

**LINDA LINGLE**  
Governor



**SANDRA LEE KUNIMOTO**  
Chairperson, Board of Agriculture

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Deputy to the Chairperson

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
1428 South King Street  
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**TESTIMONY OF SANDRA LEE KUNIMOTO  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION  
Monday, March 30, 2009  
9:00 a.m.  
Room 309**

**HOUSE CONCURRENT RESOLUTION NO. 228/  
HOUSE RESOLUTION NO. 197  
URGING THE PUBLIC UTILITIES COMMISSION TO NOT ALLOW YOUNG  
BROTHERS, LTD., TO DISCONTINUE LESS-THAN-CONTAINER-LOAD SHIPPING  
TO AND FROM MAUI, MOLOKAI, AND LANAI**

Chairperson Souki and Members of the Committee:

Thank you for the opportunity to provide comment on House Concurrent Resolution. No. 228 / House Resolution No. 197. The Department of Agriculture supports the continuation of "less-than-container-load" or LCL shipping. As noted in the testimony of the Agribusiness Development Corporation (ADC), the study entitled "The Demand for Interisland Shipping and The Impact of Shipping Costs on Hawaii Agricultural Production" describes the importance of LCL shipping to local agribusiness and food manufacturers and that discontinuation of LCL shipping would adversely impact many of these businesses.



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TESTIMONY OF ALFREDO LEE  
EXECUTIVE DIRECTOR  
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE HOUSE  
COMMITTEE ON TRANSPORTATION

Monday, March 30, 2009  
9:00 a.m.  
Room 309

HOUSE CONCURRENT RESOLUTION NO. 228/  
HOUSE RESOLUTION NO. 197  
URGING THE PUBLIC UTILITIES COMMISSION TO NOT ALLOW YOUNG  
BROTHERS, LTD., TO DISCONTINUE LESS-THAN-CONTAINER-LOAD  
SHIPPING TO AND FROM MAUI, MOLOKAI, AND LANAI

Chair Souki, Vice Chair Awana and Members of the Committee:

Thank you for the opportunity to provide comments on H.C.R. No. 228 / H.R. No. 197. The Agribusiness Development Corporation (ADC) completed a study by contract titled "The Demand for Interisland Shipping and The Impact of Shipping Costs on Hawaii Agricultural Production" which revealed that less-than-container-load (LCL) shipping is important to meet local agribusiness and food manufacturer's needs. In addition, it concluded that discontinuation of LCL shipping would have a significantly negative financial impact on many of these businesses.

The ADC believes that Young Brothers (YB) has shown willingness to work with the State to allow time for problem-solving by entering into a Memorandum of Understanding which extends the timeline for continuation of LCL service. It is also our understanding that at this present time and in the foreseeable future YB does not have any plans to discontinue LCL service.



LINDA LINGLE  
GOVERNOR

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TO THE HOUSE COMMITTEE ON TRANSPORTATION

THE TWENTY-FIFTH LEGISLATURE  
REGULAR SESSION OF 2009

MONDAY, MARCH 30, 2009  
9:00 A.M.

TESTIMONY OF CATHERINE P. AWAKUNI, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS TO THE HONORABLE JOSEPH SOUKI, CHAIR, AND MEMBERS OF THE  
COMMITTEE

**H.C.R. 228 and H.R. 197 URGING THE PUBLIC UTILITIES COMMISSION TO NOT  
ALLOW YOUNG BROTHERS, LTD., TO DISCONTINUE LESS-THAN-CONTAINER-  
LOAD SHIPPING TO AND FROM MAUI, MOLOKAI, AND LANAI.**

**DESCRIPTION:**

These resolutions urge the Hawaii Public Utilities Commission ("Commission") to not allow Young Brothers, Limited ("Young Brothers"), a water carrier providing intrastate shipping services, to discontinue its less-than-container-load ("LCL") services to and from Maui, Molokai, and Lanai.

**POSITION:**

The Division of Consumer Advocacy ("Consumer Advocate") offers comments for this Committee's consideration.

**COMMENTS:**

The resolutions state, among other things, that: (1) Young Brothers petitioned the Commission for approval to eliminate LCL interisland cargo service to and from Maui, Molokai, and Lanai and that current customers of Young Brothers on those islands have expressed grave concerns about the effects of Young Brothers' plans on their economic future if LCL service is discontinued.

H.C.R. 228 and H.R. 197  
House Committee on Transportation  
Monday, March 30, 2009, 9:00 A.M.  
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Young Brothers has not, as the resolutions state, petitioned to eliminate LCL service. Instead, Young Brothers requested approval to change its sailing schedule, which is being considered by the Commission at present. In fact, the Commission is traveling this week to Maui, Molokai, and Lanai to take public comment on the proposed sailing changes. After consideration of such public comment, the Consumer Advocate will provide the Commission with a written position statement for its consideration.

Thank you for this opportunity to testify.

**HOUSE COMMITTEE ON TRANSPORTATION**

**THE HONORABLE JOSEPH M. SOUKI, CHAIR  
THE HONORABLE KAREN LEINANI AWANA, VICE CHAIR**

**HOUSE CONCURRENT RESOLUTION NO.228 and HOUSE RESOLUTION NO. 197  
Scheduled for hearing on March 30, 2009**

**Testimony of Roy Catalani,  
Vice President of Strategic Planning and Government Affairs,  
Young Brothers, Limited**

Chair Souki, Vice Chair Awana, and Members of the House Transportation Committee:

Thank you for the opportunity to testify on House Concurrent Resolution No.228 and its companion, House Resolution No. 197 ("HCR 228/HR 197" or, collectively, the "resolutions").

**Young Brothers, Limited (*Young Brothers* or *YB*) offers comments on HCR 228/HR 197.**

The resolutions urge the Public Utilities Commission ("PUC") to "not allow Young Brothers, Ltd., to discontinue less-than-container-load shipping to and from Maui, Molokai, and Lanai" and cite a YB petition filed with the PUC for approval to eliminate such service, commonly referred to as "LCL service".

In short, HCR 228/HR 197 are unnecessary. There is no YB petition to discontinue LCL service to and from *any* of the islands served by Young Brothers. And the issue of LCL service discontinuance is not before the PUC in any of the YB applications now before the PUC.

As YB has done in the past, we will continue to work and dialogue with shippers of LCL cargo, such as farmers and small businesses, to discuss concerns and issues. We invite legislators, as well, to engage in a dialogue with Young Brothers about its services, including the transport of LCL cargo.

Thank you for the opportunity to testify.