

## **Cliff Slater**

---

May 2, 2005

### An Open Letter to all members of the Chamber of Commerce of Hawaii

Dear Chamber member:

As a once long-time member of the Chamber and the only Director ever elected from the floor because of a rail tax issue, I believe I am qualified to discuss the Chamber's recent support of a 25 percent increase in the G.E. tax from 4 to 5 percent.

At one of our Chamber Board Meetings at the end of 1992, following the City Council's vote to terminate the rail project then being contemplated, the Chamber officers announced that the Chamber would not in future support a tax increase without first ensuring that it had broad membership support.

For the Chamber to first ensure that it has its members support before taking a highly controversial position is just common sense. However, my friends in the Chamber tell me they were not consulted about the Chamber's decision to support the biggest tax increase in Hawaii's history. They are especially annoyed because the Chamber is opposing virtually every other business organization in the state, such as:

NFIB, Hawaii            Retail Merchants of Hawaii            Hawaii Association of Realtors  
Hawaii Automobile Dealers Association            American Society of Travel Agents  
Small Business Hawaii            Hawaii Business League            Tax Foundation of Hawaii

As the Chamber admits (see documents at: [www.honolulutraffic.com](http://www.honolulutraffic.com)), when it spoke to its business members it concluded that it should oppose the tax. Then, later when it was spoken to by the political establishment, it decided to reverse its position and support the tax.

From this act, and a host of similar actions the Chamber has taken over the years in support of the political establishment, one can only conclude that the Chamber should be privatized. That is, the Chamber should return to being what it once was some 30 years ago, a voice for private business, not public business.

First, I urge you to take an active part in Chamber affairs and ensure that the Board of Directors is comprised of a clear majority who are neither beholden to the political establishment nor vulnerable to threats from it.

Second, if you agree, fax the Chamber and tell them you are opposed to the tax hike.

Then, third, and most importantly, fax your legislators (find them at:

<http://www.honolulutraffic.com/stateoff.htm> ) and let them know you were not consulted and the Chamber's position does not reflect yours — you are opposed to tax hikes.

Sincerely,



***Cliff Slater***

---

June 20, 2005

An Open Letter to all members of the Chamber of Commerce of Hawaii

Dear Chamber member:

The Chamber has announced today that they will not allow Olelo to videotape the Issues Event tomorrow morning. They had already refused Peter Kay, a Chamber Director, permission to audio tape the forum for his votehawaii.com website. This means there will be no opportunity for the general public to see, or hear, the rail tax issue aired in a forum in which both sides will participate.

We believe the Chamber is doing its members a disservice. It is bad enough to hold the Forum well away from Downtown with a \$40 breakfast charge for admission — hardly the way to maximize attendance.

The Chamber is also violating its pledge to members they made in 1992 that they would consult their members on any future tax increase. My friends in the Chamber tell me they were not consulted about the Chamber's decision to support this rail tax — the biggest tax increase in Hawaii's history. They are especially annoyed because the Chamber's position opposes that of virtually every other business organization in the state, such as:

Hawaii Business Roundtable

Small Business Hawaii

Hawaii Business League

Hawaii Association of Realtors

Retail Merchants of Hawaii

NFIB, Hawaii

Tax Foundation of Hawaii

American Society of Travel Agents

Hawaii Automobile Dealers Association

As the Chamber admits (see documents at: [www.honolulutraffic.com](http://www.honolulutraffic.com)), when it spoke to its business members it concluded that it should oppose the tax. Then, later when it was spoken to by the political establishment, it decided to reverse its position and support the tax.

Please attend tomorrow's Forum from 8:00am to 10:00am (7:30 registration) at the Hyatt Regency Hotel, Mauka Ballroom. And, if you agree, fax the Chamber and tell them you are opposed to the tax hike. Most importantly, fax your council members (find them at: <http://www.honolulutraffic.com/stateoff.htm>) and let them know you were not consulted and that the Chamber's position does not reflect yours — you are opposed to tax hikes.

Sincerely,



# honolulutraffic.com

July 5, 2005

## An Open Letter to Chamber members:

The latest Chamber Monday Report accuses us of using “erroneous information about the Chamber,” “misinformation,” a “false statement,” and an “incorrect description of Chamber decisions.” However, the only specific complaint was that we were wrong in saying that the Business Roundtable was against the imposition of the tax — unlike the Chamber.

Here is the key excerpt from the Hawaii Business Roundtable’s written testimony, as agreed to by two-thirds of their members, given at the June 6 Council hearing on Bill 40,:

“HBR will not support any actual increase in the general excise tax unless proper surface transportation plans and cost/benefit analyses are completed to solidly justify a tax, prior to the surcharge taking effect. Such plans and analyses should satisfactorily demonstrate that the design, cost, utilization, and ancillary conservation measures of the transportation improvements to be funded by the tax provide sufficient benefits to the community.”

If that is “supporting the Chamber’s position,” our understanding of the English language must be slipping in ways that are beyond repair. We would be interested if you could find any further “misinformation” in the two “Open Letters” now on our website:

[www.honolulutraffic.com/chamber1&3.pdf](http://www.honolulutraffic.com/chamber1&3.pdf).

Tomorrow the Chamber is going to have a Rally in support of the hike in the G.E. tax to 4½ percent and on Thursday at the Downtown Neighborhood Board, Jerry Bangerter from the Hawaii Association of Realtors speaks against the tax increase while Jim Tollefson, Chamber CEO, will be “presenting the opposing view.”

Our website has a spreadsheet ([www.honolulutraffic.com/railfunding4.pdf](http://www.honolulutraffic.com/railfunding4.pdf)) that shows clearly that this tax increase does not come close to covering the costs of the Mayor’s plan – even before allowing for cost overruns.

Another indicator of the insufficiency of this initial tax increase is that the Mayor originally said he *needed* a full one percent GET tax increase for a Kapolei to Iwilei line. Subsequently, he added another \$1 billion leg from Iwilei to UH while the legislature cut the tax increase to a ½ percent. Obviously, the Mayor *needs* a lot more than a ½ percent increase, yet still the Chamber supports it.

One issue that is not in doubt is that the Chamber in 1992 announced that they would not in future support a tax increase without first ensuring that it had broad membership support. Former Chamber Chairs Gerry Czarnecki and Jack Hoag will certainly remember that. The Chamber has not followed through on this commitment.

In any case, we wish all Chamber members out to rally for the rail tax tomorrow morning the best; it is not easy for businesspeople to promote tax increases.

Sincerely,



Cliff Slater