

The Aloha Hapahā Mo'olelo (Quarterly Report)

Hawaii's Congressional delegation will have a different member after the general election.

Incumbents U.S. Senator Mazie Hirono and U.S. Representative Tulsi Gabbard are expected to win their elections by comfortable margins. That leaves the District I seat in the U.S. House of Representatives, which Congresswoman Colleen Hanabusa (D) vacated to run for Hawaii governor and lost to first-term Governor David Ige. That led to a seven-person field for Hanabusa's seat on the Democratic ticket in the primary election, with veteran former Congressman Ed Case coming out on top. In the November 6 general election, Case will go up against four candidates representing the Green, Libertarian, Republican and Non-Partisan parties, and is expected to prevail.

The state Senate lost several longstanding legislators when Jill Tokuda, Josh Green and Will Espero ran for the Hawaii lieutenant governor seat vacated by Shan Tsutsui, who left office before his term was up. Due to Hawaii's resign-to-run constitutional clause, all three were in a winner-take-all situation in the primary election, with Josh Green winning the prize while the other two are no longer with the Senate.

However, elected officials who ran for Colleen Hanabusa's seat in Congress were not required to resign before running for federal office. Hawaii's resign-to-run rule stipulates that candidates running for another county- or state-level office "... must resign before being eligible as a candidate for another public office, if the term of the office sought begins before the end of the term of the office held." But the rule does not apply to federal office.

This group included Lt. Governor Doug Chin, state Senator Donna Mercado Kim, state Representatives Beth Fukumoto and Kaniela Ing, and Honolulu City Council Chair Ernie Martin. Of these five elected officials, only Donna Kim retained her seat in the state Senate. Lt. Gov. Chin, Reps. Fukumoto and Ing, and Council Chair Ernie Martin will be leaving office once their terms are up.

So, why was Sen. Kim able to retain her seat while the other candidates were not? It was a matter of those candidates not having the time and/or resources to run for re-election and for Congress at the same time. The seat that Sen. Kim occupies was not up for re-election, so she was spared from having to run this year. (State Senate seats are up for election every four years, while House seats are every two years.)

With the shuffling of lawmakers in the state House and Senate come changes in committee assignments. Of importance to the HPMa is that Rep. Chris Lee has sought to leave the House Energy & Environmental Protection Committee in favor of chairing the House Judiciary Committee, which has been confirmed. His co-chair, Rep. Nicole Lowen, is said to be in the running for the energy committee chairmanship.

Changes in the composition of the state Senate is resulting in the Energy & Transportation Committee being split into two. State Sen. Lorraine Inouye was approached by Senate President Ron Kouchi about the change, and it is believed that Sen. Inouye will likely retain transportation but relinquish energy to a yet-to-be-announced chair. There is a possibility that former Hawaii Energy Policy Forum co-chair Sharon Moriwaki, who defeated fellow Democrat Brickwood Galuteria in the primary election, could be approached to chair the committee if she is elected on November 6. These and other purported changes will be confirmed in the next report (*In the 2019 Post Convention Magazine*).

Aloha Island Mart Named 2018 Retailer of the Year for Hawaii

Aloha Petroleum, Ltd.'s branded convenience store, Aloha Island Mart, was named the winner of this year's prestigious Ho'okele Award for Retailer of the Year – State of Hawaii from the Retail Merchants of Hawaii. Aloha Island Marts are located at 50 Aloha Gas stations across the islands.

“We are so proud to be recognized as the 2018 Retailer of the Year for the State of Hawaii,” said Gary Altman, general manager of company-operated stores for Aloha Petroleum, Ltd. *“This award reflects the great attitude and commitment of our convenience store employees who provide our customers with the highest levels of excellence, innovation, and aloha spirit.”*

In its nomination, Aloha Island Mart was recognized for understanding the local market, listening to its customers and supporting the community, as demonstrated by the following:

Over the last several years, Aloha Petroleum has renovated a number of its Aloha Island Marts to better serve customers. Aloha Island Mart’s new look combines traditional Hawaiian architectural elements with modern design features. The result is an attractive and functional convenience store that enhances the customer shopping experience and reinforces the iconic brand and deep local roots.

Aloha Island Marts were the first retail business in Hawaii to adopt the Department of Health’s *Choose Healthy Now* project, which increases consumer access to healthy food and beverages by labeling healthier items at the point-of-decision.

Invested in the community, Aloha Island Mart engages customers in fundraising for local non-profit organizations through an in-store canister collection program. In the last year alone, these fundraisers have raised more than \$60,000 for Hawaii organizations, including American Red Cross, Make-A-Wish Hawaii, Boys and Girls Club and the American Heart Association, among others, through customer donations and matching funds.

Presented annually by the Retail Merchants of Hawaii, the Ho`okele Awards honor an outstanding business that has contributed to the success and vitality of the retail industry by serving the community and earning respect from their peers.

Island Energy Services to Cease Refining in Hawaii; Par to Buy Certain Refining Assets

On August 29, 2018, Par Pacific Holdings, Inc. announced that it was entering into an agreement with Island Energy Services — Hawaii’s other refinery — to acquire certain refining assets for \$45 million. This followed IES’ announcement that it was ceasing refining operations in the islands. Par intends to take over production of utility fuels that are needed for electric power generation.

“We believe this transaction will prevent any disruption to the supply of fuel to meet Hawaii’s electric generation needs,” said William Pate, President and CEO, Par Pacific. *“The closure of one of Hawaii’s refineries was anticipated in 2014 by then-Governor Neil Abercrombie’s Hawaii Refinery Task Force. As the owner and operator of Hawaii’s remaining refinery, we recognize our role in meeting the essential demand for petroleum products today and to ensure continuity and a smooth and practical transition to Hawaii’s clean energy future.”*

Par Pacific expects to hire approximately 65 IES employees in connection with the acquisition. Displaced IES employees will also be allowed to apply for other open positions at the Par Hawaii refinery.

With IES’ announced shift to operations of a large-scale, open-access import terminal, Par Pacific anticipates continued strong competition from the existing market participants, as well as from potential new entrants.

The transaction is expected to close before the end of the fourth quarter and is subject to certain closing conditions.