI) targeted native Hawaiian projects in resort areas and was formerly known as the Resort Area Hawaiian Culture Initiative (RAHCI). The contract also included standard Community Enrichment programs and Signature Events appealing to local communities and visitors from national and international markets.

Mr. Gomes informed Board members that he and his staff had attempted to examine the multiplier effect of HTA-provided funding and its translation into direct visitor expenditures. He proposed small marketing assets that might enable legislators and residents to grasp the impact of each investment by the HTA. He cited the following examples:

Merrie Monarch – awarded \$90,000 (smaller than usual) – revenue of \$37.5 million from the U.S. market and \$35 million from the international market in just seven days.

Polynesian Football Hall of Fame – awarded \$155,000 – revenue \$11.5 million in visitor expenditures. Soto Zen Bon Festival – awarded \$10,000 award – revenue \$510,000 in visitor expenditures.

Mr. Gomes mentioned that Kilohana was moving into the next phase of funding. Evaluations for the awards, which had recently closed, would begin soon, with results expected in January. He pointed out that this messaging underscored the value of the HTA and investments in these programs. Mr. Gomes referred to the technical assistance and capacity-building programs known as the Community Tourism Collaboratives (CTCs). He explained that the technical assistance programs comprised foundational technical assistance as well as two separate CTCs as follows:

The community stewardship program focused on community-based organizations hoping to steward areas in their communities directly impacted by visitors. Such programs might seek methods to emulate the program in Hā'ena.

The regenerative experiences program aimed to empower organizations that might not traditionally be part of the visitor industry to create new products for the market. The community stewardship cohort had begun the previous Monday with nine programs, one for each island, targeting areas in the community whose overall impact could be improved with financial support from the HTA. Two workshops had already taken place, and funding was to be

released to the organizations that week, enhancing their capacity up to the end of December.

Mr. Gomes explained that the focus of the regenerative experience's cohort was more product-oriented, with some programs being vertically integrated. He recalled that during a panel discussion at the Tourism Conference, Tea Hawaii & Company and Ancient Leaf Tea had emphasized the importance of tourism development and vertical integration in the sale and marketing of products. Mr. Gomes noted that the 15 cohort members, except for Lānaʻi, had already met in person during two workshops and would follow the same timeline as the previous program, with work to be completed by December 31.

A member of the Kilohana staff collaborated with Solutions Pacific to design and execute these programs. Mr. Gomes stated that 157 organizations had registered with the Qurator quality assurance program. 44 organizations had completed their certification, and other organizations were either still answering questions or undergoing audits to ensure that their ratings reflected the information they had submitted. All the islands were on track to meet the year-one goals. As announced at the Tourism Conference, the three largest Japanese inbound tour operators were now certified. The Qurator panel at the convention was exciting because it encouraged audience members to register their enterprises. Mr. Gomes noted that Mr. Jon Peahl had been responsible for the design and execution of the program.

Though the smallest contractually, Mr. Gomes mentioned that the tour guide certification program would see a subcontract fully executed in the coming week, with a more detailed update expected by the end of October. A vendor with ties to Hawaiʻi specialized in online learning systems. It was hoped to leverage the vendor's expertise and ensure that the end product, an online learning curriculum, would be the property of the State of Hawaiʻi.

Mr. Gomes informed Board members that although Smart Tourism had started as an element of ʻUmeke, it had since become a standalone initiative. During the previous legislative session, Rep. Quinlan had championed a grant of \$3.5 million for the development of the Smart Tourism application. In partnership with Mr. Dan Wacksman of Sassato, Kilohana staff worked on a white paper. They aimed to complete 100 interviews with stakeholders, legislators, application developers, state and county parks, and other government agencies. The white paper would describe the best way to build the application. Interviews will be underway by the end of October, and Board members will be updated in future meetings.

The Visitor Education Post Arrival Marketing (VEPAM) program, directed by Mr. Ito, used a thermometer to assess the program's impact and track key performance indicators (KPIs). All targets were expected to be met and exceeded by the final quarter of the year. The program had initially used pre-existing material from the knowledge bank, but ʻUmeke events were now

being highlighted. Mr. Ito, Mr. Gomes, and Mr. Ka'anā'anā discussed using VEPAM funds to elevate Qurator in the market and thus cross-collaborate multiple funded programs.

At the end of the Tourism Conference, Mr. Gomes conducted a VEPAM session where he played a video created without HTA funds, sharing credit for its purpose. This video received more positive feedback than expected, and Kilohana hoped to secure support from the HTA for similar projects in the future. There was a need for more digital assets in that format.

Mr. Gomes invited questions from Board members.

Vice Chair Paishon asked Mr. Gomes for a report on the Kilohana Conference on the Big Island. Mr. Gomes expressed his gratitude for the HTA and support for the Kilohana convention held two weeks prior in Waikoloa. This had been the largest convention they had ever held, with 2000 registered participants and over 100 breakout sessions. The convention provided an excellent opportunity for an Expo highlighting CTCs and 'Umeke. Mr. Gomes noted that 'Umeke applications were still open at that time. One of the convention panels featured the President of HVCB, Dr. Aaron Salā, the President of the CNHA, Mr. Kūhiō Lewis, and Chair Hannemann in discussing the path forward.

Mr. Miyasato asked whether Kilohana's responsibility was to gather data and set the foundations for the development of the visitor application, with the results to be reported to the Board. Mr. Gomes confirmed that this was the case.

Mr. Miyasato expressed his concern about the proliferation of applications and suggested that it would be better for the State to have a single application. After a year on the Board, he still marveled at the organic nature of the process, but from Mr. Gomes' account, this sounded mature and more than just a proof of concept. Mr. Miyasato acknowledged the difficulty of administering an organization in a quasi-political environment and congratulated Mr. Gomes on his work. Mr. Gomes thanked Mr. Miyasato and expressed his satisfaction with having tangible results to share with the HTA after a year of collaboration. He attributed this success to the support of the Kilohana team, Mr. Ka'anā'anā, and Mr. Nāho'opi'i.

Mr. McCully pointed out that there was no "quasi" element in the political nature of the HTA and suggested that Mr. Miyasato's comment should be struck from the record. Mr. McCully congratulated Mr. Gomes for the economic impact of the Kilohana convention on the Big Island. As the Chair of the Hawai'i Redevelopment Authority, Mr. McCully asked for more details on the economic impact of the Merrie Monarch, noting that the last impact analysis had been a 2018 report from the HTA citing a \$6 million impact. Mr. Gomes responded that the current figure was much higher, being derived from DBEDT source documents provided by Ms.

Chun reported on several parameters. They had aggregated the data in-house and could provide it to Mr. McCully.

Mr. Ka'anā'anā mentioned that an economic impact calculator from DBEDT had been used. Mr. McCully noted that tickets had been sold for about 4,000 seats, which related to direct spending on ticket sales. Another testament to the popularity of the event had been how crowded local restaurants were. Mr. Ka'anā'anā added that Mr. Gomes's figures were self-reported by the Merrie Monarch. The usual practice had been to contract Vision Insights to conduct a community and economic impact survey. This third-party company had a field crew that collected emails and conducted surveys. Mr. Ka'anā'anā believed that such a survey would give a more reliable number, and he hoped to restart it in January 2025.

Asked by Mr. Miyasato how many participants had registered for the HTA Tourism Conference, Mr. Nāho'opi'i responded that there had been more than 600. Mr. Miyasato mentioned the new terminology powered by the HTA. He noted that having people register for and attend an event was a sign of success. He congratulated Kilohana on the number of registrants at their convention.

Mr. Gomes stated that the conference had been capped at 600 participants, and no seats remained. Invitations had been sent out to the complete list of members and every 'Umeke applicant. Everyone who attended had received a "swag bag." Mr. Pfund pointed out that Honolulu had also created a visitor application and asked whether Kilohana already had a vendor to create the application or if they would issue a proposal request (RFP). Mr. Gomes replied that Kilohana's current work was to write a guide for developing the application and that the HTA would oversee the RFP later. Mr. Ka'anā'anā added that the purpose of the white paper being developed by Kilohana was to ensure due diligence. More than 100 partners would be consulted to determine the needs of different stakeholder groups, and this would help formulate the scope for the RFP.

Mr. Gomes stated that Kilohana intended to complete 100 interviews by December 31, and these would include Counties, Parks, and other services. He hoped that this collaboration with other agencies would encourage them to pause the development of their own applications, thus avoiding duplication.

Mr. Ka'anā'anā cited another example of outreach in the partnership with the Department of Transportation at airports. He had contacted the Wayfinding application's manager and their team to develop coordinated efforts.

Dir. Tokioka reminded Board members that Diamond Head and the need for multiple languages, particularly Japanese, had been discussed during the Tourism Conference. He intended to discuss coordination of the upcoming application with a city official who frequently collaborated with DBEDT. Although there were differing expectations for the application, everyone agreed that collaboration would enhance visitors' experiences.

Mr. Takahata, from Hawai'i Tourism Japan, suggested involving VASH in the application, emphasizing its importance for the Japanese market. Chair Hannemann supported this, noting that safety was a major concern for Japanese visitors. Ms. Jessica Lani Rich, President and CEO of the Visitor Aloha Society of Hawai'i (VASH), reminded Board members that VASH assisted visitors in crisis. She had given a presentation during the Tourism Conference about an emergency situation earlier in the year when 250 visitors were quickly and safely evacuated. Assuring the safety of visitors was a paramount concern for the tourism industry. Some years ago, VASH developed a program for the HTA called TravelSmart, containing visitor safety tips and activities to do or avoid. A survey of visitors showed that safety was a major concern.

Ms. Rich expressed the desire of VASH to collaborate on the projected application. They had already written visitor safety cards in various languages for the State Attorney General's office and hoped that this information about visitor safety would be included in the application.

Mr. Gomes responded that VASH was one of the entities that the Kilohana team intended to approach. Mr. Ka'anā'anā pointed out that Mr. Jerry Dolak, the President of the Hawai'i Hotels Visitor Industry Security Association (HHVISA), would contribute to discussing visitor safety.

Mr. Pfund referred to the Department of Agriculture forms and DBEDT information. Mr. Arakawa asked whether the VASH materials had already been implemented. Ms. Rich responded that the visitor safety cards in various languages resulted from a year-long collaboration between VASH, Mr. Dolak, and the State Attorney General's office eight years earlier. VASH had worked with several agencies on visitor safety, but Ms. Lani Rich believed that further elaboration was possible and could include, for instance, issues relating to cruise ships. She pointed out that safety on the trails was also an issue.

Mr. Arakawa suggested that Ms. Rich might provide the Branding Standing Committee with a list of programs and goals to be implemented. Ms. Rich praised Chair Hannemann for starting the visitor public safety committee responsible for keeping visitors safe in Waikīkī. Mr. Arakawa suggested that recommendations from this committee should be sent to the Branding Standing Committee.

Chair Hannemann stated that VASH was a coalition between the HHVISA, WIA, WVID, and

HLTA. VASH held regular meetings and took proactive opportunities to meet with County officials. The coalition was occasionally taken to neighboring islands. Ms. Rich highlighted her 20 years of experience in visitor safety and stressed that visitor and public safety had not featured among the top ten priorities in the past. It became a concern only when there was an emergency. She urged the Board to consider this aspect of tourism and thanked the HTA Board for giving her this opportunity.

Mr. Miyasato mentioned the concept of kākō'o, meaning the principle that everyone should have a place in one's concern.

Chair Hannemann thanked Ms. Rich for explaining VASH's integration into the HTA system.

Mr. Ka'anā'anā noted that information from VASH and partners was integrated into the content on the gohawaii.com website, the visitor-facing portal. Many island visitor bureaus display printed copies of visitor safety information in their lobbies. The partnership between the HTA and VASH was robust, with quick communication in times of need. He continued by noting that the value placed by Hawai'i on visitor safety was important from a branding perspective since it exemplified aloha. Hawai'i was one of the few destinations in the world to live with its values. Mr. Ka'anā'anā explained that if the visitor industry was serious about treating people with love and respect, they needed a mechanism for coping with emergencies.

Chair Hannemann mentioned that in the event of a disaster requiring an immediate response, either to move visitors en masse or to organize hotel accommodation, Ms. Rich would call him. Mr. Pfund's company and hotel organizations had always been supportive. The Chair emphasized that public safety constituted a competitive edge over other destinations and assured Ms. Rich that the HTA would continue working with VASH.

Ms. Rich responded that Hawai'i had an international reputation for caring for visitors during emergencies. She noted that Ireland was the only other country with a program like VASH and recounted that for the past 18 years, she had been a member of Travelers Aid International, dealing with the traveling public's problems. She thanked the HTA for their support in taking care of visitors.

Mr. Ka'anā'anā informed Board members that the budget for VASH across the State was about \$650,000 per year. Chair Hannemann added that friends at Inoa had also assisted with shuttles to transport visitors in danger. Ms. Rich shared an example of Charlie's Taxi assisting at 3:30 a.m. during a barricade situation in Waikīkī at the end of January.

Chair Hannemann thanked Ms. Rich and the HTA staff again. He encouraged Board members to attend Kilohana events to demonstrate to the public the close collaboration between the HTA and Kilohana. He requested members to inform Mr. Gomes about upcoming events and participate in them.

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

A detailed account of market insights was submitted to the Board members in their information packets, and Ms. Chun reviewed the highlights of this data. DBEDT issued provisional visitor statistics for August on Monday, September 30, showing that visitor arrivals and expenditures were slightly higher than those for August 2023. Expenditures for the U.S. market were higher for 2024, and expenditure per person per day was also higher. There were more arrivals in August, and the average daily census was higher. On an island-by-island basis, both O'ahu and Maui had increased numbers of visitors, with the Per Person Per Day Spending (PPPPD) spending significantly higher on O'ahu and the average daily census higher on Maui.

Hawai'i airports were busy during August, and the load factors for domestic flights were higher in August 2024 than in August 2023. However, the load factor for international flights for August 2024 was lower than that of 2023.

Hotel occupancy for August 2024 was lower than that of August 2023. Annual daily rates (ADR) and revenue per available room (RevPAR) were lower. There was a similar trend for occupancy of vacation rentals, although their ADR was slightly higher, according to the reports issued during the previous week by DBEDT.

State transient accommodations tax (TAT) for August 2024 was \$74.9 million. However, the total TAT collection for July and August 2024 was \$149.1 million, a reduction of 4.3% compared with July/August 2023. The year-to-date (YTD) TAT total for FY25 was \$9.1 million, less than July/August 2023. Ms. Chun noted that this was State TAT.

She presented a slide showing estimated County TAT for the various Counties as of March 2024, but no updates were available for subsequent months. Ms. Chun noted that scheduled nonstop air seats to Hawai'i, excluding charter seats, had been slightly higher overall in August and September. The number was expected to continue to be higher in October and November.

DBEDT published its tourism forecast after the last Board meeting on September 6, 2024. The report showed that recovery and expenditure were expected to reach 2019 by 2027. Economists also predicted that the forecast for the present and following years would continue to be softer.

Ms. Chun explained that a declining trend for the next few years was expected for the U.S.

West and East markets, whereas Japan was expected to rise, Canada to rise slightly, and Europe, Korea, and Oceania to remain flat. Regarding visitor spending, the trend for U.S. visitors to spend more per person per day was expected to continue. Overall spending trends for visitors from the U.S. West were expected to increase slightly. For other markets, spending for Japan and Canada was expected to increase, while spending for Europe and Oceania was expected to remain flat.

Ms. Chun stated that the air-seat booking pace was lagging for all periods up to February 2025. The fall U.S. market was behind the overall trend, although the pace for Japan was expected to improve at the beginning of the new year. The Canada market pace was encouraging for November but expected to soften in the first quarter of 2025. Korea was ahead of pace in January and February 2025, while Australia was lagging behind. The China market was affected by air service issues, and only 46 visitors from China were booked for January. Comparing islands, O'ahu was soft but was expected to improve towards the festive season. Maui was still lagging, and Kaua'i was doing better than Maui. Hawai'i Island was expected to improve in January and February 2025. Recalling a discussion with an official from the Pacific Missile Range Facility (PMRF) at the Tourism Conference the previous day, Ms. Iona asked Ms. Chun how military visitors were tracked.

Ms. Chun responded that military personnel were included as visitors. Anyone staying in Hawai'i for less than a year was defined as a visitor, and information forms included a segment for the military. However, military personnel stationed in Hawai'i would be counted as intended residents. Military contractors might stay for three months but would be counted as visitors, the purpose of whose trip was not leisure.

Ms. Iona asked whether military personnel would be identified as government officials, as was formerly the case with hotels.

Mr. Nāho'opi'i responded that one of the definitions of "purpose of visit" was "military." He pointed out that the only military personnel omitted from visitor statistics were those who arrived on military flights since the State was not permitted to track these flights or record the number of people on them. The military public relations staff might give numbers for a special event, but military transit flights were not subject to surveys. Ms. Iona commented that many military arrived by ship.

Ms. Chun repeated that tracking military transport was not permitted, but many military personnel arrived on commercial flights, and they would be tracked. A military contractor would be likely to arrive on a commercial flight.

Mr. Miyasato stated that he usually looked forward to Ms. Chun's presentations. Given that TAT was paid into the State's coffers, Mr. Miyasato asked whether this was the right barometer to compare year-over-year activity. He pointed out that military personnel stationed in Hawai'i

were given 30 days in a hotel. He presumed that TAT would be paid as part of that stay but was unsure whether it was an appropriate barometer to measure State revenue from tourism.

Ms. Chun responded that TAT was an easily accessible measure because it was reported monthly by the Department of Taxation. Most visitors stayed in hotels, condo hotels, and timeshares that reported their TAT, so it was a good indicator, even though vacation rentals were more complicated. Mr. Miyasato replied that the State of Hawai'i defined TAT as the barometer of tourism health.

Ms. Chun reminded Board members that the HTA website included an economic impact fact sheet that her team compiled monthly. This sheet demonstrated the benefits of the Hawai'i tourism economy, giving a synopsis of events for that month and the events for the previous eight months. The fact sheet showed total visitor spending and State tax revenue from direct and indirect sources.

Mr. Miyasato requested that in her next report, Ms. Chun isolate the slide for that particular month to view the connection between TAT and tourism's economic impact. He referred to the slide showing that TAT was 4% lower than the previous year.

Ms. Chun responded that this figure was not for August because spending and visitor arrivals were higher during August 2024. Mr. Miyasato asked whether tourism was measured by room nights or air seats. However, it seemed that TAT was the basis. Ms. Chun explained that the 4.3% reduction in TAT during the month of August referred to the amount collected during July since TAT was collected in respect of the previous month.

Mr. Nāho'opi'i stated that TAT was a good indicator at present because lodging expense as a portion of total visitor expenditures was dominant at the moment. But in the past, the hope was that this situation could be reinstated, and shopping and other activities could also be added to TAT as revenue. These activities generated general excise tax (GET). Both TAT and GET had to be reported as part of visitor expenditure and induced and indirect revenues. Ms. Chun responded that GET attributed to tourism was not reported monthly by the Department of Taxation.

Mr. Miyasato recalled that a year ago, there was doom and gloom for tourism, and he asked about the fiscal impact of the previous year's events. He believed measuring the dollar connection between events and visitors was important. Ms. Chun noted that the distribution of TAT was shown on the fact sheet published by DBEDT. Before the pandemic, TAT had been distributed to various counties, but now, almost all of the TAT was paid into the General Fund. She added that this discussion

related to some of the comments by the global marketing teams (GMTs) the previous day. An increase in multi-island visits would immediately increase PPPPD spending because of the higher inter-island flight portion. Mr. Miyasato pointed out that there was no up-to-date information about the 3% collected by the counties. Ms. Chun had tried to obtain this information and had been told to ask the Department of Taxation. Ms. Chun responded that the reporting was on a lag, with the latest report for March 2024 and no subsequent updates.

Chair Hannemann stated that he would like Ms. Chun's staff to break down the percentage distributed to the Counties and find out how it was used. He believed that it was important for the Counties to show how they were using their 3% TAT about tourism. He had observed that the TAT was under siege yearly, so it was important to know how the Counties used their portion. Ms. Chun responded that she would need assistance to answer that question because the Counties were reluctant to release the data.

Dir. Tokioka thanked Ms. Chun and suggested working with hotels to obtain more information. When TAT on neighbor islands started, there was a concern that many large hotels would pay Honolulu directly. Ms. Chun stated that she understood that the State Department of Taxation informed the Counties how much they should be collecting, but it was unclear whether that was what they collected. It was possible for hotels to tell the Counties that money was being paid directly to O'ahu.

Dir. Tokioka replied that DBEDT would work with the Counties and the Department of Taxation to create a formula ensuring the Counties would be paid their fair share. He promised to coordinate with Ms. Chun, the Director of Taxation, and the County tax offices. However, it was important to determine whether the payment had been properly processed. For instance, there were Marriott hotels on all the neighbor islands. Ms. Chun suggested asking the former tax director, Mr. Choy, about this situation and how to be sure that the tax base and the liability were allocated to the right County. Mr. Choy responded that the business address was recorded on the taxation information form.

Dir. Tokioka commented that the situation was more complex than it appeared, and even the Department of Taxation had the same opinion. An address form might be correctly completed, but the implementation was different.

Mr. McCully requested a brief recess.

10. Presentation, Discussion, and/or Action on CY2025 Brand Marketing Plans

Chair Hannemann called the meeting to order and introduced the next agenda item, reports from global marketing teams (GMTs).

Mr. Nāho‘opi‘i spoke about brand marketing strategies and plans for the 2025 calendar year (CY25), emphasizing the mission to keep the Hawaiian Islands globally competitive while honoring their unique culture, environment, and community. He explained that these elements were integral to the plans, which had been developed through a process involving the Branding Standing Committee since the beginning of the year. The plans were informed by research studies, polls of industry stakeholders, studies commissioned by DBEDT, and the HTA’s own surveys of advertising effectiveness and resident sentiment. He explained that the focus was on a five-year plan, with the first year concentrating on the market and the following years solidifying destination management and stewardship plans driven by each island. The aim was for Hawai‘i to become known as a model for regenerative tourism, in which there would be a change in the type of products available and their interaction with visitors. Mr. Nāho‘opi‘i remarked that brand marketing plans would focus on recovering domestic markets (U.S. and Canada) and rebuilding internationally, emphasizing revitalizing higher-spending international markets while stabilizing domestic visitors, especially for Maui. The goal was not only to attract travelers to Hawai‘i but also to ensure that they had an enriching experience and formed a deeper connection with the islands. These points formed the major guidelines given to the GMTs.

Mr. Nāho‘opi‘i reminded Board members that Hawaii’s people, place, and culture were paramount, with the campaign strategy centered around the people, the place, and the Hawaiian Islands, ensuring that the people and their story were foremost. The sustainable destination aspect emphasized protecting natural resources and encouraging activities that would enhance rather than harm the place. Research presented at the Tourism Conference made clear that visitors were drawn to Hawai‘i for its scenic beauty, which promoted relaxation and helped them recover from their usual hectic daily life. These aspects were key brand attributes that were reflected in marketing strategies. Previous research on campaign effectiveness indicated that showcasing new attractions and experiences increased the likelihood of visiting. There have been many changes in international markets since the pandemic, so the initial task was to raise awareness about Hawai‘i and its new offerings, including businesses, attractions, activities, and tours. With many new travel agents in the market, education for the travel trade was also crucial.

Mr. Nāho‘opi‘i stressed the importance of creating opportunities for visitors to add value to the place by participating in volunteering and “giving back” activities. This regenerative tourism component would enhance resident and visitor interaction. The ultimate stakeholders of a state agency were the residents, and their well-being and way of life must be ensured. Marketing strategies would utilize paid and earned media channels, focusing on digital and social content for efficiency and cost-effectiveness. The goal was to attract new first-time visitors, particularly

younger ones who primarily operated in the digital space.

Mr. Nāho'opi'i remarked that social media had evolved with new methods, and leveraging local voices and stories was essential for creating authentic experiences and trust in marketing. Key opinion leaders would be vetted to ensure their value systems aligned with Hawaiian values, avoiding merely going for numbers. Guiding objectives for CY25 aim to ensure brand awareness for all islands, each with its unique values and attributes, adapting each market accordingly. GMTs had gathered feedback about different islands and activities, continuing to use research from DBEDT and Global Support Services (GSS) contracts for data-driven insights and decisions. The mindful traveler was to be targeted using a precise approach to advertising and media areas. Given the expense of Hawai'i vacations, targeting travelers who could afford to participate in activities was essential, even though targeted marketing was more costly. Multi-island experiences would distribute wealth and visitor income across all communities. Tour operators would need to develop strategies to highlight multiple island and multi-island experiences.

Mr. Nāho'opi'i reviewed brand marketing plans containing targets for KPIs for 2025 based on DBEDT forecasts and economic factors, focusing on visitor expenditure rather than the number of visitors. Expenditure could be derived from lodging, shopping, or other activities across several islands, focusing on PPPPD dollar value. The board members' information pack contained details of the qualitative goals for the GMTs. These goals had been derived from syndicated survey data on visitor satisfaction and activities. Mr. Nāho'opi'i cited examples of these goals, such as ensuring safe and responsible travel before arrival, which would reinforce the reputation of Hawai'i as a safe destination. Other goals to be evaluated included care and respect for the Hawaiian culture, people, and environment, patronization of local shops, and purchase of locally produced goods. The GMTs had been asked to feature Made in Hawai'i products and partner amenities on their websites.

Mr. Nāho'opi'i explained that the evaluation of goals involved measuring the increased likelihood of visiting Hawai'i, which began with generating interest followed by supplying data to encourage conversion from interest to bookings. While the conversion involved industry partners, it depended much on price and value offerings. GMTs worked closely with travel partners and operators to create deals leading to final bookings, though they were not accountable down to the last level. The HTA was responsible for tracking the final results.

Mr. Nāho'opi'i noted that measurement of the output of the GMTs included monthly reporting of program and activity tracking with quarterly targets. Measures that were lower than expected would be reviewed by management to address issues and work on improvements during subsequent periods. Consumer-paid media, travel trade media, public relations activities, and consumer shows would be assessed. Made in Hawai'i products, agritourism,

festivals, and events were to be featured when working with travel trade, on websites, or in advertising.

Mr. Nāho'opi'i explained that they were working on calendar year 2025 (CY25) for marketing purposes, while budgeting was based on FY25. Calendar contracts assumed that the second half of CY25 would be funded through the projected budget, thus impacting FY26 funding. Eventual budget changes would necessitate renegotiation of contracts and KPIs. CY25 was used because the visitor industry operated on a calendar basis.

a. Meet Hawai'i - Kalani and Daniel

Mr. Nāho'opi'i introduced Meet Hawai'i, the marketing team for meetings, conventions, and incentives. He also noted that all the presentations of the GMTs had been given in detail over the previous two days. The presentations for the present Board meeting will be shortened to highlight the most important sections. Details of marketing strategies and opportunities will be posted on the HTA website.

Ms. Lynn Whitehead, Vice President of MCI Global Sales and Marketing, greeted the Board members and mentioned how much she appreciated being present with them in person. She thanked everyone for their support as she entered her new position, especially the General Manager of the HCC, Ms. Orton.

Ms. Whitehead had found a home on the Branding Standing Committee and was working on the most acceptable reporting methods. She commented that Mr. Andrew Koh and Ms. Orton would assist her in the presentation. Ms. Whitehead reminded Board members that Meet Hawai'i was a collaboration between the HCC and the HVCB. Its purpose was to highlight the islands as a premier destination for meetings, conventions, and incentive business. Meet Hawai'i was overseen by the HTA and aimed to align with the four pillars of the HTA: Natural Resources, Hawaiian Culture, Community and Brand Marketing.

Meet Hawai'i had been fully staffed as of June 30, 2024, and the team looked forward to a strong year. Sales were behind pace entering the fourth quarter, but Ms. Whitehead expected an increase before the end of the year. The City-wide team was working to close seven definite verbal responses, and the single-property team was preparing for IMEX, a major platform to increase leads and close business. The Asia/Oceania team thanked everyone for their partnership and support in developing the memorandum of understanding (MOU) that Mr. Koh and Mr. Hachiya had developed with JTB. Global momentum in the MCI market space was expected to grow from \$870 billion to \$1.5 trillion by 2030, with a 9.1% compound annual growth rate. Incentive meetings were expected to be the fastest-growing segment from 2023 to 2028.

A recent DBEDT MCI report showed that visitor spending increased by \$233 million from 2023 to 2024, a 28.8% year-on-year increase. However, slower growth was expected for 2025–2026, with many hotels offering increased incentives to close deals. The single property booking cycle remained under two years, usually around 18 months, focusing on incentive and corporate meetings for all islands. Hotel chains were expected to see the strongest demand for new business, with meeting planners protecting their contract liability. For example, the 2025 International Chemical Congress of Pacific Basin Societies (Pacifichem 2025) was expected to bring 15,000 attendees, but meeting planners did not contract the usual blocks of rooms. Ms. Whitehead hoped to discuss with Ms. Chun and Mr. Eslinger how to evaluate the business brought by such conferences. She emphasized that the Meet Hawai‘i team always mentioned Maui and ensured that meeting planners knew that Maui was open and heading toward recovery.

Regarding City-wide business, Ms. Orton had an exceptional year at the HCC. The building was to be refreshed, and the roof repairs would be completed by 2027. The Marriott Hotel and the Hawaiian Village were also undergoing extensive renovations. This highlighted the substantial momentum for City-wide business in Hawai‘i. The Meet Hawai‘i and Convention Center teams were looking forward to the completion of renovations in 2027.

Ms. Whitehead mentioned that the short-term booking cycle was strong and on pace for 2027, with the Convention Center scheduled to be closed in 2026. Bookings were on pace for 2027–2029, short-term bookings were expanding, and more opportunities were anticipated. Competitiveness and future opportunities were deemed important. Almost all MCI groups at the Convention Center were committed to the carbon offset program. The client services department has been enhanced to enable clients to choose the “give-back” program that best aligns with their mission statement and the island where they stayed. The team was tracking these ventures and hoped the positive environmental impact would continue to increase. While City-wide clients were fully involved in returning value to Hawai‘i, Ms. Whitehead believed that single-property businesses could do more, considering the impact of MCI across all islands.

Ms. Whitehead remarked that the 15% increase in the value of the Yen over the past three months had resulted in Asia/Oceania MCI experiencing a greater recovery than the leisure business. The Japanese travel organizations JTB and HIS considered Hawai‘i the most important group destination for 2025. HIS was in its second year of an MOU with the HTA, while for JTB, this was a new initiative. Ms. Whitehead expressed her appreciation for Mr. Koh’s and his team’s achievements in attracting more business. Korea faced challenges due to a reduction in air seats. Mr. Phadunshiato did an excellent job representing the Oceania team. He intended to publicize the new Qantas three times weekly direct service from Melbourne to Honolulu

starting in May 2025. For Chinese groups, visa issues remained a problem. Ms. Whitehead noted that, in general, cash incentives were becoming more common.

Target market segments included the U.S., Japan, Canada, Oceania, and Korea. Staff had been deployed on the mainland and in Europe for single-property and City-wide sales. Despite limited investment in these markets, they were working with the GMTs to maximize available funds. Key brand highlights for meetings included global accessibility and increased attendance, noting that many events hosted at the HCC doubled their attendance.

Ms. Whitehead and Ms. Orton had been meeting weekly to develop strategies to ensure the right market mix of corporate, sports, and association events. They were working to develop more clarity around the sports market. Ms. Whitehead mentioned that hiring a full-time corporate salesperson had maximized corporate sales. Single-property sellers had been assigned to each island, meeting regularly with partners to develop aligned strategies. Participation in key programs for the city-wide and single-property markets was maximized within the available budget, focusing on direct sales and education. Post-pandemic, many clients had relocated from DC and Maryland to Florida, optimizing sales exposure with virtual platforms.

Mr. Koh and his team enabled Asia/Oceania's key programs to achieve all necessary coverage. Ms. Whitehead remarked that the redesigned Meet Hawai'i website, launched in March, featured updated content and intuitive navigation, with more microsite tools being developed for client services. She reminded Board members that City-wide client services support was vital to provide immediate resources and convert first-time clients into repeat businesses. Once clients had signed their contract, they required guidance to connect with off-site venues, transportation companies, and destination management companies, and the client services department provided this. With sales teams fully staffed, the focus shifted to client services to ensure proper servicing after booking, thus encouraging return business.

Ms. Whitehead remarked that partnership opportunities were listed on the HTA website, with ongoing efforts to enhance communications with the community. She emphasized that LinkedIn was a vital resource for meeting planners both globally and domestically. Ms. Whitehead informed Board members that the Meet Hawai'i team was to participate in IMEX the following week. She understood that the rebuilt exhibition booth had necessitated significant financial input, but it was essential for attracting meetings with high-level clients. Meet Hawai'i needed proper representation, and IMEX provided opportunities that placed Hawai'i in front of key media and clients. The venue also provided education and a forum for meeting planners. With 38 partners, there was substantial global interest. The HTA aimed to reintroduce strategic partnerships using funds gained from the Maui fires, ensuring consistent

messaging in this key market segment. Annual participation in these strategic partnerships would enable Hawai'i to compete effectively, increase buying power, and enhance messaging.

Mr. Miyasato thanked Ms. Whitehead for her excellent presentation. He believed that once the TAT and GET collected by the State of Hawai'i were assessed, it would not be difficult to make up a shortfall of 4%. He noted that creating more opportunities for MCI could effectively diversify tourism. Ms. Whitehead thanked the HTA Board members and staff for their support.

b. Hawai'i Tourism USA - Jay Talwar

The Chief Marketing Officer of HVCB, Mr. Jay Talwar, presented the 2025 plan for leisure travel, pointing out that he had already shared this plan several times. He remarked that he had enjoyed the HTA Tourism Conference the previous day, and the sold-out attendance had been rewarding. He also enjoyed sharing his plans for 2025. He informed the Board members that he would abridge some details and break down the plan according to categories.

Current market situation:

The growth in GDP across the USA in 2024 was projected to continue into the following year, albeit at a lower rate. The U.S. marketing segment remained crucial to the State of Hawai'i, with these considerations deeply integrated into program development. Lift was stable from the U.S. to the State, although there had been a reduction in direct flights from West Coast markets to neighbor islands. The trend was shifting toward initial arrivals at O'ahu followed by connections to neighbor islands. Maui and West Maui, in particular, was still lagging behind the booking pace and would continue to require assistance. Year-to-date statistics for visitor arrivals, visitor expenditure, and PPPPD spending showed solid growth through August, with U.S. visitors spending approximately \$246 daily. However, the overall result was softened by the reduction in visitor numbers. The share of visitors from the U.S. to the State, which increased during the pandemic, had decreased slightly but remained significantly higher than previous levels. An island-by-island breakdown revealed that international visitors comprised 75% of the O'ahu market, while Kaua'i was almost 95% international. Both Maui and the island of Hawai'i were about 90% international. The overall share of international visitors to the State was 84%. However, U.S. visitors remained significant contributors to tourism.

The GDP growth forecast 2024 showed a slight slowdown for 2025, though precise accuracy was challenging. Island-by-island air-seat availability showed a reduction for Maui, while Kaua'i had experienced growth in absolute numbers but was now slowing compared to 2022. Mr. Talwar explained that 2022 was a baseline because it reflected pre-wildfire conditions. He added that Mr. Esslinger considered air-seat bookings from January to April as movable assets, with bookings on the books subject to change based on demand. Room nights booked in hotel rooms globally, not just from the U.S., showed that November was soft but improved by

December. However, Maui continued to experience reductions, with West Maui's forward bookings performing poorly based on available data sources.

Target Audience:

Mr. Talwar quoted a frequent saying of Mr. Nāho'opi'i that the marketing team was in the dreaming phase, with the industry in the conversion phase and the travel pace team in the middle. However, this had now become a grey area. Hotel and airline marketing teams would send visitors emails about the destination, initiating the dreaming phase, but conversion remained critical and highly dependent on pricing. It was important for industry partners to ensure that their emails aligned with the branding set by the HTA team. Marketing teams studied the visitor profile and journey, placing the resident population at the center, with the host benefiting the most from tourism. Mr. Talwar reminded Board members that residents could not be separated from the visitor industry since hotels, tour agencies, and airlines employed many residents. It was important to envisage the State as a single community with unified long-term visions and goals for its families and local communities rather than as a collection of separate communities.

Marketing teams had to ask who they were inviting and what type of traveler was needed. Mr. Talwar remarked that it was important to attract the type of traveler who could benefit the visitor industry and could provide tax dollars for the government to use for community services. It was also important to attract travelers who sought personal enrichment by respecting cultures and learning from them while safeguarding the environment. Activation strategies have been developed for target audiences such as travelers from Los Angeles. However, Hawai'i's share of Los Angeles travelers was dropping. Alternative destinations such as Portugal, Spain, London, Paris, and Tuscany are drawing interest, not necessarily because of their natural beauty but because of their engaging cultures.

Messaging – the people, the place, the Hawaiian Islands

Social Media:

Mr. Talwar explained that social media evolved quickly and frequently, necessitating constant study by the team. Given the content-heavy nature of platforms, there was a continuous need for posts and pictures. Positioning and assets were required. The team had recently completed a knowledge bank shoot, providing new assets aligned with the messaging. They monitored the performance of posts on each platform on an ongoing basis, working with agency partners to identify the most effective material and adjusting content accordingly. Chef Kyle from Maui had been one of the most popular digital contributors since cuisine was a significant motivator for travelers, similar to travel motivations for Portugal, Spain, France, and Italy. The HTA had provided much-appreciated support for the Hawai'i Food and Wine Festival, which aligned with

the agriculture industry. Many products used by chefs were unique to Hawai'i, benefiting agriculture, chefs, and smaller businesses.

Mr. Talwar reminded Board members that ensuring visitors had fun was crucial. The previous head of Brand Marketing for the HTA, who had been very analytical, balanced his approach with a sign on his wall that read, "It's a vacation, stupid!" While helping communities was essential, it was vital to remember that visitors were on vacation. They needed to ensure that people were shown acting appropriately in the destination while still having fun.

Branded Content:

Mr. Talwar remarked that this referred to collaboration with partners who would attract the target audience to their editorial content, aligning their content with the desired strategy for the destination. A target audience member would assume on viewing the content that it was editorial, but it would be based on the Hawai'i market strategy.

Public Relations:

Mr. Talwar noted that the public relations team had worked very effectively during the current year and had developed a database of the top 100 media platforms with which they intended to collaborate, not just through the Honolulu office but also through offices and island visitor bureaux across the State. The PR department tracked the platforms with which they met, the content that had been pitched, and which items had finally been published. Keeping records in this way would ensure effective coordination. Cooperation and coordination with industry partners were becoming increasingly important, enabling assistance with hotel rooms, attractions, activities, and flights to the destination. Mr. Talwar commented that the media was becoming ever more dispersed, especially where MCI was concerned, and reaching out through webinars and virtual tools facilitated the aggregation of efforts and improved coverage aimed at destination bookings.

Travel Trade:

Mr. Talwar reminded Board members that the primary concern was the education of additional travel agents, which effectively increased the size of the Hawai'i sales team. He pointed out that as the destination and its competitors evolved, methods of attracting visitors must also evolve; otherwise, the markets would move on without Hawai'i. Mr. Talwar mentioned that Marriott hotels had hosted many travel trade events in Los Angeles that were oversubscribed, such as the hunger for knowledge on the part of travel agents. He commented it was important to expand the message for the travel trade and other partners and ensure that digital assets were up to date, on-strategy, and on-message.

Mr. Talwar recalled that the recent Tourism Conference had promoted many partnership opportunities, resulting in ten pages of different opportunities from island visitor bureau and the U.S. team. He thanked the Board members for their time and support.

Mr. Miyasato congratulated Mr. Talwar and his team. He recalled that the concept had been more of admonition than invitation during the previous year. He believed that there had been an effective progression in a Kākou and pono way from the events in Maui. An appropriate time for grieving was allowed before moving into the invitation to visit, rejuvenate, and have fun. Mr. Miyasato had often said that travel was about transformation, and he believed that transformation could occur while having fun. He congratulated the marketing team on the new message, “The people, the place, the Hawaiian Islands.” He added that starting with people implied a relationship, and this would encourage the kind of visitor who would appreciate all aspects of Hawai‘i. Mr. Talwar repeated the invitation, “Come with an open mind and an open heart,” and commented that the campaign had been created based on input from many people. He thanked everyone who had been part of the development process. Chair Hannemann thanked Mr. Talwar for holding regular meetings with stakeholders to obtain input.

c. Hawai‘i Tourism Japan - Eric Takahata

The Managing Director of Hawai‘i Tourism Japan, Mr. Eric Takahata, gave a presentation that began with his appreciation for the presence of all the international marketing teams at the meeting. Mr. Takahata commented that questions often arose about when the tourism market would return to 2019 levels. While this remained the ultimate goal, it was clear that it would not happen immediately. The recovery from international travel was slower than that of the domestic market. The trend for the Japan market was positive, with the State needing to understand this trajectory. As of June 2024, overall travel from Japan had recovered to 61% of 2019, while travel to Hawai‘i was at 44% of 2019. Despite this, per-person per-day spending was almost at the 2019 level. In 2019, the Yen had stood at 109 per dollar, but it has since depreciated to 146 Yen per dollar, reducing spending power by 25%. The average daily rate (ADR) for the State was about \$380, up 30% from 2019, with increased hotel and food costs and inflation hindering the quick recovery of the Japanese market.

Mr. Takahata believed that the Japanese economy was recovering well. Chair Hannemann had attended a private economic meeting with one of the Japanese government’s top economic advisors, who indicated that the Japanese economy was doing well. Hawai‘i should be excited about the emerging affluent middle class in Japan. The value of the Yen was a hindrance. Still, efforts by the U.S. Federal Reserve to cut rates and the Bank of Japan to raise rates should help achieve parity between the dollar and Yen, giving Japanese consumers more buying power when visiting Hawai‘i. Year-over-year trends were moving in the right direction, aligning with forecasts from the State through DBEDT, the Japanese travel industry, and airlift trends. The World Tourism Organization, part of the United Nations Organization, projected that global international travel would reach 2019 levels by 2026 to 2027. Stakeholders such as airlines,

travel wholesalers, online travel agencies, suppliers and consumers had informed the members of the legislative mission to Japan that emerging trends indicated a shift towards more eco-friendly products. This trend aligned with the regenerative model adopted by Hawai'i, which was becoming a global model.

Mr. Takahata referred to the expanding digital markets mentioned by Mr. Talwar and pointed out that updated content was always necessary. Mr. Takahata reminded Board members that media were shifting towards digital platforms, with numerous platforms in Japan and Asia. He noted that the situation in Korea and China was different. The team needed to be present on every possible digital platform. Mr. Takahata noted that short-distance and domestic travel were recovering fastest, driven by economic factors and environmental concerns. Local competitors like South Korea and long-haul destinations like Australia were recovering quickly in the Japanese market, the driving force being the similar values of their currencies and lower ADRs. For instance, ADRs in Australia and Singapore were \$100 lower than those in Hawai'i. Air seats had recovered to about 70% of pre-pandemic levels, with premium, economy, and business class at 90% load. Airlines were adjusting schedules accordingly, with seat supply realignment and readjustment in Japan. Mr. Takahata pointed out that the positive trend for arrivals in the following year might result in more changes in airline schedules. The seat supply for 2025 was expected to reach about 75% of pre-pandemic levels.

Mr. Takahata reminded Board members that while destinations such as Australia and Singapore was attractive to the Japan market, and domestic travel within Japan was a significant competitor, with an influx of inbound travel greater than 2019 levels. All the Prefectures in Japan emphasized their domestic product, making it compelling for residents to travel within the country. Okinawa was a major competitor to Hawai'i, with significant investments in infrastructure and major hotels. The task for the Japan team for 2025 was to address these challenges by attracting travelers who could afford the cost of Hawai'i as well as offering more value through hotels and airlines. Geographic targets included all direct service airports, followed by secondary airports, either to restore service or improve connectivity. Mr. Takahata explained that the target audiences for the Japan market included first-timers, couples, and three-generation families, now referred to as power families. This segment saw younger couples with one or two children investing more resources into their children's experiences. Millennials were also a key group for the Japan market.

The consumer strategy aimed to convey that Hawai'i was not out of reach or overly expensive, highlighting unique activities and experiences. Mr. Takahata commented that messaging would center on cultural and ethical historical experiences to attract younger values while maintaining the core and repeater market. The intention was also to strengthen island-specific branding, and it would be crucial for visits to expand beyond O'ahu, which was currently the location of

90% of Japanese visitors. Mr. Takahata also noted that more multi-island trips would increase PPPPD expenditure. The travel trade continued to work with industry suppliers and airlines, focusing on cooperative deals that would drive bookings. Public relations efforts were similar to those in other markets, enhancing media outreach with targeted media, influencers, and freelancers.

Mr. Takahata commented that immigration restrictions on the Japanese film industry had presented a challenge that Gov. Green had referred to the White House. It was hoped that the U.S. Customs and Border Protection agency would facilitate entry to film in Hawai'i for Japanese celebrities and film crews, providing free publicity. Moving forward, the intention was to refocus on the island distribution plan.

Mr. Takahata reminded Board members that the Japan campaign is continuing on the recovery path with more aggressive messaging, pivoting away from post-pandemic mālama messages. He noted that recovery cooperatives supported the promotional efforts of selected airlines, wholesalers, online travel agents, and credit card companies. The Beautiful Hawai'i branding message aimed to focus on each island individually, making the messaging more comprehensive to include neighbor islands. Digital marketing initiatives remained unchanged, ensuring presence on every available platform. Partnership opportunities were emphasized, with 99% of stakeholders tied to HTJ offices.

Mr. Takahata highlighted the importance of VASH for the Japanese market, as Hawai'i was marketed as a very safe place. He encouraged international marketers to meet Ms. Rich, noting that safety was of utmost concern for international marketing. Mr. Miyasato congratulated Mr. Takahata on his increasingly mature presentation. Mr. Miyasato raised the issue of passport possession and reported that a mere 16% of Japanese had passports. He had participated in recent discussions about how to make passport acquisition appealing and how it could be linked to Hawai'i travel. Mr. Miyasato stated that outbound travel from Japan outpaced inbound travel to Hawai'i, affecting load factors. Hawaiian Airlines attendants anecdotally mentioned flights to Japan resembling Vegas flights due to the number of local passengers. The Japanese economy was acknowledged to be booming, and Mr. Miyasato appreciated the additional \$2.5 million budget would enable the HTJ campaigns to continue.

Mr. Takahata thanked Mr. Miyasato for his favorable comments. Before the pandemic, passport possession in Japan had been 23%, but some people did not renew their passports afterward. He had already discussed passport possession with the Japan Association of Travel Agencies (JATA), the Ministry of Tourism agency. They considered the idea that the government would pay for or subsidize the passport on coming of age. Such ventures could incentivize Hawai'i as the first international destination.

Mr. Pfund noted that historically, many Japanese visitors to Hawai'i came from the wholesale package side, but this has now become negligible. At present, visitors appear to be more affluent. He asked whether the marketing plan would begin to target direct bookings. Mr. Takahata responded that Japanese travelers were increasingly making direct bookings, with Expedia being the largest supplier for Japanese visitors to Hawai'i in 2023 and 2024. However, online travel agencies did not offer the additional services provided by traditional tour wholesalers like JTB and HIS, such as a more comprehensive product to Hawai'i and local support. Traditional travel agencies had a physical presence in Hawai'i and provided a local phone number that visitors could call to contact local staff. Currently, the market mix is about 60% independent travelers and 40% package deals, with affluent visitors appreciating the extra care traditional tour companies provide.

Mr. Pfund noted that Japanese wholesalers were successfully regenerating the group business. Mr. Takahata confirmed that corporate and incentive travel were recovering well, with large travel agents like JTB and HIS organizing group travel. Meet Hawai'i had a successful MOU signing with JTB. Dir. Tokioka commented that he had spent two weeks with Mr. Takahata and his team over the past six months. He praised them for their efforts and noted that they were well-respected and well-known in Japan. He asked whether they had appropriate messaging to market Hawai'i in Japan.

Mr. Takahata thanked Dir. Tokioka for his comments and emphasized that everyone in HTJ was passionate about Hawai'i. His team members were often sought out to advise other organizations. Dir. Tokioka responded that whenever Governor Green had meetings in Japan, he was very well received. Dir. Tokioka believed that Hawai'i was fortunate in their Japan marketing team. Mr. Miyasato praised Mr. Takahata and Ms. Rich for their work. Mr. Arakawa mentioned that Mr. Takahata always used his skills and connections to provide valuable insights on attracting Japanese visitors to local signature events. Chair Hannemann stated that he had assigned Mr. Takahata a special task for March 23, 2025, involving the Dodgers and Cubs playing the first major-league baseball game in Japan to start the season.

d. Hawai'i Tourism Canada - Colin

The General Manager of Hawai'i Tourism Canada, Ms. Susan Webb, introduced Mr. Colin Wood, Hawai'i Tourism Canada Account Director. Mr. Wood informed the Board members that he would give an abbreviated version of the material presented on the previous day. He commented that the Canada team was passionate about this incredible destination.

Regarding the market situation in Canada, Mr. Wood stated that consumer confidence was slowly improving but was not yet back to normal. The unemployment rate was high, although

interest rates had fallen. Mr. Wood noted that the Canadian economy was always responsive to events in the USA. The value of the Canadian dollar was \$0.74 compared with \$0.77 two years ago.

During the first half of 2024, overall travel had increased by 11% year on year, and it was now at 97% of 2019 outbound travel. Travel to Europe and the UK increased by 10% yearly. Travel to Asia and Oceania had increased by 30% but was still only 83% of 2019 levels. Travel to the Caribbean, Mexico, and Central America had increased by 9% yearly and was now 2% more than in 2019.

Mr. Wood highlighted that Hawai'i had been Canada's second-largest international market between January and July 2024, with 261,000 visitors. The average length of stay was 11.2 days, resulting in visitor expenditure of \$645 million and per person per trip (pptrip) spending of \$2,470. First-time visitors accounted for 34.6%, with leisure businesses making up 91%, although the Canada team hoped to collaborate with the MCI team.

Considering the different islands visited by Canadians, Mr. Wood pointed out that historically, Maui had been the number one destination. Still, recently, O'ahu had taken the lead, with Maui now second. However, Mr. Wood believed that a rebound to Maui was anticipated, especially since many Canadians owned property on the island. The average age of Canadian visitors was 48, with an average party size of 2.3. Notably, 67% of Canadians had passports, compared to 46% of Americans. Canada was the second-largest global market in terms of anticipated annual leisure spending. Despite their reputation for frugality, a recent American Express study showed that Canadians were significant leisure spenders, prioritizing value for money, spontaneous bucket list experiences, and sustainability.

Mr. Wood informed Board members that the high turnover of travel agents attracted younger talent, making it important to provide training to align with the brand strategy.

He commented that solo travel, self-fulfillment travel, and sustainable travel were current trends which were also reported by other GMTs. An overview of air seats indicated fewer seats to Maui, but Mr. Eslinger and the team constantly contacted Air Canada and WestJet, encouraging them to add Maui seats. Initiatives for the remainder of 2024 included Air Canada Vacations FAMs in O'ahu and Maui, with one entirely for French Canadians. Consumer direct media campaigns and travel trade shows continued, including a series with Air Canada Vacations and Maritime Travel Shows, which was very successful. The Aloha Canada signature sales mission in Vancouver, Toronto, and Calgary was scheduled for October 21st to 24th, 2024.

Mr. Wood remarked that the target audience for Canada was similar to that of other marketing teams: experience seekers, affluent travelers, and snowbirds/retirees. Canadian visitors were unique in making long-duration stays. 70% of Canadian travelers were from British Columbia and Alberta, with Ontario over-indexing at 36% of the desired audience.

Strategies and tactics included reinforcing Hawai'i as beautiful, welcoming, and relaxing, utilizing the theme "Hawai'i – the people, the place, the Hawaiian islands." More direct call-to-action (CTA) inclusions aimed to increase targeted audience bookings. Creative activities ensured a seamless step from inspiration to booking, supported by social media, digital campaigns, public transit activations, and digital billboards.

Mr. Wood mentioned that the team planned greater inclusion of airline booking partners in consumer direct campaigns and promotions for 2025, and these activities were aimed at driving bookings. Planned public relations activities included a group media FAM for fall 2025, year-round individual media visits, press releases, media monitoring, and ongoing pitching. Discover America Canada Day 2025 would bring agents together to excite them about the destination, complemented by Aloha Canada media interviews, receptions, and broadcast television segments.

Mr. Wood informed Board members that travel trade activities were to focus on education and training communications via key travel trade media platforms to keep Hawai'i top of mind. This included webinars, in-person activities, specialist programs, and consistent messaging. Partnerships with cooperative campaigns included activities with Expedia and new partners such as Costco Travel. The latter was yielding impressive results in the Canadian market. The Air Miles loyalty program and Flight Center were also involved. Partner campaigns required incorporating Hawai'i messaging to fill planes and hotel beds. These cooperative campaigns maintained a 1:3 financing ratio.

Regarding public relations and partnership opportunities, the focus included agent-focused trade shows, Aloha Canada 2025, agent-focused FAMs, webinar support, support for individual press trips, and group media FAM support.

Mr. Pfund asked about the percentage of visitors described as snowbirds, staying between one and three months. Mr. Wood responded that the length of stay of a snowbird would have to be defined and that he would discuss it with Ms. Chun.

Mr. Pfund also noted that Costco had become a dominant player in the U.S. market for packaging hotels and asked whether this could become a trend in Canada. Mr. Wood replied that a team in Washington State worked closely with the Hawai'i team, dedicated to incorporating the desired messaging.

Mr. Miyasato congratulated Mr. Wood on his presentation, noting that many Canadian snowbirds spent time in Phoenix before coming to Hawai'i. Mr. Wood added that Florida, California, Arizona, and Nevada were common snowbird destinations.

Chair Hannemann thanked Mr. Wood for his presentation and reminded him of the importance of focusing on the revitalization of Maui.

The Chair announced a working lunch.

g. Hawai'i Tourism Korea - Irene Lee

Chair Hannemann said some of their partners have flights to catch, so he wanted to make it as expeditious as possible. He started with Hawai'i Tourism Korea presenter Irene Lee.

Ms. Lee said it was a great time to talk about Korea after the positive vibe in the room because the Korean market is one of the fastest recovering markets for Hawai'i. Three positive indicators for Korea: The Korean economy is projected to grow 2.4% this year. This exceeds the previous forecast, so they are on a good track. The inflation rate for this year is expected to decelerate from 3.6% last year to 2.6%. This will further stabilize their economy and improve their consumer confidence. The fuel surcharge is also down by 33%, 3% year on year in September. It's about \$120 for a round-trip flight from Korea to Honolulu. The U.S. strong currency makes Hawai'i travel packages less affordable than pre-COVID and compared to other competing destinations. So far, about 100,000 Koreans have come to Hawai'i from January to July this year. More interestingly, the visitor expenditure for the year's first seven months was 248 million, a 98% level of pre-COVID. On average, a Korean visitor to Hawai'i spends about \$313 daily, 15% higher than in 2019. Koreans are spending more money there than before COVID. The merger between Korean Air and Asian airlines is almost completed, as eight of nine required countries and regions, including the EU, have already approved the merger, with the U.S. being the last country to approve. Air Premier, a hybrid service carrier, has established itself as a strong market player in Korea. Air Premier is becoming the solution to the merger between Korean Air and Asian Airlines. Air Premier currently operates five international routes, including L.A., New York, San Francisco, Bangkok, and Narita, achieving an average load factor of 86%.

The exciting news is that Air Premier will launch a direct service to Honolulu during the first half of next year. They were originally planning to launch the flight in January, but the delayed aircraft delivery from Boeing was causing the delay. It will take a few more months until they have the airplane to fly. They will start with four weekly flights, but they will look into flying daily as soon as they have enough aircraft capacity. Overall, the current airlift from Korea to Hawai'i currently stands at about 83%.

Ms. Chun's presentation looked very positive from January onwards from the following year. With Air Premier's new launch, they expect the total airlift from Korea to exceed 2019 level from next year. Their strategic goals are clear and focused. They aim to position Hawai'i as a unique and irreplaceable destination, and they like to highlight the distinct qualities and experiences that Hawai'i offers. Secondly, they wanted to immerse Korean travelers in authentic Hawaiian Culture. This means fostering a true sense of belonging and respect for the people, the place, and the Hawaiian Islands. Thirdly, they are committed to promoting regenerative tourism. And lastly, they aim to cultivate meaningful connections as they want to

inspire travelers to engage deeply with Hawai'i and create memorable experiences.

Their branding message will consist of two parts for Korea in the coming year. First are the people and the place, the Hawaiian Islands. This is to align with the HTA's global initiative to spread the consistent destination messaging. This is to emphasize what makes Hawai'i special by sharing important values of people and the place. And second, your one and only Hawai'i will be pursuing this brand message for Hawai'i in the Korean market. This is to position Hawai'i as the ultimate premium destination offering a high-quality experience. And this is to target their premium spenders in Korea. The target audiences are mindful Korean travelers with high disposable incomes. The geographical target areas are the Seoul and Busan areas. In terms of segments, they will target mainstream travelers, romantic couples, affluent travelers, and fit and sits.

Next, she introduced three major campaigns for next year. The campaign is called The People, the Place, the Hawaiian Islands, and they devised a three-pronged approach. For the people, their objective is to highlight key Hawai'i festivals and deepen cultural understanding for both the local community and Korean visitors. The programs will include launching social media campaigns and partnering with media outlets to share stories about the people in Hawai'i. For the place, this is to encourage responsible tourism and introduce Agri-tourism voluntourism to connect with the local community. Their programs will include educational FAM trips, including the components of these Agri-tourism or volunteerism itineraries on their farms, and they will be creating regenerative tourism content, especially for neighbor islands. Lastly, for the Hawaiian Islands, this is to showcase the Hawaiian Islands as a unique destination with distinct attractions. Their programs will include their Hawai'i travel mission and specialist training programs to educate their travel trade partners.

The second campaign is Your One and Only Hawai'i campaign. This is targeting premium travelers and honeymoon romance market segments. This is a rather commercial campaign compared to their first cultural-oriented campaign. This campaign encourages the target audiences to stay longer and spend more. It has two parts targeting affluent travelers. They will work with our trade partners to create longer-stay tour packages and partner with credit card companies to boost traveler spending. They will roll out golf promotions surrounding the local LGA tournament events and collaborate with department stores to feature Hawai'i attractions in their high-end membership magazines, creating travel content for neighbor islands with top celebrities and influencers.

For the romance market segment, their programs will include honeymoon exhibitions and fairs and conducting romance fans to showcase undiscovered itineraries and romantic spots in the Hawaiian Islands. They will hold a media blitz and develop and share social media content

on this theme. Lastly, the Signature Hawai'i campaign is their third campaign. This is to offer themed travel experiences tailored to special interest tours. These special interest tours include themes like arts and culture, culinary tours, and sports events like marathons, golf tournaments, and surfing competitions.

Mr. Miyasato asked about the merger between Asian Airlines and Korean Air. Will it be Korean Air or both? Ms. Lee said it looks like Korean Air will take over Asian Airlines' branding. They say they will develop a new brand, which will be very close to what Korean Air currently has. It will be combined, but it will heavily influence Korean Air's branding.

Mr. Miyasato asked if combining the two would mean a reduction from a market perspective. Ms. Lee said they believe the Fair Trade Commission of the U.S. has given several conditions to Korean Air to meet for them to approve the merger. One of the conditions is to give away some slots for the overlapping routes of Korean Air, Asian Airlines, and Honolulu. That has caused Air Premier to speed up their launch, but it does not mean Korean Air and Asian Airlines will give up significant slots to Air Premium. It's just to allow a third carrier to fly.

Ms. Agas asked what direct flights they would start. Ms. Lee said it would be four weekly flights to Honolulu.

Mr. McCully asked if about the target markets, the ultra-premium and the romance being the future projections for the targets. He asked about the existing 98,000 and 100,000 bases and what component of the existing demand. Ms. Lee said they do not have current statistics per market segment for Hawai'i. Mr. McCully asked if Air Premier is an all-coach discount type airline. Ms. Lee said they call themselves a hybrid service carrier between low-cost and full-service carriers. But it started essentially as a low-cost carrier for close short-haul routes. They fly economy and premium economy class. They operate in two classes, but their economy seats are larger than those of Asian Airlines aircraft.

Chair Hannemann asked how difficult it would be for them to do a movie/drama production in Hawai'i. Ms. Lee said a survey showed that 64% of Koreans choose their next vacation destination based on the videos and images videos they have seen in movies and dramas, so it was highly influential. The videos, dramas, and big-screen or small-screen content are crucial in motivating Koreans to travel and select a destination. European destinations and some long-haul destinations, especially Middle Eastern destinations, are putting millions of dollars into inviting those film crews to their destination, targeting not only Korea but Asian markets because that content will drive demand. Fortunately, since COVID, the visa waiver program for filming crews in Hawai'i has stopped, so they are losing some opportunities there. Mr. Ka'anā'anā said they have taken this to every level of government, but it is an issue that persists. Chair Hannemann said they must try to figure it out together because it is a lost opportunity that would enhance and contribute to the State.

f. Hawai'i Tourism Europe - Andreas Schunck

Mr. Schunck, the account director for the HTE, spoke about Hawai'i Tourism Europe. He gave a field presentation and wanted to take a moment to introduce Sabrina, their PR manager. The U.K., Germany, and Switzerland are the major markets. Strong labor markets and low unemployment across the three countries. Inflation is heading in the right direction, very low as usual. Switzerland is leading the way with a very strong economy. The exchange rate is in the European travelers' favor - strong British pound, strong Swiss franc, and the Euro is stable against the U.S. dollar, which gives them more buying power in the U.S. GDP in the U.K. and Germany are stagnating with many challenges. Germany depends on exports. China is slow at the moment, as is the automobile industry. Switzerland is doing better, but for the following year, there is a slight growth forecast across the three markets. Consumer confidence and spending will drive that growth to a certain extent, and confidence is up, for example, in the U.K., and is at the highest level since 2021. The good news about the European market is that the number of trips abroad and expenditure are at record heights already. For Germany, in 2024, 122 million Germans are projected to travel abroad, which is surpassing 2019 levels. Expenditures are up, too. The latest forecast for the U.K. is 90 billion for 2024. In the first six months, both the UK and German markets are roughly 5% below 2019 levels for the first six months in the U.S. By the end of the year, they will reach that number again. So compared to the U.S., the U.K. and Germany are doing well.

Travel Trends:

Germans, Swiss, and U.K. travelers are looking for these off-the-beaten-track destinations, especially in terms of their travel experiences on the ground, such as cultural experiences and also nature-based experiences. Luxury is the fastest-growing segment and is a global trend. Germans have 30 days of annual free travel for extended periods. Sabbaticals are very popular in Switzerland. Families are taking kids out of school and going worldwide for three, four-month trips. The Swiss have very deep pockets, too. Sustainability is not only in terms of tourism but also in their day-to-day life, especially in central Europe. It is a very competitive landscape when going on holiday, including hotels, transportation, activities, and activities on the ground. A lot of tourism boards are investing a lot of money. These are the traditional competitors. However, they have new players, such as Saudi Arabia. The good news is that the U.S. is the number one bucket list long-haul destination for U.K., German, and Swiss travelers. It is also the Maldives, Mauritius, Thailand, Japan, Australia, and Mexico. Those are the main competitors. Just a few examples in terms of the size of these markets: the Maldives is the most popular competitor destination, with a 17.5% market share for U.K., German, and Swiss travelers. On a smaller scale, Fiji is a different example, but there is growth year-on-year for long-haul. The economy is going to do even better next year.

Consumer spending is up. There is record spending on travel and trips. This is a good example from Germany. In 2023, long-haul accounted for 9% of all trips abroad, which is an all-time record high. What they are looking for is exactly what Hawai'i is offering them. They have increased air capacity and entered the THE market in January. They are targeting mindful, high-value travelers. They spend more, they disperse more, which is important, they visit multiple islands, stay longer, and they're keen to understand the local culture better when they travel. There are about 15 to 20 million long-haul, high-value travelers across the three markets with a minimum income of \$100,000. For consumer strategy, they started in January 2024 to enhance Hawaii's brand awareness to build trust and credibility, especially after a few years out of the market, focusing on their messaging with responsible tourism, Hawaii's people, the culture, and the natural resources to regain market share. They get them to the consideration phase of their activities, where the objectives are more on education and engagement with personalized content, to educate them on the islands, to increase planning and interaction, and to drive them to the platforms, where they can also collect the data to then, in the conversion part of our activities work with the tour operator airline partners, drive traffic to them and stimulate bookings.

PR strategy is part of a consumer strategy, but he described it as an organic contribution to that. They enhance Hawaii's brand and engage with traditional and digital media, as well as the consumer and travel trade, to share news, updates, festivals, and destination stories. They do that via press releases and individual and group press trips. They will be bringing two groups in 2025. This is very important for a traditional European market to have that organic coverage. Also very important is the travel trade. It's a very complex itinerary to travel to Hawai'i, so the expertise of the travel advisor is crucial as also the financial protection that booking via tour operator provides them with. There are European consumer laws. During the pandemic, they saw a lot of trips canceled, and the tour operators had to refund the customers.

Travel trade is important. They engage with them on a continued basis. They share important news, volunteerism, ecotourism programs, and biological information. They educate them on the islands online and face-to-face. They push the destination specialist program. They will return two product manager groups to the islands and two travel agent firm trips. They do the traditional co-op campaigns with the most important tour operator partners. They have been asked to present a few programs that they are planning for 2025, one of which is the Mindful Hawai'i integrated campaign, which will run over eleven to twelve months. They target mindful travelers seeking inner balance and stress relief from their busy day-to-day lives. The strategy includes the whole traveler journey, from awareness, inspiration, and engagement to booking. They will do that by producing assets suitable for that mindful traveler, video assets, audio assets, but also using their new brand videos from the knowledge bank. They will host that content on a microsite for the mindful traveler, including additional information about planning

a trip to Hawai'i and also tactical offers. They are also partnering with a mindfulness brand app such as Calm or Headspace, where they can increase their reach with a highly targeted audience. They bring the content, video, and audio assets via social media channels and out of the home in a commuter context, e.g., commuters in London, Zurich, and Frankfurt. They can target them with mobile ID location targeting, and those exposed to the out-of-home screens. They can retarget them from digital campaigns.

They have deliverables regarding impressions and reach, so they can measure everything they do. They control the campaign and invite tour operator partners to buy into it. They will work with two partners in each country. There are six in total for the campaign. They have to conduct marketing activities using their assets, brand assets, and messaging via their channels, extending their reach. They can access their consumers and receive their reporting regarding packages, rooms, nights, etc.

The second program is the personal aloha campaign that they are planning for the end of the following year. They will use an AI-powered experience builder. It is becoming more and more important for all travelers globally. The easiest way to explain that campaign is probably the user journey. They plan to deliver the European personal Aloha experience builder via rich media assets to the user. The user can then enter their holiday preferences, nature, culture, beach, holiday whatsoever and press go. In the next stage, AI then curates a list of experiences suitable for their preferences. They will have a brief with the AI platform to provide specified content so that they can ensure they include multiple islands. They include the experiences they want them to have on the island. The user can share their itinerary or preferences with friends via social media. They click through it and get to a microsite where they explore the master itinerary for them and other itineraries. It includes deals that the two operator partners are going to provide. All the engaged users are added to the data pool, and they can then retarget them again with suitable tactical offers. They will bring the experience builder to them via the digital channels, and they have deliverables and invite operators to join these campaigns. They will be selected on the basis that they can produce tailor-made itineraries, cover all the islands, etc. Those are two programs where they invite partners to join campaigns, but they also work with others.

Hawai'i DE is a partner they worked with this year. They have the go-green package where they include three islands, they do a beach cleanup, etcetera. There are different opportunities to work with niche partners. It is about the whole mix and a lot of partnership opportunities.

Mr. Miyasato asked about the competitive environment relative to other destinations. He asked if Fiji was listed in order of preference or just among the locations. Mr. Schunck said it is among the locations. It was just one example of the long-haul traveler. Mr. Miyasato asked how

much desirability there is to fly to these places with regard to access and how long it takes to get there. Mr. Schunck said connectivity is important. There was pent-up demand for bookings in 2022 and travel in 2023. Now, they see that a trip to Hawai'i became more expensive with a hotel rate, and there is the long-distance issue. Consumers are a bit hesitant to book now. They will let them know it is worth spending the time and the money. When looking at the average 13-day stay on the islands, it is mostly a standalone holiday. Some are combining it with the West Coast USA. These long-haul do not mind long distances.

Mr. Miyasato asked if a nonstop option from London or Frankfurt would encourage more travel. Mr. Schunck said yes, a direct connection is always the best thing to have. The U.S. is so popular. There will be 2 million visitors from Germany alone. He said a direct connection would boost the market.

Mr. McCully said they just reentered the European market, and the three traditional countries they work with, the U.K., Germany, and Switzerland, have high national incomes. In modern marketing, it is very easy to target specific metropolitan areas, such as Northern Italy, portions of France, portions of Germany, and portions of the U.K. He asked if they would be better off being specific for ultra-premium long-period leisure consumers rather than a country. Mr. Schunck said they are currently looking after the U.K., Germany, and Switzerland with their marketing efforts. They do that demographic targeting.

Mr. McCully said Fiji is the most comparative to Hawai'i. Mr. Schunck mentioned competitors like Thailand, Maldives, Mexico, and Cancun.

e. Hawai'i Tourism Oceania - Darragh Walsche

Mr. Walshe spoke about Hawai'i tourism in Oceania. He introduced his team. Jennifer Gaskin is the account director; Anna Rydell is the PR and trade manager; and Marie Robinson is the marketing campaign specialist. Jacqui Walshe was at the conference as well. She is the CEO of the Walshe group, based in Sydney. The first slide showed visitors from January through to August. The Oceania market is one of the top markets for spending per trip, adding the average per person per day, currently over \$300 per person per day. They have a very high length of stay, 9.4 days. This year, they are down around 11%. After two years of good growth since COVID, they found the year very economically challenging, and the U.S. dollar exchange rate hasn't helped. In terms of airlift, they have seen a fluid airlift into and out of the market. Airlines are picking higher yield markets with a good balance of outbound and inbound. Hawaiian Airlines changed from all-year-round service to just seasonal service in New Zealand. That season is based around the higher yield U.S. market coming into New Zealand.

They see inflation coming down, interest rates coming down, and the exchange rate improving slightly in 2025. The Australian dollar at the moment is around \$0.69. They want to get into \$0.70, towards the upper end of 0.70, which will make a big difference for the market. In terms of the competitive landscape, he showed the five top outbound destinations for Australia and for New Zealand compared to 2019 - Australia, Indonesia, Bali, Japan, and New Zealand. Fiji has seen continued growth.

Strategies in terms of their key campaign themes are around regenerative tourism campaign themes that are aligned to that. The market sees and loves Hawai'i for that sun, sea, and sand destination but also understands that Hawai'i has so much more to offer. The market is very much in tune with the fact that they are looking for an enriching holiday, but at the same time, experiences that can enrich the local people. The major program is "We are Explorers," with an Australian influencer who traveled to Hawai'i and really connected with the heritage and those special places and traditions. It's aligned with what they are doing and is aligned towards the people, the place, and the Hawaiian island, which will be launched in their market next year. They have done a few teasers with a really good response. Their market also loves the Hawaiian culture, and they will partner with Traveler magazine in Australia to create experiences closely connected to the culture.

Trade is still extremely important in their market, even more so than pre-COVID. It is very important that they dedicate a lot of the marketing plans and budget towards that trade, especially around co-op. Some of their co-op partners for next year include Qantas as well. Qantas will take over the Jetstar services ex-Melbourne starting in May of next year. This is great news for them because the Qantas service is much more aligned to the high-value traveler that they are looking for in Hawai'i.

The month of Lei is all about destination training. It's all about the island Visitor and going in-depth into travel trade training and is part of a whole month of showcasing Hawai'i. Aloha Down Under is the one that brings industry into the market. Sport has been mentioned quite a lot. They love sport and water. There are a few things that they are doing that are connected to the ocean. The one swim event that they hold in Fiji attracts 250 people, and they are talking to those organizers to bring it to Hawai'i the following year. They will also hopefully be bringing Sea Cleaners back to Hawai'i next year. Sea Cleaners is about the ocean, their connection as Pacific Rim neighbors, and the importance of taking care of the ocean, particularly around the issue of plastics. They bring youth ambassadors from around the Pacific Rim to Hawai'i to collaborate with local kids, youth, schools, and beach cleanups, but really hopefully help make a difference in terms of this next generation coming through and all these things. They have media that comes along as well. It is very much aligned with the concept of regenerative tourism, where travel and tourism can connect people and make a positive difference in the

environment, communities, and culture.

Mr. Miyasato asked if he was saying that they were turning the corner. Mr. Walshe said yes and that a lot of it is related to the interest rates. The Reserve banks for Australia and New Zealand have kept the cash rate quite high, which has put a lot of pressure on everyone. They are happy that inflation has come down to a level that they can start bringing that cash rate down. So that will put more money in everyone's pockets. What has kept them going is the repeat visitor. This year, about 58% of the visitors are repeat visitors from the market. They are loyal customer, know Hawai'i well, are also high value, and can cope with the economic challenges.

Chair Hannemann said L.A. will be the mecca of sporting events, so they are trying to foster that. The governor has encouraged the HTA to see whether teams fly from across Asia or Oceania and go to the Olympic Games. They want to encourage them to stop in Hawai'i on their way over to get that extra good luck and the spirit of Aloha as they go to the Olympics. He asked if Mr. Walshe could influence that. It would be great because it fits in with what Brand USA has talked to them about and how Hawai'i can benefit from the Olympics. Mr. Walshe said it is a good idea, and they can partner. It is also about ensuring that there are facilities in Hawai'i so they can work with local sports entities to see what they can put together to promote it.

h. Hawai'i Tourism China - Dennis Suo

Mr. Suo spoke about the China market. The general economy, the Chinese GDP, has been facing some challenges over the past two years. The economy is facing a big challenge in terms of the housing and stock markets. The great thing for the tourism market is that the exchange rate is very stable, the U.S. dollar versus the Chinese Yuan. China is probably the only country facing deflation. Two weeks ago, the Chinese government announced the biggest economic stimulus package since 2008 to address multiple challenges, including the property market downturn and weak consumer spending. The package includes cutting the interest rate from 2.3% to 2%. The government plans to issue an additional 2 trillion Yen, equivalent to \$300 billion, into the market, equivalent to about 2% of the country's GDP. In response to this announcement, mainland China and the Hong Kong stock market rallied before the golden week, and they posted their best week in 16 years. The Hong Kong market has been surging pace since 1998. This will boost travel.

Since 2023, they have seen a great recovery in the China market. The latest forecast is that by the end of 2024, it's about 20% versus 2019, meaning there will be about 130 million Chinese travelers traveling outside of the country. During the recent May labor holiday, one of China's peak golden weeks or travel seasons, there was a big increase in those long-haul destinations.

The number one is the UAE, mainly Dubai, which is 66% higher. Secondly, Turkey, Italy, Australia, and the U.K. They are also seeing more family packages in the market. The group is significantly decreasing in terms of the tour pattern. 130 million people will be traveling outside of China this year versus the previous year, with only about 87 million, which is an 80% increase. The U.S. alone will receive about 1.7 million Chinese visitors this year. Last year, it was 850,000, so it doubled. The latest forecast is that 30 million Chinese travelers will be recovered to Europe and many Asian countries, given the Visa Viva program. They are also seeing big numbers surging, like Thailand and Singapore. Saudi Arabia also looks at China as one of its key markets in which to draw visitors. For Oceania, it is the same. It is considered another long-haul competitive landscape. All eight Chinese airlines restore their flight to Sydney. The number one island resort destination competitor is Maldives, so they also restored all five major cities' direct flights to Maldives in the year. They do not have nonstop direct flights yet, but in 2023, they had about 35,000 Chinese visitors to the islands. They flew through Japan and Korea, and about 350 weekly flights connect over 20 Chinese cities to Tokyo and Seoul.

Mr. Nāho'opi'i attended the U.S. China Tourism Summit in China, and they had a chance to sign the strategic MOU with Spring Airlines had a new program launched this year, connecting five cities through Tokyo to Honolulu. They have some great connecting initiatives happening in the market. They are working very closely with DBECT, the U.S. embassy, Beijing, and other airport authorities, as well as both Senate House tourism committees, engaging all the relevant parties to coordinate the efforts to launch the direct flight. Three key target audiences are the Millennium family and the high-net-worth individual segment. He highlighted the high-net-worth individual segment. China is now the second-largest high-net-worth individual market. Those are defined as people with at least \$1 million in liquid assets. As of 2023, there are approximately 2.6 million high-net-worth individuals in China, and the number is expected to grow by 47% in 2028. This is their market, the top tier 1%. They focus on the people and the place, presenting Hawaii's culture and diversity, as well as natural beauty, as their core value proposition.

Consumer strategy - The social media marketing strategy is the number one priority. In China, the social media landscape was completely different from any other country, particularly in the West. There are so many different platforms. They choose platforms based on the market reach and alignment with their target audience's behavior and preferences. Number one is WeChat. Weibo Douyin is also considered important for wide-reach social media campaigns. Weibo is similar to X; Douyin, the Chinese version of TikTok; Xiaohongshu (Little Red Book), similar to Instagram, also the new evolving emerging social media platform. Those are the four key platforms that they focus. In content strategy, they highlight the things to do across the different islands with content that captures unique experiences and cultural insights. Mālama Hawai'i promotes a concept of responsible tourism through environmental and cultural stewardship. The key element is keeping consistent messaging across all these platforms and

collaborating with industry partners such as airlines, OTAs, and U.S. embassies to leverage their industry partners' accounts to increase viewership.

For travel trade, the focus is to continue their travel trade education to all those key OTAs and wholesalers. They also provide some of those FAM trip experience. The partnership with OTAs industry collaborated with OTA and airlines to develop creative bonded travel packages and join the social media campaign. They synergize with their partnership, such as the U.S. Embassy, Grand USA, and Education USA, on joint marketing campaigns and roadshows. This year, they had a very successful first China travel mission in May, and post-pandemic, it's been like a wave for almost four years. They had 13 stakeholders join this China travel mission, Beijing and Shanghai. They partnered with IDB Shanghai. The following year, they are looking to partner with Macau International Tourism because they receive great support from the Macau Special Administrative Region government. The goal is to expand their market reach for stakeholders further. Not just looking at mainland China, they have also covered Hong Kong, Macau, Taiwan, and Southeast Asia. It will be a great platform for continuing their travel mission and going beyond mainland China. This will be from April 25 to April 27, 2025. The partnerships are on the HTA website.

They are focused on three things in the market. Number one is social media. They have limited resources and budgets, so digital excellence is their top priority. Social media platforms evolve and must ensure consistent messaging across the channels to stay ahead of the dynamic market. Number two is travel trade, which leverages all the key industry partners as they also receive great support in the China market and other U.S destinations like California, New York, Vegas, and OTA airlines partners to amplify their reach and impact. Number three is DBEDT, which synergizes what they do in China with all their limited resources, particularly in a very complex city marketplace, unlike Japan or Korea. The message in China is to convey the Aloha spirit. The final goal is to bring direct flights back.

Mr. Miyasato highlighted what Mr. Suo said: They cannot do everything themselves with limited resources, and this applies to them all. Chair Hannemann said he is meeting with the secretary of commerce in Washington, DC, as part of his travel tourism advisory board and he will share this information with her, because she's the lead tourism person in the cabinet and she's very focused on China. Hopefully, there are ways that they can identify where Hawai'i can take advantage of what the federal government wants to do because China and Japan are their two major priorities.

Mr. Nāho'opi'i said the staff would like to request a motion to approve the presented calendar year 2025 brand marketing plan. Mr. Miyasato made a motion. Mr. McCully seconded. There was no discussion. Mr. Gionson did the roll call, and the motion passed unanimously. Chair Hannemann thanked the GMTs.

11. Discussion and Action on HTA’s Financial Reports for July and August 2024

Mr. Arakawa made a motion to approve the HTA’s financial reports for July and August, as presented by Mr. Choy. Ms. Agas seconded. Mr. Choy spoke about the financial reports for July and August. Mr. Choy spoke about the handout for August. The balance sheet on page 3 shows resources and encumbrances. The income statements on page 4 show the performance of each fund. Supplementary information the Board had been asking for was added at the end of the financial statements. It is a schedule of all the budget line items and shows the performance on pages 19-21. There were no questions online or from anyone. Mr. Gionson made the roll call, and the motion to approve the financial reports was carried out.

12. Presentation, Discussion, and/or Action to Approve Additional Expenditure of Tourism Emergency Special Fund Monies Relating to Maui Recovery

Mr. Arakawa said this was to approve an additional expenditure of \$130,000 from the Tourism Emergency Fund for Maui recovery efforts amidst declining visitor expenditures and arrivals. He made a motion to approve the additional \$130,000. Ms. Agas seconded.

Ms. Anderson spoke about the handouts. In December 2023, the Board approved the Maui Recover Plan, which identified many focus areas, including increasing visibility and call to action for travel to Hawai’i targeting the high potential markets supporting businesses to continue to provide a consistent message that Maui is open for visitors, support and encourage consistent messaging and outreach to Maui residents, visitor industry, stakeholders and businesses. She spoke about expanding tourism products on Maui to provide new activities for visitors and to support Maui businesses.

On June 24, 2024, at the HTA BFCC, Ms. Anderson reported on the status of the use of the Tourism Emergency Special Fund. The balance of the Tourism Emergency Fund (TESF) was \$125,000. Since then, HTA’s Finance Department has determined that approximately \$130,000 remains for Maui Recovery from the Tourism Emergency Special Fund.

On September 17, 2024, Gov. Josh Green issued the seventeenth emergency proclamation, which extended the disaster emergency relief period through November 16, 2024. It authorizes the HTA, in coordination with the Department of Budget and Finance, “to use monies in the Tourism Emergency Special Fund to respond to the emergency and provide relief under section 201B-10, HRS. Year-to-date, in August 2024, Maui visitor expenditures were down by 20.3% and 2.3% for the State. Arrivals to Maui decreased by 17.5% and by 2.2% in the overall state. The County of Maui has communicated to the HTA that continued assistance is needed for

Maui's recovery as it relates to tourism. The staff is asking for the approval of \$130,000.00 from the Tourism Emergency Special Fund for Maui's recovery from the wildfires. The staff recommends that the Board approve the proposed actions and budget to support Maui's recovery from the wildfires. \$100,000 for Hawai'i Tourism United States Fall Marketing Recovery Campaign (Q4 2024). Support Maui small businesses and Maui Made products through the marketing and promotion of a Mākeke at \$23,000. Marketing and Promotions of potential Sports Events on Maui at \$ 7,000.

Ms. Agas asked who would be monitoring numbers 3 and 4. Ms. Anderson said the CNHA would be responsible for marketing and promotions. They might RFP the \$7,000. Ms. Agas asked if it could be earmarked for the university.

Mr. Miyasato asked if those monies came from the original \$5 million emergency fund, and Ms. Anderson confirmed that as correct. This brings the amount to zero. Chair Hannemann said they are still in an emergency. Mr. Choy said the funds are topped off monthly, as shown in the revenue report. Chair Hannemann said making it the highest priority.

Mr. Arakawa said they asked the AG to review this because it is the statute. Ms. Paishon supported this. She said with the support of Dir. Tokioka wrapped up the Maui Economic Recovery Commission and said that the full report is going through DBEDT's office and with co-leadership of the county of Maui. She wanted to ensure that many of the things being discussed were directly aligned with community-generated ideas to bolster Maui's economic recovery. It will be wrapped in the county's long-term recovery plan. This should be a very high priority.

Dir. Tokioka asked a question online. He added to what Ms. Paishon said. He said Ms. Paishon did a great job facilitating the recovery commission. Mr. Arakawa gave kudos to Ms. Anderson and the staff for their work together on the marketing recovery. The digital marketing aspect and the promotion aspect were recommended by the travel industry partners on Maui. They consulted with travel industry partners in Maui whose hotels and businesses were not doing so well. They thought digital marketing would be a good idea to reach many more people on the mainland, in the neighborhoods, and in O'ahu. Mr. Gionson did the roll call, and the motion passed unanimously.

13. Report on the Governance Study Permitted Interaction Group

Ms. Iona said the PIG committee deferred the report that was ready in July. The committee completed its positioning about getting the study completed. They left it in the hands of the RFP contractor, who they felt did a great job of quickly making it. Their recommendation was to create a new governance PIG committee. They recommended having four Board members on

the PIG addressing the issues outlining the reports. She would provide a final report recommending working in collaboration with Mr. Nāho'opi'i about being the point person on all the milestones they will create. The new PIG will be able to report before the 2025 legislative session. The committee recommends the full Board, through its chair, initiate a press release to identify a path forward in the governance study.

Ms. Paishon added that the intent is that the PIG committee is going to align with the efforts of the staff and the Board, and they are going to consolidate the planning efforts, whether it be the destination, stewardship, mapping, planning, and strategic functional plan, as well as look at the next steps to carry forth recommendations from the governance study. She reinforced that they are in full support of consolidated planning and implementation.

Chair Hannemann said the recommendation was deferred to the next meeting.

14. Discussion on the Membership of Standing Committees and Permitted Interaction Groups

15. Motion, Discussion and Action to Create an EXECUTIVE STANDING COMMITTEE for the Purpose of Guiding Tourism Policies and the Authority's Strategic Direction

16. Discussion and Action to Change the Purpose of the ADMINISTRATIVE & AUDIT STANDING COMMITTEE by Deleting the Sentence: "The Committee Shall also be Responsible for Matters Relating to Legislative and Governmental Affairs"

Many said they should move forward with trying to fill some of the committee assignments because two new members have come on board, and only one of the new members has been on one committee. That has caused some strain concerning some committees having all members show up to have a quorum and take action. Chair Hannemann wanted to go through the process that they had outlined. He expressed a preference for committees that they would like to serve on. It also requires discussing a motion to approve a new committee he had broached earlier. He wanted to bring it back again for discussion and approval today. That is the creation of an Executive Standing Committee. He said this was an opportunity to have a committee to examine the authority, strategic planning, tourism workforce, education, training and career counseling programs, and guiding tourism policy. That comes with the BFCC and with the Administrative Audit Committee. There is a state functional plan already in progress whereby they could solicit input from a tourism perspective, but that also entailed developing broad tourism policies across multiple agencies. He said it was great to see, for example, the Department of Transportation at the conference. They have work to do with DLNR and all the other affected agencies. This is an opportunity to guide tourism policy with the State functional plan. He said the Board could provide some guidance to their Strategic Plan.

Ms. Anderson has been eager to get the process going but does not want to proceed without

guidance from the Board. She is ready to launch in October. That will put the Board in a position to have a Strategic Plan before the State legislature in 2025. This is the basis of a new five-year Strategic Plan. Mr. Nāho'opi'i has already outlined a vision and a plan. He said some legislators would like to know what their next five-year strategic plan would look like. He spoke about the legislative and government affairs. This would oversee the legislative pig that they would have to form when they have to discuss matters that should be held within the confines of a more focused discussion, or they might be violating some aspects of how bills are discussed or how they are going to be voted upon and the like. The Executive Committee would allow a year-round discussion of legislative matters, or they would have to go into a PIG. He said they are also concerned about how the county government is. This will also allow the Board to discuss it on an ongoing basis. He said, in short, it's a tourism policy committee.

They could focus on three distinct areas – the State functional plan, the HTA strategic plan, and the legislative affairs. Mr. McCully started with the housekeeping issue, the twelve-member Board in 2023, with four investigative and four standing committees. Investigative committees occur from time to time. He said they are unsure what 2025 would bring, but they have a governance study, a disaster response, and the legislature. Budget and finance asked for a PIG. For the eight standing committees they have, if there are three responsibilities per member, that is 48 slots. That means that each member has four areas of responsibility beyond being a monthly attendee of these meetings. By housekeeping, he was referring to capacity. He said he would like to keep the discussions fresh on their committees without a fatigue factor creeping into their service on this board. He proposed that it be discussed in the Administrative Audit Committee for further consideration. He said they need to be more mindful of their existing responsibilities and how to execute them.

Mr. Miyasato said he understood what they were trying to accomplish before he became the chair. He agreed with Mr. McCully that there are too many committees. This is a volunteer effort from Aloha on all of their parts. He said they must back the chair's full faith, power, and influence. If they do that, they do not need to form another committee. That was his vote.

Mr. McCully clarified that the bylaws state that the chairperson shall preside over all meetings, shall have general charge and supervision of the authority as delegated by the Board of Directors in its whole, and shall perform such duties as are incidental to the office or are required by the Board of directors. He said he is not inclined to serve on a board where if they have a responsibility to delegate powers and do not exercise that delegation, they fail their responsibilities as directors. He said if they want to have an administrative and audit committee meeting, where they delegate specific powers to the chair, he would be happy to sit in on that. He is not a member and does not have a vote, but he would join in on the debate if it goes back to the full Board to determine the specific powers. He said they should not revert to an

autocratic process that was behind the curtain.

Mr. Miyasato responded. He said that in the context of the full Board delegating responsibility to the chair, that function is codified by putting him into the chair position by vote. He said they must lead and direct and be the voice for the Board.

Mr. Arakawa said the bylaws outline the duties and specify the chair's duties. If there are more issues to vote on, the Board has to vote on and delegate them. Mr. Miyasato asked if they could collectively vote on bylaws that give discretion to the chair as voted into the position, the autonomy to manage this Board. Mr. Arakawa agreed to that but said that it is not the state of the law or the bylaws at the moment.

Mr. Miyasato said they changed the bylaws to reflect what needs to happen for the dysfunctional board to function.

Chair Hannemann said he brought it before the Board because he went out with a second survey asking if they wanted to serve on the committee. The number one committee they all wanted to serve on was the Executive Committee. He was not bringing it before them to try to centralize power for the sake of the Board chair being able to make decisions. He thought that this was an opportunity to focus on some of the things they needed to do as a group collaboratively. He said the Strategic Plan is very important. When it comes to policy, it is clear on the operations side. This is the policy for the operations of HTA. He does not agree with member Mr. McCully's reason for not doing it. He said they have twelve members. There is plenty of time to spread the workaround. He said he does not like PIG committees as he likes to do things in the open. They should only convene a PIG when they have to. He said having a Standing PIG committee on legislative affairs does not make sense.

Dir. Tokioka slightly disagreed with Mr. Miyasato's comment about the Board being dysfunctional but said they are passionate about issues. He said the recommendation from Mr. McCully to bring it back to the committees for discussions has worked before with the Board. He also advocated for the 12th member. He said Gov. Green will make the recommendation shortly. That would give them the time to discuss, including the 12th member. If Chair Hannemann wanted to pull back on the Executive committee, that is his prerogative, and they can vote that up or down. He agreed with Mr. McCully's suggestion to have the dialogue on the different committees and to the point where they can decide if they change the committees and how they are structured.

Mr. Miyasato clarified that the dysfunction description is not related to people but to the body's function. He said the Board decides collectively what the infrastructure is and what the

organization is. Looking at any successful board across the country, it is in unison. They have one lead and one chairperson who manages the board. He suggested that when voting in a chair, vote on someone who will lead, organize, and build loyalty and respect for the HTA.

Ms. Iona said her concern is that they have two committee members who have not been on any committees. She hoped they could fill their committees as in the past and hold the one or two seats available. She felt bad for the members who had not had a voice yet.

Mr. Arakawa agreed with what was said today and the priorities Chair Hannemann set out. Still, as Mr. McCully said, existing committees handled many of the items in the past. The reason for the legislative pig is to get all the islands involved and talk to legislators.

Mr. Miyasato asked how it worked out from a Budget committee perspective, going to the legislature to get funding for the HTA last session. Mr. Arakawa said that before the two sessions, they had to the end, and something happened that was not the fault of the HTA. It was an intervening person or persons.

Mr. Miyasato said they lost funding through the legislative PIG they had in play last year and lost footing as the HTA. Mr. Arakawa said it was not because of the PIG that they lost.

Chair Hannemann said they must move on. He said the majority voted that they wanted to go on an Executive Committee and said they could if they wanted more time to deliberate. He was determined in the meeting to look at the four existing standing committees and make recommendations so that they can take advantage of some talent on the Board that is not being utilized and for the twelfth member to sit on a couple of these committees. That means that they do not have to discuss the agenda item that deals with changing the wording of the Administrative Audit Committee. He wanted to move to agenda item 17.

17. Action to Elect Board Members to Standing Committees and Permitted Interaction Groups

Chair Hannemann spoke about the survey. He said there would be six members on the Budget Committee, six on the Administrative Audit Committee, five on Ho'okahua, five on the Branding Stand Committee, and whoever that 12th member is, they have two committees for that person to serve on, right away. They could go to a six-member Ho'okahua committee and a six-member Branding committee. Chair Hannemann said they would vote on what was submitted in the survey. Ms. Agas clarified that when she voted, she was basing it on the Executive Standing Committee, but if they were not putting it out there, she would change how she would want to sit on the committee. She said they need to fill the vacant spots currently. They need Mr. West and Mr. Pfund to share their talents. She asked if they could assign those and when the next member was if they could do this as one group. That should be at the next meeting. She said the committees are good, and she likes the committees she is on.

Mr. Arakawa said he would support that. Ms. Agas said they could find out if Mr. Pfund would want to serve on the open slots, but Chair Hannemann said Mr. West is not present. Mr. Miyasato said the number one choice was the Executive committee. Mr. Arakawa asked if they could defer.

Chair Hannemann said they cannot keep bracing decisions on when this twelfth member will arrive. They have to decide, whatever is open at that particular point in time, that's where that member will serve.

Dir. Tokioka asked if the two other slots that Mr. West requested were available. He said he did not hear Chair Hannemann's answer to the question. Chair Hannemann said he did indicate the committee he wanted to be on.

Mr. McCully said this was in an email sent out on October 1. He said Chair Hannemann and Ms. Paishon did not put any preferences down.

Dir. Tokioka said he put down the Executive Committee because of the awkward situation at DBEDT. He would like to have a say, but he is happy with the two committees he is on. If Mr. West's wishes are taken care of in the vacancies, then he said that would be fine.

Chair Hannemann suggested that Mr. West join the Ho'okahua and Branding committee.

Dir. Tokioka asked about Mr. Pfund. Chair Hannemann said he had requested to be on the Budget and Branding committees.

Dir. Tokioka said he was happy with that. He said Mr. Pfund would be happy to continue serving on the Branding and Budget committees. He had also asked to be on the Executive committee, but he said that it would be fine if not put in place.

Mr. Arakawa said the Budget committee is full. Mr. Ka'anā'anā said the Ho'okahua committee is full.

Chair Hannemann said Mr. Pfund is a certified CPA who knows how to run the budget, so not having him on the BFCC makes no sense.

Mr. Miyasato said waiting for the twelfth member does not preclude Chair Hannemann from reshuffling the deck chairs once they have the whole twelve. Chair Hannemann said he was going to reshuffle the deck. He told Mr. Pfund that they could not grant him his request to go on the BFCC. Mr. White said he would give up his seat on the BFCC to Mr. Pfund. Chair Hannemann said they could do it today. There will be two courses of action. One is to present Mr. Pfund to replace Mr. White and to have Mr. West added to the Ho'okahua and Branding

Committee. Mr. Pfund is already on the Branding committee and will be added to the BFCC.

Ms. Agas asked for clarification on the voting. Chair Hannemann clarified that when the twelfth member comes on, he will return and ask the committee to vote on his recommendation. Mr. Arakawa asked if they would complete the form, and Chair Hannemann said they would do that. There was discussion about who votes and who recommends.

Mr. Ka'anā'anā clarified that there are two vacancies on the Ho'okahua committee, but he only heard one name. Chair Hannemann said they can have five members on the committee. He asked if Ms. Paishon was happy with a five-member Ho'okahua committee.

Mr. Cole said the one motion would be to add Mr. Pfund to the Budget committee, to add Mr. West to the Ho'okahua and the Branding committees, and to remove Mr. White from the BFCC.

Mr. Miyasato made a motion, and Mr. Arakawa seconded. The motion passed unanimously.

Mr. McCully said the fact that eight people signed up to serve on the Executive committee leads to a logical fallacy. Chair Hannemann said they would suspend the meeting in October and then return in November, but if they do need to meet, they can arrange the meeting. Mr. White said going 55 days before the next meeting is highly irregular. Chair Hannemann said they could take a look at that.

Dir. Tokioka said he agreed with Mr. McCully because if they got the twelfth member, he would want to participate in the meetings, and they would all want that too. Chair Hannemann said they would revisit that if necessary.

18. Adjournment

The meeting adjourned at 3:12 p.m.

Respectfully submitted,



Sheillane Reyes
Recorder