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Jake Kheel of Puntacana Resort on Being a Luxury Ecotourism Trailblazer

by Alex Pasternack, New York, NY on 06. 4.09

TH EXCLUSIVES (the th interview)



Punta Cana, the super-sized 30,000-room [resort town](#) that plays host to most visitors to the Dominican Republic, doesn't sound like much of a model for [sustainable tourism](#). But the area's first resort, [Puntacana Resort and Club](#), is beating a [greener path](#), with an ecological foundation and environmental research center that have undertaken a range of promising initiatives, from local schooling to coral conservation. In an awards ceremony in Brazil last week, Puntacana became the first Caribbean organization to [receive the Tourism for Tomorrow Award](#) from the World Travel and Tourism Council.

Jake Kheel, the head of the Ecological Foundation, spoke to me about the resort's commitment to sustainability, how a single company can spread [ecotourism](#) ideas among other hotels and governments, and Oscar de la Renta's fondness for bees.

TreeHugger: Ted Kheel, your grandfather and the founder of Puntacana, was a famous labor mediator before he turned his sights to environmental sustainability (even at 95, he's still lobbying for [limits on cars in Manhattan and free subway rides](#); he once tried to build a kind of [green Xanadu](#)

on the Upper East Side). Can you talk about how Puntacana began and Ted's vision of ecological stewardship?

Ted bought this property here with another group of investors in the '60's and '70's. They didn't have any vision for anything in terms of what to do with the land, the plan for development, much less an idea of environmental stewardship. What happened was they slowly developed this ethos over time for a number of different reasons; one being that they got to the land early enough that it wasn't heavily impacted when they arrived. They didn't want to destroy the place. They didn't have the means to destroy it even if they wanted to -- they wouldn't have been able to come in with fleets of bulldozers.

When [the Grupo] sold land to Club Med, that necessitated building the airport, and getting into the airport business. Soon, more businesses started coming, more hotels started setting up shop. Around 1991 or so, Ted got involved with the Earth Summit in Rio -- the first UN conference on the environment and development. He stumbled in on his own. The way he found this topic was interesting. His whole career, you know, was built on conflict resolution. He was a lawyer and a mediator. At Rio, he saw this conflict between the environment and development as something that was relevant to his particular set of skills. And he saw a way this could be done in sustainable development. So naturally it made sense to apply that into a place when you have a project that needs it.

His partner Frank Rainieri, the Dominican, was a little more inherently drawn towards social and community development -- how do you help poor people get a better life from less resources. Between the two of them, it was a strong fit. In their own ways, they were developing this property and they both came at this idea of sustainability in their own way, and over time it continually validated itself.

From a business perspective, it made strategic sense for distinguishing us from others. It made sense in terms of cost savings. And then they found better reasons to do it. Technology came along, better ways of saving money. I don't think they one day woke up and said, "the environment!" or that they originally came into this and said we're going to develop this important resort here and we'd better take care of the environment.

There's a lot of practices that we don't agree with, we sort of see as a first phase. We're trying to show examples of how you can do it, without really criticizing other people. We hope they can learn from what we're doing.

Do you see that the motivations for sustainable tourism development have changed?

From what I've seen, from what we've been doing here, there are four really good reasons to do sustainable development.

The first, the host country and the government and its regulatory bodies enforce it and require you to do it. In developing countries that's less common. In the Dominican Republic, that's really just starting to happen now. It's like a hammer over your head and you must comply.

Another reason, and the reason many companies decide to do it, is your image. More and more today, the public and consumers and possibly homeowners-- how you live somewhere without destroying the environment. That creates a better-looking company.

Related to that is the idea of efficiency. Changing light bulbs, installing automatic sensors to turn off lights, those are cost saving measures that make a lot of sense, especially in hotels. If you can bring costs down, that can mean a huge savings. There are more opportunities to adopt certain technologies and practices. And getting into better technology that puts your business ahead of the curve, that can make your company more competitive.

A lot of what we're doing is validating a lot of the reasons to do it. We're saying we're committed to this stuff, try to use it to advance our image, to save money, and take advantage of all the possible new technologies that we can. In terms of regulatory issues, we're trying to set an example to the Dominican Republic. Just recently a hotel in the area running at 90 percent occupancy was shut down because they weren't treating their water. They were dumping it into a nearby lagoon. This was publicized all over the country. It's bad for the whole region, and that's not what we want at all.

Does watching what those other hotels in the vicinity are doing make you cringe a bit?

There's a lot of practices that we don't agree with, that we sort of see as a first phase. We're trying to show examples of how you can do it, without really criticizing other people. We hope they can learn from what we're doing.

There is certainly a real lack of planning. That's the fault of government and the fault of private investors. It's lawlessness. But there are also really positive examples, like adopting local schools, trying to get different certifications from "green hotel" programs. There are vestiges of these things happening more and more. I think the more companies that recognize the importance of this, the more competitive we become.

As an environmentalist, you have to be a tragic optimist; committed to idea that people are going to come around on this stuff and things will get better. There are some pretty bad examples but some pretty hopeful things happening as well. The hotels are starting to take leadership positions; the government is getting stronger...

How so?

The president recently named his former vice president for his first term as secretary for the environment. They're not bringing in some secondary player, but a guy with real pull. And the president gave more resources to his division.

The environmental secretary has a whole other ability to get things done, and a strong background in the environment. He went around recruiting more business leaders to take care of these national parks. The president of our company was the first person to be named an administrator of one of the national parks. They're doing different activities, tightening up regulation of the laws. Two years ago it was impossible to imagine that a hotel could be shut down because they weren't treating their water correctly.

someone said that greenwashing is actually really good, but only if you get caught doing it. Because if you get caught, then you have to go the extra mile to prove you are green. These organic certifications and

clothes, home care products, efforts to unify those certifications -- I think that the companies that [go green] and are committed to it will stand out on their own. And it can't just be about image. Then you're only going to do the least amount possible and only do a superficial job of it. It has to also be about good business.

Your resort seems not just more interested in ecological practices than most, but also in preservation and conservation. Can you talk about those projects?

We're not a national park, we're a development company. But you have to have a balance with what I call green areas. We're pretty careful about having fully protected areas that we don't develop on, and also have guidelines for how we do develop.

You can't put a wall around your whole property. But one of the big things we've done is reserve 1,500 acres just for the ecological preserve. We're trying to maintain those areas for conservation of species -- birds, lizards, iguanas, the local species. And you want to provide for recreation also. We have an ecological reserve where you can go for hikes, and really check out the biodiversity.

And then we do scientific research, studying biology of different species, bioinformatics, and so on. And then we do some actual species conservation. We've been working with endangered coral species like Elkhorn and Staghorn coral, which are on the IUCN list. We are taking those species that have fallen off the reef or been damaged by storms and collect pieces of these species and put them on these corals. We put the corals on racks and let them grow out, and then we replant them on the reef. There's also an iguana restoration project. The last one we're doing right now is working on an endangered bird species. We're working with the ornithological society here to protect these highly endangered hawks, of which there are 200 individuals left found in one national park here. It's called the [Ridgeway's Hawk](#). We do selective reintroductions. But this must be done principally on private properties. In national parks and any public space, they are really threatened because people will shoot them.

So we do real hands-on species protection, restoration projects, but we also have guiding principles that keep green spaces and limit our development.

When it comes to conservation, how large a part do moral or ethical concerns play for Puntacana's board? Through our foundation; defensible foundation work; we always try to bring in the thread of tourism into this. We ask ourselves, how do we get people involved? The project with the birds, for example -- we've applied for funding and we got some from the USDA -- is to create this academy for bird tourism that teaches local kids about birds, gives them some kind of living besides working in a hotel kitchen. And there's a huge market for tourists to come in to countries to see certain species. And that creates local jobs. And in the process we look good. We get to bring tourists out to do something that's totally unique. And eventually it could be the kind of thing that becomes a guiding business. For a company like us, it's a very low investment, with a really good plus for our image. And we're taking care of very charismatic animals, getting people to adopt the birds. With a little effort we can have a huge impact.

The resort places a focus on luxury. But isn't there a tension between luxury and sustainability?

In what we're trying to do here, that is not the case. When you mention eco-tourism, people tend to have an association of that with living in a treehouse, using a compost toilet. Our idea is you can have both an

amazing spa treatment, golfing, horseback riding, and go to the coral reef. We see that ecological sustainability is good for the local community. Excess doesn't have to destroy the environment.

There are concrete things that you can do that destroy your business but don't destroy the environment. We've found that high-end experiences can be even better for the environment than other types.

How does your clientele tend to respond to your efforts?

For the homeowners and tourists here, this adds a level of value for them, and creates an interest for them in this place that's hard for anyone else to duplicate, either in the Dominican Republic or in other countries. You're in a place that's pretty well protected, so that distinguishes us in a way. Most guests are very enthusiastic and very positive. Over the past four years here there's been a sea change when it comes to working on the environment. There's more enthusiasm for green products and green activities. The reaction is always really positive. But a lot of people come here and don't even see all the stuff we're doing. One of our challenges is to get much better at promoting ourselves.

What role should a resort -- and what role does Puntacana -- play in dictating environmental awareness to guests?

I find that when it comes to interest in the environment, people approach it in different ways and do different things. For instance, we produce organic vegetables. Some people are into buying locally produced organic vegetables and that's their way of interacting. There are some people who love the stuff we're doing on the reef. Some love hearing about the recycling program, or other homeowners love hearing about our community work in clinics and schools. There's a grab bag of what people will take to. I've rarely met people who have said, "I'm just not interested in any of that."

As an environmentalist, you have to be a tragic optimist; committed to idea that people are going to come around on this stuff and things will get better. There are some pretty bad examples but some pretty hopeful things happening as well.

What about your more prestigious residents and co-owners?

For example, Mikhail Baryshnikov swims laps in the oceans by the reef for exercise. So he's very interested in the reef. He did an art exhibit down here and donated the proceeds to our reef restoration program.

At the highest levels, like Oscar de la Renta and Julio Iglesias, these are sophisticated types of people who are into different things and see the value of this. They might not come and give a huge donation, but they're there at board meetings to support this stuff.

And Oscar was one of the early people who got us started in beekeeping. He had bees that infiltrated his bathroom in his house. When we set up the apiary here, he set up a bee colony at his house so he could show his guests.

What programs haven't been so successful at Puntacana?

As management, you identify what the biggest problem is and try to solve that big problem. But that doesn't gel with what people are willing to do, what they get most excited about. We did a program with students from the University of Miami, who came down to do a mapping of the coast and figure out where the fish species were and what were the impacts were from land based development and fishing, and map all of that to make management decisions. It was a pretty sophisticated way to do marine management.

We wanted to keep extending the project up the coast and get other hotels on board. What we found out was that people were enthusiastic about it but weren't willing to invest. But when we started looking at garbage, it isn't related to marine life, but it bothers everybody. We didn't realize that within our company and in the community and in the other hotels that there would be more enthusiasm for garbage than there was for coral reefs.

But you take what you can get. The lesson being that you can't do environmental management in a closed space, you have to include people, you have to do things based on what people are interested in doing.

Can you talk about this sanitation project?

As far as I know, there were no sanitary landfills on the island. The specialized liner, the method for capturing methane gas, which required doesn't exist in the Dominican Republic as far as I know. Instead, they use old abandoned mines. Someone charges you to take your garbage there. In the worst-case scenario, it gets dumped in a field or a dumping site.

Not only is the end result not good environmentally and on a health level, but the costs of doing that were high. There was a monopoly. The waste company could say that costs were going up 10 percent. And finally, the quality of the service wasn't very good.

So we wanted to find another way to manage our garbage that was better, more cost effective, that doesn't contribute to environmental degradation. We did a study into how we move our garbage, what we're producing, what kind of garbage we produced -- glass metals, plastic, cardboard whatever -- looked at garbage from the airport, airplanes, how it changes depending on where the airplane comes from.

How do we avoid sending garbage to the dump? It started with the airport, which produces a huge amount of garbage. Federal regulation requires you to burn waste coming off an international airplane. But in each country there's a different division of the government that oversees this quarantine. And they will recognize that some of those things don't burn well at all, and give you permission to do something different.

We got an agreement from the government and set up a recycling center, and bought a state of the art incinerator so that whatever we can't separate and sell, we incinerate. That allows us to recycle between 45 to 50 percent of the airport's waste.

Then we built the recycling center to take waste from our property too. We're also taking trash from other hotels, restaurants and homes.

The other thing we've started doing is once you're taking out the recyclables you've got a lot of organic

waste. We're still trying to figure that out. For now, we give it to the pig farms in the area. Some of it is still going to the landfill, but we're also doing projects with worm composting, vermiculture, to create high value organic waste compost.

We're also working on a feasibility study for a bio-digester, which is a hermetically sealed container that processes organic waste and turns it into a different gas, mostly methane, and you can also get different composts out of that too. You can use the methane for cooking fuel, or for a small-scale generator.

Are these projects rubbing off on other hotels?

What we've done is we've made other companies enthusiastic about it. We've tried to promote this to everyone -- not just tourism but everybody can figure out a way to handle their garbage better.

Travel and tourism is different from other industries. You're not manufacturing some widget and sending it to some far away place. The place is the product. The way you bring people and educate them, that's an essential part of tourism. Sustainability is inherent to tourism. Whether the tourism industry recognizes that or not, that's another story

How common is greenwashing in the tourism industry these days, as opposed to a few years ago?

It's getting harder to get away with it with information technology, the internet and certification systems. I went to a conference, and someone said that greenwashing is actually really good, but only if you get caught doing it. Because if you get caught, then you have to go the extra mile to prove you are green. There are various certifications, but I think that the companies that are really committed to sustainability and are committed to it will stand out on their own. And it can't just be about image. Then you're only going to do the least amount possible and only do a superficial job of it. It has to also be about good business.

Take Wal Mart. For a long time, people said, how can they possibly be green, they're greenwashing. But merely by saying, "we're going to sell x million compact florescent light bulbs," and stocking them and putting them in the high value area of their stores, they far exceeded their targets. They said no longer are incandescent light bulbs going to be a viable way to do business.

People can critique Wal Mart in all different ways but they made a huge impact on the market. Their impact in terms of energy and carbon savings was not just a symbolic gesture. They said, "we're going to drive inefficient light bulbs out of business." That also has a huge impact in terms of operations. They're basically saying, "we're not only going to make our business more efficient, but make the whole industry more efficient."

On the other hand, you have projects like the one Ford did with [Bill McDonough] to create a green production plant. But that green production plant still turned out very gas guzzling, anti-environment cars. It didn't effect operations, or the way the market works. Their defense of course is that nobody wanted to buy a small car. That's kind of the difference. Wal Mart said we're going to do it in operations so that it's not just a symbolic thing. It's deep.

When you mention eco tourism, people tend to have an association of that with living in a treehouse, using a composting toilet. Our idea is you can have both an amazing spa treatment, golfing, horseback riding, and go to the coral reef. We see that ecological sustainability is good for the local community. Excess doesn't have to destroy the environment.

Does there need to be a deep change in the way that the tourism business thinks about green too?

Eight years ago we decided we'd become less of a mass scale tourism company and more of a real estate company. The types of people who come here, we decided, would be different, and the things they wanted would be different. We would create a low-density area with good privacy. People would come to a place in which they would be investing in building a home, buying a property. That would have less impact on the land. We would build less for higher value. That has had a positive environmental impact for us in terms of the amount of food we had to bring in, the garbage we created.

In mass-tourism all-inclusive resorts, you have massive amounts of people coming, needing lots of food, lots of energy. That's hard to do we decided.

Tourism has to move in a way so that people can still enjoy traveling, but their impact has to be less. Tourism has to be more local. The way you get there is important, and the impact you have on the place is important. Travel and tourism is different from other industries. You're not manufacturing some widget and sending it to some far away place. The place is the product. The way you bring people and educate them, that's an essential part of tourism. Sustainability is inherent to tourism. Whether the tourism industry recognizes that or not, that's another story.

Imagine you're the emperor of the Punta Cana area -- or of the whole Dominican Republic. What would you do?

What's lacking now is a really good, socially-inclusive planning process. It's the classic tragedy of the commons. There's this attitude of, "There's really nice land in Punta Cana, let's buy it, build my hotel out as it suits me." There's no relationship to what already exists. The roads are chaotic. The water systems are individualized at each hotel. Everybody is designing water systems to their own needs. Garbage doesn't get thought about in an integrated way. The way you use energy isn't systematically considered.

We're working on what's called a *plan de ordenamiento*, a master planning process that will govern not only where to build but how to build, where to move people, how to transport people. That exercise could have major environmental consequences. That whole thing makes the region much more sustainable over time, more competitive, more attractive to get people to come here. That we've done a good job of that for our property influences the hotel association and encourages the government to do it too. We're trying to send the message that when you have a jewel of a place like this, you have to be careful you don't destroy it.

Disclosure: I recently participated in a New York Times Institute conference hosted by the foundation, in partnership with Columbia University.