
From: David Carswell <dcarswell1@me.com>
Sent: Thursday, May 28, 2020 11:54 AM
To: PUC
Subject: [EXTERNAL] YB changes
Attachments: 2020.05.26 - Young Brothers' Update.pdf

Dear PUC Commissioner's and Board of Director's,

I would like to file an informal complaint and concern regarding Young Brother's recent letter to customer's which I have attached in this email.

My main concern is the Phase 2 Contingency Plan to eliminate all LCL shipments of livestock. This will all but end the ability for ranchers and the public who make a living shipping livestock inter island to do business in the state of Hawaii due to the amount of the increase costs in shipping and the logistics involved with this plan. I have personally shipped both cattle and horses in the state for over 30 years, and the cost and logistics of doing so is already extremely high and burdensome, and as such I oppose Young Brother's plan to eliminate the LCL shipments all together.

Thank you in advance for not allowing this contingency plan to put an end to Hawaii's paniolo and ranching lifestyles.

Sincerely,

David Carswell

Kauai lifelong resident



May 26, 2020

Dear Valued Customer,

I am writing to share an update about the real financial challenges facing our company caused by the COVID-19 pandemic, what we are doing to find solutions so we can continue serving the people of Hawai'i, and what this means for you – our customers.

Like many other Hawai'i companies, COVID-19 has hit Young Brothers extremely hard. Our shipping volumes are down by 30% since March, and we fully expect volume will continue to drop precipitously for months to come until Hawai'i's economy rebounds.

Throughout the company, we have implemented a myriad of bold cost-cutting measures – including a hiring freeze and salary cuts for senior leadership – to reduce our operating costs. Unfortunately, despite these efforts, Young Brothers continues to operate in the red, losing \$8 million through April, and we are projecting a \$25 million loss, or more, by the end of the year.

Meanwhile, we continue to do all that we can to operate efficiently while maintaining the highest level of service possible. In the event we are not able to secure emergency support, we have identified the following contingency plans, which will be implemented in phases, subject to the approval of the PUC.

Contingency Plans

Phase 1 Contingency Plan – Effective June 8 (if approved)
<ul style="list-style-type: none"> ● Accept: All straight load container shipments, automobiles (dealers and personal vehicles), and roll-on/roll-off equipment ● Accept: All container and less-than-cargo-load (“LCL”) livestock shipments from all islands ● Eliminate: Dry and refrigerated LCL/Mixed cargo option to and from the ports of Kahului, Kawaihae, Nāwiliwili, and Hilo ● Accept: Dry and refrigerated LCL/Mix cargo option to and from the islands of Lāna‘i and Moloka‘i only ● Continue: A 4-tug fleet and modified sailing schedule approved by PUC on May 5th
Phase 2 Contingency Plan – PENDING
<ul style="list-style-type: none"> ● Further reduction in sailing frequency to all neighbor island ports. ● Modified tug and barge availability ● Eliminate: All dry and refrigerated LCL/Mix cargo options to and from all ports ● Eliminate: LCL shipments of livestock

These are incredibly trying times, and this is one of the greatest challenges Young Brothers has ever faced in our more than 120 years serving the people of Hawai'i. However, I am confident that we will find a way forward, continuing to deliver the vital interisland shipping service that Hawai'i counts on from us.

I want to thank you for your continued support as we navigate our way to calmer seas, and I want you to know that we will continue to keep you informed about our efforts to create a more sustainable future for Young Brothers. Please don't hesitate to contact your sales representative directly or call (808) 543-9311 if you have any questions.

Mahalo,

Jay Ana
President

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2020 May 28 PM 15:54

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