

1 cargo insurance loss ratio. The Company has fallen short of the
2 performance standard for labor efficiency related to dollar value of
3 shoreside labor hours and customer wait time for a couple of cargo types.
4 In addition, the Company is proposing in this rate case, but has not yet
5 received approval of, a performance standard for container utilization.
6 Nevertheless, it appears that utilization has increased for the vast majority
7 of container types.

8 **Q: Please discuss the results for the safety-related metrics (i.e.,**
9 **recordable incident rate, lost time incident rate, workers'**
10 **compensation insurance claims, and hazardous materials incidents).**

11 **A:** With regard to the Company's safety-related metrics, the Company met its
12 performance standards in every category (see the tables below). Young
13 Brothers is extremely proud of its employees for their efforts in this area
14 because: (1) the Company did not meet its performance standards in
15 2017; and (2) safety is the Company's top priority.

16 The job that YB's employees perform is difficult and dangerous due
17 to the high volume of cargo and the constant interaction of customers,
18 truckers, heavy machinery, and employees. It is a testament to the
19 employees' skill and situational awareness that they prioritize safety while
20 effectively moving cargo in a fast paced environment to meet the needs of
21 customers and the State more generally.

Recordable Incident Rate²⁹		
Personnel³⁰	Performance Standard	YB's 2019 Performance
Shoreside	5.70 or lower	2.92

Lost Time Incident Rate³¹		
Personnel³²	Performance Standard	YB's 2019 Performance
Shoreside	4.08 or lower	1.82

Workers' Compensation Claims		
Description	Performance Standard	YB's 2019 Performance
Number of Claims	40 claims or lower	36 claims
Dollar Value of Claims ³³	\$1,233,684 or lower	\$1,414,899

Hazardous Materials Incidents		
Description	Performance Standard	YB's 2019 Performance
Number of Incidents ³⁴	7.3 incidents or fewer	2 incidents
Monetary Expenses Associated with Incidents ³⁵	\$55,514 or lower	\$13,227

²⁹ The rate is calculated by multiplying the number of recordable incidents by 200,000 (i.e., number of base hours that 100 full-time employees working 40 hours a week for 50 weeks would accumulate), and then dividing that product by the Company's total number of work hours for the year.

³⁰ Shoreside personnel include non-sea-going salaried employees and those employees covered under a collective bargaining agreement, including all maintenance staff. Marine personnel include all sea-going salaried employees and those employees covered under a collective bargaining agreement, including dispatch staff (management level personnel other than tug captains are excluded).

³¹ Similar to the recordable incident rate, the rate is calculated by multiplying the number of lost time incidents by 200,000 (i.e., number of base hours that 100 full-time employees working 40 hours a week for 50 weeks would accumulate), and then dividing that product by the Company's total number of work hours for the year.

³² See *supra* n.23.

³³ Dollar value of claims consists of amounts that have actually been paid out on workers' compensation insurance claims during the calendar year.

³⁴ YB counts hazardous materials incidents as only those incidents that are reportable to external agencies. In other words, if a spill is so small or insignificant that it is not reportable to an external agency, then Young Brothers does not include that incident for purposes of this performance metric.

³⁵ Monetary expenses associated with YB's hazardous materials incidents include readily identifiable invoices and expenses directly associated with such spills, and do not include internal labor or other costs that are difficult to isolate from other aggregated operational expenses.

1 **Q: Please discuss the results for the efficiency-related metrics (i.e.,**
 2 **labor efficiency, fuel efficiency - shoreside, and container utilization).**

3 A: With regard to the Company's efficiency-related metrics, the Company
 4 met its performance standards in every category except "dollar value of
 5 shoreside labor hours." As the Company stated in previous filings, labor
 6 hours is a better efficiency measure than dollar value of labor hours,
 7 because labor costs are generally always rising due to increasing wage
 8 rates.³⁶ Young Brothers is also proposing a new metric and performance
 9 standard for container utilization in this rate case, and provides its
 10 performance in the chart below.

Labor Efficiency		
Description	Performance Standard	YB's 2019 Performance
Revenue Tons/ Shoreside Labor Hours ³⁷	15.01 tons/hour or higher	15.21 tons/hour
Dollar Value of Shoreside Labor Hours	\$18,928,710 or lower	\$20,424,685

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³⁶ See Young Brothers, Limited's Submission of Supplemental Information as Required by Order No. 33640, filed on July 12, 2016, in Docket No. 2013-0032, at 38-39; see also 2016 Performance Results at 10.

³⁷ Cargo volumes from YB's combined intrastate and interstate lines of business are used to derive revenue tons. Only "loaded" cargo is counted and empty shipping devices are excluded. Total (intrastate and interstate) shoreside labor hours excludes salaried employees and maintenance personnel, to ensure that labor hours are limited to only those associated with cargo handling activities, and further, only includes hours that are "worked" (i.e., not non-working holiday or sick leave hours).

Fuel Efficiency³⁸		
Description	Performance Standard	YB's 2019 Performance
Shoreside Fuel Efficiency	11.55 tons/gallon or higher	12.25 tons/gallon

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Container Utilization Efficiency³⁹			
Container Type	Proposed Performance Standard	YB's 2019 Performance	YB's 2018 Performance
40' Dry Container	80% - 90%	77.7%	72.5%
40' Reefer Container	80% - 90%	78.1%	74.6%
40' Flat Rack	80% - 90%	87.0%	82.4%
40' Platform	80% - 90%	85.5%	85.6%
40' Chassis	80% - 90%	96.6%	95.5%
20' Dry Container	80% - 90%	91.1%	87.9%
20' Reefer Container	80% - 90%	83.6%	84.9%
20' Flat Rack	80% - 90%	91.4%	90.9%
20' Platform	80% - 90%	93.7%	93.5%
20' Chassis	80% - 90%	92.4%	91.4%
Gvan	80% - 90%	89.8%	90.2%

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³⁸ The fuel efficiency standards measure revenue tons of cargo moved per gallon of fuel consumed in moving cargo. Cargo volumes from YB's combined intrastate and interstate lines of business are used to derive revenue tons. In contrast to the "loaded" cargo tonnage used to measure labor efficiency, the fuel efficiency metric is derived by using both "loaded" and "empty" cargo tonnage. Fuel used for non-cargo movements is excluded (e.g., fuel used by tugs providing harbor assists for other companies).

³⁹ The fuel efficiency standards measure revenue tons of cargo moved per gallon of fuel consumed in moving cargo. Cargo volumes from YB's combined intrastate and interstate lines of business are used to derive revenue tons. In contrast to the "loaded" cargo tonnage used to measure labor efficiency, the fuel efficiency metric is derived by using both "loaded" and "empty" cargo tonnage. Fuel used for non-cargo movements is excluded (e.g., fuel used by tugs providing harbor assists for other companies).

1 **Q: Please discuss the results for the service-related metrics (i.e.,**
 2 **customer wait time for freight, caller wait time, customer dropped**
 3 **calls, and cargo insurance loss ratio).**

4 **A:** With regard to the Company's service-related metrics, the Company met
 5 its performance standards in certain customer wait time categories and
 6 cargo insurance loss ratio. Unfortunately, the Company has incomplete
 7 data and cannot determine if it met its performance data for caller wait
 8 time and customer dropped calls, as well as customer wait times for
 9 freight in Kahului and Hilo due to technical and employee turnover issues,
 10 respectively. As discussed in greater detail in YB-201, phone-related
 11 performance is incomplete because of a loss of a server and the
 12 malfunction of the other, and customer wait time for freight performance is
 13 incomplete for Kahului and Hilo due to turnover in security personnel who
 14 collect the data and Port Managers that oversee all port operations.

Customer Wait Time for Freight - Honolulu		
Cargo Type	Performance Standard ⁴⁰	YB's 2019 Performance
Dry Pallet LCL	45 minutes	51 minutes
Refrigerated LCL	45 minutes	37 minutes
Mixed Cargo ⁴¹	45 minutes	43 minutes
Auto/RoRo	45 minutes	49 minutes
Container	45 minutes	29 minutes

⁴⁰ As set forth in its 2016 Performance Results, to maintain consistency with the standards established by the Commission for dry LCL and refrigerated LCL at Honolulu, YB proposes the same performance standard of 45 minutes for the additional cargo types. See 2016 Performance Results at 16.

⁴¹ Mixed Cargo consists of dry mixed LCL.

Customer Wait Time for Freight - Kahului		
Cargo Type	Performance Standard	YB's 2019 Performance
Dry Pallet LCL	45 minutes	Incomplete
Refrigerated LCL	45 minutes	Incomplete
Mixed Cargo	45 minutes	Incomplete
Auto/RoRo	45 minutes	Incomplete
Container	45 minutes	Incomplete

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Customer Wait Time for Freight - Hilo		
Cargo Type	Performance Standard	YB's 2019 Performance
Dry Pallet LCL	45 minutes	Incomplete
Refrigerated LCL	45 minutes	Incomplete
Mixed Cargo	45 minutes	Incomplete
Auto/RoRo	45 minutes	Incomplete
Container	45 minutes	Incomplete

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Customer Wait Time for Freight - Nawiliwili		
Cargo Type	Performance Standard	YB's 2019 Performance
Dry Pallet LCL	45 minutes	24 minutes
Refrigerated LCL	45 minutes	22 minutes
Mixed Cargo	45 minutes	24 minutes
Auto/RoRo	45 minutes	28 minutes
Container	45 minutes	33 minutes

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Customer Wait Time for Freight - Kawaihae		
Cargo Type	Performance Standard	YB's 2019 Performance
Dry Pallet LCL	45 minutes	33 minutes
Refrigerated LCL	45 minutes	23 minutes
Mixed Cargo	45 minutes	46 minutes
Auto/RoRo	45 minutes	32 minutes
Container	45 minutes	26 minutes

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Caller Wait Time	
Performance Standard	YB's 2019 Performance⁴²
90% of all calls answered within 60 seconds	Incomplete

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⁴² YB's call response performance is measured using data from its telephone software system.

Customer Dropped Calls	
Performance Standard	YB's 2019 Performance
5% or less	Incomplete

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Cargo Insurance Loss Ratio		
Description	Performance Standard	YB's 2019 Performance
Cargo Insurance Loss Ratio	20.7% or lower	19.0%
Cargo Damage Claims ⁴³	437 or lower	404 claims

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3 **Q: Does this conclude your testimony?**4 **A:** Yes, it does. Thank you for the opportunity to testify.

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⁴³ The number of cargo damage claims reflects only those damage claims that have been approved and paid, and excludes denied claims.