

HMAA & SBH Create New Member Sole Proprietor Benefit Medical Plan

HMAA, the Hawaii Medical Assurance Association, one of Hawaii's leading health care providers, and Smart Business Hawaii, announce a new expanded benefit comprehensive medical plan—medical, drug, dental and vision – tailored especially for small businesses.

The plan is available only to current members of SBH. It is exclusive to SBH.

The new plan, the **HMAA/SBH Comprehensive Plus**, announced at the SBH Sunrise on July 28, becomes effective September 1, 2011. In particular, it provides advantages to sole proprietors and independent contractors who have had major difficulty in the past in gaining a group plan with expanded benefits at an affordable price. This plan will do that.

HMAA and SBH have been working on the details of the new plan for several months. Much of the credit goes to **Larry Santiago** of HMAA. He will be the exclusive agent for this new program. Call Larry at 791-7563.

You can get a benefit by benefit comparison to see if this plan is right for you. There are several new additions, a few exclusions and co-pay considerations. The details are all transparent to help you and your business.

This is yet another benefit of membership in SBH, Hawaii's most effective business advocacy organization. More information about this new member benefit will be posted to our website at www.smartbusinesshawaii.com and through updates to this newsletter and our weekly e-blast.

During the '80s and '90s, SBH was the state leader and pioneer in providing several medical plans and multiple choices for small businesses.



HMAA's Larry Santiago introduced the new health plan on July 28.

Social Media & Tech are Topics at SBH Sunrise

Ryan Ozawa and **Burt Lum** will be the speakers at the next SBH Sunrise Networking Breakfast **Thursday, August 25**, from 7 – 8:30 am in the Pineapple Room, Macy's Ala Moana Center. They host the weekly "Bytemarks Cafe" tech show on Hawaii Public Radio. They will discuss, "Social Media and Technology for Business."

Last month's speaker was former State Senator **Fred Hemmings**, who spoke on alternative energy with a focus on localized nuclear power generation.

The public is welcome to the SBH Sunrise. Advance reservations are required.

Call Darlyn at SBH 396-1724 for reservations or send in the form that appears on page 11 of this newsletter. SBH members and their guests pay \$25 (in advance) for networking, the program, a complete buffet breakfast and free parking. The cost is \$35 at the door if space is available. Members can bring promotional materials for our table display.

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

Thursday, August 25
SBH Sunrise Networking Breakfast
Ryan Ozawa & Burt Lum
 "Social Media and Technology"
 Macys' Pineapple Room
 Ala Moana Center • 7 – 8:30 am

Friday, September 16
SBH Foundation
4th Annual Awards Banquet
 Waialae Country Club • 5:30 – 8 pm

SmartBusiness
 HAWAII

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Social Studies May Be Cut Page 5	Prepare for the Next Big Storm Page 10



Smart Business Views

By Sam Slom, President – Smart Business Hawaii

The 4th annual Small Business Hawaii Entrepreneurial Education Foundation

Awards Banquet is Friday, September 16, 5:30 - 8 pm, Waialae Country Club. The top award, the SBH Lex Brodie Business Person of the Year is **Joe Nicolai** of JN Automotive Group. You can call Darlyn for further information at 808-396-1724. See story on page 3 for all awardees.

I really enjoyed meeting our business friends on Maui at a special SBH Business Forum Thursday, July 21 at the Kahili Golf Club. SBH member **Matt Longfellow** of Valpak Hawaii did a great job with his presentation on Marketing Tips during Hawaii's recession. SBH will try to put on additional Neighbor Island business forums in the future.

Governor **Linda Lingle** was the keynoter at the Annual Milton Friedman Birthday Luncheon, July 29. The event was sponsored by the Grassroot Institute of Hawaii and cosponsored by SBH, Aloha4All and Hawaii Reporter. The event marked the 99th birthday of the late Nobel Economics winner. The luncheon focused on economic choice.

On July 30, the business community celebrated **Lex Brodie's** 50th anniversary of business during the Perry & Price Show at Jimmy Buffet's in Waikiki. Lex of course, was the founder and mentor of SBH.

At the July 28 SBH Sunrise (**Fred Hemmings** spoke), there was a special announcement from medical insurer HMAA and SBH. Sole proprietors and independent contractors should be very interested. Story on page 1.

HECO announced yet another electric rate increase. Using less of your electricity is not working as long as we have near total dependence on imported fossil fuels. We have several alternatives now and just have to implement them.

But if you have or will buy an electric car, there is still \$1 million remaining in funding for electric vehicle rebates and the state has extended the deadline for these rebates. The deadline for rebates on new electric or hybrid electric-gasoline cars and chargers has been extended to Jan. 31. Residents are allowed rebates of up to \$4,500 on purchases of electric vehicles and up to \$500 for electric vehicle chargers. Federal tax credits for electric vehicles are worth up to \$7,500. Since January 1, 128 rebates have been approved for 68 electric vehicles and 60 chargers.

The Oahu Board of Water Supply announced another rate increase. During the past 5 years, Oahu residents paid nearly 50% in increases. Coming soon: another 5 year period of almost 50% in new increases. Reason? To replace our aging daily broken water pipes. Do you think this latest increase will repair all that is needed? No way. Use water wisely.

The monopoly *Honolulu Star-Advertiser* announced it is starting digital paid subscriptions for online readers August 3. The new charges were expected. This fee comes after recent substantial print ad increases. Many major Mainland papers, still in business, added free on-line but now are charging. If you pay to have the print newspaper delivered you can get the full access to the website.

Hawaii Reporter.com, Hawaii's first electronic daily newspaper begun 9 years ago, still is free. Award winning Hawaii Reporter and **Malia Zimmerman** also report daily (M-F) on the **Rick Hamada Show**, KHVH radio on 830 AM at 7:45 am. Malia also reports on Kauai's KKCR with **Sandy Brodie** on Tuesday mornings, on the station's "Morning Paper." She will report the news behind the news for you. FOX News online did a positive review of Hawaii Reporter.

Matson Navigation was quick to raise container rates—a new surcharge of \$52 per container (on top of recent fuel surcharges)—because of the Legislature's suspension of GET tax exemptions formerly enjoyed by air, shipping, sub contractors and sub lessees, but stopped the increase last month. See story on the impact of Act 105 which suspended GET exemptions on page 6.

Foodland grocery store at Koko Marina Shopping Center did close July 10 after 47 years. Walgreens Drug Store is set to enter the Hawaii Kai market with the 33,000 square foot facility. Is PETCO coming too?

Reapportionment draft maps are due this month and will help make up minds of politicians that may be running for office or another office.

Social media experts, **Ryan Ozawa** and **Burt Lum**, of HPR's "Bytemarks" radio show will be our speakers at the next SBH Sunrise Networking Breakfast, Thursday, August 25, 7 – 8:30 am in the Pineapple Room, Macy's Ala Moana. See page 11 for reservation info.

For the latest in small business news, special events, alerts and a downloadable PDF copy of this newsletter, go to our website at www.smartbusinesshawaii.com or call SBH at 808-396-1724.



No Veto Overrides No Special Session

The 2011 Hawaii Legislative Session officially ended July 12. On that date, Governor **Neil Abercrombie** vetoed 17 bills and allowed 235 bills (of 3,224 introduced) to become law. The Democrat controlled House and Senate chose not to call a Special Session or to override any of the Democrat Governor's vetoes. This is in stark contrast to the veto override sessions in each of the past 8 years under Republican Governor **Linda Lingle** when a large number of vetoes were easily overridden each year.

Since 1962, under Democrat Governors Burns, Ariyoshi, Waihee and Cayetano, only one bill (Age of Consent) under Cayetano was ever overridden.

Bills that did not pass into law or vetoed this year by the Governor, carry over into the 2012 session with the State Legislature introducing another 2000 to 3000 more bills on top of those.

SMALL BUSINESS NEWS

Volume 36, No. 8 • August 2011

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Published monthly by Smart Business Hawaii, Periodicals Postage Paid at Honolulu, Hawaii. Small Business News (ISSN #0279-8395)

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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.

SBH Foundation Announces Fourth Annual Business Awards Banquet for September 16

The Fourth Annual Small Business Hawaii Entrepreneurial Education Foundation (SBH) Business Awards will be presented at the 2011 business banquet, Friday, September 16 at the Waialae Country Club from 5:30 – The awardees are chosen by SBH members and community leaders from nominees received by the Board of Directors and voted upon annually.

SBH Awards are based upon business success and community leadership.

Awardees to be presented include:

SBH Lex Brodie

Business Person of the Year

Joe Nicolai

JN Automotive Group

SBH Jean Fukuda Civic

Leadership Award

Win Schoneman

Bubbies Homemade Ice Cream & Desserts

Koko Marina

SBH Young Entrepreneur of the Year

Tyler Roukema

Outback Steak House, Hawaii Kai

SBH George Mason

Outstanding Business Reporting

Jim Dooley

Hawaii Reporter

SBH Business Booster

Glenn Muranaka

Meadow Gold Dairies

SBH Success All Stars

Phyllis Shimabukuro Geiser

Mikilua Poultry Farm

Joe Teipel

Auction Action

Marissa Capelouto

Oahu Express

The awards banquet and program is open to the public. Entertainment and Silent Auction included.

Sponsorships (event and table) are available. Contact Malia at 306-3161.

Advance reservations are required. Contact Darlyn at 396-1724.

Cost for the entire event including parking is \$100 per person (\$50 tax deductible) for SBH members and their guests. (Contact Darlyn at 396-1724).



The Waialae Country Club dining facility will look vastly different from this when the annual SBH Awards Banquet convenes on September 16.

Western States Lawmakers Continue CSG Conference

The Hawaii Legislature will welcome lawmakers from the 13 Western states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming to Honolulu July 30 – August 2. More than 500 people are expected to attend, drawing elected officials from Western states including Hawaii, the Pacific region and Canada. The meeting rotates annually among states and provinces in the Western region.

The event is the 64th annual meeting of the Council of State Governments-WEST (CSG-WEST). CSG-WEST is a nonpartisan organization that brings Western legislators of both parties together to share best policy practices, cooperate on regional issues and participate in legislative effectiveness training.

Hawaii Representative **Marcus R. Oshiro** is the 2011 CSG-WEST chair. Oshiro, Senator **Brian T. Taniguchi**, Speaker **Calvin K. Y. Say** and Senate President **Shan S. Tsutsui** are hosting the meeting. Governor Neil Abercrombie has been invited to welcome conference participants at the opening session.

George Kam, known as an ambassador of Aloha, opens the conference with insights into Hawaiian culture and sense of place. CNN's **Candy Crowley** will take a look at national politics and the implications for Western states. Admiral **Patrick M. Walsh**, Commander of the U.S. Pacific Fleet, will give his perspective on global security and defense. **Joel Kotkin**, author of the critically acclaimed "The Next Hundred Million: America in 2050," will examine how we will live and work as the U.S. population increases by one hundred million. He'll also address the question: Is the West still the future of our nation? **Dante Chinni**, author of "Our Patchwork Nation," will speak to the organization's WESTRENDS board on the 12 different community types and their relevance to Western states.

Numerous local experts will share their expertise with visiting lawmakers. The Hawaii Legislature joins with the world-renowned East-West Center to offer sessions with leading authorities on Asia-Pacific trade and economic development. Lessons in energy independence will be offered by Hawaii Lt. Governor **Brian Schatz** and industry leaders. A college and career readiness forum will include information about Hawaii's P-20 Partnerships for Education. Hawaii Circuit Court Judge **Steven Alm** will join **Robert Coombs** of the national CSG Justice

Continued on page 4.

Rail or Sewage Upgrades? City Can't Afford Both

By Councilmember Tom Berg



The city's plan to ship sewage from Sand Island to other communities because of capacity issues is the aftermath of voters electing leaders that play kick the can with our necessities. Our own waste is backing up to

City Hall and never forget it- this was done by design to go gung-ho over funding rail instead of fixing our basic infrastructure. It is time to ask the voter, 'Do you want to continue to fund the rail project or take that money and fix the dilemma that transpires after you flush?'

The Mayor is facing a turning point in his term, either he can direct resources to resolve flooding, drainage, water, sewer, and road repairs and embark upon upgrades to various treatment plants and recycling efforts, or continue to divert taxpayers' money to fund a heavy-rail system riddled with graft on all fronts.

Everyone that is upset with sludge being shipped to their backyard and being in receipt of the island's woes, needs to reevaluate the pursuit of rail that is killing our quality of life even before the rail has even begun. It's that simple- fund sewers or rail, and the voters want rail and this is the result. Now we have to live with it- a misdirection of priorities sold to us by a previous administration, or raise taxes to flush in confidence.

CSG Meeting

Continued from page 3.

Center to discuss ways to reduce recidivism through corrections reform.

Hawaii Rep. **Bob Herkes** will discuss Hawaii's nationally acclaimed role in preventing mortgage foreclosures. Hawaii Rep. Kyle Yamashita will chair a forum on economic development. Rep. **Ryan Yamane** chairs a health forum that will feature local experts on pandemic flu and health innovations. Hawaii also will offer lessons in invasive species management with a discussion moderated by Hawaii Rep. **Cliff Tsuji**. Hawaii's Superintendent of Education **Kathryn Matayoshi** will lead an evening of conversation with Women in Politics.

For more information about the 64th CSG-WEST annual meeting, click on www.csgwest.org



Photo courtesy of Winners' Camp Foundation

Time is one of the most valuable resource you can give to your teenaged children.

What Do Our Kids Really Want From Us?

By **Delorese Gregoire**, Winners' Camp Foundation

What do our kids - especially our teenagers - really want from us? Time; our time. Our teens want us at their canoe races and programs, soccer practices and games, and baseball practices; in the bleachers when they're playing volleyball, football, and basketball; at their piano, band, flute, and ukulele recitals.

For the past 24 years I have consistently heard teenagers deplore the fact that their parents "were never there for them." Now I want to shout it from lanais, mountains and rooftops: our kids need us to "be there" for them. My own experience with my son gave me an even greater passion to deliver this message.

As a single mom running my own business, far too often I had to make choices between going to one of my son's events and finishing up a contract, taking a group on a tour or meeting with a client. One day, at the supermarket, one of my son's teachers congratulated me on his winning an award I didn't even know he had won! When I asked my son why he hadn't told me, he replied, "You would've been too busy to come anyway..." Gulp. My wake up call! After that, I changed - although coaching his soccer team when he was eight was probably more embarrassing than bonding.

What can we as busy parents, often times with little help, do?

- Pay attention. Take time to ask our kids what's happening for them and how are they "feeling". Do it when they're young; once they're teenagers, forget it! (That's another article...)
- Volunteer for field trips. It's a fun time and our kids will be proud to show us off to their friends.
- Have sit down dinners, even if they are at fast food restaurants. Take time to spend time talking, sharing and laughing. Stanford University Studies showed that even one sit down meal a week helped strengthen families.
- Before leaving for work, the home office or studio, take time to say goodbye, "have a great day at school" and "I love you."
- If you own your own business, bring your kids to work to spend time with you. It's your business - that is one of the few benefits of being the boss! Depending on their age, let them have their own little space for just their things: a shelf, a desk, a closet supplied with books, paper and crayons just for them. As they get older, start teaching them the trade!
- Once a week, take a two-hour lunch break and spend time with your husband or wife and the keiki. Once the kids are in school, maintain weekly luncheons as time together with your

Continued on page 5.

Hawaii's K - 12 Social Studies Credit May Get Budget Ax

By **Scott Foster**

The Hawaii State Board of Education (BOE) is voting on Tuesday, August 16 on whether to eliminate yet another essential curriculum area as part of their new Policy 4540 High School Graduation Requirements (beginning with the class of 2016).

A newly-formed alliance, the Aloha POSSE (Preserve Our Social Studies Education) will host a press conference on July 21 at 10:30 a.m. in front of the Queen Lili'uokalani Building (DOE Bldg.) at 1390 Miller St. (Punchbowl & Vineyard). With Hawaii's schools starting on July 26, 2011, the alliance will be announcing their formation -- and their current effort to rally community support. The group includes parents, students, educators, community members, organizations and individuals.

Dr. Lyla Berg, a former Hawaii State Representative, founded Kids Voting Hawaii and is the State Coordinator for Project Citizen with the Center For Civic Education, Washington, D.C. Dr. Berg said, "We believe that the Social Sciences, which include economics, psychology, participation in democracy, geography, Hawaiian Studies,

Pacific Island Studies, and government are all fundamental to a young person's development as a career-ready, college-bound, civic-minded and responsible member of our democratic society, particularly at this time of globalization. Social Studies courses present vital content, learning experiences, and opportunities for young minds to discover and explore their personal connections to the world around them and such courses help them better understand their civic and social responsibilities as Americans. One must only look at Hawaii's low voter turnout to understand the great importance of this now-threatened curriculum. It's imperative that we safeguard the basic civic mission of schools."

Dr. Berg's concerns are being echoed across the nation. Justice Sandra Day O'Connor said in a May 4, 2011, New York Times article: "We face difficult challenges at home and abroad. Meanwhile divisive rhetoric and a culture of sound bites threaten to drown out rational dialogue and debate. We cannot afford to continue to neglect the preparation of future generations for active and informed citizenship."

In addition to Dr. Berg, the statewide

Hawaii effort includes Linda Coble, Board Chair of Kids Voting Hawaii; Robert Buss, Executive Director, Hawaii Council for Humanities; Drs. Jeff Moniz and Patricia Halagao, faculty of the UH College of Education; Gail Tamaribuchi, former Director of the Center for Economic Education, and Ted Petit, Chair of the Civic Education Committee of the Hawaii State Bar Association.

In the words of Dr. Maya Seotoro-Ng, Co-founder of Our Public School, "What we value most as a society is reflected in what we mandate. Through social studies, students solve problems and connect school with society. It does not make sense for us to pare down on social studies requirements in our DOE schools when our private schools are recognizing the value of more social studies through courses that focus on spiritual and ethical development, as well as individual and community responsibility."

Long-time civics and education advocate Linda Coble observed, "Hawaii's Act 51, The Reinventing Education Act of 2004, states: 'although many responsibilities are laid upon education, ultimately education must do no less

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What Do Our Kids Want? *Continued from page 4.*

spouses. Make this a sacred time not to be neglected because "an important client is in town!" In Sweden, couples meet for lunch with their kids every day!

- Create family rituals and stick to them. When we take time to make church, temple or synagogue a weekly ritual, our teens will have something to fall back on in times of angst or despair.
- The most important relationship we have is that with our spouse. No matter how much we can give our kids monetarily, our being together is most important to them. Take time to work on that relationship every day. If you are already divorced, maintain a good working parenting duo and do not talk stink about each other ever: never, ever. Remember, your child is half of your former husband or wife - no ex's!
- When your teenager or pre teen leaves the house remember to say: Have Fun, Be Safe and We love you!

The cost of living here in paradise forces most of us, (both of us!) to work, work, work! And it's costing us our families. Mother nature also plays a trick on us: just when we've started to make it financially, our kids are teenagers and time away is all they want... just when at last we have time to "be there!"

Delorese Gregoire is the Founding Director of Winners' Camp Foundation which produces Hawai'i Leadership Academy, a seven day training seminar for teenagers, parents and educators held during spring break and summer under Teen Camps Hawaii. This year Winners' Camp Foundation is celebrating 24 years of producing leaders in our Island Communities. <http://www.winnerscamp.com> 808-306-8008 <http://www.hawaiileadershipacademy.com> success@winnerscamp.com.

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The High Price of Outmoded Laws

By Malia Hill

You know what always gets me about living on the Mainland? Cereal prices. And gas, and milk, and toilet paper. But more than anything else, it's the Frosted Mini-Wheats. (I confess that I love the Mini-Wheats.) And on the mainland, you don't have to take out a second mortgage on your house in order to indulge in them on a regular basis.

The price of living in paradise? Ok, fair enough. After all, when you live on an island, pretty much everything that can't be produced on your (limited) available land has to be brought in by sea or air. And that will affect the price.

The thing that many people don't realize, however, is that in Hawaii, that price is affected even more by the Jones Act, an anachronistic piece of maritime legislation that requires (among other things) that our goods coming from other US ports must arrive here on US flagged ships manned by US flagged crews.

The net result is a duopoly where Matson and Horizon bring the vast majority of goods into the islands and the ultimate victim is the Hawaii consumer. (For the record, it has been possible in the past for states to get exclusions from the Jones Act—as Louisiana did after Hurricane Katrina—but to do so requires, well,



a state government willing to fight for that kind of thing.

And I once saw our current Governor try to claim during an election debate that an exclusion from the Jones Act would mean that my Mini-Wheats would be shipped to Honolulu in a rusty old freighter manned by a shifty crew—which was interesting in the way it evoked a melodramatic 19th century novel, if slightly lacking on the accuracy front.)

And now, according to a recent article in Hawaii Reporter, Hawaii's citizens are going to continue to feel the burden of the Jones Act as (in contrast to the rest of the country) our shipping costs will be going up. While

shipping rates from Asia to the U.S. fell 6.7% in the last week (with an average rate of \$1636 for a loaded 40-foot container from Hong Kong to Los Angeles), Matson and Horizon have been raising their prices:

Discussions with shippers, and reviews of Matson's tariffs, show Hawaii's rates are at least \$5,000 to \$6,000 per 40-foot container and often several thousand dollars higher.

So far this year, Matson increased:

- The terminal handling charge from \$900 to \$1,075 per container, a 19 percent increase;
- The base rate by \$120 per container, a 3.8 percent increase;
- The fuel surcharge more than doubled. It was 21.75 as recently as February 2011 and is now 47.5 percent.
- Matson added a \$52 charge per container as of July 1, 2011, after the state revoked a tax exemption.

Horizon, Matson's only major container shipping competitor operating between the Continental United States and Hawaii, has followed every one of these increases.

Matson's published rate for a 40-foot container with "freight all kinds" or a mixed load of goods, is \$8,736.62.

The Grassroot Institute, SBH (and other concerned citizens) has been trying for years to help spread the word that the Jones Act is detrimental to Hawaii's consumers and small businesses. But real change will have to come through Congress. And that will mean persuading a Congressional delegation that has so far been cool to the idea that it's time to petition for a Jones Act exclusion for Hawaii's economic health.

Second Shoe Falling From Act 105 GET Taxes

Continued from page 6.

- tugboat and towage services
- the transportation of pilots or government official
- labor organizations for real property leases
- rent for aircraft or aircraft engines used for interstate air transportation
- high technology research and development grants
- the servicing and maintenance of aircraft or construction of aircraft service and maintenance facilities
- petroleum product refiners from other refiners for further refining of petroleum products; and gross proceeds from:
- the building or maintenance of air pollution control facilities
- shipbuilding and ship repairs.
- qualified businesses in enterprise zones.
- certain contractors to build in

enterprise zones for the qualified businesses.

Other exemptions "temporarily" suspended:

- Leasing or renting of aircraft for commercial transportation of passengers and goods involved in interstate air transportation
- Use of oceangoing vehicles for passenger or passenger and goods transportation within the state.
- The use of material, parts, or tools imported for the use of aircraft service and maintenance or the construction of aircraft service facilities

State Senator Sam Slom, Minority Senate Leader, serves on all 15 Senate Committees. He represents Oahu's 8th district—Hawaii Kai, Niu, Kuliouou, Aina Haina, Waialae Kahala and Diamondhead. He is also a consulting economist, small business owner and president of the Small Business Hawaii Entrepreneurial Education Foundation.

Free Retirement Seminars Offered

Bank of Hawaii plans free smart money seminars during August as follows: August 3 5:30 – 7:00 p.m. Long-Term Care Insurance Oahu – Kapolei August 10 5:30 – 7:00 p.m. Saving for Retirement Oahu—Waipahu August 10 5:30 – 7:00 p.m. Saving for Retirement Oahu – Kaneohe August 17 5:30 – 7:00 p.m. Saving for Retirement Oahu – Ward Plaza August 24 5:30 – 7:00 p.m. Long-Term Care Insurance Oahu – Pearlridge

“Chefs of Aloha” Showcase Hawaii Regional Cuisine

The Hawaii Restaurant Association (HRA) has announced the line-up of the “Chefs of Aloha” who will provide the delicious dine-around experience at the 5th Annual Hall of Fame Awards dinner September 19, 2011 at The Waikiki Edition.

Through their culinary expertise and creativity, these ten “Chefs of Aloha” represent the four counties of Hawaii and will showcase today’s Hawaii Regional CuisineSM as part of the celebration of twenty years of “the Exciting, Extraordinary Evolution of Hawaii Regional CuisineSM.” The “Chefs of Aloha” for the Hall of Fame dinner are: **James Babian** (Four Seasons Hualalai), **Chai Chaowasaree** (Chai’s Island Bistro), **Elmer Guzman** (Poke Stop), **D.K. Kodama** (Sansei Seafood Restaurant & Sushi Bar and d.k. Steak), **James McDonald** (Pacific ‘O and I’O), **Mark Oyama** (Mark’s Place and Contemporary Flavors), **Goran Streng** (Tango Café and Tango Mark), **Russell Siu** (3660 On the Rise), **Khamtan Tanhchaleun** (Hawaii Prince), and **Brett Villarmia** (RumFire).

The Hawaii Restaurant Association event will induct into the HRA’s “Hall of Fame” the founding chefs of Hawaii Regional Cuisine (**Sam Choy, Roger Dikon, Mark Ellman, Amy Ferguson, Beverly Gannon, Jean-Marie Josselin, George Mavrothalassitis, Peter Merriman, Philippe Padovani, Gary Strehl, Alan Wong, Roy Yamaguchi** and **Shep Gordon**).

This Celebration brings together businesses and individuals that are working together with their communities to build more locally-based, self-reliant food economies. The Hawaii Restaurant Association supports and promotes this growing commitment to sustainability, and the importance of buying, eating, and incorporating local produce, seafood, and the products of our Islands.

For registration, sponsorships and additional information for the 5th Annual Hall of Fame Awards on **September 19, 2011**, go to **www.RestaurantHI.com** or **www.HawaiiRegionalCuisine.com**. For a current list of Hawaii restaurants that offer Hawaii Regional Cuisine, go to **www.HawaiiRegionalCuisine.com**.

Why Join Smart Business Hawaii?

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And more! Business is our middle name. Visit our website at smartbusinesshawaii.com for more details or call us today at 808 396-1724. Or you can simply join by sending in the application form that appears on page 11.

SmartBusiness
HAWAII



Former State Senator Fred Hemmings was the featured speaker at the July 28 SBH Sunrise Breakfast. The topic was alternate energy with an emphasis on localized nuclear power sources. The next SBH Sunrise will be held at Macys’ Pineapple Room at Ala Moana on August 25.

Young Local Designers on the Rise: More Than Just Aloha Shirts

By **Miriam Landru**, HawaiiReporter.com

The local fashion scene in Hawaii features new designers whose aesthetics range from beachy to sleek to fun, colorful, Harajuku style. Matt Bruening, Project Runway’s Andy South, and Acid Dolls- all local designers, launched their new collections last weekend with fashion shows at Next Door in Chinatown and Wolfgang’s Steakhouse at the Royal Hawaiian Center.

Waianae boys Matt Bruening and Andy South recently joined forces in a fashion show at Next Door premiering their Summer and Fall collections. Matt and Andy’s creative relationship goes back to their days as students at Waianae Middle School. “We met in the 7th grade. We were always creative. Andy was known to be really into the Arts,” said Bruening.

South’s recent success on the reality show Project Runway, where he came in third, has helped to fuel his passion for clothing design. However, as a teen, he never dreamed he would pursue a career in fashion design. “I didn’t know there was a possibility of even having a career in fashion. I just didn’t grow up around it. The more I learned about it... it just became my life,” South said.

In September, South’s Fall collection premieres at Honolulu’s Neiman Marcus in Ala Moana Center. “The goal for my Fall collection was to give my fans what they already see of me and want. Especially after coming home from Project Runway, there was a large fan base that wanted to buy into my clothing,” added South. His Fall collection will also be available at various boutiques in Japan. South describes it as “moving, edgy, and contemporary”.

While South’s collection is dark and sleek, Bruening’s fall collection is drapery and layered. “DIEM is the Fall collection. It’s based on what we would wear if the world would end tomorrow. Instead of being really over the top, I made it really comfortable, easy, and wearable,” Bruening said.

Bruening’s Summer collection, COAST, is the antithesis of DIEM. It still has Bruening’s signature layered style, but in lighter colors and

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Better Business Climate Needed to Attract Investment

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

Recently, the head of the state's economic development department called on the private sector to help pay for public-private projects to drive the local economy. Calling on businesses to partner with state government and provide private capital to develop new industries, improve public lands, and link the Islands with an undersea cable to deliver broadband technology and renewable energy, the director seems to gloss over one of the key reasons why such partnerships have not occurred in the past – government.

Such lofty aspirations made for great media coverage, but the reality is that one of the major hurdles to a prosperous Hawaii is state and county government.

Instead of working with the private sector to foster and nurture a thriving economy, government has thrown every single hurdle possible in the way of those who would want to venture into new realms of business.

Just ask any business about the trials and tribulations of trying to start up a business in Hawaii, from the massive number of forms to be filled out to the frustrating maze of permitting requirements necessary to open that front door on the first day of business. While the intent of those permits and regulations are certainly in the best interest of the health and safety of the community for both workers and consumers, the administration and compliance with those requirements just boggles the mind and drives up the cost of doing business in Hawaii.

When so much in resources is required to get to the starting block, one wonders why anyone would want to start a business in Hawaii.

Although many of the complaints that we hear about the trials of dealing with government seem to come from small businesses, as they are the least likely to have the substantial resources it takes to navigate the maze of requirements, many larger businesses grouse privately about the costly overhead and expenses incurred in starting a new venture. They do so privately because those businesses don't want to be blackballed or incur the ire of those government regulators else the process be delayed even more.

As a result, many business leaders are reluctant to speak out or to criticize government, a "go along to get along" syndrome that has, in part, contributed to the apathy shown toward business in Hawaii.

It is that "everything must be all right because no one is complaining" attitude that allows public policymakers to add even more restrictions, regulations and redundancies to state laws. Meanwhile, the perception of those who must deal with these regulations is that public policymakers

must surely have never worked a day in their lives or else they too would understand the difficulties imposed by the numerous laws enacted to "protect" the public.



So when a state official asks the private sector, the business community, to partner with state government, that official is talking to a group that has already "given at the office" – given in taxes, given in regulations, given in donations to community groups and donations to political candidates. How much more will the business community be asked to give if there is no contribution on the part of state government?

Granted, it is not all one way, if there is any failure of business it is that they have failed to stand up against the onslaught; no, make that avalanche, of costs imposed by government. Perhaps it is because there is no real voice of business as the business community is diversified with each sector trying to execute its own agenda, usually at a cost to the rest of the business community and the taxpayers of the state.

Take, for example, the big push to use targeted business tax incentives to "diversify" the economy. Tax credits were created for high technology, for construction and renovation, alternate energy, and the list goes on. Unfettered and uncontrolled, those tax credits became a drain on the state treasury with no real oversight as to whether or not they produced the business activity or jobs they promised when enacted. Had those tax credits not been handed out so freely, perhaps the budget shortfalls would not have been as large as they are.

Instead, the rest of the community, both businesses and families, are now being asked to fill the budget gap with additional taxes that will burden the economy with yet another heavy load that will make it even more difficult for the state to dig itself out of this hole.

Thus, before state officials call for public-private partnerships, those state officials would do much better by looking at how difficult the state has made it to do business in Hawaii, let alone to survive in this state, and begin peeling back the excessive and intrusive laws and regulations that prevent budding enterprises from setting up shop in this state.

Instead of deciding what should be the most favored industries of Hawaii's future, state officials should make sure the environment is nurturing to all businesses.

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The hurricane season runs from June to November. Each year, Civil Defense agencies remind us to prepare a kit of emergency supplies so that we are prepared to protect our family, our home and assets in case of a disaster. The information below will help you to be prepared in case a disaster strikes, including what you should do to file for insurance claim after the storm.

Before a Storm

- Have a plan of action: Know the safest and strongest areas of your house, know evacuation routes and shelters, and have a plan for contacting family members.
- Have a hurricane readiness checklist and kit: myfarmershawaii.com/hurricane-checklist.
- Cover your windows to keep broken glass from flying into your home.
- Secure loose objects outside your home and regularly trim trees or shrubs on your property.
- Take pictures and make detailed descriptions of your property. By making a detailed, accurate inventory of your property, your insurance company will be able to help you recover losses faster and more completely.
- Keep copies of important documents such as deeds, birth certificates, insurance policies, receipts, etc. Originals should be stored in a safe place such as a waterproof container or a bank safe deposit box.
- Stay tuned to local radio for information from official sources.
- Use telephones only for emergency calls.

During the storm

- Continue to listen to the radio and remain calm.
- Remain in the evacuation shelter, basement, interior hallway, interior closet, etc., until the storm is over.
- Stay away from windows and glass doors.

After the Storm

- Return home only after authorities advised that it is safe to do so.
- Avoid loose or dangling power lines and report them immediately to the power company, police, or fire department.
- Enter your home with caution. Beware of insects, animals, and debris driven to higher ground by flood water.
- Open windows and doors to ventilate and dry your home.
- Inspect utilities in the home for gas leaks, electrical system damage, and/or sewage/water lines damage.
- If there are damages to your home or business:
- Make a detailed list of the damages and contact your insurance company promptly. If you do not have phone access from home, remember to provide information on where you can be reached.
- Be prepared to provide copies of all documents, receipts, and records for major household items, electronics, vehicles and any unusual items to the insurance company for claims.

For more information on disaster readiness, including emergency checklists, please visit myfarmershawaii.com/hurricane-checklist. (Photo courtesy of NASA)



Hawaii Needs Visa Reform for China Travelers Now

By Aaron Keshishian

Hawaiians know that travel equals jobs – not only for all the traditional hospitality related businesses, but also for many of the small retailers and “mom and pop” stores that benefit from the dollars being spent every day by visitors to the islands.

And while the travel industry is still trying to recover from the downturn we experienced over the past few years, travelers to Hawaii continue to spend tens of billions every year in our state, generate over \$2 billion in revenues for federal, state and local governments annually, and are directly responsible for nearly one in every four nonfarm related Hawaiian jobs.

In fact, travel is one of *America's* largest industries, generating \$1.8 trillion per year in economic output and employing approximately 7.4 million Americans.

Unfortunately, in the race to attract overseas visitors, the U.S. has been falling behind. Over the last decade, the number of travelers visiting the U.S. has remained static, even while travelers worldwide increased by 60 million.

Meanwhile, our competitors are gaining ground and reaping the economic benefits. Between 2000 and 2010, long-haul travel to China increased 126 percent, while travel to India increased 124 percent. Italy was up 48 percent, Japan 32 percent, and Australia 23 percent.

Continued on page 12.



Are you prepared for the next big storm?

great quotations

“Economic depression cannot be cured by legislative action or executive pronouncement. Economic wounds must be healed by the action of the cells of the economic body — the producers and consumers themselves.”

Herbert Hoover

31st President of the U.S.A.

Fashion Continued from page 8.

watercolor prints. "It's basically about my interpretation of easy living enjoying life. Really island inspired, the ocean, the colors... I incorporated the Aloha style," he said. Bruening's designs are available at Acid Dolls or through personal consultation.

Locally owned by the King sisters, Acid Dolls launched the first of three Summer collections at the "Last Saturday" Fashion show held monthly at Royal Hawaiian Center. "The whole Summer is ocean themed with the first being "Nautical Nice". It's like "yacht club", fun in the sun, very bright," said Cindy King, lead designer.

With all of the young, fresh designing talent in Hawaii- do they feel in competition? The answer was a resounding "NO." "If designers in Hawaii don't come together and help each other out- there is no industry," said King. This was apparent at the Acid Dolls fashion show in which Andy South attended.

"I want people to look at Hawaii and know we have talented designers here. When I read fashion blogs, they say people in Hawaii don't know anything about fashion... I just want to prove them wrong," said King.

These designers are certainly proving that Hawaiian fashion is more than just the Aloha shirt.



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Speaker: **Ryan Ozawa & Burt Lum**, Bytemarks Radio
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Reservations made in order received at SBH. No tickets mailed – pick up at registration desk August 25. Your guests welcomed at member price. Refunds until August 24.
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*The charge is \$35 for non-members, and at the door, provided space is available.

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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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August 2011

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Travel to China

Continued from page 10.

What people may not realize is that one of the biggest barriers to attracting foreign travelers from some of the countries with the greatest potential for growth is an unnecessarily burdensome, inefficient U.S. visa system. Rather than facilitating travel, our process for obtaining a visa acts as a self-imposed barrier, driving away millions of potential visitors with long wait times, high costs, and other inconveniences.

For example, prospective visitors to the U.S. from rapidly growing markets such as Brazil and China are often forced to wait over 100 days during peak travel seasons to secure a visa. The U.S. has only five consular offices capable of processing U.S. visas in all of China, leaving 27 Chinese cities with populations over two million with no local access to a U.S. visa.

While new direct flights from China to Hawaii are doing their part to attract Chinese visitors – who reportedly spend almost twice what other visitors do in a trip to our state - we need to make it easier for these potential tourists to obtain visas to enter our country.

Reforming our visa process is something the federal government can and must do. Reasonable goals include implementing a standard wait time of under 10 days for international visitors by aligning resources with demand, improving efficiency through technology and additional personnel, and expanding the Visa Waiver Program to allow visitors from countries that qualify to enter the U.S. without a visa. These are all improvements that could be financed out of visa fees paid by international visitors and would have no impact on taxpayers, while growing new jobs that cannot be outsourced.

For more information about visa reform, go to <http://www.smartervisapolicy.org/>.

Celebrating Freedom & Milton Friedman



Former Governor **Linda Lingle** (top) was the keynote speaker at the annual Grassroot Institute sponsored Milton Friedman 99th birthday celebration, held at the Japanese Cultural Center in Honolulu on July 29. She focused on education and school choice, one of the topics championed by Friedman. Professor **Ken Schoolland** (right) spoke on how Mr. Friedman was a big influence on his life and how his philosophy on capitalism was applied to his best selling book *The Adventures of Jonathan Gullible*.

