

SBH MEMBER CALENDAR

PHONE 396-1724 • FAX: 396-1726

Thursday, June 26, 2014

SBH Sunrise Networking Breakfast

Jane Sawyer, Hawaii U.S. SBA

Alan Wong's Pineapple Room

Macy's Ala Moana • 7 – 8:30 am



Patrick Snow Rocks!

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Reforming the Jones Act • Page 3.

U.S. Small Business Administration's Jane Sawyer to Speak at SBH Sunrise

Jane Sawyer, the District Director of the U.S. Small Business Administration in Hawaii, will be the guest speaker at the next SBH Sunrise Networking breakfast, **Thursday, June 26**, 7 – 8:30 am in the Pineapple Room of Macy's Ala Moana Center.

She will speak on "The Mission of the SBA in Hawaii's Business Success." Ms. Sawyer has been on the SBA staff since 1993 and became the Director in 2009; the first woman to hold this post.

The SBH forums are held the last Thursday of each month, except in November. The June forum marks a return of SBH Sunrise after a one-month hiatus.

In addition to networking, introductions and special announcements, the Sunrise features a full buffet breakfast, program and free parking. SBH members are invited to bring promotional materials for free display and distribution at the event on tables that we provide for you.

Recent speakers at our networking breakfasts have included Honolulu City Council candidate **Natalie Iwasa**, **Tom Yamachika** of the Tax Foundation of Hawaii and nationally syndicated talk show host and author, **Michael Medved**.

Despite restaurant price rate increases, the charge for SBH members and their guests remains at \$25 if paid in advance (otherwise, \$35 if space is available, at the door).

Please call SBH for reservations and information at 396-1724. A reservation form is also available online and on page 7 of this newsletter.

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Smart Business Views

By Sam Slom, President – Smart Business Hawaii

2014 at Halfway: Still Struggling

— We approach the end of six months into this year. The

27th State Legislature ended May 1. A higher mandatory minimum wage, more taxes, fees, and regulations emerged. Government costs are up. Hawaii's economy continues in the doldrums but nothing was done to help. Unemployment is down primarily because many have dropped out of the work force. Visitor arrivals are declining. The rail is over budget and getting worse. UH has ongoing fiscal and management problems. Hawaii's Health Connector Exchange is a financial black hole. Where are the true leaders in Hawaii? We deserve better. Focus now is on the August and November elections, not the business climate. Sad.

Republicans: Stay In Your Place!

At the State Democrat Party Convention last month at the Sheraton Waikiki, Party Chair **Dante Carpenter** said, "Democrats are committed to keeping the Hawaii Republican Party in its place." Seriously? Dante where is that bi-partisan love Democrats are always talking about? And what place is that for a true two-party system? What about the people of Hawaii who have been kept in their place for the past 50+ years by one political party? In its place? Wasn't it a Republican President who ended slavery so everyone could find their own place without being kept by another? Think about it before you vote this year.

Veterans Outrage. The recent allegations involving the US Veterans Administration are appalling and outrageous. The resignation of Kauai's **Eric Shinseki**, a few firings, and ending the obscene bonuses will not solve the many problems at the VA. There are many good, dedicated employees; but the bad ones spoil the barrel. Hoeslessness of Vets is a national and local disgrace. This IS single payer, government medicine, the nightmare of Obamacare. Our Veterans deserve better, much better.

Horner Steps Down at FHB. First Hawaiian Bank President and CEO **Bob Harrison** was named chairman of Hawaii's largest bank last month following the retirement of **Don Horner**, who will remain on the board.

Carvill Joins With Sotheby's. Sotheby's International Realty Affiliates LLC announced that Carvill & Company in Kailua, will be the newest member of its real estate network and

will operate as Carvill Sotheby's International Realty as of June 4.

HMSA Says No! Hawaii's largest health care provider, HMSA, came out against the Hawaii Health Connector. Ironic, because **Michael Gold** head of HMSA, was an original cheerleader for the Connector. Now HMSA may be separated from the Connector board, so Gold says, it is a "costly mistake."

Bio Med Lab on Fed Radar. The UH Bio Med Center in Kaka'ako is in trouble again. The CDC warned UH that if the Lab does not remedy 30 violations by next week it may be subject to sanctions which could range from a fine to a shutdown. The troubled Center was shut down once previously and internal staff disputes continue to plague the facility.

Tulsi Opposes New Airline Tax. Congresswoman **Tulsi Gabbard** has alerted us to a new proposed airline travel tax that both Congress and the president have proposed. It is an increase in airline fees by \$3.10 – an undue burden on already expensive travel. Gabbard introduced legislation and called on House leaders to exempt Alaska and Hawaii from the fee hike.

SBH Business Conference Enjoyed. The SBH 38th Annual Business & Investment Conference, Tuesday, May 13 in the Ala Moana Hotel was enjoyable. See story on page 5.

SBA's Jane Sawyer at Sunrise. The SBH Sunrise Networking Breakfast will feature Hawaii SBA Director **Jane Sawyer** who will speak on the mission of the Small Business Administration. Breakfast at the Pineapple Room, Macy's Ala Moana, Thursday, June 26, 7 – 8:30 am. For reservations call SBH at 396-1724 or send in the form on page 7.

Hawaii Reporter.com, Hawaii's first electronic daily newspaper, continues to report all the breaking news, still free. **Malia Zimmerman** reports daily (M-F) on the **Rick Hamada Show** on KHVH radio, 830 AM at 7:05 am.

Tune in to Panos Prevedouros. SBH Director and UH Engineering Professor Dr. **Panos Prevedouros** is a weekly guest on Rick Hamada's morning radio show every Tuesday from 7:05 a.m. to 8 am. Tune in!

Read Your E Blast every Wednesday. What? Not receiving your weekly electronic SBH E Biz News? More than 15,000 business owners do receive it. It's complimentary. Ad space available too. Call SBH at 396-1724.

Join SBH Today: Call **SBH** today (808-396-1724) or go online at **www.smartbusinesshawaii.com**.

Small Business Video Library Debuts

Now small business owners can get the answers they need in one place. The Profitability Revolution library holds more than 100 impactful videos on HR, Sales, Marketing, Operations, Finance, Personal Development and more by business experts who have done it - not just talked about it.

"Business owners and managers don't have to search all over the Internet for ideas and strategies that help them run their business better," said **Ruth King**, Profitability Master and CEO. "They can find trusted information they need in one place, saving them time and frustration."

The library is accessible to Gold Members for less than 18 cents per program with unlimited access. To preview the library go to **www.profitabilityrevolution.com**.

Profitability Revolution LLC through the Profitability Revolution Paradigm, helps small business owners shift their focus to run their businesses better, make money, enjoy freedom, live well, and give back.

The screenshot shows the Profitability Revolution website. At the top, it says "PROFITABILITY REVOLUTION PARADIGM" and "MAKE MONEY. ENJOY FREEDOM. LIVE WELL. GIVE BACK." Below this, there are four main sections: "STUDIO SERVICES", "MEMBERSHIP", "PROFITABILITY PRODUCTS", and "GOLD MEMBER PREVIEW". Each section has a brief description and a "LEARN MORE" link. On the right side, there is a sign-up form titled "GET YOUR FREE COPY OF 'Reviving Dead Leads'". The form asks for a "Last Name", "Email", and "Phone" number, and has a "Submit" button. At the bottom of the form, it says "We'll send you the info below for instant access."

The Profitability Revolution website.

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Send us articles & press releases: sbh@lava.net.

Minimum Wage Bill Signed Into Law

With much fanfare, and the cheers of many who are not working and those unions and special interests who earn much more than minimum wage, **Governor Neil Abercrombie** signed Hawaii's new minimum wage bill into law (**Act 82**) last month in the State Capitol Auditorium.

The bill will kill jobs and make it even harder for the young, inexperienced and untrained to get a foot in the door entry job.

The current \$7.25 an hour rate increases over 4 years as follows: 1/1/15 **\$7.75**; 1/1/16 **\$8.50**; 1/1/17 **\$9.25** and 1/1/18 **\$10.10**.

Link to Act 82 (**SB 2609**) at the State Legislature website: http://www.capitol.hawaii.gov/measure_indiv.aspx?billtype=SB&billnumber=2609&year=2014

SBA Changes Small Business Size Standards

The U.S. Small Business Administration has proposed increasing small business size standards affecting businesses in 46 industries in North American Industry Classification System (NAICS) Sector 42, Wholesale Trade, and in one industry in Sector 44-45, Retail Trade. If they are adopted, nearly 4,000 more firms will become eligible for SBA's loan programs. The proposed rule was published in the Federal Register.

The proposed size standards would define the maximum number of employees a firm in these industries could have and still be a small business. The proposed revisions reflect changes in marketplace conditions.

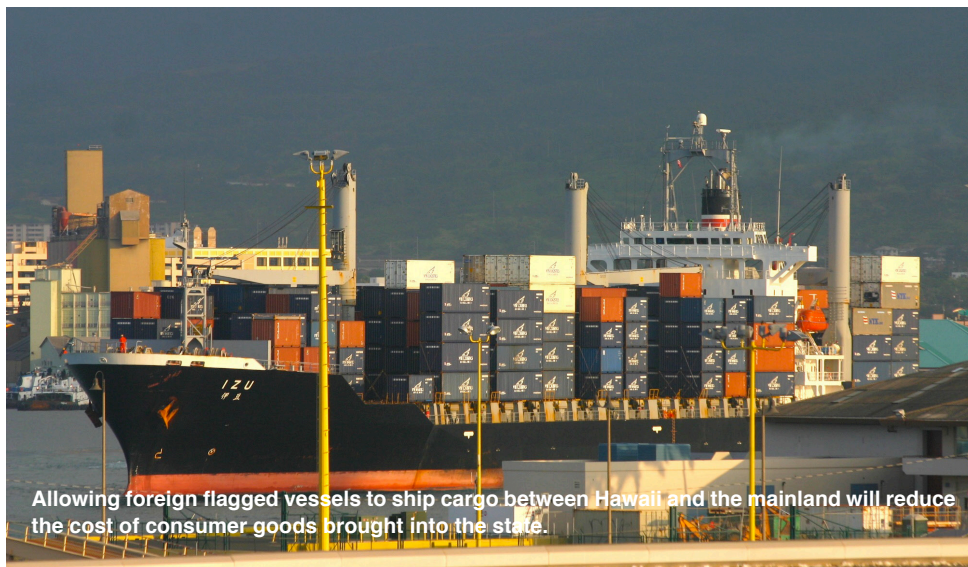
SBA Awardees Announced

Since 1963, the President of the United States has issued a proclamation announcing National Small Business Week, recognizing the critical contributions of America's entrepreneurs and small business owners.

As part of National Small Business Week, on May 7th, 2014, the SBA Hawaii District Office honored Hawaii's outstanding small business owners and champions at the 27th Annual Statewide SBA Small Business Awards Luncheon. Please help the SBA Hawaii District Office recognize the twenty-nine honorees for 2014.

This complete story and the list appears on our Smart Business Hawaii website at the following URL:

<http://www.smartbusinesshawaii.com>



Allowing foreign flagged vessels to ship cargo between Hawaii and the mainland will reduce the cost of consumer goods brought into the state.

New Endorsements for Jones Act Reform

By **Michael Hansen**,
President of the Hawaii Shippers Council

The Hawaii Republican Party meeting in convention on May 17, 2014, adopted eight platform resolutions including one calling for Jones Act reform that would exempt the non-contiguous trades – Alaska, Guam, Hawaii and Puerto Rico – from the domestic ship build requirement.

The Jones Act is a federal cabotage law enacted as Section 27 of the Merchant Marine Act of 1920 and requires a vessel be U.S. built, flag, owned, crewed and managed to transport cargo by water between two domestic points.

The resolution addresses the very high cost of major ship construction in the U.S. that contributes to high shipping costs and a lack of competition in the Hawaii trade. It is now well recognized the cost of major shipbuilding in the United States is four to five times that of building comparable ships in Japan and South Korea. Together with China, South Korea and Japan now construct more than 90% of the world's self-propelled new ships over 1,000 gross tons each year. The U.S. build requirement has created an artificial shortage of capital ships in domestic trades disproportionately penalizing the noncontiguous jurisdictions, which are completely dependent on ocean shipping for interstate surface transportation.

The party resolution follows from four companion resolutions were introduced in the Hawaii State Legislature during its 2014 session. The resolutions called on the Hawaii Congressional Delegation to introduce and Congress to enact federal legislation that would exempt the noncontiguous trades from the domestic build requirement of the Jones Act. Two of resolutions (**SR 45**, **SCR 93**) were introduced by State Senator **Sam Slom** (R) and the other two (**HR 113**, **HCR 153**) by

State Representative **Gene Ward** (R) with six Democratic House members including the Speaker **Joseph Souki**.

To reach out to the other noncontiguous jurisdictions, three Hawaii State Legislators held a bipartisan press conference at the Hawaii State Capitol on March 13, 2014, with participation of legislators from Alaska, Guam and Puerto Rico, demonstrating widespread support for Jones Act reform. A month later on April 15th, the Legislature of Guam adopted a resolution calling on their Congresswoman **Madeleine Z Bordallo** to introduce federal legislation to exempt the noncontiguous trades from the U.S. build requirement. The Senate of Puerto Rico is readying a report due out shortly covering the extensive hearings held earlier this year (Jan. 27th – Feb. 10th) to learn the impact of the Jones Act on the Commonwealth.

Further buttressing these legislative initiatives, the Governor's Hawaii Refinery Task Force released their Final Report on April 28th recommending that the State pursue a Jones Act exemption to lower the cost of energy in Hawaii. And, the Congressional Research Service issued on May 5th a report on the rail transportation of crude oil, which among other things detailed the adverse impact of the domestic build requirement of the Jones Act on U.S. energy markets.

Former Congresswoman, gubernatorial candidate and current Chairwoman of the Hawaii Republican Party, **Patricia Saiki**, said in response to the adoption of a party resolution calling for Jones Act reform: "Many in politics have expressed their concern over the high cost of living here in Hawaii. Being the most expensive state in which to live, with goods and services including food costs higher than

Continued on page 6.

Ratings of the 2014 Hawaii State Legislature

provided by **PAYCHECKS HAWAII**, an independent, non-partisan political action affiliate of Smart Business Hawaii

PAYCHECKS HAWAII RATINGS: STATE SENATE

STATE SENATOR	District	2010	2011	2012	2013	2014
Baker, Rosalyn (D)	6	3	4	4	4	4
Chun Oakland, Suzanne (D)	13	4	4	3	4	4
Dela Cruz, Donovan (D)	22	-	3	4	3	3
English, J. Kalani (D)	7	4	4	4	4	4
Espero, Will C. (D)	19	4	4	4	4	4
Gabbard, Mike (D)	20	3	4	5	4	4
Galuteria, Brickwood (D)	12	4	4	4	4	4
Green, Josh M.D. (D)	3	2	2	2	4	4
Hee, Clayton (D)	23	4	4	3	5	5
Ige, David (D)	16	3	3	3	3	3
Ihara, Jr. Les (D)	10	4	3	2	2	3
Kahele, Gilbert (D)	1	-	4	4	3	4
Keith-Agaran, Gilbert (D) *	5	4	4	4	3	4
Kidani, Michelle (D)	18	4	4	3	3	3
Kim, Donna Mercado (D)	14	3	3	3	2	3
Kouchi, Ronald D. (D)	8	-	3	3	3	4
Nishihara, Clarence K. (D)	17	3	4	4	3	3
Ruderman, Russell E. (D)	2	-	-	-	3	4
Shimabukuro, Maile (D)	21	4	4	4	4	4
Slom, Sam (R)	9	1	1	1	1	1
Solomon, Malama (D)	4	-	2	3	3	3
Taniguchi, Brian (D)	11	4	3	4	3	4
Thielen, Laura H. (D)	25	-	-	-	3	4
Tokuda, Jill N. (D)	24	4	3	3	3	4
Wakai, Glenn (D)	15	-	2	2	2	3

* appointed 2013 to fill vacant seat after Sen. Tsutsui was appointed Lt. Governor. 2010 - 2012 ratings reflect time Sen. Keith-Agaran was in the House.

Each legislative session, since 1986, **PAYCHECKS HAWAII**, the independent non-partisan, political action affiliate of Smart Business Hawaii (created in 1984), rates each of Hawaii's 76 state legislators (51 House and 25 Senate). Lawmakers are rated on their support and advocacy for small business and an improved business climate in collaboration with other Hawaii business organizations, individuals and those actively participating at the Capitol during the regular legislative session (January-May). The subjective business ratings are based upon: (1) key business votes involving tax, fee and regulatory increases; (2) efforts to actively increase or decrease government size and spending; (3) employer mandates (i.e., unemployment comp, workers' comp, TDI, etc.); (4) conduct in business hearings, accessibility and response of legislator, and (5) active sponsorship, introduction and advocacy of business climate legislation. Each lawmaker is rated, regardless of political party, from #1—"most supportive and outspoken advocate for small business and an improved Hawaii business climate," to #5, "least supportive or hostile to a better business climate." Purely social issue bills are not counted.

PAYCHECKS HAWAII Ratings may be helpful during election periods. During 2014, the following business and investment bills and votes were among the "key" measures used in the ratings: Minimum Wage, Taxation of "E Cigarettes", Hawaii health Connector Premium Tax, Increased Business Fees for Employers, Additional Government Regulations on Hawaii Business and General Excise Tax on all Internet Purchases ("Streamlining Tax").

PAYCHECKS HAWAII RATINGS: STATE HOUSE

STATE REPRESENTATIVE	District	2010	2011	2012	2013	2014
Acquino, Henry J.C. (D)	38	4	4	4	3	4
Awana, Karen L. (D)	43	4	3	3	3	4
Belatti, Della Au (D)	24	4	2	2	3	4
Brower, Tom (D)	22	2	2	3	2	3
Cabanilla, Rida T.R. (D)	41	4	4	4	3	5
Cachola, Romy M. (D)	30	-	-	-	4	5
Carroll, Mele (D)	13	4	4	4	4	4
Choy, Isaac W. (D)	23	4	4	4	3	4
Creagan, Richard (D)	5	-	-	-	-	4
Cullen, Ty (D)	39	-	4	4	4	4
Evans, Cindy (D)	7	4	4	4	4	4
Fale, Richard (R)	47	-	-	-	2	3
Fukumoto, Beth (R)	36	-	-	-	2	3
Hanohano, Faye P. (D)	4	4	4	4	4	5
Har, Sharon E. (D)	42	4	4	4	3	3
Hashem, Mark J. (D)	18	-	3	4	3	4
Ichiyama, Linda (D)	32	-	3	4	4	4
Ing, Kaniela (D)	11	-	-	-	4	4
Ito, Ken (D)	49	3	3	3	3	4
Johanson, Aaron Ling (R)	31	-	1	2	2	2
Jordan, Jo (D)	44	-	4	4	4	4
Kawakami, Derek S.K. (D)	14	-	3	4	4	4
Kobayashi, Bertrand (D)	19	-	-	-	4	4
Lee, Chris (D)	51	4	4	4	4	5
Lowen, Nicole (D)	6	-	-	-	4	4
Luke, Sylvia J. (D)	25	4	3	3	3	3
Matsumoto, Lauren (R)	45	-	-	-	3	3
McDermott, Bob (R)	40	-	-	-	1	1
McKelvey, Agnus L.K. (D)	10	3	3	3	3	4
Mizuno, John (D)	28	4	4	4	4	4
Morikawa, Dee (D)	16	-	3	4	4	4
Nakashima, Mark M. (D)	1	4	4	4	4	4
Nishimoto, Scott Y. (D)	21	4	4	4	4	4
Ohno, Takashi (D)	27	-	-	-	3	4
Onishi, Richard H.K. (D)	3	-	-	-	3	4
Oshiro, Marcus (D)	46	5	5	4	4	4
Rhoads, Karl (D)	29	3	3	3	5	5
Saiki, Scott (D)	26	4	4	4	4	4
Say, Calvin K.Y. (D)	20	5	4	5	4	4
Souki, Joseph M. (D)	8	4	4	5	5	5
Takai, K. Mark (D)	33	4	3	3	3	4
Takayama, Gregg (D)	34	-	-	-	3	4
Takumi, Roy M. (D)	35	5	5	4	4	4
Thielen, Cynthia (R)	50	2	2	2	3	3
Tokioka, James K. (D)	15	4	4	4	4	4
Tsuji, Clift (D)	2	4	4	4	4	4
Ward, Gene (R)	17	2	2	1	2	2
Woodson, Justin H. (D)	9	-	-	-	3	4
Wooley, Jessica (D)	48	4	4	4	5	5
Yamane, Ryan I. (D)	37	4	4	4	3	4
Yamashita, Kyle T. (D)	12	4	4	4	3	4

38th Annual Business Conference a Successful Event



Smart Business Hawaii's 38th Annual Business & Investment Conference, was held Tuesday, May 13, from 8 am to 2 pm, in the Hibiscus Ballroom in the Ala Moana Hotel.

While attendance was lower than in previous years, an indication of Hawaii's struggling economy, enthusiasm was high. Program, participants and networking were excellent.

Presentations included: **Mike McCartney**, President, Hawaii Tourism Authority, who discussed "Hawaii's Visitor Industry: An Update and Outlook for 2014".

Tom Yamachika, Interim President, Tax Foundation of Hawaii, reviewed the just concluded 2014 Legislative Session and its impact on business.

Jonathan Young, President, Associated Builders & Contractors and **Mike Palcic**, SBH Legislative Liaison commented on "Battleground for Business 2014: Minimum Wage, Mandates and Taxes."

Mark Storfer, of Hilo Hattie and **Naomi Hazelton-Giambrone**, Element Media/Pacific Edge Magazine, shared "Tips From Hawaii's Successful Business Owners."

Bob Sigall author of *The Companies We Keep*, presented a graphic description of the Millennials, and why they are important to your business.

In a panel that showed the practicality of new technology for business profitability, Dale Evans, of Charley's Taxi had everyone's attention when she revealed the taxi firm's leading edge software. **Cole Slater** explained Maui Divers use of technology and computer guru of "Your Computer Minute", **Peter Kay** discussed the expanding opportunities and implementation of technology.

Luncheon keynote speaker, entrepreneur, author, and motivational speaker, **Patrick Snow**, spoke on, "Proven Principles for Prosperity". He knocked the socks off the attendees.

SBH thanks all of our speakers, Valenti Print Group, **Malia Zimmerman** of Hawaii Reporter, Aloha Lei Company, volunteers, exhibitors, Techniques Hawaii and our fine sponsors including: McDonalds of Hawaii; HMAA, Altria Group, Reynolds American, Winners Camp, Aston Hotels & Resorts, First Hawaiian Bank, **Cliff & Bobbie Slater**, Maui Divers of Hawaii, ProService, Charley's Taxi and **Geal Talbert**, UBS Financial Services.

Above: SBH Conferees listened to top notch speakers at the annual conference held on Tuesday, May 13. Business leaders and entrepreneurs who spoke included Mark Storfer and Naomi Hazelton-Giambrone, Peter Kay, keynoter Patrick Snow, Cole Slater, Sam Slom, Mike McCartney of the HTA, Jonathan Young, Michael Palcic, Bob Sigall and Dale Evans. Conference goers got to ask the speakers questions and enjoyed a lunch at the Ala Moana Hotel. More SBH conference photos on our website @ smartbusinesshawaii.com.



SBH's Young Entrepreneur of 2013 Skylar Soares and her mom, Irma Baptiste.

Conference Photos by Melvin Ah Ching

Keynote speaker Patrick Snow with Sam Slom.

great
quotations

"If people let government decide what foods they eat and what medicines they take, their bodies will soon be in as sorry a state as are the souls of those who live under tyranny."

— Thomas Jefferson

Time for the Kapalama Terminal Credit

By **Tom Yamachika**,

President of the Tax Foundation of Hawaii

Recently, some news reports pointed to a "Kapalama terminal credit" as an example that certain taxpayers that did very well at the Legislature this year. Let's see what happened.

In West Honolulu lies the former Kapalama Military Reservation, which grew to be populated by some three dozen maritime related businesses. The Department of Transportation (DOT) had put together a \$200 million redevelopment plan for the area, basically wanting to turn it into a container yard in order to expand the capacity of Honolulu Harbor's facilities. In order to carry out the plan, the existing business tenants would have to go. In theory that did not pose much of a problem, because these tenants did not have leases, only "revocable permits" issued by the DOT. That meant the tenants could be kicked out at any time, so the DOT basically told them to pack up and be gone by the end of February.

The practical realities, however, are that displacement of businesses creates lots of expenses and pain, not only for themselves

but for their suppliers and customers. For some, there was no alternative because they can't survive without a presence at the harbor. Could you imagine a ship repair business in a landlocked area?

The department did offer an alternative location along the harbor, again on a revocable permit basis, but this new area has little or no infrastructure so the tenants will be forced to build it if they want to continue doing business at the harbor. And if they do, assuming that the permits have provisions similar to most leases, the State can keep the infrastructure even if the tenant leaves, or is kicked out of, the new space.

The tax credits that this bill creates are designed to give these tenants some relief. A credit of up to half of the capital costs spent by the tenants is allowed up to a maximum of \$1.25 million per tenant. The idea was that the businesses would be encouraged to raise more equity capital, and the investors would then be able to claim the credit as a result of investing in the qualified tenant.

Like all tax credits, this one needs to be paid for. Either government needs to shrink, other taxpayers who do not qualify will need to pay a little more to make up for the subsidy,

or (as DBEDT loves to argue) the economy will expand and make up the revenue loss that way. Either way, however, there does seem to be some justification for making taxpayers contribute something to the new infrastructure that is going to be created in the harbor area, especially if the State ultimately gets to keep that infrastructure.

The hard-liners among us may say that the tenants had revocable permits. If they can read, they would know that their ability to stay at the harbor could be cut off at any time. Their presence at the harbor created no entitlements, no vested interests; therefore the State owed them nothing. True though that may be, we like to think that our lawmakers are sympathetic folks and were trying to do the right thing even if they didn't have to.

Now, lawmakers? The challenge from here is to take that sentiment, that essence of good governance, and to apply it not only to a precious few, be it certain businesses, certain age groups, or to the poor, but to apply it to all of us. There is a time for the public to be made to dig deep to help their government; there is also a time for the government to recognize those sacrifices and give back. Let's use the discussion over this credit to help us all determine what time it is.

Jones Act Reform Continued from Page 3.

any other state in the nation, is of real concern to our people. But few in power today have done much to alleviate this situation. Getting an exemption from the Jones Act, as expressed in the Resolution recently passed by our Republican Party is one of the ways by which we can effectively change things for the better. Our Party is committed to finding such solutions to a serious problem and we seek support for our candidates to lead the way."

Former Hawaii State Lt. Governor and 2014 Republican gubernatorial candidate, **James "Duke" Aiona**, stated in respect of his prospective role as governor, "The Jones act is a federal regulation that affects all the people of Hawaii. It is time for all stakeholders to come together and resolve this issue in a manner that is in the best interests of our state. I am encouraged and excited by the Hawaii Shipping Council's recent proposal and the Republican Party's resolution relating to the Jones Act. I look forward to providing the leadership needed for this resolution."

U.S. Senatorial candidate **Campbell**

"Cam" Cavasso (R), who will face the winner of the Democratic primary (either U.S. Senator **Brian Schatz** or U.S. Representative **Colleen Hanabusa**) in November, said, "It is time for our Hawaii to free our people from the bonds of federal regulations which artificially increase the cost of living for every family by multiplied thousands of dollars. It is time to set our people free from extreme, external regulations costing every man, woman, and child in Hawaii. We can do this now."

Hawaii State Representative **Gene Ward** (R), minority leader emeritus, and introducer of Jones Act resolutions in 2013 and 2014, said, "As the cost to feed ourselves escalates and we continue to import over 80% of everything we consume, the most sustainable approach to food security in Hawaii is lowering the cost of living by lowering the cost of shipping. We know we can cut the grocery bills of Hawaii's struggling families through a minor exemption to the Jones Act-but we have not acted. Now is the time to press for real food security and sustainability by using all the ships in the world to come to our shores, not just a select

expensive few under the Jones Act. If only a fraction of the people understood the Jones Act and how it punishes us, Hawaii would be quick to act for an exemption as we have done with Obama Care to protect our Pre-Paid Healthcare in Hawaii. National security will not be effected and in their hearts, the naysayers know this is true."

Hawaii State Senator **Sam Slom** (R), minority leader and introducer of a Jones Act reform resolution in 2014, said, "Thanks to the work of the Hawaii Shippers Council and others, I feel after 20 years of activity, the public has a better understanding of the cost impact of the Jones Act and our options. We welcome support from the Hawaii Republican Party but reiterate this reform is a non-partisan issue that negatively affects all residents of Hawaii. We welcome future support from political, social and business organizations. We can win this issue."

We certainly appreciate all the support from the Hawaii Republican Party for Jones Act reform and would endorse Senator Slom's reminder that this is a non-partisan issue.

Cock fighting, Spam, North Korea, Top of Mind in Hawaii

A new report by *Estatefy* on the Internet search habits of Hawaii residents may be telling of our culture here. The organization just released a list detailing what people in each state search for the most online.

Hawaii residents searched most for the terms:

Buddha, Cock Fighting, North Korea, Rastafari Movement, Slam Poetry and Spam Recipe

"We relied on data from Google trends, which measures online searches for the past ten years. We focused our search queries on divisive topics like politics and religion, as well as interest in types of recreation, music, movies, diet and health topics, famous people, TV shows, dumb questions, and a bunch of silly stuff like thumb wrestling and glam rock," said **Ryan Nickum**, a blogger for *Estatefy*, a national real estate search site whose articles have been covered by *The Wall Street Journal*, *The Washington Post*, *LA Weekly*.

The official psychological analysis of Hawaii on *Estatefy*: "When you live within range of North Korea's nukes it's important to find distractions."



SBH SUNRISE

Thursday, June 26, 2014 • 7:00 – 8:30 a.m.

Pineapple Room, Ala Moana • Breakfast / Free Parking

Jane Sawyer, the District Director of the U.S. SBA

"The Mission of the SBA in Hawaii's Business Success"

Reservations made in order received at SBH. No tickets mailed – pick up at registration desk June 26. Your guests welcomed at member price. Refunds until June 24.

Advanced Paid Reservations Required by June 25, 2014.

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 • \$75 annually for Young Professional & Retired member). 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. 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.

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Membership Category: ☐ Regular Member ☐ **Young Professional** ☐ Retired member ☐ Friend of SBH

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Driverless Cars: What's Really Possible?

By Panos Prevedouros Ph.D.

Driverless cars hold many promises for improvements in traffic safety and traffic congestion. However, their high price (roughly \$30,000 to \$75,000 added to a vehicle's purchase price) virtually guarantees a minimal market share for many years. Let's use the all-familiar hybrid car for a comparison.

Hybrid cars come with a modest \$2,000 to \$7,000 premiums over the traditional versions of the same car, and offer 10% to 100% better fuel consumption. Their market share in new car sales rose from 0.06% in 2000 to 3.01% in 2012. So ten years after their introduction, the share of driverless cars will be 0.1% or less. With one driverless car among one thousand traditional ones, the savings in safety and congestion will be nil.

However, driverless cars may shine as part of brand new cities like Brasilia. Automated buses and 100% driverless cars will provide swift transportation on vastly narrower highways. For example, today a typical 4-lane



Google's prototype driverless car.

highway has a capacity of roughly 4,500 cars per hour per direction. With driverless cars on them the capacity of the same exact roadbed would be about 20,000 cars per hour per direction.

Why so? Because driverless cars can follow each other at a spacing of 0.5 seconds

(engineers call this spacing the headway) instead of the average human headway of 1.5 seconds. This difference from 1.5 to 0.5 seconds of headway triples the capacity of a highway lane from 2,200 vehicles per hour to over 6,000 vehicles per hour. Also selected highways and arterial streets can be converted to driverless car highways with 8 ft. wide instead of the current standard 12 ft. wide lanes because driverless cars can adhere to a tight lane discipline.

In a new, planned city, a 2-lane road with driverless cars can operate congestion-free and crash-free at a capacity similar to a 6-lane road with traditional traffic!

In my opinion, the promise of driverless cars is limited on common roadways, and few may be willing to pay the premium. However the promise of driverless cars is huge on exclusive highways and purpose-built urban areas in fast growing African and Asian countries.

Dr. Prevedouros publishes an online weblog at <http://fixoahu.blogspot.com/>

Dale Carnegie Tips: Workplace Negativity

SBH member **Jan Kaeo** of Dale Carnegie Training, offered these tips for negativity in the workplace: "Negative attitudes in the workplace left unchecked take a costly toll. Many of the sources aren't going anywhere: 25% of intensely negative employees say they're staying put. Given the rootedness of negative employees, here are five tips for Overcoming Negativity in the Workplace:

- 1. Understand the Cause.** Fear, stress and uncertainty create negative attitudes and a fertile ground for rumors. Solution: Define your expectations, be approachable, and dispel rumors ASAP.
- 2. Words Get Twisted.** Remember "Whisper Down the Lane?" A message whispered from child to child is comically garbled the further it travels. This can happen with word-of-mouth in the workplace. Solution: Encourage people to come to you first - no strings attached.
- 3. Fine-Tune Feedback.** Management advice from Dale Carnegie offers many ways to diplomatically deliver positive and negative feedback. Solution: Remember to target the problem, not the person; the goal is finding solutions.
- 4. Everyone on the Same Page.** Virtual and onsite employees face many of the same challenges. Solution: Make it easier to interact and share. One idea: a virtual "Water Cooler" web or Facebook page.
- 5. Target Problem People.** Toxic workers kill morale. Put them on notice that the behavior will not be tolerated. Solution: Offer help (job training, anger management). But give a deadline and enforce it.

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