

Template for PUC WCWG Small Group Status Reports
For Meeting on March 18, 2021

Small Group Topic/Issue: **Other Options to Subsidize Shipping**

Create a compelling case to convince other WCWG members that your topic/issue needs to be addressed by our group:

- 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?

Both federal and state subsidies, specifically transportation subsidies, are being sought. Currently, there are agricultural specific subsidies that are being fully utilized by the agricultural businesses for transport of raw materials. Subsidies being evaluated by this group are broader than the agricultural subsidies. This group is evaluating and seeking subsidies that more broadly applies to cargo transportation to small disadvantaged communities.

It is believed that subsidies, to the extent available, could offset the transportation cost burden to small disadvantaged communities who are reliant on the shipment of goods. This might provide opportunities to reduce the agricultural raw product subsidy currently funded by YB and relieve pressures to adjust cargo transport schedules and costs.

- What are the significant (negative) ramifications of us not addressing this issue?

Not addressing the issue of transportation subsidies may result in the State to continue to require YB to subsidize agricultural raw product and neighbor island communities through the internal absorption of the cost of transportation and service.

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 objective of the "Subsidy" group is to explore, if not secure, federal, state, and county subsidies for the transport of goods to the neighbor islands.

- What is the desired outcome you are trying to achieve?

Desired outcome is to identify actions that can be taken to secure cargo transportation subsidies.

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.
- The group probably generated additional strategies during your discussion.
- 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.
- 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.
- Actions or strategies might also have a time relationship i.e., some have to be accomplished first before others are considered.

There doesn't seem to be any objection from cargo users, customers, or the water carrier to securing subsidies for cargo transportation – it appears that there would be a consensus in support of subsidy solutions. That said, the immediate obstacle remains the availability of funding at all levels due to conflicting priorities, particularly due to impending needs due to the impacts of the worldwide pandemic.

Our small group on subsidies included State legislators, State agencies, and the water carrier. There is no federal agency representation within the subsidy subgroup. The potential agencies discussed that may provide subsidies are the USDOT-MARAD and State. We started the exploration of federal subsidies, with no luck in receiving any response. Given the State's financial situation it would be difficult for the State to provide subsidies at least for the next few years but the concept can be explored.