

2012 State Legislature: Bans, Fees and More Spending

The 2012 State Legislative Session convened January 18. The 60 working day session will continue until May 5. The first major bill crossover vote is Tuesday, March 6.

Governor **Neil Abercrombie** had appointed former lawmaker Tom Okamura to the State House vacancy when Abercrombie named Rep. Blake Oshiro his Deputy Chief of Staff. Okamura promptly resigned after two weeks because of health reasons. In mid-February, Abercrombie appointed **Heather Guigni** to the House seat. She is the daughter of the powerful Inouye comrade.

Small businesses may sue the state for money they say they lost during the APEC conference here in November 2011. The Legislature wants to use additional "emergency" taxpayer funds to reimburse state agencies for their APEC outlays.



There is certainly a lot of things happening in the big square building on South Beretania Street that will impact your business this year. Meanwhile former Governor Ben Cayetano (right) who once occupied the 5th floor of the capitol, has announced his run for mayor with the goal of stopping the \$6 billion train to nowhere.



Continued on Page 3.

Ben Cayetano Will Ignite SBH Sunrise

Learn How the Former Governor Will Stop Rail, March 29

Former Governor, author and candidate for Mayor of Honolulu, **Ben Cayetano**, will be SBH's special guest speaker at the next monthly SBH Sunrise Networking Breakfast, Thursday, March 29, in the Pineapple Room, Macy's Ala Moana (4th floor), from 7 – 8:30 am.

The public is welcome to the SBH Networking Sunrise. Advance reservations are required and are first come, first serve. Sunrise is held the last Thursday of each month (except November)

Cayetano, the feisty former two-term Democrat Governor, has long been an outspoken opponent of heavy steel rail, and currently is one of 7 plaintiffs in a lawsuit to stop Oahu's train to nowhere. As Mayor, he has pledged to stop the rail.

Cayetano has not always seen eye to eye with Hawaii's business community; but small business has always known here Ben stands. He has been consistent and honest.

Last month, **Kalbert Young**, State Budget Director discussed Hawaii's precarious finances. SBH members and their guests pay \$25 (in advance) for networking, the program, a complete buffet breakfast and free parking. Participants are all introduced and may bring promotional materials.

The cost is \$35 at the door if space is available.

Call Darlyn at SBH 396-1724 for reservations or mail the reservations form on page 11. You can also register on line: <http://smartbusinesshawaii.com/index.php/events/rsvp>.

SBH MEMBER CALENDAR

PHONE 396-1724 • FAX: 396-1726

Thursday, March 29

SBH Sunrise Networking Breakfast
Ben Cayetano

Macy's Pineapple Room
Ala Moana Center • 7 – 8:30 am

Wednesday, April 11

SBH Networking Luncheon

Outback Steakhouse
Hawaii Kai • 12 noon

Wednesday, April 11

SBH Board of Directors Meeting

SBH Office Hawaii Kai • 2 pm

SmartBusiness
HAWAII

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Smart Business Views

By Sam Slom, President – Smart Business Hawaii

Feisty, controversial
Ben Cayetano
keynotes SBH's

monthly Business Networking Sunrise, Thursday, March 29, 7 – 8:30 am in the Pineapple Room. Macy's, Ala Moana Center. You won't want to miss this event with former Democrat Governor Ben, the Rail Killer. Learn what else he wants to do as your Mayor. You better reserve early! (See reservation, p. 11).

What? Not receiving your weekly (Wednesday) electronic copy of SBH Views & News? More than 10,000 business owners do receive it. It's complimentary. Call Darlyn at 396-1724.

Welcome to **Tyler Roukema** owner of Hawaii Kai Outback Steakhouse, the newest member of the SBH Board of Directors. Tyler was SBH's "Young Entrepreneur of the Year," last year.

TJ Maxx returns to Hawaii this month. The discount retailer will go head to head with major rival, Ross.

Real property sales, visitor industry arrivals and auto sales are picking up, but still, Hawaii has not turned the economic corner for most of us. It is a struggle to keep up with rising medical costs, other employer mandates, taxes, fees, utility costs and regulations. Hooray for the success of those businesses doing well but when will Hawaii business rise up against this hostile-to-business government?

The Hawaii Council of Revenues meets again this month for their first quarterly report of 2012. It is not expected to be pretty.

All Hawaii employers facing the spectre of another major state unemployment compensation tax rate hike this month unless the Legislature acts quickly to at least keep the rates the same as 2011. The lawmakers are in no hurry to help local small business.

Hawaii's gasoline prices keep rising and with them food prices and everything else affected by gasoline or delivery. No relief in sight. Who to blame? Our national and state governments that keep yapping about "free" clean alternative energy (solar, wind) which are not free and are powered by taxpayer subsidies.

More familiar Hawaii names have moved to other states, or hold dual residency (six months here, six months in another state).

Mayor **Peter Carlisle** hell-bent on starting construction on the \$6 billion heavy, steel-on-steel elevated rail this month, despite lack of fed funds, a major lawsuit, and entrance of

Cayetano in the 2012 Mayoral race. Carlisle will be Hawaii's first half term (2-year) Mayor.

The Honolulu Festival announced the return of this year's showcase of Asia-Pacific culture and its people, March 3-4. Last year's Honolulu Festival was interrupted by the earthquake and tsunami in Japan, which occurred on the eve of the Festival weekend. Numerous performing groups from Japan had to cancel their trip and the fireworks show planned over Waikiki was canceled out of respect to the victims.

Hawaiian Airlines continues to break positive records as the best U.S. airline.

The Hawaii GOP will hold its first ever Hawaii Presidential Caucus March 13. It looks like a battle between Romney and Santorum.

The U.S. Chamber of Commerce launched the first political ad for Senate candidate former Governor, **Linda Lingle**. Look for many millions of dollars to go into this race (against **Mazie Hirono**) from inside and outside the state.

State Budget Director **Kalbert Young** told it like it is at the SBH Networking Sunrise, February 23. It is not a comforting story of Hawaii's past—and future—debt and billions of dollars in unfunded liabilities.

The Legislature is poised to pass the fast-tracked bill, **SB 2012**, which provides \$500 million for repairs to schools, maintenance of government infrastructure and funding of "shovel ready" projects. We've heard that before. It is easier to shovel it than to get it ready to actually build and add jobs. Besides, there are problems with design & build and procurement.

The Senate wants to give valuable acreage to Native Hawaiians, and OHA, in Kaka'ako valued at \$200 million to settle claims against the state. But it wouldn't quash all lawsuits.

Hold onto your plastic bags. The City wants to ban plastic bags as the Neighbor Islands have done and the State wants to tax them with a fee. Wasn't it the plastic bag supporters that got rid of our paper bags first? More fees, bans and no consumer choice: that is the Hawaii way.

Tune in Tuesdays 7 – 8 am to the **Rick Hamada** show on KHVH radio (830 am) to hear Senate Democrat Majority Leader **Brickwood Galuteria** and me tackle the legislative issues at the State Capitol. Call in at 521-8383.

Want more business information? Please visit the several SBH websites at: www.smartbusinesshawaii.com, www.educate808.com and www.sbhfoundation.org.

Outback's Roukema Elected to SBH Board

Tyler Matthew Roukema, owner of the Hawaii Kai Outback Steakhouse, and SBH's "Young Entrepreneur of the Year," was elected to the Board of Directors of Smart Business Hawaii for a one-year term on February 13.

Roukema started with Outback Steakhouse in 1988 as a bus boy and dishwasher.

Throughout the years Tyler has been promoted to every position that Outback Steakhouse has to offer and in 2008 he was given the opportunity to call the Outback Steakhouse in Hawaii Kai his own.



He has an amazing wife of five years as well as two beautiful daughters. Tyler and his family live in the Hawaii Kai community. It is very important to him to be able to live and give back to the community that supports his business. Tyler is very passionate about what he does and lives his life by the simple philosophy of — if you love what you do, then you will never have to work a day in your life.

Small Business News

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SMART BUSINESS HAWAII (SBH)
6600 Kalaniana'ole Hwy., #212 • Honolulu, HI 96825
Ph. (808) 396-1724 • FAX (808) 396-1726
email: sbh@lava.net

Web: <http://www.smartbusinesshawaii.com>

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EDITOR & PUBLISHER: Samuel M. Slom
MANAGING EDITOR: Malia Zimmerman

DIRECTORS: Debi Halcro, Matt Longfellow,
Andy Mertz, Tyler Roukema, Jack Schneider,
Bob Sigall, Sam Slom, Fred Smoot and Geal Talbert.

LAYOUT & GRAPHICS: Melvin Ah Ching

POSTMASTER: Send address changes to
Small Business Hawaii,
6600 Kalaniana'ole Hwy., Suite 212
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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.

SBH is dedicated to improving Hawaii's business climate, creating a better Hawaii through private, competitive enterprise, and promoting, educating, and effectively representing small business, while advocating tax reduction, lower business costs and job creation incentives to diversify Hawaii's economy.

SBH invites comment small business issues in Hawaii. Send them to Small Business Hawaii by the 10th of the month for the next issue. SBH accepts advertising only from SBH member firms. Call SBH for details on advertising.

Lawmakers Scheming to Take More Money Away Taxpayers

Continued from Page 1.

Another attempt to tax “sugary beverages” was beaten back in the Senate but Health Committee Chair **Dr. Josh Green** (D-Hawaii) threatened the soda industry that they, “may be treated like tobacco,” and the bill will be back next year.

While no major new or expanded tax bills are progressing—to date—fees by the bushel basket are moving ahead. Business and taxpayers may die of a thousand cuts.

The House Economic Revitalization and Business Committee last month approved a controversial measure by a vote of 10-1 to allow smoking in stand-alone bars and nightclubs on Oahu. Restaurants would still remain smoke free. Under Hawaii’s current law, smokers must stand at least 20 feet away from a door or window.

Bill Comerford, Spokesman for the Hawaii Bar Owners Association and owner of four bars including O’Toole’s, told the committee the law passed in 2006 has led to problems such as noise, fights and littering outside bars. In turn, that has hurt the bars economically, and made acquiring new licenses more difficult.

A spokeswoman for the Hawaii Smokers Alliance testified the law has led to 18 women being sexually assaulted after their drinks were “roofed” when they were outside smoking. But anti smoking groups, such as the American Lung Association and American Heart Association, spoke against the bill; saying Hawaii’s law should remain in place. Any change would subject Oahu’s workforce to second hand smoke, they said.

Rep. **Barbara Marumoto**, (R-Kaimuki/Waialae), was the only vote against the measure. The bill was ultimately held by Rep. **Pono Chong** and Speaker **Calvin Say** without a vote by the full house.

Gambling is still stealing the show at the State Capitol. Lobbyist **John Radcliff** and his clients from Detroit giving it the old college try for a Waikiki stand alone casino. Gambling not a sure thing this year but the proponents are in it for the long haul. They are slowly winning the popular sentiment. There are also proposals for slot machines, lottery, internet poker and other forms of gambling.

The Legislature is rushing to ban or tax plastic bags just as the Honolulu City Council moves its bill to ban plastic forward.

A bill that would have loosened ethical prohibitions against gift giving to state officials has died a quiet death in the state House of Representatives.



The ethics measure, **HB2457**, was introduced by Gov. Neil Abercrombie’s administration. It would have allowed charities to give state officials, including legislators, invitations of unlimited value to fundraising events, even when the overt purpose of the gifts was to influence decisions of the gift recipients.

The State Ethics Commission spoke out against the measure, as did groups including the League of Women Voters and Common Cause. Members of the House Judiciary Committee decided to shelve the bill.

Another measure restricting and taxing sales of “electronic cigarettes” has been substantially amended but is still alive.

The e-cigarettes bill, **SB 2233**, was passed by the Senate Ways and Means Committee after members voted to delete language imposing the 70% tobacco tax on the devices. The other main portion of the bill, restricting sales of e-cigarettes to minors, remains intact. Opponents of the taxing idea said the devices, which deliver vaporized nicotine to users, do not contain tobacco, do not emit hazardous or noxious smoke, and actually help customers break smoking habits.

Hawaii’s Librarians and Friends of Libraries squared off in an unusual hearing held in the Senate Education Committee. A bill was introduced to allow various non-profit Friends of the Library Associations on Oahu and the neighbor islands to remain independent of the state Friends of the Library Association and the state librarian.

Friends groups were told by the State

Librarian, **Richard Burns**, they must become part of the single state organization and would not be allowed any further fundraising on the property of their community library. Several groups declined to join or become part of the state organization, preferring instead to remain devoted to their community library. Among them were the well-organized Friends of the Aina Haina library who have been operating successfully for 50 years. Every penny the group raised has gone to the Aina Haina Library in East Oahu.

But the Aina Haina Friends were told they were no longer allowed to hold fundraisers on the library property if they did not comply with the state organization mandate. During the hearing, the state librarian Richard Burns who was leading the effort to squelch any independent groups or competition among groups seeking to support their own libraries was questioned by several members of the Senate Education Committee. Committee members appeared to become agitated at his refusal to answer questions and what some described as his lack of “truthfulness” and accuracy relating to actual state law.

In the end, the Senate Education Committee passed the bill to allow independent friends groups to continue to operate their fundraising efforts on the property of their community library with proceeds going to their respective community libraries.

For up to date information, go to the state website at <http://capitol.hawaii.gov> and the Senate Minority websites at <http://senateminority.wordpress.com/>.

Hawaii Kai Cemetery Dumping on Community

By **Malia Zimmerman**
HawaiiReporter.com

Hawaii Kai Cemetery is supposed to be just that some day – a cemetery – but the only thing buried there now is construction trash.

The preservation property, located in Kamilonui Valley in the highly populated East Oahu community, is currently being used by construction companies such as Royal Construction and Grace Pacific to store everything from old buildings they demolished to road pavement they tore up.

The storage is supposed to be temporary. But area residents say the stockpiling does not appear temporary and it is getting out of control.

In a meeting last month, area residents shared their frustration with city officials and legislators. They asked the city to stop the companies from dumping.

The city, in response to residents' complaints, recently issued a Notice of Violation to property owners who were building a new road without the proper permits.

Residents are frustrated the company disregarded the ordinance that requires a city permit before any trees are torn down and gravel is removed, especially during the rainy season.

Residents also are frustrated with the amount of work truck traffic going on to the property, from early in the morning until mid afternoon.

Hawaii Kai Cemetery landowners, including Defense Attorney **William McCorriston**, and construction company representatives from Royal Construction and Grace Pacific were supposed to show, but didn't.

City officials from the Department of Planning and Permitting are reviewing the matter and say they will consider whether to amend or renew the permit.

Visit and "like" our new Facebook Page:



<http://www.facebook.com/pages/Smart-Business-Hawaii/155616271212472>



www.smartbusinesshawaii.com

JA Business Hall of Fame Awardees Named

Since 1990, Junior Achievement of Hawaii, Inc., has honored Hawaii business leaders with annual induction into the Hawaii Business Hall of Fame for their outstanding contributions to free enterprise and the promise of a better, stronger society.

SBH was one of the five judges for the awards, **Carolyn Fujioka** of State Farm is the Board Chair of JA. **Dianne Ward** is JA President.

For 2012 JA Hawaii honors four local business Laureates:

Jay Kadowaki, J. Kadowaki, Inc.; **Daniel B. T. Lau**, Finance Factors, and **Debra Ching Maiava** and **Ric Maiava**, Ken's House of Pancakes (Hilo).

You are invited to join JA in honoring these business leaders at the induction ceremony dinner, Friday, March 9, 5:30 – 8:30 pm at the Hilton Waikiki Beach Hotel.

Contact JA at 808-545-1777 for reservations and information.

SBH's Jonathan Gullible: Global Johnny Appleseed of Liberty

By Professor **Ken Schoolland**

More than 20 years ago Sam Slom and Small Business Hawaii took up the publication of *The Adventures of Jonathan Gullible: A Free Market Odyssey* (JG), to promote economics education in Hawaii schools. While it hasn't yet landed solidly in Hawaii schools, it has reached a hundred thousand readers around the world in 45 languages.

Most recent is the French edition in a nation highly resistant to free market ideas. At last, Akila Bezzouh, Jean Robin, and Editions Tatamis have produced a gem. Writes Akila, "Jonathan Gullible in French is finally between my hands, right now! Yes we have received it yesterday and it will be officially in stores and online stores on October 25."

The New English Edition for youth is now available from Kris Haladus and Aspekt Publishing Co. It has more than 40 beautiful illustrations and every copy carries an audio CD. Iulian Tanase published the new, revised Romanian edition. Mitja Steinbacher and Matjaz Steinbacher published JG for the Slovene audience with beautiful new, award winning illustrations by Breda Sturm.

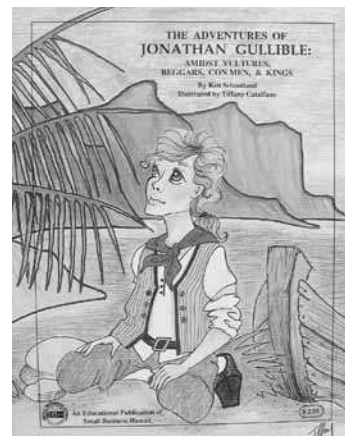
Adedayo Thomas has a very successful and ambitious program in Nigeria, Tanzania, and Ghana utilizing a very effective play, *A Letter From Jonathan Gullible*. Of the performance, Franklin Cudjoe wrote: "Real Theatre at Ahmadu Bello University! You're missing it guys...Just saw the greatest play on the intrusiveness of governments around the world. Performed by the Theatre Arts Department of Ahmadu Bello University. ... Truly, Nigerian theatre producers are the best! I told the cast (actors) they had done our whole week's work in just one hour. I requested a reenactment on Sunday. I will do anything to support the cast to go global. The audience was largely African, drawn from six countries."

The book was produced in 100,000 CD's, "Ideas for a Free Society," by the International Policy Network. These were featured by my family in summer economics programs in Romania, Bulgaria, and China. In Morocco, Nouh el Harmouzi, conducted a liberty seminar program for Arabic economics students in Morocco. Nouh prepared the Arabic version of JG and the animated "Philosophy of Liberty" (PoL) of the book's epilogue, which has been widely used across the Middle East in 2011.

Forthcoming this Spring, new JG publications in Vietnamese, Finnish, Estonian, Armenian, Albanian, and Dutch.

For more information and the latest updates on this ongoing project go to www.jonathangullible.com.

Photo at the top depicts the first SBH published edition of *Jonathan Gullible* that came out in 1987.



People Have Turned Against Rail – The Train Will Die

By **Cliff Slater**, Honolulu Traffic.com

On Sunday, February 12, the Star Advertiser headline was, "Rail support falls," and discussed the decline in the number of residents who believe the rail project should be continued; 53 percent believe it should not versus 45 percent who believe it should. It is really good news that people have now turned against the rail project. There are three major reasons for this. First, having heavyweights the like of Democratic Hawaii Gov. Ben Cayetano, former state Democratic Party Chairman Walter Heen and University of Hawaii law school professor Randy Roth, Senator Sam Slom, the Outdoor Circle and Hawaii's Thousand Friends join us in a lawsuit has to set people aback.

This is an unlikely assortment across the political and philosophical spectrum to be agreeing about anything. Nevertheless, they joined together in opposition to the ugliness, the horrendous cost, the misinformation and the recklessness of our two recent mayors in how they spent money wantonly. The greatest effect was to make people sit up and pay attention.

Second, the people are discovering that rail will not reduce our current level of traffic congestion. A recent questioner in a talk we gave recently summed it up. "Why on earth are we spending \$5 billion on a project that won't reduce traffic congestion?"

Third, the recklessness of the spending left people uneasy.

Legal Ads Stay in Star Advertiser

By **Jim Dooley**, HawaiiReporter.com

Hawaii's newspapers will continue collecting some \$1 million for at least another year to print government legal notices, according to the state's Chief Information Officer.

Bills to allow electronic publication of such ads and notices are pending before the state Senate and House of Representatives.

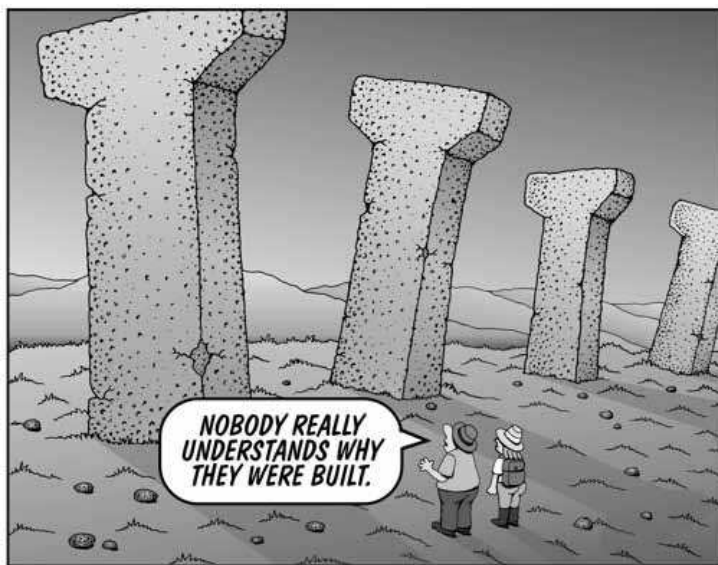
The House Finance Committee voted to defer one measure following testimony from Sanjeev "Sonny" Bhagowalia, Chief Information Officer in Gov. Neil Abercrombie's administration.

"I think I'm saying provide a one-year hiatus so that ... everyone's given one year to set up our site, one year (of) continuing with the way we do business," Bhagowalia told the committee. After that, he said, legal ads can migrate to a state-operated website. "We will always have some portion that will be reserved for print media," said Bhagowalia. "And that will continue and I think that we can reach some sort of agreement on that."

But electronic publication is coming, he said.

"Maybe the world has changed and has now gone (to the) internet so it's time to change or be changed," he said. Newspaper publishers have opposed the idea, saying print media are reliable, readily accessible venues for the ads.

Honolulu Star Advertiser executives told lawmakers last week their publication, the sole remaining general circulation newspaper in Honolulu, bills the state \$890,000 annually for legal ads. The ad revenues jumped substantially after two newspapers, the Honolulu Advertiser and Honolulu Star Bulletin merged in 2010 and higher rates began to be assessed. Star Advertiser senior vice president Dave Kennedy called the \$890,000 figure "a very small proportion of our overall revenue." He said money wasn't the most important issue. "The bottom-line issue here isn't about revenue for us; it's about public access and the public's right to know. That's something we in the news business take very seriously," Kennedy testified.



Courtesy John Pritchett as seen in HawaiiReporter.com

Spending over \$5 billion on PR, awarding contracts before they were necessary, and beginning the heavy work on rail when it faces great possibility of being cancelled.

No federal funds have been appropriated by Congress, our lawsuit is more likely to win than lose, Ben Cayetano may well be elected Honolulu Mayor and cancel it, and the FTA may not give it their final approval for its financial plan.

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HMAA
HAWAII MEDICAL ASSURANCE ASSOCIATION

SBH/HMAA's new comprehensive medical plan became effective Sept. 1, 2011. It is especially tailored for sole proprietors and independent contractors. Want details to see if this plan is good for you?

Contact Darlyn at SBH, 396-1724.

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Government Can't Make Us Happy

By John Stossel

In the Declaration of Independence, Thomas Jefferson called the pursuit of happiness an unalienable right. This was a radical idea. For most of history, most people didn't think much about pursuing happiness. They were too busy just trying to survive.

Then came the liberal revolution based on the idea of individual freedom. Only then did they start thinking that happiness might be possible on earth.

Unfortunately, somewhere along the way, the right to pursue happiness has been perverted into a government-backed entitlement to happiness.

British Prime Minister David Cameron says, "There's more to life than money. ... It's time we focus not just on GDP, but GWB -- general well-being."

Well-being sounds good. But is that something that government programs promote?

Philip Booth, an economist with London's Institute of Economic Affairs and editor of "... And the Pursuit of Happiness," says no. He and economist Christopher Coyne of George Mason University, who contributed to that volume, were guests recently on my Fox Business show.

Since the country of Bhutan got all kinds of publicity by using a measure it calls "gross national happiness" instead of gross national product, and *The New York Times* says it's a "new measure of well-being from a happy little kingdom," I asked them if there is anything to it.

"It's not a model that most Western societies would want to copy," Booth said.

I didn't think so. In Bhutan, people can get locked up for criticizing the government. Yet one study ranked the United States 23rd in the list of happy places. Bhutan was higher on the list.

That's nonsense, said Coyne. It makes more sense to judge a country's ability to make its citizens happy by whether foreigners want to move there. Clearly, more people want to move to America than to Bhutan. "The way to think about this," Coyne said, "is the fact that so many people want to come to the United States indicates that they at least perceive there is the opportunity to pursue what makes them happy."

What *does* make people happy? People fantasize about leisure and luxury, but the best

data show that such things don't create lasting happiness. What does make for happiness is obtaining work that allows you to move toward goals that you find meaningful. In other words, what's important is not just employment, but purposeful work. So is having control over your workplace. Chrysler found that if workers have more control on the assembly line, they are happier. The freedom to decide your own goals is crucial.

Other things that make people happy are religion, having family and friends you care about, giving to others (face to face or via charity), and money.

Actually, money makes you happier if you're miserably poor. But once you have a certain amount—maybe enough that you no longer have to worry about your family's well-being—more money doesn't make much difference. Lottery winners report that, a year after their windfall, they were no happier than they were before.

That's counterintuitive. Instinct tells us that wealth brings happiness. It's a reason why some people envy the rich and why income inequality causes lots of angst today. One left-wing journalist writes, "Every model shows the most unequal societies are the least happy."

"There's no evidence that this is true,"



Coyne said. "Even the staunchest proponents of government intervention to increase happiness admit that there's no relationship."

You wouldn't know that reading *The New York Times*.

The mainstream media claim that the way to make people happy is to have government protect them from misfortune and give them stuff. The research doesn't bear that out, says Booth.

"In fact, the bigger government is, the less happy societies tend to be. There is a direct relationship, stripping everything else out, between the government allowing people more freedom and well-being increasing."

Yet politicians move in the other direction. The socialist likely to be France's next president wants to lower the retirement age from 62 to 60 and institute a "maximum-work" law.

When will they learn that you don't make people happier by taking their options away?



Aloha, Sears Ala Moana

By Sam Slom, President & CEO of Smart Business Hawaii

The announcement on February 23 that Sears will sell its flagship Ala Moana Shopping Center store, with 300,000 square feet of space, to General Growth Properties sometime in 2013 was sad news. The loss of this great retail store and its historic significance will circulate through our community—especially among those of us who actually worked in that store.

Ala Moana Center probably would not have been completed and opened when it was, in August 1959, (a week before Statehood) without Sears as a major anchor. The company took a big risk relocating there.

The wide variety of goods and support of local vendors was unprecedented in Hawaii. Sears was and remains, an important institution in Hawaii.

While I was a student at the University of Hawaii Manoa, I applied for a job at Sears

as a Christmas part-time employee in 1961. It was a job that was much sought after because of wages and working conditions and not so easily attained in those days. Applicants were interviewed, tested, and competed for a limited number of available openings.

Men wore suits and the training was vigorous, even for limited part time positions. I remember being excited at being chosen to work that Christmas.

One of the things we learned then was not to refer to the store as "Sears," but always as Sears Roebuck and Company. Training in customer service was extensive. The good reputation of the store was important and employees were an integral part of it.

I met a lot of good people from management to employees during my tenure at Sears. Learned a lot about retailing as well.

New Wind Mills Coming, Old Ones Rotting Away

By **Malia Zimmerman**, HawaiiReporter.com

Very soon, Kahuku won't be the only place on the North Shore of Oahu with giant white windmills.

First Wind is breaking ground today on construction for Kawaiiloa Wind, Hawaii's largest wind project, with 69 MW, or enough power for 14,500 homes. This is the company's fourth project in Hawaii.

Hawaii is the state most dependent on foreign oil, and state government officials want to create more energy independence by the year 2030.

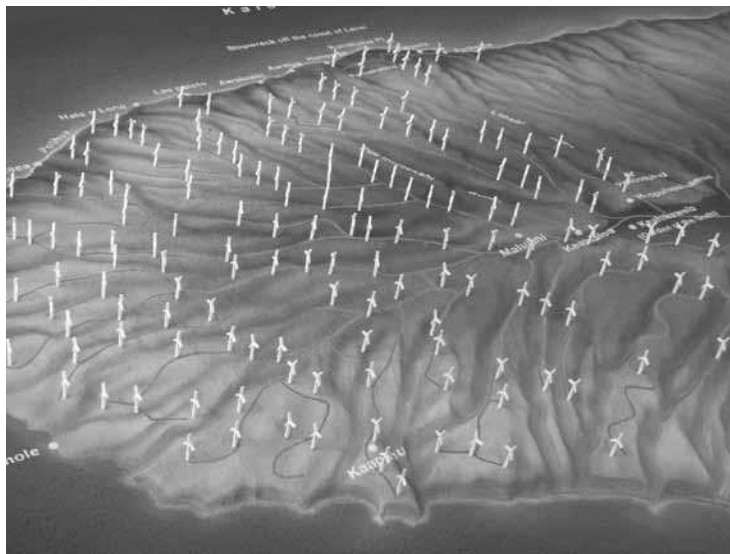
Those supporting the project include: Lt. Gov. Brian Schatz Senator Mike Gabbard, Chair, Senate Committee on Energy and Environment Mayor Peter Carlisle, City and County of Honolulu Paul Gaynor, CEO of First Wind Richard Rosenblum, President and CEO, Hawaiian Electric Company, Inc. Dee Jay Mailer, CEO of Kamehameha Schools Antya Miller, Executive Director, North Shore Chamber of Commerce and Hermina Morita, Chair, Public Utilities Commission.

Meanwhile residents on Molokai continue to fight any windmills on their island, saying the structures are unnecessary and are ugly.

Larry Helm, well known native Hawaiian veterans' advocate, said about 90 percent of Molokai's 7,000 plus residents are against the windmill construction plan, which would include windmills built on Molokai that would connect to an undersea cable bringing power to the highly populated Oahu.

Molokai residents point to a now defunct windmill operation at South Point on the Big Island of Hawaii as one reason not to erect windmills. On the beachfront site, many of the steel windmills have rusted into place or collapsed.

The property where the Big Island windmills now stand was once owned by Kahuku Ranch. Kahuku Ranch sold the property to the WF Co.



Hundreds of gigantic windmills (as shown in above model) will dominate the island of Lanai's western side, creating a blight on the island's natural beauty. The power generated from the windmills is to be cabled to Oahu at a cost of at least \$2 billion to build.

While new windmills are going up on Oahu, many neighbor island residents are wondering why others have been left standing unused for decades.

One Big Island rancher told Hawaii Reporter: "The windmills were the Model T. of Mitsubishi's and had never been tested in Japan. Eventually they leaked oil and the wind would blow the oil quite a ways from the towers. Why they are allowed to still stand there is a big question. Aren't there laws that say that they must be removed and the area cleaned up?"

Obama's Latest Obstruction of Jobs and Growth

By **Grover Norquist**

President of Americans for Tax Reform

Once again, the Obama administration is holding jobs and private investment hostage with regulatory uncertainty. You've already heard about the Keystone Pipeline. This time, they're stalling almost every attempt to expand mobile broadband in America.

The Obama administration has failed to put more spectrum for mobile broadband onto the market, which will help prevent dropped calls and improve service. They've stalled phone companies from purchasing more spectrum and demanded more regulatory power to handpick the companies that get it. Now, they're using the regulatory process to stop a start-up company from building a brand new wireless network.

Light Squared has committed \$14 billion in private investment to bring more broadband



to America, create tens of thousands of jobs, and unleash new competition in the market. They've played by the federal government's rules and were granted spectrum under the Bush administration. But now government

agencies are working to kill this new network, and the Obama administration is sitting on the sidelines instead of allowing this spectrum to be put to use.

This isn't the first time the Obama administration has created a morass of job-killing regulatory uncertainty. But in a sputtering economy, government should not be standing in the way of new jobs, private investment, and new innovation.

Tell your lawmaker to stop the administration from hindering economic growth. It's time to unleash more spectrum to expand broadband. Visit ATR's website and take action now!

Welcome to America – An Economic Stimulus Plan

By **Roger Dow**, President of the U.S. Travel Association

From the natural beauty of the Grand Canyon to the whimsical ingenuity of Disney World's Magic Kingdom, the United States is a land of world-class attractions. But it isn't always easy for foreign travelers to get here. Too often, a cumbersome U.S. visa process has encouraged travelers from countries such as Brazil and China to spend their money at other international destinations.

Now, however, President Obama has unveiled a major initiative to streamline the visa process and welcome travelers to the United States. For the first time, the United States will have a national strategy to make America the top destination for travelers worldwide.

With the Magic Kingdom castle as a backdrop, President Obama told travelers from around the world, "We want to welcome you." He signed an executive order calling for expanded "trusted traveler" programs, faster visa processing, and a government-wide initiative to welcome visitors to the United States.

This announcement couldn't come at a better time. International travel can and should play a crucial role in boosting U.S. GDP and creating much-needed jobs. Travelers come here, spend money, fuel local businesses, don't consume public resources, and return home to tell their friends what a great time they had in the United States.

Yet America has been losing ground in the global competition to attract international travelers. Between 2000 and 2010, America's share of the international travel market fell from 17 percent to 12.4 percent.

If the United States had held onto that 17 percent market share



over the past decade, 78 million more travelers would have contributed \$606 billion in additional U.S. GDP and supported 467,000 more American jobs.

If we recaptured that 17 percent share, it's estimated America would see 1.3 million new jobs and an increase in additional economic output of \$859 billion by 2020.

One of the biggest obstacles, which the president's executive order addresses directly, has been a cumbersome and outdated visa application process. Now, potential visitors who pose no conceivable danger to the United States, especially from such booming "emerging markets" as Brazil and China, will be able to obtain visas more quickly and with less difficulty. Travelers from Taiwan will join those from 36 countries who are able to come to the United States under the Visa Waiver Program, which means they need only present a valid passport to gain admission to the United States.

In too many countries, the U.S. simply hasn't had the presence it needs to meet demand. For example, in China, with a population of 1.3 billion, consular services have been available in only five cities. That leaves 20 cities with populations of two million or more without a U.S. consulate. Compare that to the U.K., which offers consular services in 12 Chinese cities - and the U.K. doesn't even require an in-person interview for its visa applications.

The result? Lost economic activity for the United States. In Europe, the number of Brazilian visitors increased by 163 percent once they no longer had to obtain visas in order to gain entry. Our failure to offer Brazilians similar access has cost the U.S. an estimated \$5 billion.

Sixty five percent of travelers to the United States currently come under the Visa Waiver Program. Expanding the program to include countries such as Poland, Chile, Argentina and Brazil would have a dramatic economic impact.

The president's announcement is a huge step toward a more welcoming United States as destination for international travelers. His initiative will rightly garner bipartisan support, as a robust travel industry benefits all Americans.

Now, it's Congress's turn. It's time to take up recently introduced legislation that directs the State Department to develop accurate visa demand projections and a consular officer hiring plan to meet a 12-day maximum standard for visa processing.

Other worthwhile proposals to expand access include the use of videoconferencing technology for visa interviews, longer visa terms and expedited processing for travelers willing to pay a premium.

For the United States, international travelers represent "free money." With a small investment in improving their access, we could reap a huge return.

Reapportionment Still Clouded by Lawsuits

The 9-member Hawaii State Reapportionment Commission, assembled after the U.S. Census every ten years, remains mired in legal challenges. New state district lines are still unclear leaving both incumbent and new candidates without clear direction.

The bi-partisan Commission held hearings last year and came up with a final redistricting plan in September, 2011. However, politicians on the Island of Hawaii, desiring an additional State Senate seat (there are currently three), took the Commission to the State Supreme Court.

The Court ruled in their favor, saying that the Commission must redraw the lines, give Hawaii Island another seat, and in the process, disenfranchises nearly 100,000 military deployed here. (48 other states count all military present on April 1; Kansas has some restrictions, but only Hawaii seeks to exclude all non "permanent resident" military).

Defendant Governor **Neil Abercrombie**, did not defend the Commission and sided with the Court. A stunt he also pulled in the recent Same Sex Marriage suit. The Deputy AG representing the Commission did a disgraceful job in their defense.

Candidates were supposed to be able to pull papers February 1 for the August 11 Primary. That still hasn't happened and with new maps, federal (14th amendment) lawsuits are possible.

State Reapportionment Commission website:
<http://hawaii.gov/elections/reapportionment/>

Hawaii's Voluntary State Tax Designations Declining

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

In a year when there is not a lot of money for lawmakers to throw at their favorite cause or community project, the focus has turned to having lawmakers look like they are concerned about this or that cause without spending a single tax dollar.

How, you might say, can lawmakers look like they are concerned when there is no money to spend? And if you haven't noticed or heard someone bemoan the loss of programs and services in the last three years, you are certainly not paying attention. So how can lawmakers look concerned without spending a dime? Why they are asking you, the taxpayer, to cough up a voluntary dollar or two by sending a part of your state tax refund into a special fund designated for that cause.

The mechanism can already be found on your state income tax return after you have figured out what you owe and what you already had withheld from your paycheck. It's called a state tax check-off. The ones already on your return allow you to designate a portion of your state tax refund for the Hawaii Schools Repairs and Maintenance Fund, the Hawaii Public Libraries Fund, or the Domestic Violence/Child Abuse and Neglect Funds. In addition to those programs, there is also a check-off where you can designate monies for the Hawaii Campaign Election Fund. This latter check-off is similar to the one found on your federal return where you can designate \$3 of your federal refund for the Presidential Election Campaign Fund, both of which have been around for decades.

What is interesting to note is that when these check-offs were adopted, they were adopted with high hopes that good-hearted taxpayers would voluntarily put a part of their tax refund toward these worthy causes. However, as recent reports note, the amount to be designated for these purposes has slowly declined. For example, the Schools Repairs check-off garnered \$66,406 during fiscal year 2011 which was down from the \$72,200 it picked up in the previous fiscal year 2010. Designated check-offs for Domestic Violence and Child Abuse dropped from \$134,445 in fiscal 2010 to \$129,045 for 2011.

No doubt there may be enthusiasm in the first years after the check-off is adopted and placed on the income tax form, but as that



check-off becomes just another line on the income tax form, those who have little or no interest in the program or issue just whiz by those lines with the focus on completing their tax return and getting it in the mail.

But lawmakers see the check-off mechanism as a means by which they can demonstrate to their constituents that there are concerned about certain issues and that certainly has become the showcase for this session. A search of the legislative hopper turned up a proposal to adopt a check-off for spaying and neutering animals to reduce the number of feral animals through spaying and neutering and educate the public regarding the importance of spaying and neutering pets to prevent homeless animal overpopulation.

Another proposal would adopt a check-off for the Hawaii public schools science and technology programs while yet another proposal would adopt a check-off for the early learning trust fund. Another would allow you to designate a portion of your state tax refund for the state foundation for culture and the arts.

A survey of states that have check-off mechanisms on their income tax forms conducted by the Federation of Tax Administrators found that due to the administrative costs associated with the check-off programs, states that currently have the check-offs are looking to adopt expiration clauses and other means to remove the less productive check-offs. Lawmakers seem to view such check-offs as absolution of their responsibility to deal with such problems by turning the response directly over to the taxpayer. However, in the long run, the cost of administering the check-off merely siphons resources that should otherwise be used for providing needed public services.

Inasmuch as one of the major jobs taxpayers elect legislators to office to do is to weigh the priorities for what limited tax dollars there are - so then the check-off mechanism negates that purpose for having lawmakers. If lawmakers believe that earmarking funds through a check-off system is appropriate, then they might consider placing all programs on the state income tax form for designation and consider repealing the legislative body, as there will be no reason for the legislature to exist because decisions will have been made by the income taxpayer.

More online at: <http://www.tfhawaii.org>

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How Crime Resistant is Your Business?

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Crime and violence seem to be everywhere...on the nightly news, in the movies, on television programs, maybe even at a shop down the street from you. But you probably never think it'll find its way into your business. Unfortunately, crime is often random and there's no way of knowing whom the next victim will be. Whether you own a high-profile jewelry store or a small family restaurant in a quiet neighborhood, work-place security is essential.

No matter what steps you take to safeguard your business, they should always be accompanied by the proper crime insurance. Crime Insurance protects organizations against potentially devastating losses caused by theft, and even employee fraud. Crime insurance coverage can also be paired with risk management and loss prevention tools to help businesses avoid many crime-related losses altogether.

Crime-proofing your business is not as complicated as it sounds. There are many different options to choose from, enabling you to find something that works best for your individual needs, protecting you from both internal and external crime. Here are just a few ideas:

1. Quality Doors and Locks: The number one precaution is to have metal or solid wood door and cylinder locks that resist kicking, drilling, and beating. Some lock manufacturers offer the added benefit of keys that can only be duplicated on specially designed machines, which are not available at standard key shops and hardware stores.

2. Remote Control & Keyless Entry Locks: To protect your business during the

day as well as at night, you may want to consider a remote control or keyless entry door locks. While their features vary greatly with the wide array of available choices, the general purpose is to let you decide who can enter your business at all times.

3. Video Surveillance Cameras: Cameras catch criminals in the act, ultimately aiding in identification. They are available in either stationary or movable models. More sophisticated models now allow you to monitor the cameras from home and even from a smart phone or other mobile devices.

4. Office Safes: If you purchase an office safe, make sure it is big enough that it can't be easily carried off by a thief. Also, you may want to bypass a safe with a manual combination lock, since employees may not always take the time to rescrumble it after they close the door. Safes with electronic keypads eliminate this hassle, making them less likely to be left unlocked.

5. Heat and Motion Detectors & Alarm Systems: These devices monitor changes in heat and/or motion and respond with an alarm or bright lights. While they can be highly effective, they are not a good idea if you have an office watchdog or other pet that may trigger the detector. If you are going to invest in an alarm system, the best choice is one that directly alerts a private security agency or local police station. However, an alarm that rings on the property can also help by either scaring off a burglar or attracting the attention of someone nearby.

For more information on how you can protect your business, visit hawaiiinsuranceconsultants.com or call 543-9789. Neighbor Islands call 1-877-543-9789.



It's time again for the annual 'Stella Awards'! For those unfamiliar with these awards, they are named after 81-year-old Stella Liebeck who spilled hot coffee on herself and successfully sued the McDonald's in New Mexico, where she purchased coffee. You remember, she took the lid off the coffee and put it between her knees. Who would ever think one could get burned doing that, right? These awards are for the most outlandish lawsuits and verdicts in the U.S. Some say they are only urban legends. You decide.

Here are the Stellas for year -- 2011:

7th Place: **Kathleen Robertson** of Austin, Texas was awarded \$80,000 by a jury of her peers after breaking her ankle tripping over a toddler who was running inside a furniture store. The store owners were understandably surprised by the verdict, considering the running toddler was her own son.

6th Place: **Carl Truman**, 19, of Los Angeles, California won \$74,000 plus medical expenses when his neighbor ran over his hand with a Honda Accord. Truman apparently didn't notice there was someone at the wheel of the car when he was trying to steal his neighbor's hubcaps.

5th Place: **Terrence Dickson**, of Bristol, Pennsylvania, who was leaving a house he had just burglarized by way of the garage. Unfortunately for Dickson, the automatic garage door opener malfunctioned and he could not get the garage door to open. Worse, he couldn't re-enter the house because the door connecting the garage to the house locked when Dickson pulled it shut. Forced to sit for eight, count 'em, EIGHT days and survive on a case of Pepsi and a large bag of dry dog food, he sued the homeowner's insurance company claiming undue mental Anguish. Amazingly, the jury said the insurance company must pay Dickson \$500,000 for his anguish.

4th Place: **Jerry Williams**, of Little Rock, Arkansas, was awarded \$14,500 plus medical expenses after being bitten on the butt by his next door neighbor's beagle - even though the beagle was on a chain in its owner's fenced yard. Williams did not get as much as he asked

SEARS Continued from page 6.

My fortunes continued as I was re-hired part-time the next year in hardware and later on, in suits.

In hardware, I learned a lot about tools and home improvement and that I should not be trusted with the paint mixing machines.

The suit department was interesting because that's where local families came to get their young men their first suit usually, and to go off to Mainland colleges. It also was the first suit for many local adult men.

The main thing is I learned a great deal working in the store, loved the customers—well, most of them—and the supervisors, well, most of them, who were helpful and assisting. All this and getting paid too.

Sears will be missed. Even though there are other Sears stores, and new competitors, the Ala Moana Store will always be special.

Mahalo Sears, for all the many contributions you made to our community. You will be missed but never forgotten.

Continued on page 12.

Welcome New Members

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Blinds (Window)
732-6677

Dale Carnegie Training Hawaii & Guam

Training/Business Consultants
538-3253

GINGA, LLC

Marketing & Consulting Services
781-6010

KYA Sustainability Studio

Business Consulting Services
949-7770

Mike Gallagher, Real Estate, Inc.

Real Estate
384-9015

Nagamine Ohana Engineers, Inc.

Engineer
536-2626

Yee Corp Financial (Kauai)

Financial Services
(808) 245-5384 x 25



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Pineapple Room, Ala Moana • Breakfast / Free Parking

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"Honolulu's Infrastructure Improvements and Stopping Rail"

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

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.

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SBH Sunrise Photos



SBH's popular, monthly Sunrise Networking Breakfast continues this year. Featured speakers included Regina Ossey of Victoria's Secret (shown with member Jenny Karp of Outback Steakhouse), and State budget Director Kalbert Young (below right) shown with member Marissa Capelouto of Oahu Express.

Stella Awards

Continued from Page 10.

for because the jury believed the beagle might have been provoked at the time of the butt bite because Williams had climbed over the fence into the yard and repeatedly shot the dog with a pellet gun.

3rd Place: **Amber Carson** of Lancaster, Pennsylvania because a jury ordered a Philadelphia restaurant to pay her \$113,500 after she slipped on a spilled soft drink and broke her tailbone. The reason the soft drink was on the floor: Ms. Carson had thrown it at her boyfriend 30 seconds earlier during an argument.

2nd Place: **Kara Walton**, of Claymont, Delaware sued the owner of a night club in a nearby city because she fell from the bathroom window to the floor, knocking out her two front teeth. Even though Ms. Walton was trying to sneak through the ladies room window to avoid paying the \$3.50 cover charge, the jury said the night club had to pay her \$12,000, oh yeah, plus dental expenses. Go figure.

This year's runaway First Place Stella Award winner was: **Mrs Merv Grazinski**, of Oklahoma City, Oklahoma, who purchased new 32-foot Winnebago motor home. On her first trip home, from an OU football game, having driven on to the freeway, she set the cruise control at 70 mph and calmly left the driver's seat to go to the back of the Winnebago to make herself a sandwich. Not surprisingly, the motor home left the freeway, crashed and overturned. Also not surprisingly, Mrs. Grazinski sued Winnebago for not putting in the owner's manual that she couldn't actually leave the driver's seat while the cruise control was set. The Oklahoma jury awarded her, are you sitting down? She got a \$1,750,000 award plus a new motor home. Winnebago actually changed their manuals as a result of this suit, just in case Mrs. Grazinski has any relatives who might also buy a motor home.