

May 1, 2020

The Honorable Chair and Members
of the Hawai'i Public Utilities Commission
Kekuanao'a Building, First Floor
465 South King Street
Honolulu, Hawaii, 96813

Re: Transmittal No. 20-0003, Young Brothers, LLC, for Approval of Emergency Changes to its Sailing Schedule – Response to CA-SOP Immediate Requests

Dear Commissioners and Staff:

On April 24, 2020, Young Brothers, LLC ("Young Brothers" or "YB") filed Transmittal No. 20-0003, which sought to amend Local Freight Tariff No. 5-A to reduce the number of weekly sailings to certain ports in response to the current COVID-19 pandemic and the rapidly evolving circumstances surrounding YB's operations, effective May 5, 2020. On April 29, 2020 Young Brothers received the Hawaii Department of Commerce and Consumer Affairs Division of Consumer Advocacy's Statement of Position ("CA SOP"). In the CA SOP, the Consumer Advocate states its belief that YB should provide certain information prior to May 5, 2020 to clarify its requested relief. Specifically, the Consumer Advocate asks that YB immediately provide information regarding:

- 1) Whether YB is actually proposing the schedule change between Kaunalapau and Kaunakakai where the barge will leave Kaunalapau on Sunday and arrive at Kaunakakai on Sunday; and
- 2) Since the proposed change to the sailing schedule to Lanai does not involve a decrease in the number of sailings, some explanation in the record to help justify the requested relief.

By this letter, Young Brothers provides the information identified by the Consumer Advocate's immediate inquiries.

1) Is YB actually proposing a schedule change between Kaunalapau and Kaunakakai where the barge will leave Kaunalapau on Sunday and arrive at Kaunakakai on Sunday?

Yes. YB is actually proposing a schedule change where a barge will sail from Kaunalapau on Sunday (pm) and arrive at Kaunakakai on Sunday (pm). Under the proposed schedule, cargo would not be available to customers in Kaunakakai until Monday (am).

This is consistent with the operational timing under YB's current sailing schedule where a barge sails from Kaunalapau on Wednesday (pm) and arrives in Kaunakakai on Wednesday (pm). Under the current schedule, cargo would not be available to customers in Kaunakakai until Thursday (am). Note that Local Freight Tariff No. 5-A currently reflects the time which cargo

becomes available to customers in Kaunakakai - Thursday (am) - rather than the time in which the barge arrives in Kaunakakai - Wednesday (pm). Young Brothers will correct this discrepancy going forward.

2) Provide some explanation in the record to help justify the proposed change to the sailing schedule to Lanai, since the proposed change does not involve a decrease in the number of sailings to Lanai.

The proposed change to the sailing schedule to Kaumalapau, Lanai is necessary to enable the overall reduction in YB's active tug fleet and associated costs.

Under the current sailing schedule, YB has two weekly barges from Honolulu to Kaunakakai. One barge sails from Honolulu on Sunday (pm) directly to Kaunakakai where it arrives on Monday (am). The second barge sails from Honolulu on Tuesday (pm), stops in Kaumalapau on Wednesday (am), and then arrives in Kaunakakai on Wednesday (pm).

YB proposed to eliminate the direct Sunday sailing to Kaunakakai and to preserve the sailing with the stopover in Kaumalapau, shifting the sailing day from Tuesday to Saturday. By shifting the day of the Honolulu - Kaumalapau – Kaunakakai sailing from Tuesday to Saturday, along with the other proposed reductions in sailings, YB is able to cover all proposed regulated sailings to and from Kaunakakai, Kaumalapau, and Hilo with a single tug.

For example, under the proposed reduced sailing schedule, a single tug would sail from Honolulu on Saturday (pm), arrive in Lanai on Sunday (am), arrive in Molokai on Sunday (pm), and then return to Honolulu on Monday (am). That same tug would then sail from Honolulu on Tuesday (pm), arrive in Hilo on Thursday (am), and then arrive back in Honolulu on Friday (pm). The cycle would then restart with the same tug sailing from Honolulu for Lanai on Saturday (pm). Three other tugs are still necessary to cover the Monday and Thursday sailings to Maui, Kauai, and Kawaihae. This proposed schedule allows YB to cover all 9 regulated sailings with an active fleet of 4 tugs rather than 5. This reduction would allow YB to temporarily reduce labor costs associated with actively crewing an additional tug as well as the labor costs associated with shoreside labor for the additional sailings. Shifting the day of the Honolulu – Kaumalapau – Kaunakakai sailing from Tuesday to Saturday is the key to enabling these reductions.

Thank you for your consideration in this matter. Please contact the undersigned if you have any questions.

Sincerely,



Jay Ana
President,
Young Brothers, LLC

FILED

2020 May 01 PM 15:14

PUBLIC UTILITIES
COMMISSION

The foregoing document was electronically filed with the State of Hawaii Public Utilities Commission's Document Management System (DMS).