
From: Tamara Lester <tam@yellowbirdgraphics.com>
Sent: Saturday, May 30, 2020 7:57 AM
To: PUC
Subject: [EXTERNAL] 2020-05-26 Letter

To Whom it May Concern:

This is in regards to the YB letter (May 26, 2020) to PUC states YB has been losing money previously to COVID19 (“..parent company has covered more than \$21 million in losses from 2018 and 2019,..). This shows that cost cutting should have been done long before current situation to address losses. YB is using COVID-19 as an excuse to be bailed out.

Now YB states “it will soon be unable to pay its expenses or continue operations.” Why is it the State that should be responsible for inefficient operation of a company? Perhaps most troublesome, is what motivation does YB have to improve their efficiency, service, their profits, when they can come to the PUC for rate increases (three times in the past five years), as they are the SOLE providers of water transportation in this state?

To suspend shipping of LCL in order to cut costs is a drastic, last ditch effort to minimize YB labor costs, but at what expense to the community of local farmers and small goods manufacturers? This would be devastating to small farms and livestock shippers, with a strong potential of putting them out of business. Only large corporations could afford to pay for an entire container, and small businesses will suffer, or worse, cease to exist. Our island communities will not receive goods from small business. The local community is negatively impacted by a loss of lifestyle as well as commerce. There is less connection to the ‘aina with the exorbitant cost of shipping livestock, and the rich paniolo culture is impacted, as well.

YB letter requests a “cost deferral accounting for COVID-19 pandemic related costs...” Why is this? I would be very curious as to what those costs are, that they are seeking immediate relief from. The coronavirus is spread by close, prolonged contact. How is this possible when they have little contact with the shippers? How do they put a dollar value on what they are asking for, when they don’t know what the costs have been, or are unwilling, or unable to provide.

In trying to decipher the YB Financial Overview attachment, there is no information as to how these numbers are arrived at. Why would “Cargo Handling” increase for COVID-19 impact, when YB has less cargo to ship to hotels, etc? Less loading / unloading? Perhaps I simply do not understand what these figures mean, and I hope someone else does, enough to question.

I applaud the PUC’s response letter May 26, 2020, requesting more information, as it is prudent in determining YB financial situation, and suspending the current docket for rate increases until this is resolved.

Finally, with the caveat that I don’t know what contracts are with YB, here are some thoughts:

- is it possible for another carrier, say, Matson, stepping in to help during this time, with interisland shipping?
- is it possible that rates be charged on a sliding scale? Someone moving their household goods to another island that doesn’t require a full container (or anyone not requiring a full container for that matter), not have to pay the same as a larger corporation that reaps more profits from shipping?

- is it possible to revive the Super Ferry—with addressing the past issues of environmental controls and more security to protect the ocean, and natural resources of the islands (not have others taking our rocks, sand, opihi, and shipping stolen goods!)?
- is it possible to increase overall taxes to everyone, to provide this necessary service in shipping and have the Federal Government, instead of being held hostage by a private company? (for example USPS?)

Respectfully,

Tamara Lester

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