

May 4, 2020

VIA email to puc@hawaii.gov

Public Utilities Commission
State of Hawai'i
465 South King Street, Room 103
Honolulu HI 96813

RE: YB Tariff Transmittal No. 20-003, Young Brothers request for approval of emergency changes to its sailing schedule

Aloha Commissioners,

The Hawaii Farm Bureau (HFB) represents nearly 2,000 farm family members statewide ranging from small to large farms, organic to traditional, and serves as the voice of Hawaii's agriculture to ensure that local farmers and ranchers continue to stay viable to benefit and improve their communities' quality of life.

We are extremely concerned about the impact that Young Brothers' (YB) sudden and drastic proposed elimination of sailings will have on farmers and ranchers and the rural communities who rely upon them. While we empathize with YB and its effort to cut costs, we respectfully disagree with its claim that "no cargo will be left behind". **People still have to eat, farmers and ranchers still must produce and ship food, and they rely on the regular sailings that are an essential service and lifeline between the islands.** YB's proposed cuts in sailings will not work for producers nor Hawaii's people.

HFB does not dispute YB's claim regarding a reduction in cargo volume and its resulting forecasted revenue loss for 2020. However, we understand that some of the loss of cargo volume is due to YB's own decisions to refuse to take many types of freight (as "not essential") and to reject LCL freight. YB attributes these decisions to the COVID emergency and the need to protect its workers. However, many of the draconian changes that YB has already implemented or is proposing to implement were requested by the company well before anyone even heard of the new Corona virus. These policies have impacted island residents who will have no way, or no reasonable way to get vital goods such as vehicles, certain local produce and meats, equipment, and livestock needed to run businesses, pump water, and feed communities.

YB serves a public purpose that is necessary for the everyday life of Hawaii's citizens and we all greatly appreciate this service. However, with that privilege comes a responsibility. Should YB itself be allowed to determine what is essential to our communities and what is not?

We are not asking PUC to altogether reject YB's proposal to cut costs. Rather, we are asking for the opportunity to work together toward an acceptable resolution that will preserve YB's income while doing less harm to island communities. As always, the devil is in the details and in this case, it appears that the details were not considered.

HFB strongly believes that by implementing these drastic schedule reductions, YB will be passing its losses on to our agricultural producers and island consumers, jeopardizing the financial viability of both Hawaii farmers and local communities.

There is a solution to this predicament. With the oversight of the PUC, YB can work with producers/shippers to generate a reduced schedule that will still accommodate the needs of the public and ensure that island families are not further devastated during the COVID emergency.

Their needs cannot be ignored.

We respectfully request that the following concerns be addressed prior to approval of any schedule changes:

- **Adequate notice for vendors and communities to reschedule deliveries and prepare for change**
Shippers and consignees must have **adequate notice and be a part of the discussion** regarding any proposed change in sailing schedule *or other shipping restrictions*. During this emergency, when everyone is being negatively impacted, YB, as a regulated public utility, should provide a genuine willingness to work with the community it is supposed to serve. These mutually beneficial discussions will allow YB to understand the needs of the public while providing producers, shippers, and their customers the opportunity to work with YB to determine a schedule change or other cost-cutting measures that will be more appropriate for all parties, rather than only YB.

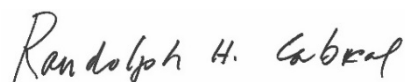
For example, the retention of a *weekday* sailing and arrival, rather than a weekend departure, would avoid the total loss of perishable food, like vegetables and fruits such as papaya, where there is no adequate storage space or availability of refrigeration at the harbor. The situation is similar with regard to the shipment of livestock, especially goats, sheep, and horses that cannot be contained for days awaiting transportation or unloading.

These goodwill discussions will also allow affected parties to plan for the change, rework entire supply chain scheduling, and make other arrangements to avoid loss of product, disruption in availability to customers, and to ensure that the needs of the public are met.

- **Alternatives to loss of essential products for the public**
Some of the affected neighbor islands lack the infrastructure and cold storage space necessary to prevent fresh produce from going bad. These products cannot sit around for several days without refrigeration. The grocery stores that provide these products to the public may have no reasonable alternative since air freight is not at all within the budget of the retailers or the public (the costs will be passed on to the consumer). No vendor will willingly incur the liability of having his perishable product sit for days without proper storage and temperature control. A possible solution may be the provision of a cold storage facility and container space, for example on Molokai, that would allow produce to be stored properly while sailing is pending. Conceivably, YB could reduce its sailing schedule but contract with a third-party vendor to operate a cold storage site to address the public needs caused by the disruption.
- The proposed **drastically limited hours for pick-ups and deliveries** will not work and must be expanded, as well as the area available for staging.
- An **end date** should be provided by which time the sailing schedule will return to normal, or a review by PUC will be undertaken. Open-ended transportation cuts will cripple the ability of local communities to survive the pandemic.

The Hawaii Farm Bureau sincerely appreciates the work of the Public Utilities Commission and its consideration of our comments on behalf of Hawaii's farmers and ranchers and our local communities.

Mahalo,



Randy Cabral
President

