DAVID Y. IGE GOVERNOR

TESTIMONY BY:

JADE T. BUTAY DIRECTOR

Deputy Directors LYNN A.S. ARAKI-REGAN DEREK J. CHOW ROSS M. HIGASHI EDWIN H. SNIFFEN





STATE OF HAWAII DEPARTMENT OF TRANSPORTATION 869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

July 6, 2020 2:00 p.m. State Capitol, Room 225

S.R. 125, Proposed S.D. 1 REQUESTING THE DEPARTMENT OF TRANSPORTATION TO PROVIDE FUNDING TO WATER CARRIERS FOR THE PURPOSE OF PROVIDING THAT WATER CARRIER WITH FINANCIAL ASSISTANCE TO MAINTAIN ROUTES AND LINES OF SERVICES WITHIN THE STATE AND TO CREATE A WORKING GROUP TO RECOMMEND MID— AND LONG—TERM SOLUTIONS TO ENSURING CONTINUOUS WATER CARRIER SERVICE THROUGHOUT THE STATE.

Senate Committee on Transportation

The Department of Transportation (DOT) provides **comments** on S.R. 125 Proposed, S.D. 1. The resolution requests DOT and counties to provide funding to water carriers to maintain routes and lines of services within the state and to create a working group to recommend mid- and long-term solutions.

A waterborne transportation system is vital to the economic welfare of the State of Hawaii. While the resolution references service to counties with less than 500,000 residents and business in those counties, the water carrier holding a Certificate of Public Convenience and Necessity (CPCN) is vital to all 4 Counties in the State and critical to the movement of cargo essential to support training and the readiness of the U.S. Armed Forces throughout the Indo-Pacific Command Region. The determination of appropriate water carrier revenues through rates and charges is the purview of the State Public Utilities Commission (PUC). The water carrier holding a CPCN is currently presenting its rate case before the PUC and the matter will resume in August 2020.

For the reasons stated above, the DOT supports the creation of a working group to recommend mid-term and long-term solutions to balance the need for continuous water carrier service throughout the state with the need for water carriers to maintain financial sustainability. DOT recommends that designees from the Department of Business, Economic Development, and Tourism and Small Business Council, the Hawaii Farm Bureau, and the Hawaii Cattlemen's Council, Inc. also be included.

The DOT offers the following comments on the resolution with regards to DOT's capability in providing financial assistance to water carriers. The resolution requests DOT and counties provide \$10,000,000 in funding to water carriers to offset costs

incurred by any water carrier as a result of providing water carrier service to ports within the state during the coronavirus pandemic. Especially during this time of reduced revenues caused by the decrease in cargo volume associated with the coronavirus pandemic shutdowns, providing financial assistance from harbors special funds to water carriers would greatly impact DOT's ability to develop critical projects, particularly the Kapalama Container Terminal project. The new Kapalama Container Terminal, when completed, will provide operational efficiencies throughout the intra- and inter-state cargo service.

Thank you for the opportunity to provide testimony.



DAVID Y. IGE

JOSH GREEN LT. GOVERNOR

#### STATE OF HAWAII OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310 P.O. BOX 541 HONOLULU, HAWAII 96809 Phone Number: 586-2850 Fax Number: 586-2856 cca.hawaii.gov CATHERINE P. AWAKUNI COLÓN DIRECTOR

JO ANN M. UCHIDA TAKEUCHI DEPUTY DIRECTOR

### **Testimony of the Department of Commerce and Consumer Affairs**

Before the Senate Committee on Transportation Monday, July 6, 2020 2:00 p.m. State Capitol, Conference Room 225

#### On the following measure: S.R. 125, PROPOSED S.D. 1, REQUESTING THE DEPARTMENT OF TRANSPORTATION TO PROVIDE FUNDING TO WATER CARRIERS FOR THE PURPOSE OF PROVIDING THAT WATER CARRIER WITH FINANCIAL ASSISTANCE TO MAINTAIN ROUTES AND LINES OF SERVICES WITHIN THE STATE AND TO CREATE A WORKING GROUP TO RECOMMEND MID- AND LONG-TERM SOLUTIONS TO ENSURING CONTINUOUS WATER CARRIER SERVICE THROUGHOUT THE STATE.

#### WRITTEN TESTIMONY ONLY

Chair Inouye and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department offers comments on this resolution.

The purpose of this resolution is to request the Department of Transportation (DOT) to provide funding to water carriers to provide that water carrier with financial assistance to maintain routes and lines of services within the State and to create a working group to recommend mid- and long-term solutions to ensuring continuous water carrier service throughout the State.

Testimony of DCCA S.R. 125, Proposed S.D. 1 Page 2 of 3

As recognized in the resolution, the ongoing COVID-19 pandemic has significantly impacted Hawaii's economy. The pandemic has also exacerbated issues that were affecting Young Brothers LLC (YB) and, combined with the decision by Saltchuk Resources (YB's parent company) to terminate its financial support of YB, the Department remains concerned about YB's financial condition and the potential damage to Hawaii's communities, especially neighbor island communities, that depend on YB's cargo service. YB's inability to provide services, such as transporting personal protective equipment needed to combat the pandemic, fresh produce, and other goods among the islands, would have serious consequences. The smaller islands, such as Molokai and Lanai, and businesses and residents who rely on less than container load (LCL) service do not have other readily available and/or affordable alternatives. The Department is also aware that YB has been seeking federal Coronavirus Aid, Relief, and Economic Security (CARES) Act monies, but it would be prudent to thoroughly investigate the situation and to develop a portfolio of different tools to address this situation, both from the short- and long-term perspectives. It is imperative to the entire State, but especially to the neighbor islands, to ensure the continued availability of affordable cargo carrier services within Hawaii.

The Department defers to the DOT on the section of this resolution that requires the DOT, in conjunction with any contributions from the counties, to provide at least \$10,000,000 to assist with water carrier operations.

The Department notes that, if the DOT and counties are going to provide financial assistance to a water carrier, the identified conditions in the resolution represent reasonable steps to ensure that any funding provided to a water carrier is directed toward acceptable purposes.

The Department also supports the idea of a working group to investigate and develop recommendations to balance the need for continuous, reliable, and affordable water carrier service to transport goods throughout the State with the water carrier's need for financial sustainability. The Department has concerns with recent proposals to: significantly increase the rates to transport goods; reduce the number of sailings; eliminate certain services; and impose additional requirements that would make Testimony of DCCA S.R. 125, Proposed S.D. 1 Page 3 of 3

shipping for certain customers more expensive. The Department is also concerned that the viability of the water carrier's services on a long-term basis is uncertain. Thus, the idea of a working group that involves interested stakeholders to identify mid-term and long-term solutions is a prudent step. The Department appreciates the thoughtfulness of the proposed composition of the working group, since the viability of cargo transport between the islands by water carrier directly impacts each of the counties and directly affects certain state agencies, such as the DOT, Public Utilities Commission, and Department of Agriculture, since the termination of certain water carrier services or a significant increase in rates for services, including LCL services, may affect the viability of many of the State's producers of fresh produce and livestock. The Department looks forward to collaborating with other stakeholders to address the stated issues.

Thank you for the opportunity to testify on this resolution.

#### TESTIMONY OF JAMES P. GRIFFIN, Ph.D. CHAIR, PUBLIC UTILITIES COMMISSION STATE OF HAWAII

### TO THE SENATE COMMITTEE ON TRANSPORTATION

July 6, 2020 2:00 p.m.

Chair Inouye and Members of the Committee:

MEASURE: S.R. No. 125 (PROPOSED SD1)

TITLE: REQUESTING THE DEPARTMENT OF TRANSPORTATION TO PROVIDE FUNDING TO WATER CARRIERS FOR THE PURPOSE OF PROVIDING THAT WATER CARRIER WITH FINANCIAL ASSISTANCE TO MAINTAIN ROUTES AND LINES OF SERVICES WITHIN THE STATE AND TO CREATE A WORKING GROUP TO RECOMMEND MID- AND LONG-TERM SOLUTIONS TO ENSURING CONTINUOUS WATER CARRIER SERVICE THROUGHOUT THE STATE.

**DESCRIPTION:** This resolution requests the Department of Transportation (DOT) to provide funding to water carriers to assist with maintaining routes and lines of service within the State and to create a working group to recommend mid- and long-term solutions to ensuring continuous water carrier service throughout the State.

#### **POSITION:**

The Public Utilities Commission supports this resolution and offers the following comments for consideration.

#### COMMENTS:

The Commission believes that maintaining affordable and reliable intrastate cargo transportation service in Hawaii is paramount in protecting the public interest.

The Commission is currently conducting an emergency investigation regarding the financial condition of Young Brothers LLC, following Young Brothers' May 26, 2020 letter notifying the Commission of its liquidity crisis, dire financial situation, and potential

S.R. No. 125 PROPOSED SD1 Page 2

suspension of operations. Given the company's stated condition, the Commission believes that the near-term financial assistance requested in this resolution could contribute to stabilizing Young Brothers' financial condition and would be considered in pending and future proceedings before the Commission.

The Commission supports convening a working group to recommend mid-term and longterm solutions to balance the need for continuous water carrier service throughout the state with the need for water carriers to maintain financial sustainability. The working group would complement the Commission's near-term emergency investigation and help inform future recommendations to the Legislature. The Commission has started seeking independent facilitation services to support this important activity within the requested timeframe.

Thank you for the opportunity to testify on this measure.

County of Hawai'i Council District 9 -North and South Kohala

*Chair:* Committee on Agriculture, Water, Energy, & Environmental Management



Vice Chair: Committee on Finance

## HERBERT M. "TIM" RICHARDS, III HAWAI'I COUNTY COUNCIL

**District 9** 25 Aupuni Street, Ste. 1402, Hilo, Hawai'i 96720

July 4, 2020



Senate Committee on Transportation Honorable Senator Lorraine Inouye, Chair Honorable Breene Harimoto, Vice Chair **Submission via online testimony** 

RE: **Support of SR 125, SD1** Hearing Date/Time: July 6, 2020 at 2:00 p.m.

Aloha Senator Inouye and Members of the Senate Committee on Transportation,

Thank you for this opportunity to offer testimony and comment on SR 125 SD1. I wish to offer **strong support for SR 125 SD1**.

Inter-Island/intrastate transportation is the lifeline of our neighbor island communities and part of the fabric of our economy. Moving the needed societal inputs from supplier to consumers is one of the foundations of any economy highlighting the importance of sound and reliable transportation. Currently Hawai'i imports the vast majority of its needs for energy, durable goods, and consumables including approximately 90% of its food.

Distribution in this supply chain is paramount. For the last 100+ years this has been accomplished by inter-island shipping and barge entities, some predecessor to our current Young Brothers. Justifiably regulated under the Public Utilities Commission (PUC), Young Brothers has filled a key component in the economy of Hawai'i.

We are in unprecedented financial times. Insolvency in many businesses of many sectors is commonplace. The financial problems for Young Brothers have been made exponentially worse by the COVID-19 economic crisis before us.

Senate Committee on Transportation Honorable Senator Lorraine Inouye, Chair Honorable Breene Harimoto, Vice Chair July 4, 2020 Page 2

Though in of itself the resolution is non-binding, it does set the stage for several crucial conversations going forward. The first conversation is funding; no funding is attached to this SR but it emphasizes the need of financial support for the near term to keep our interisland shipping functioning.

Any funding toward this should be viewed as a bridge to keep our transportation functioning as we pivot to a possible new structure. The resolution also starts the conversation on establishing a working group to solve the greater problems and needs of interisland shipping for the long term.

I have long been a proponent of agriculture. A key component of agriculture is the market which implies transportation to that marketplace. Under USDA there are programs for disadvantaged farmers and ranchers to get their products to market. Additionally, a model that should be evaluated is the Marine Highways program. In 2018 the waters around our islands were designated by the Federal Department of Transportation as the Daniel Akaka Marine Highway. Many of these highway designations exist across the nation and receive funding. One example is the Alaska Marine Highway that supports its communities and constituents solving many of their problems of transportation.

Transportation is key for most societies. For our island state, the transportation component is crucial. It is well known that any mass transportation program is heavily subsidized. The State of Hawai'i does not enjoy the benefits of our national highway system and is disadvantaging our people for their transportation needs. Working on a program that supports our current transportation supplier in the short term is far more cost effective and in the long term may yield the solutions that we all look for.

Thank you for this opportunity to submit testimony. Please feel free to contact me should you need to discuss my position and knowledge of this matter further.

Aloha,

Kale 1. AME

HERBERT M. "TIM" RICHARDS, III Hawai'i County Council, District 9

xc: Aaron S. Y. Chung, Chair - Hawai'i County Council

From the office of -Council Member District 3



Office: (808) 961-8396 Fax: (808) 961-8912 Email: sue.leeloy@hawaiicounty.gov

#### SUSAN L.K. LEE LOY 25 Aupuni Street, Hilo, Hawai'i 96720

The Honorable Senator Lorraine R. Inouye, Chair And members of the Committee on Transportation

July 2, 2020

Dear Chair Inouye and Committee Members,

I thank you for introducing the proposed SD1 of Senate Resolution No. 125. The attached Hawai'i County Council resolution will be heard on Wednesday, July 8, and it urges Young Brothers and the Public Utilities Commission to seek all available resources, including federal funding and "explore all opportunities to continue uninterrupted cargo service to the islands of the State of Hawai'i." I look forward to participating in robust discussions with the working group about the eventual source of this funding. The County of Hawai'i, as you know, is entering a challenging fiscal year.

I would also request that direct funding support should also include as a condition that the water carrier must reinstate the weekly shipping schedule and gate time schedule as it existed prior to COVID-19.

I thank this Committee for supporting a lifeline for our islands by advancing the proposed SD1 draft of Resolution No. 125 and for their favorable consideration of previous legislation in this session.

Aloha Piha,

Counc Member, District 3

COUNTY OF HAWAI'I



STATE OF HAWAI'I

## RESOLUTION NO. 579 20

#### A RESOLUTION URGING YOUNG BROTHERS AND THE PUBLIC UTILITIES COMMISSION TO EXPLORE ALL OPPORTUNITIES TO CONTINUE UNINTERRUPTED CARGO SERVICE TO THE ISLANDS OF THE STATE OF HAWAI'I.

WHEREAS, the islands of Hawai'i are dependent on the uninterrupted flow of interisland cargo; and

WHEREAS, interisland cargo is the key to allowing agricultural commodities to reach their intended markets in a timely manner, which promotes economic growth and recovery, and builds food self-reliance in Hawai'i; and

WHEREAS, United States Code Title 46, Section 55601, directs the U.S. Secretary of Transportation to establish a short sea transportation program and to designate such projects to be conducted under the program to mitigate landside congestion, or to promote short sea transportation; and

WHEREAS, the Secretary is further directed through the program, to encourage the use of short sea transportation through the development and expansion of documented vessels, shipper utilization, port and landside infrastructure, and marine transportation strategies by State and local governments; and

WHEREAS, the Secretary may designate a project to be a short sea transportation project if the Secretary determines that the project uses documented vessels and mitigates landside congestion or promotes short sea transportation; and

WHEREAS, pursuant to this section of U.S. Code, the U.S. Department of Transportation has established under its Maritime Administration the "America's Marine Highway" program, comprising 25 coastal, river, and lake routes to expand the use of America's navigable waters, and has established a grant funding program to promote use of waterways; and

WHEREAS, acting upon an application from the Hawai'i Department of Transportation (HDOT), the Maritime Administration, on July 9, 2018, designated the waters around and between the Hawaiian Islands as MH-1, the Daniel K. Akaka Marine Highway, in honor of the late United States Senator; and

WHEREAS, this designation enables HDOT's participation in the Marine Highways program, which provides federal resources to increase operational efficiency in moving cargo through the State's commercial harbors; and WHEREAS, Young Brothers LLC, a subsidiary of Foss Maritime Company, LLC, a subsidiary of Saltchuk Marine Services, LLC, a subsidiary of Saltchuk Resources, Inc., is an interisland shipper licensed and regulated by the Public Utilities Commission (PUC) under Hawai'i Revised Statutes Chapter 271G, the Hawai'i Water Carrier Law; and

WHEREAS, the PUC on May 4, 2020, has issued Order No. 37128, approving Young Brothers' request as stated in their Transmittal No. 20-0003, to cut expenses by reducing its weekly sailings to the Kahului Harbor from three to two, by reducing its weekly sailings to Kaunakakai Harbor from two to one, and by reducing its weekly sailings to Hilo Harbor from two to one on a temporary basis; and

WHEREAS, the reduction in sailings to these ports reduces carrying capacity, constrains intrastate commerce, and increases the potential for service interruptions due to incidents arising from improper container loads; and

WHEREAS, Young Brothers has on May 26, 2020, requested a grant of \$25 million from the State's allocation of Coronavirus Aid, Relief, and Economic Security Act (CARES) funding, has stated that its parent company will not cover revenue shortfalls after May 31, 2020, and also that "absent immediate relief from the State, it will soon be unable to pay its expenses or continue operations"; and

WHEREAS, a cessation of service is contrary to the stated intent of the Hawai'i Water Carrier Law to "promote safe, adequate, economical, and efficient service among carriers, to encourage the establishment and maintenance of reasonable rates and charges for transportation and related accessorial service, without unjust discrimination, undue preference or advantage, or unfair or destructive competitive practices, all to the end of developing, coordinating, and preserving a sound transportation system by water"; and

WHEREAS, federal subsidies may be available through the U.S. Department of Transportation's Maritime Administration, the U.S. Department of Agriculture, and elsewhere to offset reasonable expenses incurred by Young Brothers so that the company may continue its operations; now, therefore,

**BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF HAWAI'I** that Young Brothers and the Public Utilities Commission are urged to explore all opportunities to continue uninterrupted cargo service to the islands of the State of Hawai'i, while maintaining "just and reasonable" rates as required by the Hawai'i Water Carrier Law.

**BE IT FURTHER RESOLVED** that the cessation of interisland cargo service is an unacceptable outcome.

**BE IT FINALLY RESOLVED** that the County Clerk shall transmit a copy of this resolution to the Honorable Brian Schatz, United States Senator; the Honorable Mazie Hirono, United States Senator; the Honorable Tulsi Gabbard, United States Representative; the Honorable Lorraine R. Inouye, Senator; the Honorable Kaiali'i Kahele, Senator; the Honorable Chris Todd, Representative; James P. Griffin, Public Utilities Commission Chair; Dean Nishina, Consumer Advocate; Jay Ana, Young Brothers President; Donna Domingo, International Longshore and Warehouse Union Local 142 President; the Honorable David Y. Ige, Governor; and the Honorable Harry Kim, Mayor.

| Dated at | , Hawaiʻi, this | day of             | , 20            |
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#### COUNTY COUNCIL County of Hawai'i Hilo, Hawai'i

I hereby certify that the foregoing RESOLUTION was by the vote indicated to the right hereof adopted by the COUNCIL of the County of Hawai'i on

ATTEST:

| ROLL                  | CALL VC | DTE    |      |    |
|-----------------------|---------|--------|------|----|
|                       | AYES    | NOES   | ABS  | EX |
| CHUNG                 |         |        |      |    |
| DAVID                 |         |        |      |    |
| EOFF                  |         |        |      |    |
| KANEALI'I-KLEINFELDER |         |        |      |    |
| KIERKIEWICZ           |         |        |      |    |
| LEE LOY               |         |        |      |    |
| POINDEXTER            |         |        |      |    |
| RICHARDS              |         |        |      |    |
| VILLEGAS              |         |        |      |    |
| Reference: C-         | -991/Wa | ived G | REDC |    |
| RESOLUTION NO.        | 679     | 20     |      |    |

COUNTY CLERK CHAIRPERSON & PRESIDING OFFICER

#### OFFICE OF THE COUNTY CLERK

Jade K. Fountain-Tanigawa, County Clerk Scott K. Sato, Deputy County Clerk

(808) 241-4188

(808) 241-6349

E-mail: cokcouncil@kauai.gov

Telephone:

Facsimile:

COUNTY COUNCIL

Arryl Kaneshiro, Chair Ross Kagawa, Vice Chair Arthur Brun Mason K. Chock Felicia Cowden Luke A. Evslin KipuKai Kuali'i





**Council Services Division** 4396 Rice Street, Suite 209 Līhu'e, Kaua'i, Hawai'i 96766

July 6, 2020

#### TESTIMONY OF ARRYL KANESHIRO COUNCIL CHAIR, KAUA'I COUNTY COUNCIL ON

SR 125, PROPOSED SD1, REQUESTING THE DEPARTMENT OF TRANSPORTATION TO PROVIDE FUNDING TO WATER CARRIERS FOR THE PURPOSE OF PROVIDING THAT WATER CARRIER WITH FINANCIAL ASSISTANCE TO MAINTAIN ROUTES AND LINES OF SERVICES WITHIN THE STATE AND TO CREATE A WORKING GROUP TO RECOMMEND MID-AND LONG-TERM SOLUTIONS TO ENSURING CONTINUOUS WATER CARRIER SERVICE THROUGHOUT THE STATE Senate Committee on Transportation Monday, June 6, 2020 2:00 p.m. Conference Room 225

Dear Chair Inouye and Members of the Committee:

Thank you for this opportunity to provide support in favor of SR 125, Proposed SD1. My testimony is submitted in my individual capacity as Council Chair of the Kaua'i County Council.

I support the intent of Senate Resolution 125, Proposed SD1, as inter-island transportation is critical to our island and a long-term solution to this crisis is needed. Inter-Island maritime services is the lifeline of Hawai'i's neighbor island communities, providing access to important agricultural and other essential goods. Senate Resolution 125, Proposed SD1, addresses the need to provide financial assistance to ensure the continued operations of tug and barge services to ports servicing Hawai'i's counties, which service has been financially impacted by the Coronavirus Disease 2019 (COVID-19) pandemic.

Senate Resolution 125, Proposed SD1, advises that a Working Group be convened to recommend mid-term and long-term solutions to balance the need for continuous water carrier service throughout the state with the need for water carriers to maintain financial sustainability. The counties have not been immune to the COVID-19 economic crisis, and I would urge the State Legislature and the Working Group to explore the possibility of Federal Funds when determining sources of financial commitment for the purposes outlined in Senate Resolution 125, Proposed SD1.

AN EQUAL OPPORTUNITY EMPLOYER

Senate Committee on Transportation SR 125, Proposed SD1 July 6, 2020 Page 2

Thank you again for this opportunity to provide testimony in support of SR 125, Proposed SD1. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188.

Sincerely,

any Kaneshero

ARRYL KANESHIRO Council Chair, Kaua'i County Council

NO. 124 P. 2

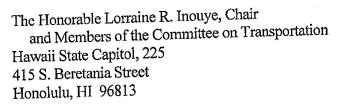






IKAIKA ANDERSON Chair and Presiding Officer Honolulu City Council Councilmember, District 3 (Windward O'ahu) Email: ianderson@honolulu.gov Phone: (808) 768-5003 (808) 768-1235 Fax:

July 6, 2020



SB 125, SD1 – Requesting the Department of Transportation to Provide Funding to Water Carriers for the Purpose of Providing that Water Carrier with Financial Assistance to Subject: Maintain Routes and Lines of Services within the State and to Create a Working Group to Recommend Mid- and Long-Term Solutions to Ensuring Continuous Water Carrier Service throughout the State. (Proposed SD1)

Dear Chair Inouye and Members of the Committee on Transportation: 日本語作

Thank you for this opportunity to offer testimony and comment on SR 125 SD1. I wish to offer **support for SR 125 SD1**.

Ensuring the stability of Hawaii's supply chains, even in the best of times, is of paramount concern for us all. All successful economies depend on reliable routes for the transport of goods and materials. Hawaii is no different except that our routes are over water and there is currently no economically feasible alternative to ocean-going freight.

As nations, states, counties, individuals and industries face the economic challenges resulting from the COVID-19 pandemic there is no shortage of requests for financial assistance. While the great recession conditioned decision-makers and the public alike to be wary of opening the public pocketbook to private industry we should ensure that our caution doesn't unnecessarily delay reasonable consideration of financial support for industries providing critical services such as inter-island shipping.

Thank you for this opportunity to submit testimony

Council Chair Alice L. Lee

Vice-Chair Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore Tasha Kama

Councilmembers Riki Hokama Kelly Takaya King Michael J. Molina Tamara Paltin Shane M. Sinenci Yuki Lei K. Sugimura



COUNTY COUNCIL COUNTY OF MAUI 200 S. HIGH STREET WAILUKU, MAUI, HAWAII 96793 www.MauiCounty.us

July 6, 2020

Director of Council Services Traci N. T. Fujita, Esq.



- TO: The Honorable Lorraine R. Inouye, Chair Senate Committee on Transportation
- FROM: Riki Hokama Councilmember

#### SUBJECT: HEARING OF JULY 6, 2020; TESTIMONY IN SUPPORT OF SR 125, RELATING TO WATER CARRIERS

Thank you for the opportunity to testify in **support** of Senate Resolution 125, requesting the Department of Transportation to provide funding to water carriers. Young Brothers serves as a critical lifeline to our rural communities in Maui County such as Lāna'i and Moloka'i. In support of Lāna'i's independent business owners, I urge the adoption of SR 125.

Mahalo Antonama

Riki Hokama Councilmember



July 5, 2020

Senator Lorraine Inouye, Chair Senate Committee on Transportation Thirtieth Legislature Regular Session, 2020

#### RE: Senate Resolution 125, proposed S.D. 1 – REQUESTING THE DEPARTMENT OF TRANSPORTATION TO PROVIDE FUNDING TO WATER CARRIERS FOR THE PURPOSE OF PROVIDING THAT WATER CARRIER WITH FINANCIAL ASSISTANCE TO MAINTAIN ROUTES AND LINES OF SERVICES WITHIN THE STATE AND TO CREATE A WORKING GROUP TO RECOMMEND MID-AND LONG-TERM SOLUTIONS TO ENSURING CONTINUOUS WATER CARRIER SERVICE THROUGHOUT THE STATE.

#### Hearing date: July 6, 2020 at 2 p.m.

Aloha Chair Inouye and Members of the Senate Committee on Transportation,

Mahalo for the opportunity to tell you why Young Brothers, LLC supports Senate Resolution 125, proposed S.D. 1 ("Proposed Resolution"), and share some additional comments on its provisions.

Throughout these challenging times, our team at Young Brothers has been buoyed by the thoughtful conversations we continue to have with the Department of Transportation, Public Utilities Commission, Consumer Advocate, and legislators in both the House of Representatives and Senate about charting a sustainable course for the future.

I am writing today to indicate Young Brothers' strong support for the Proposed Resolution because it creates a pathway to pursue the two fundamental components we need to achieve that aim – immediate financial assistance to sustain operations through the remainder of 2020 and new ideas for next year and beyond on how to better balance service levels with the cost to provide that service.

At the outset, I'd like to provide some important context and information about Young Brothers' current financial difficulties.

• Since 1900, communities across the State have relied upon and continue to rely on YB to provide safe, reliable, and cost-effective interisland (aka, intrastate) transportation of property over water to seven port facilities (i.e., Honolulu, Hilo,

Kawaihae, Kahului, Kaumalapau, Kaunakakai, and Nawiliwili) situated throughout the major islands. YB's approximate 370 Hawaii-based employees across these seven port facilities also have been and continue to be instrumental in supporting the necessary (and often dangerous) tug and barge operations and services at sea and at throughout these seven ports.

- YB is the only intrastate water carrier of exclusively property that services the ports of Hilo, Kaumalapau and Kaunakakai. It is also the only intrastate water carrier of exclusively property that currently provides less than container load/mixed lines of services (aka, LCL/Mix) to certain customers throughout the communities across the State. While YB has always been committed to servicing these communities and providing these dedicated routes and lines of services (since they are critical for, among others, neighbor island farmers and agricultural communities, ranchers, small businesses, etc.), the economic reality is that these routes and lines of services result in severe losses year to year, and will not be sustainable without government funding and/or financial assistance.
- The request for government funding and/or financial assistance arises from YB's current dire financial situation and the vital importance of continuing comprehensive and universal interisland commerce at these seven ports. While YB reported Pre-COVID-19 net operating losses since 2018, preexisting losses have been exacerbated by the impacts of the pandemic. Though YB has made operational adjustments to mitigate the COVID-19 impacts, an overwhelming majority of the routes and lines of services (and related costs) remained intact through the State mandated shut down. Losses in volume are expected to continue due to the economic effects of the ongoing COVID-19 pandemic situation.
- In the 2020 legislative session, it has been made clear (by way of a myriad of testimony) that our neighbor island communities need continued and comprehensive and universal interisland commerce to all seven ports. They are asking for this service to ensure that their own economies can recover after this pandemic and hopefully strengthen thereafter. However, government funding and/or financial assistance will be required via legislative or county appropriations, grants, subsidies, loans, etc. to ensure all Pre-COVID-19 routes and lines of services are maintained at these service levels in the short term, and regulatory changes are necessary to ensure that comprehensive and universal interisland service of cargo by water continues into the future.

In addition to the above, YB offers the following comments and/or recommendations to the proposed resolution specific requests:

Young Brothers, LLC • 1331 North Nimitz Highway, Honolulu, Hawai'i 96817 • (808) 543-9311 • youngbrothershawaii.com

# 1. <u>Request that the DOT and the respective counties to provide a combined total of at least \$10 million in funding on or before September 30, 2020.</u>

YB strongly supports the intent of request including the proposed conditions, but offers the following comments and recommendations:

- Any government funding and/or financial assistance via county or legislative appropriations, grants, subsidies, etc. by either DOT and the respective counties to a water carrier under these proposed conditions must be based on the understanding that the water carrier (like any utility in the State) also obtain the appropriate rate and other types of regulatory relief to allow such water carrier to be financially healthy.
- Assuming a return to operational levels in effect as of January 1, 2020 (i.e., Pre-COVID-19 routes and lines of services), for the period of July 1, 2020 to December 31, 2020, YB anticipates a loss of approximately \$15 million. As such, YB respectfully recommends that the Proposed Resolution be amended, in relevant part, as follows:

"BE IT RESOLVED by the Senate of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2020, that this body hereby requests the Department of Transportation and respective counties to, on or before September 30, 2020, to address the impacts of the coronavirus disease 2019 pandemic and to offset costs incurred by any water carrier as a result of providing water carrier service to ports within the State, by providing a combined total of at least  $\frac{15}{9}$ ,000,000 in funding directly to a water carrier for the purposes of providing that water carrier with financial assistance to support different routes and lines of services within the State; provided that such funds shall not be used for the following purposes:" (addition underlined; deletion in bracket/stricken)

YB also notes that it is also willing to work closely with and collaborate with DOT and the various counties in the State of Hawaii in seeking the funding requested as part of this Proposed Resolution. However, the timeliness of receiving such funding will be critical to ensuring that YB is financially healthy. Therefore, any government funding and/or financial assistance prior to September 30, 2020 would be much appreciated.

#### 2. <u>Request that the PUC, in collaboration with the Consumer Advocate and any</u> Water Carriers Operating in the State, convene a working group to recommend mid-term and long-term solutions on or before August 1, 2020.

YB strongly supports the intent of request including the request to submit a final report of its finding and recommendations, including any proposed legislation, to the Legislature and the

Young Brothers, LLC • 1331 North Nimitz Highway, Honolulu, Hawai'i 96817 • (808) 543-9311 • youngbrothershawaii.com

Senator Lorraine Inouye, Chair Senate Committee on Transportation July 5, 2020

Governor no later than 20 days before convening of the Regular Session of 2022, but offers the following comments and recommendations:

• Although the terms "working group" and "task force" may be construed to mean the same, YB recommends that, to avoid confusion and for consistency purposes, the term "task force" be replaced by "working group" in the second to last paragraph as follows:

"BE IT FURTHER RESOLVED that working group [task force] is requested to submit a final report of its findings and recommendations, including any proposed legislation, to the legislature and the governor no later than twenty days before the convening of the regular session of 2022;" (addition underlined; deletion in bracket/stricken)

• YB also notes that it has had the opportunity to begin to work with the PUC, CA, DOT during the latter part of the 2020 legislative session to to find solutions to YB's current financial crisis, and with the shared goal of preserving critical intrastate water carrier service for our state and our neighbor island communities. Given the important and complicated task at hand, additional time is needed to come up with meaningful and effective solutions. Accordingly, YB looks forward to continuing the dialogue with these agencies and any other stakeholders through a working group to recommend mid-term and long-term solutions to balance the need for continuous water carrier service throughout the State with the need to maintain financial sustainability.

Mahalo, Chair and members of the Senate Transportation Committee, for your consideration of YB's comments and proposed amendments/recommendations.

Sincerely,

Jay Ana President

Young Brothers, LLC • 1331 North Nimitz Highway, Honolulu, Hawai'i 96817 • (808) 543-9311 • youngbrothershawaii.com



| DATE:                          | July 3, 2020  |
|--------------------------------|---|
| TO:                            | COMMITTEE ON TRANSPORTATION<br>The Honorable Lorraine R. Inouye, Chairwoman |
| FROM:                          | Toby Taniguchi  |
| RE:                            | SR 125, S.D. 1  |
| POSITION:                      | Support   |
| HEARING:<br>TIME:<br>LOCATION: | Monday, July 6, 2020<br>2:00 pm<br>Conference Room 225                      |

Citizens of Hawai'i Island rely on inter-island maritime services to provide access to important agricultural and other essential goods.

I am submitting this letter in support of SR 125, as it relates to necessary aid and the creation of a working group to assist in developing a sustainable model for interisland water carrier service going forward.

We thank you for the opportunity to provide testimony.

Sincerely,

(on Bi

Toby B. Taniguchi President



| DATE:                          | July 3, 2020  |
|--------------------------------|---|
| TO:                            | COMMITTEE ON TRANSPORTATION<br>The Honorable Lorraine R. Inouye, Chairwoman |
| FROM:                          | Derek Kurisu  |
| RE:                            | SR 125, S.D. 1  |
| POSITION:                      | Support   |
| HEARING:<br>TIME:<br>LOCATION: | Monday, July 6, 2020<br>2:00 pm<br>Conference Room 225                      |

Citizens of the State of Hawai'i rely heavily upon inter-island water carrier services to access food and other essential goods.

I believe it is in the public interest for the State to support our inter-island water carrier service industry, and am therefore, submitting testimony in support of SR 125. Supporting SR 125 will help to ensure continued operations of our inter-island tug and barge service, which is critically important to our well-being and our economy.

I thank you for this opportunity to provide testimony.

Sincerely,

man

Derek Kurisu Executive Vice President

The Thirtieth Legislature Regular Session of 2020



STATE SENATE Committee on Transportation Senator Lorraine R. Inouye, Chair State Capitol, Conference Room 225 Monday, July 6, 2020; 2:00 p.m.

#### STATEMENT OF THE ILWU LOCAL 142 ON S.R. 125 PROPOSED S.D.1.

The ILWU Local 142 supports S.R. 125 proposed, S.D.1, with amendments which requests the Department of Transportation to provide funding to water carriers for the purpose of providing that water carrier with financial assistance to maintain routes and lines of services within the state and to create a working group to recommend mid- and long-term solutions to ensuring continuous water carrier service throughout the state.

The ILWU Local 142 supports the proposed S.D.1 language for S.R. 125 but requests that the ILWU Local 142 also have a designee on the working group. Under the 'be it further resolved' section we suggest adding (9) a designee from the ILWU Local 142.

Thank you for the opportunity to testify.





P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

July 26, 2020

#### HEARING BEFORE THE SENATE COMMITTEE ON TRANSPORTATION

#### **TESTIMONY ON SR 125** (Proposed SD1) REQUESTING THE DEPARTMENT OF TRANSPORTATION TO PROVIDE FUNDING TO WATER CARRIERS FOR THE PURPOSE OF PROVIDING THAT WATER CARRIER WITH FINANCIAL ASSISTANCE TO MAINTAIN ROUTES AND LINES OF SERVICES WITHIN THE STATE AND TO CREATE A WORKING GROUP TO RECOMMEND MID- AND LONG-TERM SOLUTIONS TO ENSURING CONTINUOUS WATER CARRIER SERVICE THROUGHOUT THE STATE.

Room 225 2:00 PM

Aloha Chair Inouye and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau supports SR 125, which provides a mechanism for convening stakeholders in Hawaii's interisland water carrier system to recommend mid-term and long-term solutions to identify mechanisms meeting the needs of the stakeholders.

HFB policy supports a viable interisland transportation system to meet the needs of our communities. It is clear the current system needs change. Rushing into a change can have unintended consequences. The groups identified in the proposed resolution provides a mechanism to reach an understanding with those with authorities to implement decisions in a timely manner.

The solutions may involve changes at the harbors. Our members have expressed concerns about activities at the harbors and some are not just due to YB practices but due to facilities at the harbors. We understand that the funding source may be the Harbors Special Fund. This provides an opportunity to holistically address the needs of interisland water carrier transportation not just for the near term but the long term as well.

We hear comments decrying the lost opportunity of the Superferry. Our counties are struggling with traffic challenges. Some may believe we do not need to address the issue as there is no traffic due to the loss of tourists. NOW is the time to look at our entire transportation system and evaluate the possible role of a ferry .. should we have ferries in place of barges? Our farmers were excited about the possibility of ferries as it opened ways to manage their interisland product costs.

Farm Bureau respectfully urges your support of SR 125 convening a working group to address interisland water carrier role in Hawaii's transportation for the short, mid and long-term.

Thank you for this opportunity to provide our opinion on this important matter.



1050 Bishop St. PMB 235 | Honolulu, HI 96813 P: 808-533-1292 | e: info@hawaiifood.com

#### **Executive Officers**

Joe Carter, Coca-Cola Bottling of Hawaii, *Chair* Charlie Gustafson, Tamura Super Market, *Vice Chair* Eddie Asato, The Pint Size Corp., *Secretary/Treas*. Lauren Zirbel, HFIA, *Executive Director* John Schlif, Rainbow Sales and Marketing, *Advisor* Stan Brown, Acosta Sales & Marketing, *Advisor* Stan Brown, Acosta Sales & Marketing, *Advisor* Paul Kosasa, ABC Stores, *Advisor* Derek Kurisu, KTA Superstores, *Advisor* Beau Oshiro, C&S Wholesale Grocers, *Advisor* Toby Taniguchi, KTA Superstores, *Advisor* 

TO: <u>COMMITTEE ON TRANSPORTATION</u> Senator Lorraine R. Inouye, Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION Lauren Zirbel, Executive Director

- DATE: Monday, July 6, 2020
- TIME: 2:00 P.M
- PLACE: Conference Room 225

RE: SR 125

**Position: Support** 

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

The citizens of neighbor island communities rely on Young Brothers to provide access to food and essential goods. We are in support of this resolution because we need to keep the life line open for our neighbor island residents.

It is in the public interest for State to provide subsidies to cargo carriers to offset the costs incurred by the cargo carriers as a result of providing cargo carrier services to ports serving counties within the State having a population of less than five hundred thousand, and to address impacts of the COVID 19 pandemic and to ensure the continued operations of an interisland tug and barge service to advance the State's economic recovery from the COVID 19 pandemic's state—wide economic effects.

We thank you for the opportunity to testify.



Hawaiʻi Island Chamber of Commerce 1321 Kinoʻole Street Hilo, Hawaiʻi 96720 Phone: (808) 935-7178 Fax: (808) 961-4435 E-mail: admin@hicc.biz www.hicc.biz

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Ex Officio Member Keith Marrack The Honorable Lorraine R. Inouye, Chairwoman Committee on Transportation Hawaii State Senate 415 South Beretania Street Honolulu, HI 96813

Re: SR 125, S.D. 1

July 3, 2020

Dear Senator Inouye:

I am writing to you on behalf of the Hawai'i Island Chamber of Commerce ("HICC") relative to the upcoming hearing scheduled for Monday, July 6, 2020, on SR 125, S.D.1. The HICC supports this resolution. Residents and businesses on Hawai'i Island depend on reliable and costeffective inter-island maritime service for its agricultural and essential goods. Given the current economic stresses imposed by COVID-19, the future of Young Brothers is at risk, and that will impact all of us. Passage of SR 125 will provide needed aid and the creation of a working group to develop a sustainable model for interisland water carrier service in the future.

Thank you for this opportunity to provide testimony in this matter. Sincerely,

Rhea Lee-Moku President, Hawai'i Island Chamber of Commerce



**MOLOKAI CHAMBER OF COMMERCE** 

P.O. Box 515 Kaunakakai, HI 96748

T 808 658 0608

info@molokaichamber.org

www.molokaichamber.org

July 6, 2020

THE SENATE THE THIRTIETH LEGISLATURE REGULAR SESSION OF 2020

COMMITTEE ON TRANSPORTATION

Monday, July 6, 2020 @ 2:00 p.m. Conference Room 225 State Capitol, 415 South Beretania Street

<u>SUPPORT</u> - SR 125, SD1.

Aloha Honorable Chair Inouye, and Committee Members:

As a representative organization of the neighbor-island of Molokai with dozens of members who employ hundreds of our neighbors, friends and families, we are respectfully submitting testimony in <u>SUPPORT</u> of SR 125, SD1.

The island of Molokai is reliant on Young Brothers as our transportation lifeline for virtually all of the groceries, goods and materials our residents and businesses require to survive. We understand that there are higher costs for YB to service Molokai and our neighbor island of Lanai, as they are mandated by the PUC to serve our communities even if it is unprofitable.

It is in the best interests of Molokai, Lanai and all of Hawaii for Young Brothers to stay in business and continue to serve our communities. Any interruption of service, or at worst, a discontinuation of service could create circumstances in which our communities would face significant hardships and experience challenges that we simply may not be able to endure.

We ask that you please support this measure and provide the necessary assistance to support our communities and keep our goods and materials moving between islands.

We also ask that the Legislature, PUC, Consumer Advocate and Department of Transportation hold Young Brothers to the highest standards of service, logistical operations and financial responsibility possible given the current conditions in which they are mandated to operate.

Thank you for the opportunity to submit our testimony in support of SR 125, SD1 and please let us know if there's anything we can do to be helpful.

Sincerely,

Robert Stephenson, President & CEO



Japanese Chamber of Commerce & Industry of Hawai'i

July 3, 2020

| TO:                            | Committee on Transportation<br>The Honorable Lorraine R. Inouye, Chairwoman |
|--------------------------------|---|
| RE:                            | SR 125, S.D. 1  |
| POSITION:                      | Support   |
| HEARING:<br>TIME:<br>LOCATION: | Monday, July 6, 2020<br>2:00 pm<br>Conference Room 225                      |

This letter is in support of SR 125 S.D. 1 as it provides for the critical support needed to ensure un-interrupted essential water carrier services vital to the livelihood of Hawai'i Island residents and visitors. Hawai'i Island – and other neighbor islands within the state – rely on inter-island maritime services to provide access to important agricultural, medical, construction, and other essential goods.

The Japanese Chamber of Commerce and Industry of Hawai'i supports this measure to provide for necessary aid and the establishment of a working group to assist in developing a sustainable model for inter-island water carrier service for the future.

We appreciate this opportunity to provide testimony.

Sincerely,

Donn Mende President



Japanese Chamber of Commerce & Industry of Hawai'i



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON TRANSPORTATION Senator Lorraine R. Inouye, Chair

#### SR125 Proposed SD1

REQUESTING THE DEPARTMENT OF TRANSPORTATION TO PROVIDE FUNDING TO WATER CARRIERS FOR THE PURPOSE OF PROVIDING THAT WATER CARRIER WITH FINANCIAL ASSISTANCE TO MAINTAIN ROUTES AND LINES OF SERVICES WITHIN THE STATE AND TO CREATE A WORKING GROUP TO RECOMMEND MID- AND LONG-TERM SOLUTIONS TO ENSURING CONTINUOUS WATER CARRIER SERVICE THROUGHOUT THE STATE. (Proposed SD1)

| DATE:  | Monday, July 6, 2020       |
|--------|----------------------------|
| TIME:  | 2:00 P.M                   |
| PLACE: | Conference Room 225        |
|        | State Capitol              |
|        | 415 South Beretania Street |

Chair Inouye and Members of the Committee on Transportatoin,

The Hawaii Cattlemen's Council **supports SR125 Proposed SD1**. The cattle industry relies on a resilient future to continue long-term plans for cattle production, which provide ecosystem services such as invasive species removal, wildfire fuel load reduction, and healthy soils, in addition to providing food. Interisland transportation is a key component, not only for Hawaii's ranching industry, but for our entire state. It is extremely important for all ports to be serviced, especially throughout the COVID-19 pandemic, and a reliable water carrier is needed for us to weather this difficult time. This resolution creates a working group to develop mid-term and long-term solutions for a water carrier to continue to service Hawaii, which we support—it would be prudent for a long-term solution to consider all possible options for continuation of service, including allowing other water carriers access to the market. If this resolution is not passed, we are concerned that there may no other immediate solutions available to ensure interisland shipping is provided for the state.

Nicole Galase Hawaii Cattlemen's Council Managing Director









July 6, 2020

SENATE COMMITTEE ON TRANSPORTATION THE HONORABLE Lorraine R. Inouye, CHAIR SENATE BILL NO. Sr125 scheduled for hearing on July 6, 2020 at 2:00p.m. Conference Room 225 State Capitol, 415 South Beretainia Street

Testimony in SUPPORT - SR 125, SD1.

Honorable Chair Inouye, and Committee Members:

Thank you for the opportunity to submit our testimony in support of SR 125, Sd1. We strongly support SR 125, Sd1. As a merchant doing business on Molokai for the past 82 years, we heavily depend on Young Brothers as our main source of transportation to bring in our products. They are our transportation lifeline. It would be a disaster if they were not able to continue to service our community and others.

Sincerely,

Sonya M. Juen

Kualapuu Market, Ltd. Sonya M. Yuen



### <u>SR-125</u> Submitted on: 7/5/2020 6:08:10 PM Testimony for TRS on 7/6/2020 2:00:00 PM

| Submitted By | Organization                     | Testifier<br>Position | Present at<br>Hearing |
|--------------|----------------------------------|-----------------------|-----------------------|
| Lani Petrie  | Testifying for Kapapala<br>Ranch | Support               | No                    |

Comments:

We support SR125 SD1. It is important to all of agriculture, but especially ranchers that there be no interruption of service inter island. With key slaughter facilities on various islands, it is important that we be able to continue the transport of live animals in between them.

Respectfully submitted,

Lani C. Petrie

#### <u>SR-125</u> Submitted on: 7/3/2020 6:18:08 PM Testimony for TRS on 7/6/2020 2:00:00 PM

| Submitted By | Organization  | Testifier<br>Position | Present at<br>Hearing |
|--------------|---|-----------------------|-----------------------|
| Randy        | Testifying for Creative<br>Arts Hawaii LLC / Aloha<br>Grown LLC | Support               | No                    |

Comments:

#### <u>SR-125</u> Submitted on: 7/3/2020 6:07:26 PM Testimony for TRS on 7/6/2020 2:00:00 PM

| Submitted By | Organization | Testifier<br>Position | Present at<br>Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Ka?iu Kimura | Individual   | Support               | No                    |

Comments:

This testimony is in support of SR 125 S.D. 1 as it provides for the critical support needed to ensure un-interrupted essential water carrier services vital to the livelihood of Hawai'i Island residents and visitors. Hawai'i Island – and other neighbor islands within the state – rely on inter-island maritime services to provide access to important agricultural, medical, construction, and other essential goods.

I support this measure to provide for necessary aid and the establishment of a working group to assist in developing a sustainable model for inter-island water carrier service for the future.

Mahalo nui for the opportunity!

Ka'iu Kimura

#### <u>SR-125</u> Submitted on: 7/4/2020 4:46:39 PM Testimony for TRS on 7/6/2020 2:00:00 PM

| Submitted By  | Organization | Testifier<br>Position | Present at<br>Hearing |
|---------------|--------------|-----------------------|-----------------------|
| Rosie F Davis | Individual   | Support               | No                    |

Comments:

Aloha,

I storgnly support the finacial assistance to water carriers for the benefit of all Hawaii residents to continue to receives services.

Thnak you, Rosie

#### <u>SR-125</u> Submitted on: 7/4/2020 4:40:24 PM Testimony for TRS on 7/6/2020 2:00:00 PM

| Submitted By       | Organization | Testifier<br>Position | Present at<br>Hearing |
|--------------------|--------------|-----------------------|-----------------------|
| Gene Ross K. Davis | Individual   | Support               | No                    |

Comments:

Aloha Legislators,

We need to pass SR 125 to assist our water carriers throughout the State of Hawaii for our residents.

Mahalo nui for your support in this matter.

GRD

<u>SR-125</u> Submitted on: 7/4/2020 6:25:48 PM Testimony for TRS on 7/6/2020 2:00:00 PM

| Submitted By    | Organization | Testifier<br>Position | Present at<br>Hearing |
|-----------------|--------------|-----------------------|-----------------------|
| Faith Tuipulotu | Individual   | Support               | No                    |

Comments:

# PATTI COOK

64-5246 lokua Pl., Kamuela, HI 96743 - Cell: 808-937-2833

July 5, 2020

#### RE: <u>SUPPORTING SR125 SD1</u>

REQUESTING THE DEPARTMENT OF TRANSPORTATION TO PROVIDE FUNDING TO WATER CARRIERS FOR THE PURPOSE OF PROVIDING THAT WATER CARRIER WITH FINANCIAL ASSISTANCE TO MAINTAIN ROUTES AND LINES OF SERVICES WITHIN THE STATE AND TO CREATE A WORKING GROUP TO RECOMMEND MID— AND LONG—TERM SOLUTIONS TO ENSURING CONTINUOUS WATER CARRIER SERVICE THROUGHOUT THE STATE

HEARING: Hawai'i State Senate Committee on Transportation 2 p.m., Mon., July 6, 2020 – Conf. Room 225

Aloha Sen. Lorraine Inouye and Members of the State Senate Committee on Transportation:

Mahalo for scheduling this hearing to consider SR125 SD1. As a resident of Hawai'i Island, we are extremely dependent on interisland barge service for the transport of goods and property from our farms, ranches and product producers to both the Honolulu market and also markets outside of Hawai'i, and concurrently, the flow of goods and property to us for our food supply and other essential materials, supplies, equipment, etc. Covid-19 has put Young Bros. in severe economic straights and it is in the best interest of the people and state of Hawai'i to protect continued interisland barge service by the sole provider for the health and wellbeing of residents and to help recover from the economic implosion caused by the mandated Covid-related business/resort closedown.

I support the caveats spelled out in the resolution to prevent misuse of state funds by Young Bros. and related organizations. I also urge the proposed working group pursue – as a longer term solution – securing federal funding similar to that which is provided for federal highways. For our island state, interisland barge service is comparable to interstate highways which enjoy substantial federal subsidies. Interisland shipping therefore warrants comparable federal assistance under the oversight of the Hawai'i State Public Utilities Commission.

Thank you for your time and focus on this essential strategy to support economic recovery for our island state. I appreciate your commitment to all of the people of Hawai'i.

Patricia Anne (Patti) Cook cookshi@aol.com

<u>SR-125</u> Submitted on: 7/6/2020 11:30:59 AM Testimony for TRS on 7/6/2020 2:00:00 PM



| Submitted By | Organization | Testifier<br>Position | Present at<br>Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Eric Tanouye | Individual   | Support               | No                    |

Comments:

strongly support SR 125 SD1.

<u>SR-125</u> Submitted on: 7/6/2020 10:42:07 AM Testimony for TRS on 7/6/2020 2:00:00 PM



| Submitted By   | Organization | Testifier<br>Position | Present at<br>Hearing |
|----------------|--------------|-----------------------|-----------------------|
| Thong-Teng Neo | Individual   | Support               | No                    |

Comments:

I support SR #125 SD 1.