

PUC WCWG Small Group Status Report  
For Meeting on March 18, 2021

Small Group Topic/Issue: **Clarity of Cargo Services**

Create a compelling case to convince other WCWG members that your topic/issue needs to be addressed by our group: Create an improved reservation system for all cargo types, implemented in phases, that enhances shipping efficiencies and improves cargo movement transparency for consumers for a continued, well-needed service, as well as review of the Storage-in-Transit/Stop-in-Transit (“SIT”) policies for improved enforcement and visibility of cargo that should be transported via water carrier.

- How will addressing this issue make a significant impact on our ability to successfully ensure effective, efficient, and continuous water carrier service throughout the state of Hawaii?
  - Addressing this issue will:
    - Improve upon customer service efficiency because it will help establish a strong partnership and dedication between the carriers and customers
    - Help to provide greater visibility and frequency of cargo volume by Honolulu outbound vs. neighbor island inbound cargo
    - Provide accurate information on the “no-show” reservations that will help create operational efficiencies by providing accurate cargo volume, improving planning and execution throughout the cargo-handling process
- What are the significant (negative) ramifications of us not addressing this issue?
  - Ramifications for not addressing this issue are:
    - Continued impact to neighbor island communities, such as the farming community in Hilo, should additional sailings not be created
    - Equipment shortages, flat racks/containers could prevent loading, despite YB employees trying their best to load cargo/determine cargo volume
    - Lack of visibility and enforcement of SIT creates loss of revenue for the water carrier and puts additional burden on ratepayers.

Articulate Small Group Goal or Objective:

- This goal or objective was probably generated as you talked about what the group was trying to accomplish.
  - The goals of this group include:
    - Educating the subgroup as to what YB does, i.e., types of cargo, etc.
    - Educating the subgroup as to YB’s scheduling of cargo, i.e., containers, automobiles, rolling stock, LCL, etc.
      - Currently, a manual reservation process exists

- Educating the work group as to how cargo moves systemwide via Matson and Pasha and stop in transit (SIT) movement
  - Understanding the critical needs for proposed Phase I:
    - Consumers' wants and needs vs. what can be provided
    - Pros and cons for creating a cargo reservation system that requires communication from customers to carrier that will yield the greatest benefit
    - Can a reservation system similar to UPS or the airlines be achieved economically and effectively?
- What is the desired outcome you are trying to achieve?
  - The desired outcome this subgroup is trying to achieve entails:
    - Performing a Cost/Benefit Analysis through an outside consultant to either create a brand-new reservation system in phases or upgrade the current system
      - In addition, performing a Cost/Benefit Analysis for either not creating or upgrading a new system
    - Creating a general system where consumers can create reservations and schedule with confidence by tracking cargo without having to call into the company
    - Creating a reservation system that requires commitment from both the customer and the carrier
    - Reviewing existing infrastructure outside of YB (i.e., airlines, moving and transportation companies)
    - Continue to provide services for freights of all kind
    - Incorporate the current workforce with the technology used to implement the reservation system

Prioritized List of Actions or Strategies to Address Goal or Objective:

- This discussion might have started with a discussion of relevant supporting forces from the Force Field Analysis that will help you achieve your goal or objective.
  - It is important to be able to understand what cargo will be showing up, in what dimensions, and where - similar to an online airline reservation system where customers are able to see available blocks of dates and times and then make reservations
- The group probably generated additional strategies during your discussion.
  - Additional strategies during the subgroup's discussion include:
    - Understanding the most critical needs to improve upon shipping efficiencies and then building on those needs – includes:
      - Reducing long waiting lines
      - Incentivizing customers who utilize the reservation system

- Actions or strategies also have to take into consideration restraining forces that may prevent you from achieving your goal or objective. You may have identified relevant restraining forces from the FFA or generated new ones that have to be addressed.
  - Relevant restraining forces include:
    - Financial Constraints
      - Currently, it is extremely difficult to determine an actual cost for creating a reservation system despite reaching out to several companies. This is because of the significant technological mechanisms and unknown complexity of the infrastructure involved
      - Costs – monthly maintenance fees, project fee(s) such as changes to enhancements of system, etc.
    - Mandated Rates and Regulations
    - Mandated Routes
    - It is unknown if a new reservation system or enhancing the existing system will improve upon the amount of cargo, loading, etc.
      - Also unknown is if it will reduce cost of labor and equipment
    - Interdependence between regulated and unregulated service
    - Review of SIT programs
    - Resistance to implement changes that would create efficiencies
- The group needs to think about prioritizing actions or strategies i.e., important ones need to be addressed first to create momentum for your plan.
  - Prioritized actions include:
    - Determining whether to upgrade current YB system or create a new system
    - Existing infrastructure options
      - Via both reservation and appointment time
- Actions or strategies might also have a time relationship i.e., some have to be accomplished first before others are considered.
  - Actions or strategies with a time relationship include:
    - Phasing in of the creation of an enhanced reservation system over an unknown time period