



MOLOKAI CHAMBER OF COMMERCE

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MAY 29, 2020

Hawaii Public Utilities Commission
465 South King Street Kekuanao'a Building, Room 103
Honolulu, HI 96813

Re: **FOLLOW UP TESTIMONY** - YB Tariff Transmittal No. 20-0003, In the Matter of the Application of Young Brothers, LLC for Approval of Emergency Changes to its Sailing Schedule

The Honorable Chair Griffin, Commissioner Potter and Commissioner Asuncion,

The Molokai Chamber of Commerce, along with our Molokai Business Community would like to take this opportunity to provide Follow Up Testimony on this matter.

It is in the best interests of Molokai and the entire state of Hawaii for YB to remain operationally and financially viable.

For several weeks we have been working diligently and have met collectively and individually to try and make sense of this rapidly changing regulatory, logistical and business environment to identify somewhere to land, and come up with solutions and recommendations to help all businesses survive.

We sincerely appreciate the service that YB has been mandated to provide our rural isolated community. This critical link to the outside world serves as the lifeline of goods, materials, machinery, vehicles and other items our community requires for our very survival.

We can also appreciate the financial pressures YB is facing due to declining cargo volumes both before and as a result of the COVID-19 crisis.

Our Molokai businesses have also historically struggled and continue to experience similar financial pressures.

As a courtesy and in good faith, we delayed submitting our testimony until we reviewed YB's submittal to the PUC. We have since reviewed their May 26, 2020 letter to the PUC and Notice to Customers and submit the following for your review and consideration.

Comments on YB's May 26, 2020 letter to the PUC and Notice to Customers

- We are in an indefinite recovery period. YB's current temporary changes, and proposed plans have hindered and will continue to impede the stabilization, revitalization and growth of all businesses on Molokai. Most detrimental is the possibility of losing LCL service.
- Any temporary or permanent rate relief will place an even greater burden on our Molokai businesses and residents than we are already facing as a result of the temporary change in schedule.

- We ask that as the PUC considers any subsidies, rate relief or any other temporary or permanent schedule changes, YB address and remedy the fundamental operational inefficiencies that have played a part in their economic struggles. We understand addressing these inefficiencies may not provide enough relief to fully alleviate their financial pressures.
- Some of the drop in cargo volume due to COVID-19 is self imposed by YB by only shipping “essential” cargo. Easing these self imposed restrictions could help alleviate some drop in cargo volumes and in turn increase revenues to help offset YB’s financial losses.
- We sincerely appreciate YB’s acknowledgment that due to our overall small cargo volumes and limited economies of scale, LCL is essential to the well being and viability of Molokai’s businesses and community at large. We fully support this and recommend the PUC require YB to provide LCL service to Molokai in perpetuity.
- The proposed Phase 2 Contingency Plan’s elimination of all LCL cargo system wide would cripple Molokai and strike a devastating blow to our businesses and residents as well.
- If we must accept a new normal where YB is only sailing once weekly to Molokai we ask that the sailing be re-scheduled to happen between Monday and Friday in order to address perishable and short shelf life items, among others. The weekend sailing schedule causes an additional two day delay in getting these and other items to consumers and a delay in getting Molokai products to market on Oahu and the other neighbor islands.
- Anytime a freight sailing is removed there is the need for a balancing entry of increased warehouse space for both dry and refrigerated/frozen goods. This warehouse space does not exist on Molokai.
- Our businesses are not in a financial position to build such a facility. In addition, it would take several years to obtain building permits and complete construction to come online as a viable solution.
- YB has provided temporary dockside cold and frozen containers for our businesses to utilize. Our businesses appreciate and rely on this additional storage capacity, but there is uncertainty on how long this will continue.
- We invite YB to work with our business community in designing solutions that are comprehensive and inclusive in addressing the needs of YB’s customers and the general public. There are virtually unlimited opportunities to take advantage of.

Our businesses are doing their very best to adapt and work with YB’s ongoing changes.

We thank you for your consideration and appreciate you taking the time to understand our unique challenges and work collaboratively to find mutually beneficial outcomes.

Sincerely,



Robert Stephenson, President & CEO

cc:

Consumer Advocate, State of Hawaii
 Representative Lynn Decoite, House District 13
 Senator Kalani English, Senate District 7
 Mayor Michael Victorino, County of Maui

And the following Molokai Businesses:

Chris Mebille, Makoa Trucking and Services
Kevin Misaki, Misaki's Grocery Store
Sonya Yuen, Kualapuu Market
Crystal Yuen, Molokai Wines & Spirits
Kit Okimoto, Friendly Market Center
Kimberly Svetin, Molokai Drugs; Kamoi Snack N Go
Lori-Lei Rawlins-Crivello, Rawlins Service
Pia Ward, Manae Goods & Grindz
Maria Watanabe, Imports Gift Shop, C. Pascua Store, A Touch of Molokai
Mark Wond, Friendly Isle Auto Parts
Deserae Naeole, Molokai Minimart
Kui Lester, Hula Bean Cafe
Sean Connolly, Molokai Pizza Cafe
Darryl Leer, Tri-L Construction; Atlas Ace Hardware
Marciel Kanemitsu, Take's True Value Hardware
Kainoa Turner, Paddlers' Inn
Woody Hiro, Hiro's Ohana Grill
Cameron Hiro, Hiro's Ohana Grill
John Pele, Hiro's Ohana Grill
Maka Lee, Maka's Corner
Jersula Manaba, Home Pume Hana
Janice Kalanihuia, Molokai General Hospital
Porter Hodgins, Kaimomi Distributing
Todd Svetin, Molokai Ranch
Nani Kahinu, Na'ike
Patrick Kawano, PK Distributors
Denise Kawano, Hikiola Cooperative
Michelle Naeole, Mike's Catering
Dawn Bicoy, Bayer Molokai
Nate Oswald, Molokai Farm Bureau
Tylor Tanaka, Molokai Auto Parts
Luigi Manera, Molokai Chamber of Commerce; Architectural Drafting Services
Lawrence Lasua, Molokai Chamber of Commerce; Molokai Community Federal Credit Union
Pearlie Hodgins, Molokai Chamber of Commerce, Tropical Island Properties, LLC
Chamber of Commerce of Hawaii
Maui Chamber of Commerce
Lanai Chamber of Commerce
Kauai Chamber of Commerce
Kona Kohala Chamber of Commerce
Hawaii Island Chamber of Commerce

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