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TRAVEL WEEKLY

THE NATIONAL NEWSPAPER OF THE TRAVEL INDUSTRY

JULY 13, 2009

[EXPECT REVPAR DROPS OF 17%]

Analysts lower hotel forecasts as prices slide

By Jeri Clausing

With hotel rates in a free fall, hotel industry analysts last week presented their most pessimistic forecasts since the global economic meltdown began, predicting drops of nearly 20% this year in domestic room revenue and the worst net operating income the industry has seen since the 1930s.

'Whatever the reason, the decline in pricing is more dramatic than it's ever been.'

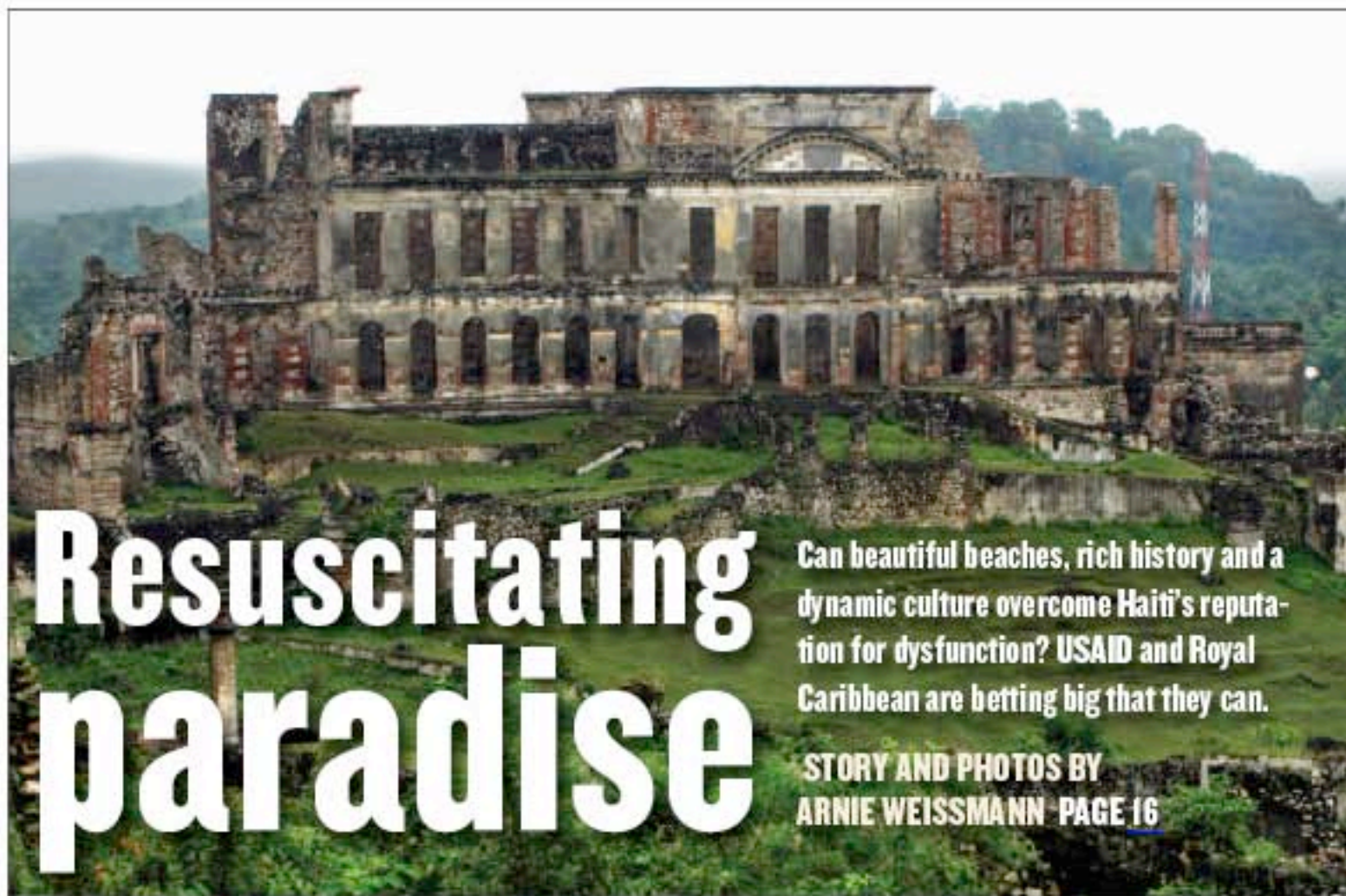
— Mark Lomanno, STR president

"Unprecedented" was a word oft repeated at the summer update of the annual Americas Lodging Investment Summit.

Smith Travel Research, usually among the more optimistic of industry forecasters, said it expected revenue per available room to drop 17.1% domestically this year. That was nearly double its April prediction that 2009 RevPAR would be down 9.8%.

PKF Hospitality Research made a similar prediction, forecasting a 17.5% drop in RevPAR, compared with the 9.8% drop it had predicted at the ALIS conference in January.

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Resuscitating paradise

Can beautiful beaches, rich history and a dynamic culture overcome Haiti's reputation for dysfunction? USAID and Royal Caribbean are betting big that they can.

STORY AND PHOTOS BY
ARNIE WEISSMANN PAGE [16](#)

[HIGH GUEST SATISFACTION HAS FAILED TO CREATE MARKET IMAGE]

Pimentel's mission: to reinvent Azamara brand

By Johanna Jainchill

When it launched in 2007, Azamara Cruises seemed to have everything going for it. Its parent, Royal Caribbean Cruises Ltd., is the second-largest cruise company in the world. Its two R-class ships had a fan following long before the blue Azamara logo was emblazoned on their hulls. It was to be run by a Celebrity Cruises management team headed by industry veteran Dan Hanrahan.

But for some reason, Azamara has failed in two areas crucial to any cruise line's success: brand awareness and per diems commensurate with its category.

RCCL made a move to address those deficiencies last week with the appointment of luxury cruise veteran Larry Pimentel to the newly created position of Azamara president and CEO.

"It is time for Azamara to stand on its

own," decreed Richard Fain, RCCL's chairman and CEO.

Fain was careful to note that Hanrahan and Celebrity's sales and operations teams had made Azamara into a successful cruise product that earns the highest guest satisfaction rates in the RCCL fleet.

But neither Fain nor Hanrahan has shied away from stating that Azamara is not where they want it to be in terms of visibility or per diems.

"The way this works is, first comes the product and then comes the customers," Fain said last week. "Building the brand awareness and the market presence takes longer, and we're not there yet."

Pimentel, who arrived at RCCL's headquarters at the Port of Miami last week, was still waiting for his desk to be delivered Thursday morning as he admitted that tak-

ing the helm of a small cruise line was going to be a very big task.

"This brand is new," he said. "It had a rough start, and I think the brand is developing its personality. Let's face it: It's a tough market, and there is a lot of great product out there. It's important for us to break out. It's important for us to have our unique selling propositions.

"Is the task a piece of cake? No, no task in the current market is a piece of cake."

But Pimentel was also quick to assert that Azamara is a quality product, which he said he knows from having taken a cruise in May on its flagship, the Azamara Journey.

Pimentel booked the cruise without anyone from the company knowing when he would be onboard. And he called travel

See **AZAMARA** on Page [43](#)

WORLD BEAT

Kauai Marriott aiming for a fresh look with new refurb. [P. 28](#)

Chilling out at Mandalay Bay's Minus5 Ice Lounge. [P. 32](#)

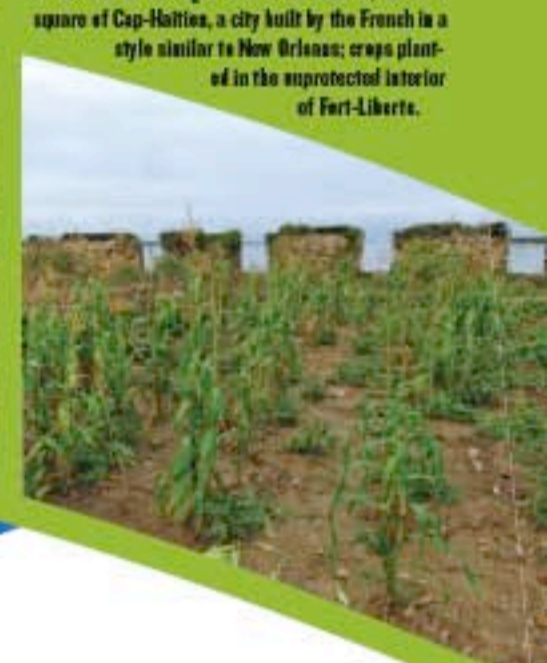
Rising above tourist bustle in French hill towns. [P. 34](#)



RCCL CEO
Richard Fain is in the Hot Seat. [P. 4](#)



Voodoo Rock night at the Oloffson Hotel in Port-au-Prince (see story, Page 21). From bottom left: Fishermen on the lagoon near Fort-Liberte; the main square of Cap-Haitien, a city built by the French in a style similar to New Orleans; crops planted in the unprotected interior of Fort-Liberte.



cover story

Haiti: Resuscitating paradise

Can beautiful beaches, unique historical sites and a dynamic culture overcome a reputation for instability and dysfunction? USAID and Royal Caribbean Cruises Ltd. are placing bets that tourism can be revived in Haiti.

Story and photos by
Arnie Weissmann

PORT-AU-PRINCE, Haiti — The tourism sector here is well aware of how toxic its brand has become. To many people, Haiti is associated with poverty, political instability, high rates of HIV infection, kidnappings and violence. Not the stuff of travel posters.

Still, of Haiti's 1.5 million arrivals each year, about 500,000 are tourists. Almost all arrive on Royal Caribbean Cruises Ltd. ships calling at Labadee, the company's private beach on the northeast coast. As the ships approach, passengers see something they might not have seen anywhere else on their Caribbean cruise: miles and miles of beautiful, undeveloped coastline. No high-rise condos, no commercial ports, nothing but lush, green vegetation and sandy beaches with dramatic mountains in the background. For now, that arm's-length view and the carefully structured experience of Labadee is all they'll see during their visit to Haiti.

If tourism is to the Caribbean economy what oil is to the Middle East's, Haiti has enormous untapped reserves. Its beaches, one-of-a-kind historical sites and a dynamic culture add considerable dimension to a region dotted by islands that often struggle to differentiate themselves.

Yet tourism in Haiti has essentially been on hold since 1980, when strongman Jean-Claude "Baby Doc" Duvalier kicked journalists out of the country, making clear he had no need for foreigners who might bear witness to his reign of terror. For subsequent governments, tourism has held low-to-no priority; foreigners' vacation plans seemed trivial compared with the problems associated with poverty, hunger and anarchy.

But the island has now experienced a rare two-year period of relative stability, and the U.S. Agency for International Development has taken notice. The tourism sector is one of three beneficiaries of a \$24 million, five-year USAID initiative coordinated by the Market Chain Enhancement Project, a collaboration between two nongovernmental organizations, the Citizens Network for Foreign Affairs and Aid to Artisans. (The other sectors sharing the funding are agribusiness and handicrafts.)

To assist in the analysis of Haiti's tourism potential, the CNFA contracted with the International Executive Service Corp., which assigned consultant Dexter Koehl to survey and evaluate the island's tourism needs, make recommendations and then assist with implementation of a plan to reactivate tourism.

Koehl, who will celebrate his 70th birthday before the end of his 26-month contract in April 2011, appears particularly well-suited to the task. Tall, gray-haired and bespectacled, he has a diplomat's bearing, discretion and temperament, and he is exercising all the diplomacy he can muster to balance the competing parochial interests in Haiti's public and private sectors about how to best use the funds.

Koehl spent more than 40 years in the travel industry, the last 15 of them as vice president of industry relations for the U.S. Travel Association, retiring in 2007. He didn't stay sidelined for long, however, and before the year had ended he became involved with International Executive Service Corp. in a similar, though more limited, USAID-funded project in the Republic of Georgia.

I joined Koehl in February on a fact-finding mission through the north of Haiti, and in the subsequent five months, significant progress appears to have been made. The newly formed Northern Coalition for Tourism, a broad alliance that includes Haitian government agencies, donor groups, hoteliers and tour operators from northern Haiti as well as individuals closely aligned with RCCL, has collaborated on, and ultimately endorsed, a plan Koehl has drafted. The plan is aimed not only at reviving and expanding tourism but at institutionalizing best practices that may surpass norms found in some wealthier regional neighbors.

The biggest surprise is not that a plan has been floated and approved quickly by public and private players, but that in a relatively short time many aspects of the plan have been funded, and not only by USAID.

'Cote Labadee'

The sheer scope of Haiti's tourism challenges can induce paralysis. From a lack of basic infrastructure to a citizenry

with a complex and ambivalent view toward foreigners, the deck seems stacked against success.

To spend a few days surveying tourism sites is to be confronted with one thorny problem after another. Squatters in Fort-Liberte are farming the grounds of an untended and neglected colonial fort. Visitors wanting to see the Citadel, the country's (and, some argue, the Caribbean's) premier historical attraction, must be willing to transit a lengthy, pothole-rutted tract, more than an hour of bone-jarring jostle in a four-wheel-drive vehicle. And throughout the land, where unemployment is officially at 70%, there is ample evidence of soul-sapping poverty.

Last month, the Coalition's plan was forwarded to USAID for approval. It is both elegant and ambitious, and in one important aspect, it follows a traditional pattern for tourism development. It has identified a specific area to create a branded experience that can be carved out from the national brand. Just as one might now visit Punta Cana without seeing anything else in the

Dominican Republic or land in Cancun and see almost nothing of the rest of Mexico, visitors to Haiti might one day arrive for a vacation in "Cote Fill-in-the-Blank" on the island's northern coast and remain isolated from the nation's less-attractive attributes.

For the time being, the blank is being filled in by the working name "Cote Labadee," and that label might well stick. Brand recognition for Labadee, RCCL's private

beach destination, is already strong. Millions of the company's passengers have visited it in the past 24 years.

(The spelling is an RCCL modification of Labadie, the name of the nearest village. Though the spelling change was initially protested by some local residents, RCCL argued that most Americans would likely mispronounce the last syllable to rhyme with "eye." RCCL has registered its variant spelling as a trademark.)

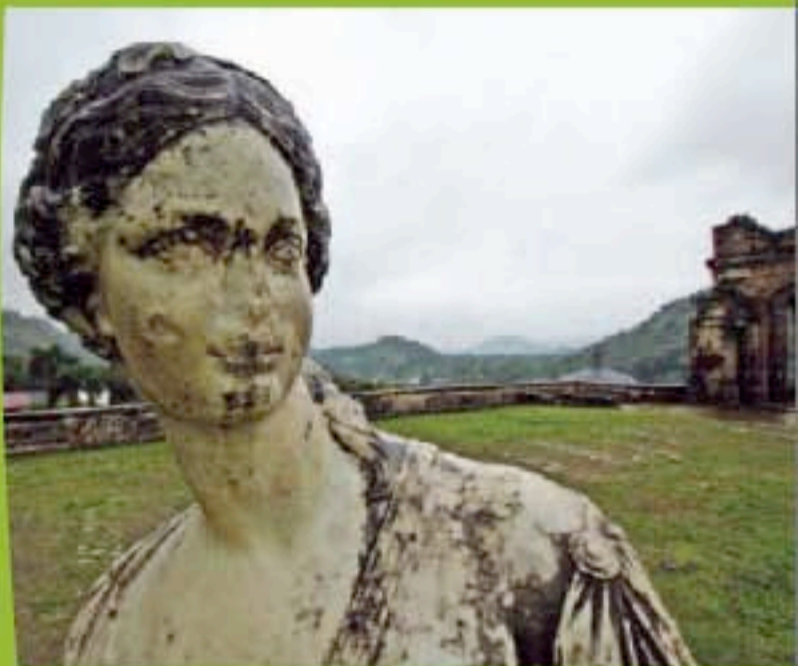
Although earlier in this decade Labadee was described as being in "Hispaniola," today the company is bullish on Haiti. It directly employs 230 Haitians and contracts with another 300, giving it significant presence as an employer in such a poor country. By the terms of its current lease agreement, RCCL pays the government \$6 per passenger as head tax on a half-million guests annually, and it's working to extend its lease to the year 2050 (it currently runs until 2026).

(In an interview with Travel Weekly in February, Haiti's tourism minister, Patrick Delatour, said that the average head tax in the Caribbean was \$12 and that he would like to see his go up to \$10.)

Although there is enough land at Labadee to comfortably entertain as many as 8,000 visitors, it's currently set up to handle only 4,400 guests, who are brought in on tenders. To accommodate Royal Caribbean International's 5,400-passenger Oasis of the Seas, whose maiden voyage is scheduled for December, Labadee's recreation areas are being expanded, the bay has been dredged and a

See HAITI on Page 18

An elegant and ambitious plan that follows a traditional pattern for tourism development: Create a branded experience that can be carved out from a less-attractive national brand.



From top: Labadee, Royal Caribbean's private beach along Haiti's northern coast, is undergoing improvements to accommodate more visitors; the pothole-riddled road from Cap-Haitien to the Citadel; a statue in the grounds of Palais Sans Souci, adjacent to the town of Milot in northern Haiti. The palace was built by King Henri Christophe, the first ruler of independent Haiti.





From top: Members of the Northern Coalition for Tourism, from left, Fred Davis, Diouane Lusa Etienne and Jean-Bernard Simonet; John Weis of Royal Caribbean Cruises Ltd., and consultant Dexter Koehl at the pier construction site in Labadee; the final ascent to the Citadel is often made by pony.

HAITI

Continued from Page 17

pier is being built so that passengers can simply walk off the ship. The new pier, scheduled for completion in September, will also be able to accommodate two of the line's Freedom-class ships simultaneously.

But in addition to Labadee's current attractions — among them 4,000-foot ziplines, personal watercraft and hundreds of lounge chairs — the line very much wants to offer guests the option of off-site, Haitian excursions. If roads were improved and a dock built on the Bay of Acul, to the west, it would be feasible for guests to tour the Citadel during a six- to eight-hour call at Labadee.

That's very much on the mind of John Weis, who is in charge of private destinations for RCCL. "You don't hear a lot of positive things about Haiti, but we want to showcase it," he said. "The Citadel rivals El Morro," the famous fort in San Juan.

Weis told Koehl that his "biggest concern" about taking passengers to the Citadel was infrastructure. "If someone got hurt, how would we take them out, and where would we take

them?" he asked.

"Another key factor will be the tour guide who speaks English, knows the story and can tell it," he continued. "And there has to be a protected zone where [passengers] won't be hassled. As soon as a road [to the Citadel] goes in, guaranteed, there will be [souvenir] stalls along the entire road. You need a protected zone."

When Koehl mentioned that training was likely to be an area of his plan's focus, Weis' interest was palpable. "For 24 years, we've pretty much done this on our own," he said. "We're working on the site, bringing it to the next level, and want to get our employees to the next level, too."

"We want to get to the point where we hire Haitians on the ships and working as tour guides," he said. "Not just putting out beach chairs, but interacting with passengers. Don't underestimate the value of the local workforce. They are very artistic and show a lot of ingenuity. They are great employees."

Koehl said they were looking at training nationally, but with regional elements.

"We need help with training; help outfitting with computers, an English lab, mock cabins," Weis said. "We've put everything we

do together ad hoc; we're doing the best we can with the budget we have. But this site has the potential to be a seven-day-a-week operation, welcoming people."

Koehl was taking notes.

The plan

Some aspects of Koehl's plan shouldn't be too challenging — at least, not technically challenging — such as building a national tourism website, which will be developed and managed by tourism's private sector. Funding has been secured for the website's first year of operation, and it's expected to be up and running later this year.

But other tasks, perhaps wisely relegated to a loosely defined "Phase Two," will be much more complex, such as restoring Cap-Haitien, the largest city in the north, to its late-19th century appearance, relocating its commercial port and

building a cruise passenger port in its place. While it's easy to see Cap-Haitien's potential — it was built by the French in a style similar to New Orleans — it has been long neglected, and this will clearly be a considerable undertaking.

See **HAITI** on Page 20

If roads were improved and a dock built on the Bay of Acul, it would be feasible for cruise passengers to tour the Citadel during a six- to eight-hour call at Labadee.

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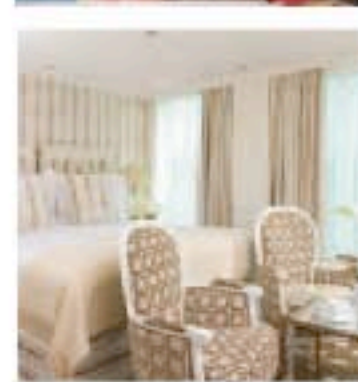
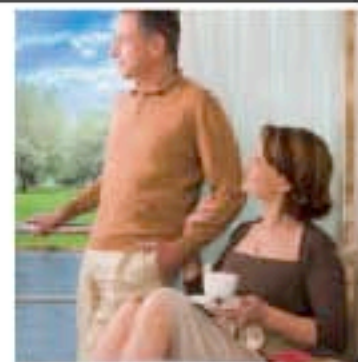
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HAITI

Continued from Page 18

Certainly of interest to RCCL's Weis is the plan's creation of a standard-based national training program for hotel, restaurant, tour operators and tour guide providers. Initial grant money has been obtained, and the

program has already begun on a modest scale, with a "train the trainers" program. The Northern Diocese of the Catholic Church has agreed to provide a (closed) Cap-Haitien hotel that had been deeded to it as a campus. A working relationship with a university to run the school is in the discussion stage.

The plan also calls for a "quality seal" program that would be established for hotels and restaurants, using a two-level rating (basic and upscale), beginning in mid-2010. The International Executive Service Corp. is looking for international contractors to develop the program, based on a similar scheme it created in Bulgaria.

Once established, it would be run by the Association Touristique d'Haiti, comprising hoteliers and tour operators.

A few of the proposals are focused in the north of the country, particularly around the Citadel and the coast west of Labadee. The plans will have a significant impact on Milot, the town closest to the Citadel and adjacent to the ruins of Palais Sans Souci. (Both the Citadel and Sans Souci were built in the early 19th century by Emperor Henri Christophe, Haiti's ruler after a slave uprising deposed the French. Sans Souci was styled in the fashion of a Renaissance palace.)

Currently, with the exception of a small, private cultural center, which is very much

The Northern Coalition for Tourism is working with the public and private sectors in the Dominican Republic to develop day trips and overnight excursions to Haiti.

a work in progress itself, there is nothing to help tourists understand the significance of the area sites. Donor organizations have agreed to build a visitor center, make modest infrastructure improvements and enclose access to the sites. Even though both are national historic parks, that designation does not provide much in the way of governmental protection or support. The International Executive Service Corp. has committed to conduct training for the sites; the parks division, the tourism ministry and the mayor of Milot have also agreed to participate, though the plan and implementation details are not completed.

Donor organizations have also agreed to help develop the beaches, coral reefs and islands for tourism along Cote Labadee and improve the road from the Bay of Acul to the Citadel and the village of Acul du Nord, home of the oldest church in the Western Hemisphere. The bay is the preferred access point for RCCL day excursions to both attractions, and donors have pledged to build a small dock there. The Northern Coalition for Tourism said it would work with RCCL to ensure that the excursions run smoothly.

Initially, the development along the pristine coast will focus on snorkeling and kayaking in secluded coves and on a small coral island. These will only be accessible by watercraft and are intended to provide additional options for RCCL day excursions.

But Haitian investors have already bought land along the coast, and there are plans to restore Habitation Labadie, a 40-room, upscale resort built in the late 1990s but shuttered seven years ago.

Additionally, the Coalition is working with the public and private sectors in the Dominican Republic who had recently approached Haitians to develop day-trip and overnight excursions for visitors staying in the Dominican Republic.

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The allure of Oloffson Hotel's voodoo vibe

Jacqueline Onassis, Mick Jagger, Josh Brolin, John Barrymore, Jimmy Buffett, Jonathan Demme and Graham Greene are on a long list of celebrities who, over the years, sought a room at the Oloffson Hotel in Port-au-Prince.

They stayed there not because it has the most luxurious quarters in Haiti's capital — room rates these days start at about \$68 — but because it was, and is, simply one of the most singular hotel experiences one can have in the Caribbean. Perhaps in the world.

To the cognoscenti, it is as much a pilgrimage site as it is a hotel. Bill Clinton dropped in on a recent trip to Haiti and said that he and Hillary had wanted to stay there in the 1970s but couldn't afford it. To novelist Greene it served as the inspiration for the fictional Hotel Trianon in his Duvalier-era book, "The Comedians." In its pages, he accurately described it as something the cartoonist Charles Addams might have drawn: The building was constructed as a private Gothic mansion in the 19th century.

The two people who are most responsible for its reputation are accidental hoteliers. The first was Roger Coster, a French photographer who, in the 1950s, attracted

enough artists, actors and writers to give the property a reputation as "the Greenwich Village of the tropics."

He held the lease on the property until the 1970s, when the excesses of the Duvaliers became too great a drawback for even the most adventurous guests.

The current proprietor, Richard Morse, has more the air of an impresario than a hotelier. An American-born musician whose mother is Haitian (he grew up in New Haven, Conn., where his father headed the Latin American studies department at Yale), Morse moved to Haiti in the mid-1980s and took a lease on the property with the idea that the hotel could serve as a venue for music.

It certainly functions well enough as a hotel, but it's the property's ambience and, especially, his band's Voodoo Rock night on Thursdays that today elevate the Oloffson to its special status.

The property's Gothic style is complemented by often-terrifying, always-surreal voodoo statuary tucked into niches, gardens, pathways and on the expansive front lawn. The room where Morse's band performs is in no proper sense a "good room": The sight lines are terrible and the acoustics are muddy. But those somehow

become secondary considerations when the house band, RAM (Morse and his wife Lunise are the lead singers), takes traditional voodoo and folk songs and pumps up the volume and the energy.

It's near magical, and it's difficult to put into words why it works so well. The audience is mostly local, with a sprinkling of expats; perhaps it's the combination of the people, the rhythm, the dancing and the way the back wall of the room suddenly shifts into the earth behind it, with a latticework of living tree roots forming the backdrop of a makeshift bar.

"People come here; they're getting a dose of Haitian history and Haitian air and Haitian culture," Morse said.

"I'm not suggesting Haiti doesn't have problems. You're not in Bermuda. You're not in Hawaii. But you can come here and have a very good time." — A.W.



Clockwise from top: The bar during a recent performance at the Oloffson Hotel gives expanded meaning to "roots music"; a voodoo sculpture along a path among the hotel's buildings; Richard Morse, who both runs the Oloffson and leads the house band, RAM.



The Oloffson Hotel was the "Greenwich Village of the tropics" in the '50s, '60s and '70s. Today it attracts celebrities like Bill Clinton, Josh Brolin and Jimmy Buffett with its voodoo vibe.

Haiti has traditionally resisted enabling day trips from the D.R. because it wants people to stay overnight in Haiti; it currently imposes a \$50-per-person fee on day-trippers crossing the border. However, Haitians have felt increasing pressure from European tour operators, who themselves are feeling pressure from clients who want something more out of their Dominican Republic packages.

Koehl noted that the Coalition plan was "very much a work in progress" but "differs significantly from top-down, government-mandated tourism development master plans."

"Being a public-private alliance that is managed primarily by the private sector, the process probably won't be pretty, and it won't move as quickly," he added. "On the other hand, the outcome is likely to be extremely interesting to the end-user visitor. Why? Because Haiti's development is so far behind other Caribbean destinations. Everyone in the Coalition is so anxious to learn the lessons [of implementing the plan] and ensure that the eventual product is uniquely Haitian. It will be different. It's not for [those] looking for a cookie-cutter Caribbean experience."

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