

SBH MEMBER
CALENDAR
PHONE 396-1724 • FAX: 396-1726

Wednesday, April 10
SBH Board of Directors Meeting

Geal Talbert Residence
Honolulu, HI • 10am – 12pm

Monday, April 15
Federal Tax Filing Deadline

Tuesday, April 23
SBH Healthcare Forum
“Obamacare Impact on Business”
Outback Steakhouse
Hawaii Kai • 11am – 1pm

Thursday, April 25
SBH Sunrise Networking Breakfast
Reg Baker – HMAA / SBH
“Obamacare: What You Should Know”
Pineapple Room
Macy's Ala Moana • 7 – 8:30 am

Friday, September 20
**6th Annual SBH Foundation
Business Awards**
Wai'alae Country Club • 5 – 8 pm

Smart Business Hawaii
<http://www.smartbusinesshawaii.com>

SBH Foundation
<http://www.sbhfoundation.org>

Education Transparency Portal
<http://www.educate808.com>

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<http://www.hawaiireporter.com>

SmartBusiness
HAWAII

Health Update Explains Obamacare Costs

Smart Business Hawaii (SBH) and the **Hawaii Medical Assurance Association (HMAA)** is pleased to present an important Health Update: “How Will Obamacare (ACA) Impact Your Business?”



ObamaCare

Courtesy John Pritchett @ pritchettcartoons.com

The Forum will be held **Tuesday, April 23**, from 11 am to 1 pm in the Outback Steakhouse, Hawaii Kai. Lunch is provided. Parking is free. Seating is limited and advance reservations are required.

Join us as HMAA presents a Healthcare Update for Smart Business Hawaii and it's members. **Paul Kaiser** (COO of HMAA's TPA) will provide an update of the ACA, Hawaii Connector and what the potential impact to Hawaii's prepaid act. Dr. **John Aoki** (Chief Medical Officer of HMAA's TPA) will give his famous Wellness Presentation. The panel will be moderated by **Reg Baker** of HMAA. There will be a Q&A Session after the presentation.

Call Darlyn at SBH (396-1724) for reservations and information. See **PDF form attached at this link** at smartbusinesshawaii.com or register online. Reserve early. This special event is bound to fill up fast.

SBH Sunrise to Focus on Obamacare

The monthly SBH Sunrise Networking Breakfast Forum continues **Thursday, April 25**, in the Pineapple Room, Macy's Ala Moana (3rd Floor), from 7 – 8:30 am.

Reg Baker will be our special speaker April 25. Baker, Executive VP of Hawaii Medical Assurance Association (HMAA), a CPA, and SBH Board Member, will discuss and summarize the findings of the April 23 SBH/HMAA Healthcare Forum: “How Will Obamacare (ACA) Impact Your Business?” You will want to know what's coming.

In addition to networking, introductions and special announcements, the Sunrise features a full buffet breakfast, program and free parking.

March's speaker was **John Carpenter**, Island Slipper Company. He described the impact the proposed higher Hawaii minimum wage would have on local businesses.

The SBH forums are open to the public. Advance paid reservations are required.

The complete cost for SBH members and their guests remains \$25 per person. For non-members and those paying at the door—seats are limited—the cost is \$35.

Call Darlyn at SBH, 396-1724 to details, send in the reservation form on page 7 or go online at smartbusinesshawaii.com.



Reg Baker



Smart Business Views

By Sam Slom, President – Smart Business Hawaii

Are you enjoying the new (since February, 2013) all electronic color *Small Business News*, PDF edition? Back issues of the printed *SB News* are archived on the SBH website. Your news is always welcome.

Tax Time: April 15 is the deadline for your federal taxes, and April 20 for Hawaii state taxes. April is a beautiful month—except for that.

Legislature Heading Home: The 27th legislature is due to adjourn on May 2. A \$23 billion state biennium budget is expected to pass (see the Senate Minority alternative budget on line at senateminority.wordpress.com). So are major fee increases and maybe some taxes too.

Teach Me: The contract settlement reached between the Governor and HSTA teachers union, is a win-win for the union and a lose-lose for taxpayers. The 4-year pact calls for \$100 million in new raises for the union through 2017 (four years), plus a 60% — 40% medical premium split, plus, \$1,500 bonuses for the highest paid teachers, plus a 5% retroactive pay boost because of the 5% previously cut for all (except UPW) workers. But wait, there's more: next comes demands from the HGEA and UPW unions. The Legislature spends most of its time—and your money—paying off the unions who return the favor with votes and campaign workers. And since the Salary Commission just granted lawmakers (and the Executive and the Judiciary) plump raises of their own, who will complain? Ugly system.

White Smoke, Green Smoke: The world has a new Pope after the release of white smoke in Rome. In Honolulu, there is a release of green smoke from the Capitol, as taxpayers' dollars are burned up at record rates by the State Legislature

Akina Heads Grassroot: In a surprise move, President & co-founder of the Grassroot Institute of Hawaii **Dick Rowland**, stepped down in March and named his successor, **Ke'ali Akina**, PhD. The GRIH 6-member board had previously split 3-3 on Rowland's decision, and three members resigned after the announcement. GRIH is Hawaii's first and oldest free market think tank and member of the State Policy Network.

Obamacare Updates: How much do you really know about the upcoming (1/1/2014) full implementation of Obamacare (the so-

called Affordable Care Act)? Bet you know very little because that's what the President and Congress want you to know. This law will impact you and your business and that is why SBH is giving you two chances this month to learn more about it. Our Health Care Forum with HMAA on **Tuesday, April 23** (Outback, Hawaii Kai, 11 am – 1 pm) and **SBH Sunrise, Thursday, April 25** (Pineapple Room, 7–8:30 am) are must attend functions. Please reserve early and bring an employee or associate.

Tyler is Tops! Our own SBH Director, **Tyler Roukema**, owner of the popular Hawaii Kai Outback Steakhouse, was named "Proprietor of the Year," by Outback meeting in national convention at the Gaylord Hotel outside D.C. attended by 3,000.

Sweet Honor: Big Island Candies President and Chief Executive Officer **Allan Ikawa** received a Certificate of Recognition from the Hawaii State Senate for recently being awarded the Entrepreneurial Success Award for the State of Hawaii.

Attend Book Sale: Don't forget to attend The **Friends of the Aina Haina Public Library** April 25 – 28. I'll be there!

Dennis Muth "Outstanding:" Prudential Locations recognized the 2012 Outstanding Achievements of **Dennis Muth**, President's Circle Award 2012. Muth is in the Top 3% of Prudential Agents Nationwide. He won the Client Service Award 2012 and is recognized for demonstrating superior customer service. Muth was also the Aloha 'Aina Nominee 2012 and nominated for the Honolulu Board of Realtors' People's Choice Award.

Ka'ahue Named: WCIT Architecture announced **Mālia Ka'aihue**, Ph.D., as its new Director of Community Planning.

Walmart Downtown? It has been widely reported that **Walmart** will take over the former downtown Macy's site. **Sears Ala Moana** selling all merchandise for its June 2 closing after more than 50 years there.

No to Strip Mall: Rep. **Gene Ward's** Town Hall Meeting at Kamiloiki School last month drew 400 citizens who rejected Kamehameha Schools' proposed development of a strip mall, "Ku'apa Village," on the "Great Lawn" across from Maunaloa Bay in Hawai'i Kai. Foodland would be the anchor. KSBE promised "restaurants, hiking trails, entertainment and water activity" on the site but residents weren't biting. KSBE will continue to persuade government officials to change the preservation zoning to commercial.

PIRG Criticizes Hawaii's Fiscal Transparency

Hawaii received an "F" when it comes to government spending transparency, according to "Following the Money 2013: How the States Rank on Providing Online Access to Government Spending Data," the fourth annual report of its kind by the **U.S. PIRG Education Fund**.

Officials from Hawaii and 47 other states provided the researchers with feedback on their initial evaluation of state transparency websites. The leading states with the most comprehensive transparency websites are Texas, Massachusetts, Florida, Illinois, Kentucky, Michigan, and Oklahoma.

As a result of continually rising transparency standards, Hawaii's "C" grade from last year dropped to an "F" this year. In order for states to keep up with rising standards and maintain high scores, they must view the pursuit of greater transparency as an ongoing process. This year's higher standards call for searchable checkbook-level information for contracts, grants, economic development tax credits, and other expenditures. Hawaii currently only meets these standards for grants and contracts.

The states with the most transparent spending stand out partly because they are comprehensive about the kinds of spending they include, such as data on economic development subsidies, expenditures granted through the tax code, and quasi-public agencies. At least six states have launched brand new transparency websites since last year's report. The best state transparency tools are highly searchable — allowing all the information to be put to good use.

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Small Business Hawaii (SBH), was founded in 1975, by Lex Brodie. SBH is a private, independent, non-profit [501 (c) (6)] statewide association of nearly 2,000 business members.

University of Hawaii President MRC Greenwood, A Frequent Flier

By Malia Zimmerman,
HawaiiReporter.com

MRC Greenwood has traveled for nearly one year out of her four-year tenure as University of Hawaii President, according to records obtained from the University administration.

Between June 2009 and February 2013, Greenwood was out of state for 238 days and traveling between islands for 68 days. She also took 42 days of vacation.

"It is vital to the university's national and international reputation for the president, in many ways the face of the University, to be active external to the campus," said University spokeswoman **Lynne Waters**. "The benefits of this investment of time and energy may not be measurable in the short run, but they certainly will in the long run."

The **University of Hawaii Foundation** covered the vast majority of the travel costs, more than \$133,000. Other organizations and associations of which Greenwood is a member paid between \$500 and \$7,000 for her to travel to conferences and events in the mainland. The University itself sponsored just over \$6,200 for travel related costs, mainly for Greenwood to visit neighbor island campuses or attend regent meetings.

State Rep. **K. Mark Takai**, a University of Hawaii graduate and former editor of the student newspaper **Ka Leo**, said Greenwood's extensive travel is "clearly a concern."

"We had this issue when UH President **Evan Dobbelle** was around," Takai said referring to the former controversial University president who was asked to resign in 2004 because of what some regents believed were abuse of travel privileges and elaborate spending habits.

"The regents are the boss of the president and they have the oversight of the president. The University regents need to reign her in," Takai said about Greenwood.

"When President Dobbelle was here, there were concerns about excessive travel, and the regents required him to report on every trip."

"It seems to me that there is a lack of oversight of the president and her travels. Unless someone like you (*Hawaii Reporter*) asks the questions, there is no one providing any oversight."

Some of the travel was not directly related to University business, University records show. For example, because she was a **Monterey Bay Aquarium** board member, Greenwood traveled regularly to California to meet board obligations and the organization



University of Hawaii President MRC Greenwood has been a no-show at several Legislative hearings that effect the school this year. Where has she gone? She's been out of state 200+ days.

covered her expenses. Her staff said her participation with the premier aquarium on the West Coast was important to the university's physical sciences programs. She also attended the President's inauguration and while she was there, met with Hawaii's congressional delegation and made another presentation about the University.

"President MRC Greenwood is a nationally recognized and respected research scientist and higher education policy advisor. Her travel is an important aspect of her job as president of the University of Hawaii," Waters said.

"Her responsibilities include maintaining the university's reputation in Washington, D.C., and in national and international organizations and professional associations such as the **National Academies**, including the **Institute of Medicine**, the **Association of Public Land Grant Universities**, and others."

Lawmakers Critical of President's Spending, Management

Some lawmakers have been critical that Greenwood is not paying close enough attention to University operations and that she and her appointed administrators are spending too much money, and not held accountable by the **Board of Regents**.

After the University lost \$200,000 to con artists claiming they could bring **Stevie Wonder** to the University's Manoa campus for a fundraising concert in the so called "Wonder Blunder," and the **FBI** had to get involved, lawmakers drilled down on the financial and

management operations of Greenwood and her team.

Senate President **Donna Mercado Kim** chaired three hearings in her special investigative committee to examine management and fiscal practices at the University, and in the process, Senators criticized Greenwood for spending more than \$1.2 million on outside lawyers and public relations personnel. They also wanted to know why tuition costs have escalated by 141 percent over the last decade, making tuition unaffordable for some local students.

When Greenwood was first appointed, a former regent who wanted to remain unnamed said the Board of Regents president kept close tabs on the president's travel, and she reported directly to him any time she left Hawaii. But the current board is considerably less strict, the former regent said.

Takai said he hopes the regents, based on their commitment to public and the legislature, re-establishes a policy that has Greenwood approve her travels, "otherwise there is no oversight."

Ted Hong, who served as a regent from 2003 to 2004, said he is concerned that the University of Hawaii Foundation, to which people donate to in the hopes of bettering the University, is being used as a "travel slush fund" for various presidents.

"That is not why local people donate to our University. Former President Dobbelle was rightfully criticized for his out of State travel and

Continued on page 4.

U.H. President Traveling Time Questioned Continued from Page 3.

the question is whether the same standard is being applied to President Greenwood. You can't phone in or Skype leadership," Hong said.

Despite Greenwood being criticized by some, she has her avid defenders.

Former Regent **Kitty Lagareta** said she believes Greenwood is an effective president who should be expected to travel extensively outside of Hawaii to fundraise, lobby and network rather than sit behind her desk. Lagareta, who helped get Dobelle removed from power, said she doesn't believe Greenwood and Dobelle are anything alike, and that Greenwood is doing what she needs to do to keep the University thriving.

A Washington DC-based higher education watchdog group didn't take a position on Greenwood's travel, but said in general, a president's travel could be beneficial to a University, particularly if that president brings money to the school.

Rita Kirshstein, Director of the **Delta Cost Project**, which is a part of the American Institutes for Research, said "I am not in a position to comment on whether the amount of travel by the University of Hawaii president is excessive, but I do know that college presidents are expected to travel in order to raise money and improve the recognition of their schools."

The University provided *Hawaii Reporter* with additional information on Greenwood's fundraising record. The University of Hawaii Foundation, which funds the vast majority of Greenwood's expenses, has reported bringing in between \$41 million and \$66 million annually since Greenwood took charge. Fiscal year totals include:

2012 - \$66,855,810;
2011- \$46,703,382;
2010 - \$41,155,988 and
2009 - \$46,551,275

"President Greenwood would not presume to take responsibility or claim credit for increased revenue or donations realized by the University of Hawaii Foundation and its staff over the last few years. She does, however, endeavor to maximize her time away from the university on university business by frequently combining university business with development work on behalf of the UH Foundation," Waters said.

The University also brought in extramural grants to support research activities, pay salaries and patronize local vendors for goods and services, Waters said.

FY 12 436 M\$;
FY 11 489 M\$;
FY 10 452 M\$;
FY 09 414 M\$;
FY 08 368 M\$;
FY 07 354 M\$

"President Greenwood arrived in 2009. She will be the first to say she cannot take personal credit for the university's advancements in these areas; but her extensive relationships have allowed her access to many more potential friends and benefactors for the University," Waters said. "This is money that otherwise would not enter the Hawaii economy."

Waters said there are other measures to show Greenwood's effectiveness, including record high enrollment figures that have exceeded 60,000 students.

"University of Hawaii is awarding more degrees, better-serving under served groups, and helping more students get their degrees paid for by other funding sources," Waters said.

"Also, during a deep recession, the University of Hawaii was able to build and open the only **National Cancer Institute** designated Cancer Center in the Pacific after years of inactivity; build and open the new West Oahu campus after decades of languishing; and prepare to break ground on the Palamanui extension of Hawaii Community College to serve the west side of the island of Hawaii.

This took determination, persistence, and creativity on the part of university leadership to execute."

Takai said the rationale the University gives for Greenwood's travel is she brings in money and fundraising, but that is not the only consideration. "That (the fundraising) is great, however what is missing is the considerable amount of support the university gets from state and taxpayers," Takai said.

Greenwood should start to pay some attention to the legislature's recommendations for the University and spend time at the capitol meeting with lawmakers, rather than traveling out of state so often and not appearing at hearings, Takai said.

"To my knowledge, she (Greenwood) has not spent too much time at the capitol visiting with legislators," Takai said.

The some times rocky relationship with Senators who are critical of her management does not excuse her from meeting with House members and freshman legislators, Takai said.

"I asked some of the freshman legislators and they said she has never stopped by," Takai said.

"As a legislator, what I see is the attention she gives others outside the state – and hope she could balance that out by spending time here."

This story originally appeared in *HawaiiReporter.com*. <http://www.hawaiireporter.com/?p=312084>

Kaiser's Renovated Tower at Moanalua Medical Center

Kaiser Permanente Hawaii unveiled the six-story Mauka Tower at its Moanalua Medical Center after an extensive renovation, which increased the number of patient rooms while creating a healing environment and making the hospital more conducive to accommodating families and visitors. The \$140 million Mauka Tower renovation completes a multi-phase expansion project at Moanalua Medical Center; the first phase was completed in April 2008 with the addition of a new six-story wing.

The Mauka Tower project encompasses approximately 160,000 square feet, which added 42 additional patient beds, including 18 new private rooms in the Neonatal Intensive Care Unit that are built to accommodate large families, all new state-of-the-art diagnostic imaging equipment, and multiple safety equipment additions and upgrades. A key design feature is private patient rooms and special family spaces that allow loved ones to remain close by, contributing to patients' recovery and overall health. The renovation carries over design elements used in the first phase of the overall renovation of Moanalua Medical Center, which are conducive to a patient's recovery, including warmer furnishings and artwork, soft colors, and use of natural light wherever possible. The project also uses green technology to lessen environmental impacts through recycling and sustainable architecture and landscaping.

Architect on the renovation project was Lionakis, with Swinerton Builders as the contractor.

Kaiser Permanente is the highest ranked health plan in the state, among the top 20 nationally* and the only 5-star Medicare plan in Hawaii. It continues to be a model for innovative health care by leveraging new technology and best practices, and continually working to provide better service and access.

How Much Is Too Much Government Spending?

By **Lowell Kalapa**, Tax Foundation of Hawaii



Much of the woes portrayed as far as sequestration goes go back to the question of just how much is too much when it comes to spending on government programs.

If you had the opportunity to sit in legislative hearings at the state capitol or listen to broadcasts of debates on the Congressional floors of the House and the Senate in Washington, D.C. over the past 40 years, more often than not one would hear officials whine that they are short-staffed. They would say if they only had a

little more money they could solve the problem, or this is an emerging issue that must be addressed with more resources also known as more money. Each year administrators or program managers supplicate themselves before policymakers, both at the federal as well as the state and county levels, to beg that their budgets be increased.

The problem has been that both elected officials, as well as administrators, have come to believe that they must meet every request made of them by a growing vocal public. Discover a problem or issue and go ask for more money to expand the reach of the programs in your department. As a result, it becomes a knee-jerk reaction in the public sector rather than a carefully thought out strategy on how to address an issue without the necessity of establishing yet another new program or hiring more employees. But over the past forty-plus years, it has been just that, new issue or new complaint, let's create a new office or program to address that issue and let's ask for money to fund it.

Instead of establishing yet another office of this or that or a program, policymakers should first ask, "Is this something the private sector could do better or more efficiently than government?" If it is something that the private sector cannot undertake on its own, the question should be, "Is this something that the public sector can partner with the private sector that could effectively address this issue or need?" Ah, but it is so easy to say that government will do it, for this generation of taxpayers has been ingrained with the idea that government can do it all and that they pay taxes anyway, so government should be the entity that should address these problems and issues which come before policymakers.

However, when it comes to the issue of raising taxes or adding new fees and user charges, these very taxpayers cannot put two and two together and realize that they are the cause of the problem as the demands they make of their elected officials and government administrators result in a call for more funding. Whether or not more funding is actually needed, officials cite the public demand as reason enough to ask for more or higher appropriations. Like the cartoon character "Pogo" observed: "We have met the enemy and the enemy is us!"

The problem is that people are not willing to pay more or higher taxes, at the least the vast majority would like to believe that they are already overburdened and that somebody else should pay for all of these services, but certainly not the great "middle class" nor can the poor be asked to pay. So, naturally, taxpayers and elected officials turn their sights to the "rich" who surely have the means to pay more taxes.

It is not so much that the "rich" need defending as they already pay the lion's share of income taxes both at the federal and the state level, as much as elected officials have pandered to the much larger portion of their voting constituent base of the great "middle class" by adopting all sorts of tax relief measures or reduction of tax rates. The real problem is that when one is absolved of paying for anything, they naturally "want more from wherever that came from." In other words, if one doesn't have to pay for something, then surely the people who gave out those free favors can afford to give even more.

However, as the old saying goes, "There is no such thing as a free lunch," eventually someone has to pay. At the federal level, the price of that free lunch has been to "kick the can down the road" by running up a national debt of nearly \$17 trillion most of which is held by foreign countries. Here in Hawaii, state policymakers just can't borrow the money to pay for operating costs nor, like the federal government, do they have the ability to just print more money. Thus, in the last few years lawmakers have turned up the heat on the tax and fee burner although they have tried to mask major increases in the two most obvious tax sources, the personal income tax and the general excise tax.

It is well past time that local lawmakers control that knee-jerk reaction to just raise more money to address issues and problems that could be better addressed in ways that don't require more and new taxes.

Report Shows Importance of Social Security For Business

A new report by the Main Street Alliance and Social Security Works, Business is (Baby) Booming, analyzes the important role Social Security and Medicare play in Hawaii's economy, both strengthening the retirement security of small business owners themselves, and fueling consumer demand on Main Street.

Analyzing the U.S. Census Bureau's first-ever public use micro-data sample from a nationwide survey of business owners, the report found that over one-third (41%) of Hawaii's small business owners are over age 55, at or approaching retirement age.

Small business owners are significantly less likely to hold retirement assets than private sector wage and salary workers, and the recession has weakened retirement security for many small businesses, including more than half of business owners for whom a majority of their nest egg is tied to their business.

"Workers and their employers alike want people to have the ability to retire with dignity and independence after a lifetime of work," said Nancy Altman, founding co-director of Social Security Works. "The Main Street Alliance recognizes, as all Americans should, that our Social Security system is the most efficient, fair and secure method or providing retirement security for workers and their families. Social Security works, not just for beneficiaries and their families, but for all employers, as well."

Instead of cutting Social Security and Medicare, small business owners say Congress should close tax loopholes and crack down on offshore tax abuse that allows the wealthy and corporations to avoid more than \$100 billion in U.S. taxes per year by sheltering their income in offshore tax havens.

The Main Street Alliance is a national network of state-based small business coalitions. www.mainstreetalliance.org

OSHA and HIOSH Joint Jurisdiction – What Does This Mean To Me?

By **Walter Chun**
PhD, CSP, CHSP, CHST

Last October 2012 the U.S. Dept of Labor, Occupational Safety and Health Administration (OSHA) assumed jurisdiction for occupational safety and health inspections at some of the worksites in Hawaii. One of the reasons for the change in jurisdiction between the Department of Labor and Industrial Relations, Hawaii Occupational Safety and Health (HIOSH) Division was the need to allow time for HIOSH to comply with the State Plan manning and training requirements. The previous HIOSH performance evaluations by OSHA showed significant deficiencies. A lot of these deficiencies were caused by the past economic shortfalls leading to many vacancies resulting in the inability to conduct inspections. A copy of this agreement can be viewed at: <http://labor.hawaii.gov/hiosh/>.

This joint jurisdiction means that HIOSH will continue to inspect, cite and assess penalties using the Hawaii Administrative Rules and Hawaii penalty structure for the construction, warehousing and transportation

industries. The Federal OSHA Compliance Officers will conduct inspections of workplaces for everything else, e.g., general industry, healthcare and others. The Federal OSHA Compliance Officers will inspect, cite and assess penalties using the Federal OSHA standards and the Federal penalty structure. The OSHA penalties are significantly higher and the penalties are paid to the Department of U.S. Treasury.

This means if you are a building owner, or work in the tourism and lodging industry, or retail industry or any industry other than construction, warehousing or transportation you can expect to be visited by the Federal OSHA Compliance Officers. Recent inspections have resulted in violations because of blocked fire or egress exits; missing Material Safety Data Sheets (MSDS); improper use of extension cords; failure to use personal protective equipment; missing employee emergency action plans; etc. The penalties have been in the range of \$1500.00 to \$3500.00. This should mean that you must pull out your company safety and health manual and ensure that you are in compliance with the applicable safety and

health regulations.

Safety Inspections: The Hawaii Administrative Rules was recently changed to require daily inspections for construction related activities. The General Contractor or if there is not one, the owner must ensure a person or entity who can recognize hazards of the work and authorized to initiate corrective actions, be designated to conduct daily safety inspections. These inspections must be documented with required information and be maintained on site. This rule applies to anyone performing construction related activities like construction work, painting, decorating, repairs, etc. As long as one person is performing this kind of work the daily inspections must be conducted.

For example; if you are a homeowner and subcontractors are installing Photovoltaic or solar systems on your roof then these inspections apply to you.

The OSHA and HIOSH inspections are only the tip of the iceberg. If you are inspected and cited by OSHA you can be inspected again and if you have a similar or the same type of violation your citation will be classified as a "repeat" violation. The penalty is doubled or can be increased by a factor of 5 or 10 at the discretion of the Area Director. Your inspection history will be important because of the continued inspections that will occur by both OSHA and HIOSH.

Who can help you? There are many resources available to assist with your safety and health program. The following is a short list of resources:

- Check the OSHA website for information regarding the standards, procedures for inspections and you can check on your inspection history. www.osha.gov.
- Check the HIOSH website for information regarding the Hawaii Administrative Rules, procedures for inspection and other helpful compliance information. <http://labor.hawaii.gov/hiosh/>
- Your insurance company can provide resources for inspections, assist visits, training, etc. Contact them and request assistance.
- You can call the HIOSH Consultation and Training Branch and request assistance. (808)586-9100 or <http://labor.hawaii.gov/hiosh/home/for-employers/consultation/>
- There are various types of OSH training available in Hawaii and a good place to view the overall calendar of events is:

<https://www.google.com/calendar/embed?src=5prier5qhn5dsmbdp83597m66g@group.calendar.google.com&ctz=Pacific/Honolulu>

State House Introduces Jones Act Exemption

By **Michael Hansen**, Hawaii Shipper's Council • pacmar@hawaiiintel.net

A bipartisan group of five Hawaii State Representatives introduced in the current session a pair of resolutions calling on the U.S. Congress to enact reform legislation liberalizing the national build requirement of the Jones Act for deep draft ships operating the Hawaii and other noncontiguous domestic trades.

The companion resolutions, House Concurrent Resolution 150 (**HCR 150**) and House Resolution 119 (**HR 119**), were introduced on March 13, 2013, and are both entitled, "Requesting Congress To Exempt The Noncontiguous Domestic Trades of Alaska, Hawaii, and Puerto Rico From The United States Build Requirement of the Jones Act for Large Oceangoing Ships"

The reform proposed by the resolutions would not alter the other key Jones Act vessel requirements in respect of the noncontiguous trades, i.e., the U.S.-flag, U.S.-ownership and U.S.-crew provisions. Neither would it change in any way the current application of the Jones Act to those domestic waterborne trades exclusive to the 48 contiguous states.

The purpose of the resolutions is to demonstrate that the State of Hawaii supports the limited noncontiguous trades Jones Act reform described therein. Adoption of the resolutions by the Hawaii State Legislature will send a message to Congress and encourage its members to enact federal legislation to achieve Jones Act reform.

The five introducers of the measure are as follows: Representative **Gene Ward** (R), Representative **Lauren Kealohilani Cheape** (R), Representative **John M. Mizuno** (D), Representative **Cindy Evans** (D), and Representative **Cliff Tsuji** (D). The lead sponsor of the measures, Rep Ward, issued a press release on March 20, announcing introduction of the measure and extending an invitation to the legislatures of Alaska, Guam and Puerto Rico to consider similar measures of their own.

We would encourage the three other legislatures to follow Rep Ward's suggestion and join Hawaii with similar resolutions of their own. Together those resolutions would send a clear message to Congress that all the noncontiguous jurisdictions support the same Jones Act reform.

Continued on page 8.



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SBH SUNRISE

Thursday, April 25, 2013 • 7:00 – 8:30 a.m.

Pineapple Room, Ala Moana • Breakfast / Free Parking

Reg Baker, Executive VP, HMAA / Director — SBH
“How Will Obama-care (ACA) Impact Your Business”

Reservations made in order received at SBH. No tickets mailed – pick up at registration desk April 25. Your guests welcomed at member price. Refunds until April 24.

Advanced Paid Reservations Required by April 23, 2013.

Complete Breakfast Buffet and Free Parking (Ala Moana 4th floor) included

Name _____

Firm Name _____ Phone _____

Address _____ City/Zip _____

My Guest(s) _____

(Firm) _____

Enclosed is my check for* \$_____, for _____ (number) people
@ \$25 per member and their guest(s) who pay in advance.*

Print, clip and mail with a check to “SBH Sunrise” to:

Small Business Hawaii,
6600 Kalanianaʻole Hwy. #212
Honolulu, HI 96825

*The charge is \$35 for non-members, and at the door, provided space is available.

Print, clip and mail with check to: **SMALL BUSINESS HAWAII • Hawaii Kai Corporate Plaza**
6600 Kalanianaʻole Hwy., #212 • Honolulu, HI 96825 • Phone (808) 396-1724 • FAX (808) 396-1726

Attached is my check for \$_____ (regular annual membership dues are \$200; \$350 for 2 years). Annual membership dues may be tax deductible to your organization under IRS Code Section 501(c) (6). Please check with your tax advisor. Billing is annual on the anniversary of my last payment. Ten dollars of my annual membership is allocated for a subscription to the monthly *Small Business News*. I am applying for membership and understand SBH does not sign up anyone for medical or benefits only; I agree to actively support the goals of SBH and actively participate in SBH activities. I certify that all information on this form is current and accurate.

PLEASE TYPE OR PRINT

Current Hawaii GET# (required) _____

Name: _____ Date: _____

Firm: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ FAX: _____

Optional: Home Page URL http:// _____ E-Mail: _____

Membership Category: ☐ Regular Voting Member ☐ Retired member ☐ Friend of SBH (No G.E.T. # required).

I Do ☐ DO NOT ☐ wish to be listed in the annual SBH Referral Directory. Category: _____

Medical Desired: ☐ Kaiser ☐ HMAA Referred By: _____

SIGNATURE: _____

IF YOU MEAN BUSINESS...
PLEASE JOIN SMART BUSINESS HAWAII

Information & Fun at SBH Sunrise



The March 28 SBH Sunrise Breakfast featured John Carpenter (top left) of Island Slipper who spoke on minimum wage and his business. The forum also saw the return of "Tall" Mike Palcic (top right) with the camera cap over his eye, and Marissa Capelouto (bottom right) who always has something to say. About 40 people showed up.

Labor Dept. Provides New Online Business Resources

The U.S. Department of Labor announced the launch of the Business Center, a suite of online resources for employers looking to recruit, train and retain a skilled work force through the department's Career One Stop website.

The site includes tips about how to recruit qualified candidates through local American Job Centers and provides employment projections. Additionally, the site offers access to local training and educational institutions, a catalog of occupational certifications and a tool to help employers translate the military training and skills of returning service members into specific civilian occupations.

The Career One Stop Business Center is available online at:

<http://www.careeronestop.org/business>.

"These resources will help educate employers about our nation's work force development system and put the resources they need to find and hire qualified workers right at their fingertips," said Jane Oates, assistant secretary of labor for employment and training.

The new Business Center page builds on existing resources available through Career One Stop, which also has information to help job seekers find education and training providers, conduct a job search and access local labor market information.

Jones' Act Resolutions

Continued from page 6.

The Hawaii Shippers Council strongly supports Resolutions HCR 150 and HR 119, and kindly asks you to join with us in support of the measures. The limited reform of the Jones Act proposed by the resolutions addresses the extremely high cost of constructing large ships in the United States, which is the major cost driver in the deep draft noncontiguous trades. The cost of building a large ship in the United States today can be five times greater than in Japan, South Korea and China, where more than 90% of the world's oceangoing ships are now constructed.

Allowing domestic shipowners to acquire mainline cargo ships from the major Asian shipbuilding yards for 20% of the cost in the U.S. for comparable ships will dramatically change the economics of the noncontiguous trades. The proposed reform would substantially reduce the mainline ocean carrier's capital costs, by lowering the acquisition cost of their primary assets -- oceangoing ships. This will effectively lower the barriers to entry into and increase the contestability of these trades. This will put considerable competitive pressures on the incumbent carriers.

The proposed reform will create significant economic benefits that will flow through the system to businesses and consumers in Hawaii and other noncontiguous jurisdictions. As a result, the reform would reduce the cost of goods and petroleum products to residents in the noncontiguous jurisdictions.

Please contact your Hawaii State House Representative and let them know you support the resolutions and wish to have them heard by the appropriate House committee(s).

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