

# BUSINESSREPORT

**DOW JONES**  
Close: 20,951.47  
CHANGE: -6.43

**S&P**  
Close: 2,389.52  
CHANGE: +1.39

**NASDAQ**  
Close: 6,075.34  
CHANGE: +2.79

**CRUDE OIL**  
Close: \$45.52  
CHANGE: -2.30

## A&B pulls reversal with quarterly profit

By Andrew Gones  
agones@staradvertiser.com

Hawaiian real estate investment and development firm Alexander & Baldwin Inc. put its finances back in the black for the first three months of this year after losses in last year's first quarter and 2016 as a whole. Honolulu-based A&B announced Thursday that it earned \$7 million in the first quarter compared with a \$7 million loss in the year-earlier period. For all of last year, A&B lost \$8.4 million. The company, which reported revenue of \$93.2 million in the recent quarter and \$91.4 million a year earlier, said it achieved its recent profit largely through its portfolio of commercial

real estate leased to tenants and by selling a handful of relatively small properties including vacant land, some new homes and a medical clinic building. "We are taking positive steps to improve performance throughout the organization," Chris Benjamin, A&B president and CEO, said in a statement. "We made important strategic progress in the first quarter." A big drag on the company's finances last year was the shutdown of Hawaii's last sugar plantation, Hawaiian Commercial & Sugar Co., which ceased operating in December on Maui. That effort accounted for a \$10.8 million after-tax loss for A&B in last year's first quarter. In the recent quarter,

A&B derived most of its income from its collection of commercial real estate, dominated by more than a dozen retail properties including Manoa Marketplace, much of downtown Kailua, Pearl Highlands Center, Kaneohe Bay Shopping Center and Kunia Shopping Center, which collectively produced an operating profit of \$14.3 million in the first quarter compared with \$13.1 million a year earlier. Another segment of A&B, a road construction and materials operation under subsidiary Grace Pacific, produced a \$5.6 million operating profit in the first quarter, which was down from an \$8 million operating profit a year earlier. A&B said competitive pricing

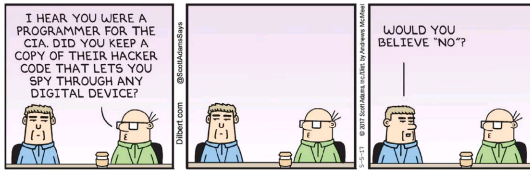
pressures, less profitable projects and selling a lower volume of materials contributed to the decrease. Benjamin said the company is undertaking a "comprehensive performance improvement initiative" at Grace Pacific as part of the broad improvement effort at A&B that also includes



**1ST-QUARTER NET**  
\$7 million  
**YEAR-EARLIER LOSS**  
\$7 million

bringing real estate management and leasing in-house to enhance accountability and management effectiveness. One part of A&B that stayed in the red was real estate development, where there was a \$2.4 million operating loss in the first quarter, though that was an improvement from a \$3.2 million operating loss a year earlier. This segment of A&B during the recent quarter had property sales that included two town homes at The Collection high-rise complex in Kakaako for a combined \$3.5 million, a 1-acre parcel at Maui Business Park for \$2.4 million and a 16,600-square-foot medical office building on Maui for \$3.4 million. Other negative factors in

A&B's first quarter included having to reduce the value of a solar farm by \$2 million because of tax benefits, and \$4.8 million in costs to evaluate converting the company from a regular corporation to a real estate investment trust, or REIT. That evaluation is expected to be done by midsummer. The state Legislature had been considering whether to eliminate a state tax benefit for REITs, but a bill to do that died. Shares of A&B stock closed Thursday at \$45.33 on the New York Stock Exchange before the earnings announcement. That was about \$1 below a 52-week high of \$46.38 reached April 26. The 52-week low was \$34.43 on May 19.



Dilbert >> By Scott Adams

## Fox axes woman citing bias; she sues

By Erik Larson  
and Anousha Sakoui  
Bloomberg News

A Fox News Radio reporter claims in a lawsuit that she was fired within 24 hours of emailing the company's independent investigator to complain about gender discrimination by two male superiors. Jessica Golloher's suit adds to a growing list of sexual harassment and discrimination complaints from former employees at Fox News, which have resulted in an upheaval at the Rupert Murdoch-controlled company. Roger Ailes, former president of Fox

News Channel, Bill O'Reilly, the channel's highest-rated anchor, and former Co-president Bill Shine have all left the network since the scandal broke last year. The complaint by Golloher, the Middle East and North Africa correspondent for Fox News Radio, was filed Thursday in New York state court in Manhattan. She claims that even though her termination for "budgetary reasons" isn't effective until August, her assignments are being given to freelancers. "The decision to terminate Ms. Golloher can only be described as a blatant act of retaliation," her attorney, Douglas Wigdor, said in the complaint. Wigdor is representing more than a dozen current and former Fox News staffers in racial-bias suits. "Jessica Golloher's claims are without merit," the company said in a statement. "Her allegations of discrimination and retaliation are baseless." Golloher also sued her superiors, Fox News Radio Vice President Mitch Davis and a director of radio news programming, Hank Weinbloom. She reported to the men starting in 2008, when she was based in Moscow.

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## Majority of U.S. homes are now cellphone only

By Anick Jesdanun  
Associated Press

**NEW YORK**—Deborah Braswell, a university administrator in Alabama, is a member of a dwindling group: people with a landline phone at home. According to a U.S. government study released Thursday, 50.8 percent of homes and apartments had only cellphone service in the latter half of 2016, the first time such households attained a majority in the survey. Braswell and her family are part of the 45.9 percent that still have landline phones. The remaining households have no phone service at all.

More than 39 percent of U.S. households—including Braswell's—have both landline and cellphone service. The landline comes in handy when someone misplaces one of the seven cellphones kicking around her three-story house in a Birmingham suburb. "You walk around your house calling yourself to find it," she says. It's also useful when someone breaks or loses a cellphone and has to wait for a replacement. Renters and younger adults are more likely to have just a cellphone, which researchers attribute to their mobility and comfort with new technologies.

The in-person survey of 19,956 households was part of the Centers for Disease Control and Prevention's National Health Interview Survey, which tracks landline use in order to assure representative samples in ongoing health studies. The survey has a margin of error of plus or minus 1 percentage point. Cellphone-only homes have other commonalities. "Wireless-only adults are more likely to drink heavily, more likely to smoke and be uninsured," even after factoring for age and income, says Stephen J. Blumberg, the study's co-author (and a landline user himself). "There certainly is something about giving up a landline that appeals to the same people who may engage in risky behavior."

Why that's so will require further research. The survey doesn't get into why people ditch or keep landlines, though landline users cited a number of reasons for hanging on in phone interviews and email exchanges with The Associated Press. Plenty of people would get rid of their landlines if they could. It goes beyond complaints about cellular reception at home. Joe Kroska, a supply chain director, needs a traditional copper wire for his home security system in Zionsville, Ind. Getting rid of the line would require crews to drill holes in his home and put batteries in the bedroom. No thanks, he says. Chris Houchens, who works in sales and marketing, says his phone company forces him to get a landline with internet service. There's no cable TV alternative where he lives in rural Smiths Grove, Ky. And those who could drop phone service might pay more after losing package discounts. Martin Axel, a retired hospital administrator in Seal Beach, Calif., says dropping the landline would increase his cable bill by more than \$40 a month. Traditional copper phone lines have their own power supply, so those landlines still work during blackouts. Internet-based phones through the cable or phone company aren't true landlines, although the CDC counts them that way. The internet modem for these phones still needs power.

**Trey Forgy of the nonprofit National Emergency Number Association recommends landlines for those who live alone and have a disability or medical condition. He says cellphone location accuracy is improving but that there's still work to be done.**

Both kinds of landline phones are more dependable for 911. Even if you can't give dispatchers your home address, they would often have that already. Cellphones primarily use GPS for location, which means the dispatcher might know which building you're in but not the specific apartment. For that reason, Trey Forgy of the nonprofit National Emergency Number Association recommends landlines for those who live alone and have a disability or medical condition. He says cellphone location accuracy is improving but that there's still work to be done. In many households the landline is a honey trap for telemarketers. "We never use the landline, and the only calls I get on it are from someone looking to sell me something," says Matt Lawrence, a management consultant in O'Fallon, Mo. On the other hand, it's comforting to have a device just for calls—without "all of the irritating bells and whistles of smartphones," says Brad Conney, a Navy veteran in Brandon, Miss. "I can shut the (cell) phone off and still have a landline if someone needs to call me."

### BRIEFLY

#### Hawaiian Airlines passenger traffic up 4.2%

Hawaiian Airlines said Thursday its passenger traffic rose 4.2 percent in April as it transported 904,048 passengers compared with 867,298 in the year-earlier period. The airline's load factor, or percentage of seats filled, rose 2.2 percentage points to 85.3 percent from 83.1 percent. Revenue passenger miles, or one paying passenger transported one mile, rose 7.6 percent to 1.3 million from 1.2 million. Available seat miles, or one seat transported one mile, increased 4.8 percent to 1.5 million from 1.4 million.

#### Hawaiian Telcom raises \$158K for United Way

Hawaiian Telcom, whose employees raised \$158,063 for United Way organizations statewide in 2016, was honored Thursday with the Community Champion Award for its contributions at the nonprofit organization's annual recognition Luncheon. Contributions were made to Aloha United Way on Oahu, Hawaii Island United Way, Kauai United Way and Maui United Way.

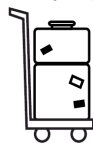
#### 30-year mortgage rates dips to 4.02%

**WASHINGTON**—Long-term U.S. mortgage rates barely moved this week after rising last week for the first time in five weeks. The benchmark 30-year rate remained above the key threshold of 4 percent. Freddie Mac said Thursday the average rate on 30-year fixed-rate home loans ticked down to 4.02 percent from 4.03 percent last week. The rate stood at 3.66 percent a year ago and averaged 3.65 percent in 2016, the lowest level since 1971. The rate on 15-year mortgages was unchanged from last week at 3.27 percent.

Star-Advertiser staff and news services

### BUSINESS MATTERS ALOHA VISITORS

A snapshot of passenger arrivals from April 24-30, with percentage change from the year earlier:



	VISITORS	CHANGE
Domestic	127,374	9.5%
International	51,546	0.9%
Total	178,920	6.9%
DOMESTIC ARRIVALS BY ISLAND		
Oahu	73,870	7.4%
Maui	32,420	10.2%
Hawaii Island	12,481	29.7%
Kauai	8,604	1.3%

### ON THE MOVE

American Savings Bank has three new additions to its team:

>> **Alan Miyasaki** is the new vice president and loan center manager. He will serve the East Oahu market. Miyasaki has more than 34 years of banking experience in Hawaii, including holding management positions in mortgage lending and retail branch operations.



Miyasaki

>> **Ann Sakamoto** is the new assistant vice president, residential loan team leader and senior residential loan officer. She will focus on Maui. Sakamoto has more than 15 years of local financial industry experience, including serving in mortgage, private banking and business banking.



Sakamoto

>> **Ron Li** is the new senior residential loan officer. He will be based at the ASB Queen Ward office and serve Oahu. Li has nearly 40 years of lending experience and is an Army veteran.



Li

Star-Advertiser news services

### SHIP AHOY!

Today's ship arrivals and departures:

HONOLULU HARBOR			
SHIP	WEATHER	ETA	ETD
MNC	Maui Navigator	-	2 a.m. 52 to sea
PHI	Horizon Enterprise	-	4 a.m. 51A to sea
ISPS	Radience of the Seas	7 a.m. 6 p.m.	sea to 2B to sea