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Hawaii News

A&B's cash has some crying foul

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Alexander & Baldwin has contributed more than \$1 million to political candidates over the past decade, pouring money into the races of state lawmakers, governors, mayors, City Council members and congressional candidates.

The company says that its level of contributions isn't out of pace with those of other companies and organizations of its size. But as A&B lobbies the Legislature this year to pass a controversial bill that would allow the company to hold on to the rights to millions of gallons of water flowing through dozens of Maui streams, Native Hawaiian advocates and environmentalists worry that the money is unduly influencing lawmakers.

"The part that gets to me is that community members don't have that kind of money to donate to a politician and therefore to be taken seriously by policymakers. All they have is their voice," said Marti Townsend, director of the Hawaii Sierra Club.

She said the contributions shouldn't be used as evidence to "demonize" one person or group for giving or taking too much money, but that they underscore the cozy relationships between lawmakers and A&B officials.

"Just having this habit of giving so much money over such a long period of time, it doesn't necessarily have to correlate to one decision or another, but it sets a tone that makes it hard for legislators to act independently because of this long-term relationship that has developed between industry and policymakers," said Townsend.

House Bill 2501, which was introduced at the urging of A&B, was passed by a conference committee Friday and is set for a final vote in the coming days by the full

House and Senate. If the bill passes, it will be sent to the Governor's Office for final decision making.

The bill would allow A&B to circumvent a January court ruling invalidating its water permits and allow the company to maintain its water rights while ongoing legal and administrative challenges to its request for a long-term lease for the water are resolved. The measure has sparked opposition from the Native Hawaiian Legal Corp., which has been battling A&B over its stream diversions on Maui for 15 years, as well as environmental groups.

Money in politics

A&B's political action committee and top executives have contributed approximately \$93,000 to 59 out of the state's 76 sitting senators and representatives over the past decade, according to research conducted by the Honolulu Star-Advertiser. The figures do not include contributions from A&B board members who are executives of other companies.

Top recipients of the money include Sen. Donna Mercado Kim, who received \$8,850; Sen. Rosalyn Baker, who received \$6,050; Sen. Donovan Dela Cruz, who received \$5,400, and Rep. Derek Kawakami, who received \$5,200.

Two of the most powerful members of the Legislature also top the list. House Speaker Joe Souki has received \$5,100 and Senate President Ron Kouchi has received \$4,750 over the past 10 years.

A&B has spent more than \$400,000 on Hawaii races over the past decade, the vast majority of the money going to fund the campaigns of mayors, governors, County Council members and state lawmakers, according to data culled from the Hawaii Campaign Spending Commission's online database.

The total amount of contributions is likely not exhaustive when it comes to the donations of company officials. State law requires that individuals list only their company affiliation when they donate more than \$1,000 in an election cycle, making parsing campaign data difficult.

A&B officials and the company's federal political action committee have also donated \$627,391 to congressional races dating back to the 2006 election cycle, according to data from OpenSecrets.org, a campaign spending website that's operated by the nonpartisan Center for Responsive Politics.

The donations make up a small fraction of the total contributions most state senators and representatives have received over the years, and lawmakers tell the Star-Advertiser that the money hasn't influenced them when it comes to debating HB 2501.

Baker has represented Maui for more than 20 years and was on hand at a news conference at the Legislature last week to support A&B's announcement that it is

permanently restoring water to seven of the approximately 40 streams from which it diverts water. Asked whether she thought that A&B's money has influenced politics at the Legislature this year, she said, "Absolutely not."

A&B owns Hawaiian Commercial and Sugar Co., the islands' last sugar plantation, which is closing this year.

"I mean, HC&S is a large employer that employs a lot of our constituents, and there is no relationship between a campaign contribution and any measures that we look at," she said. "We are looking out for our constituents and making sure land remains in agriculture and water continues to flow to the areas where it needs to flow and so the central plain does not become a dust bowl."

Rep. Ryan Yamane, who introduced HB 2501 and has received \$1,200 from A&B, echoed Baker's sentiments.

"All I have heard from all the members has been, What is in the best interest of their constituents?" said Yamane. "I have never heard anybody say we owe A&B any preferential treatment."

Power and influence

Alexander & Baldwin, known historically as one of the "Big 5" companies in Hawaii, has a long history of political influence in the islands.

The company purchased most of the 88,000 acres that it currently owns throughout the state more than century ago for sugar cane cultivation. As the plantations have shut down, A&B has transformed into one of Hawaii's foremost real estate companies, developing high-end resort properties in Wailea on Maui and along the Kohala Coast of Hawaii island and the southern coast of Kauai. The company is also developing a 43-story condominium tower in the up-and-coming Kakaako neighborhood on Oahu and owns ample retail, office and industrial space.

The company has additional investments in Arizona, California, Nevada, Texas and Utah, according to filings with the U.S. Securities and Exchange Commission. In 2015 the company generated \$600 million in revenue.

The financial stature of the company correlates with its generous giving to political campaigns. A&B's state political action committee ranked ninth in total campaign contributions from 2008 to the present, according to a report from the Hawaii Campaign Spending Commission. The company was outspent primarily by labor union PACs.

A&B's state PAC spent \$275,575 since 2008, according to the report. By comparison, Monsanto's PAC spent \$149,000, and Castle & Cooke, also one of Hawaii's legacy Big 5 companies, spent \$106,143 through its PAC.

Meredith Ching, A&B's senior vice president for government and community relations, told the Star-Advertiser that the company's PAC dates back to 1974 and that any recent political contributions are not related to HB 2501.

"We have consistently given contributions to many, even some with not the same philosophy," she said. "I don't think it is unusual amounts."

In a follow-up email, A&B emphasized that its business dealings require involvement with government officials on multiple levels.

"We do not believe the level of our political contributions is out of step with those of other businesses and organizations," according to the email.

The company also pointed out that its political contributions are just one aspect of its community engagement. A&B donated more than \$15.6 million to hundreds of charitable organizations, mostly in Hawaii, over the past decade, according to the company — significantly more than it gave to political candidates.

But groups that have been locked in a long-running dispute over A&B over its stream diversions say that the sustained political contributions appear to give the company easy sway at the Legislature. A Senate committee amended HB 2501 earlier this month so it would no longer apply to A&B, and instead apply to only a handful of other water permit holders that might need to apply for a long-term lease.

On Friday members of a joint House and Senate committee agreed to put A&B back into the bill.

"If your data is accurate, A&B's campaign contributions and its ability to reinsert itself into a bill that protects its financial interests and future in Maui dwarf any influence our clients wield over the Legislature," Summer Sylva, an attorney at the Native Hawaiian Legal Corp., which is representing taro farmers on Maui, said by email. "Quite frankly, those numbers are staggering."