

# **SB 2331**

## Testimony



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**SENATE COMMITTEE ON AGRICULTURE  
THE HONORABLE CLARENCE K. NISHIHARA, CHAIR  
THE HONORABLE GILBERT KAHELE, VICE CHAIR**

**SENATE COMMITTEE ON TRANSPORTATION AND INTERNATIONAL AFFAIRS  
THE HONORABLE J. KALANI ENGLISH, CHAIR  
THE HONORABLE WILL ESPERO, VICE CHAIR**

**SENATE BILL NO. 2331, scheduled for hearing on February 7, 2012**

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

Chair Nishihara, Vice Chair Kahele, and Members of the Senate Agriculture Committee and  
Chair English, Vice Chair Espero, and Members of the Senate Transportation and International  
Affairs Committee:

Thank you for the opportunity to testify on Senate Bill No. 2331 (SB2331).

**Young Brothers, Limited (*Young Brothers*) offers some comments on SB2331.**

SB2331 appropriates funds to the Agribusiness Development Corporation (ADC) "for the  
operation of a boat or ferry to assist with interisland shipping of livestock and produce."

As you may know, Young Brothers is authorized to transport property by water under the  
Hawai'i Water Carrier Act (chapter 271G, HRS) and is currently licensed by the Commission to  
serve all major islands of the State. Presently, there are twelve weekly scheduled port calls  
from Honolulu to the harbors at Hilo and Kawaihae on the island of Hawai'i, Kahului on Maui,  
Kaunakakai on Moloka'i, Kaunapali on Lanai, and Nawiliwili on Kaua'i. Honolulu Harbor  
serves as the hub from which cargo is transported to our Neighbor Islands. Young Brothers also  
carries cargo from our Neighbor Islands on return sailings to Honolulu Harbor.

Cargo transported by Young Brothers include livestock and produce, in addition to huge  
construction vehicles, construction materials and supplies, private automobiles, inventory stock  
(both dry and refrigerated) for Neighbor Island merchants, and less than container load, or LCL,  
items often shipped by Mom-and-Pop entities and private individuals. The shipping process  
includes booking reservations (for containers and vehicles), receiving and inspecting cargo,  
loading shipments onto barges, unloading shipments at destination ports, and notifying

consignees of cargo arrivals. To support this process, Young Brothers maintains container tracking software, barge loading plans, shore-side and marine equipment maintenance crews, port security, communication networks among ports and with customers, and accounting and other administrative support services.

Young Brothers' system includes employees, vessels, tugs and other equipment, and information technology, among other things. It provides economies of scale and scope that offer cost-sharing among all lines of services, including the carriage of livestock and produce. For example, spreading costs among different types of cargo in the same line of service (e.g., agricultural goods and processed food items in the refrigerated container line of service) as well as spreading costs among disparate lines of service (such as refrigerated and dry containers and cargo on platforms and flatracks that use the same lift equipment and vessels) is likely not possible with a boat or ferry system dedicated solely to livestock and produce.

In the context of its over-all water transportation services, Young Brothers has been providing local farmers and ranchers with a discount for shipments of island agricultural products for over 20 years. Today, Young Brothers offers a discount of 35 percent for full container loads of island agricultural products and a discount of 30 percent for all other island agricultural product shipments.

Thank you for the opportunity to testify.



**Hawaii Farm Bureau**  
F E D E R A T I O N

2343 Rose Street • Honolulu, Hawaii 96819  
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FEBRUARY 7, 2012

HEARING BEFORE THE  
SENATE COMMITTEE ON AGRICULTURE  
SENATE COMMITTEE ON TRANSPORTATION AND INTERNATIONAL AFFAIRS

TESTIMONY ON SB 2331  
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Room 229  
2:45 PM

Chair Nishihara, Chair English, and Members of the Committees:

I am Brian Miyamoto, Chief Operating Officer and Government Affairs Liaison for the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,800 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFBF supports the intent of SB 2331, which appropriates funds to the Agribusiness Development Corporation for the operation of a boat or ferry for interisland shipping of livestock and produce.

Viable agriculture in Hawaii is dependent upon an efficient, reliable, and affordable transportation system. With our individual islands separated by vast expanses of water, and given that agricultural production areas are distant from population centers, our State goal of increased self-sufficiency is dependent upon a sound transportation system. A proposed ferry system provides an option that merits further exploration and HFBF supports such discussions.

I can be reached at (808) 848-2074 if you have any questions. Thank you for the opportunity to comment on this matter.

**nishihara1 - Danille**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, January 31, 2012 6:02 PM  
**To:** AGL Testimony  
**Cc:** judie@aloha.net  
**Subject:** Testimony for SB2331 on 2/7/2012 2:45:00 PM

Testimony for AGL/TIA 2/7/2012 2:45:00 PM SB2331

Conference room: 229  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Judie Hoepfner  
Organization: Individual  
E-mail: [judie@aloha.net](mailto:judie@aloha.net)  
Submitted on: 1/31/2012

**Comments:**

I do not feel there has been adequate study to determine the feasibility of operating a boat or ferry. The bill is "wide open" - appropriate funds - like how much? And to who? The Hawaii Superferry was a disaster -let's not repeat that at taxpayer expense.

**nishihara1 - Danille**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, January 31, 2012 7:11 PM  
**To:** AGL Testimony  
**Cc:** elaineJohnson@nerdshack.com  
**Subject:** Testimony for SB2331 on 2/7/2012 2:45:00 PM

Testimony for AGL/TIA 2/7/2012 2:45:00 PM SB2331

Conference room: 229  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: elaine Johnson  
Organization: Individual  
E-mail: [elaineJohnson@nerdshack.com](mailto:elaineJohnson@nerdshack.com)  
Submitted on: 1/31/2012

**Comments:**

Please do not pass this bill. Under the onerous conditions of the economy it is especially unfair to ask the taxpayers to shoulder theburden of supporting private businesses, including but not limited to agri-business. Thank You

**nishihara1 - Danille**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 01, 2012 1:27 PM  
**To:** AGL Testimony  
**Cc:** inunyabus@gmail.com  
**Subject:** Testimony for SB2331 on 2/7/2012 2:45:00 PM

Testimony for AGL/TIA 2/7/2012 2:45:00 PM SB2331

Conference room: 229  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: elaine dunbar  
Organization: Individual  
E-mail: [inunyabus@gmail.com](mailto:inunyabus@gmail.com)  
Submitted on: 2/1/2012

Comments:  
To Members of Committees on SB2331:

There is no information in this bill. How is it possible that you can proceed to assigning committees for a bill that is so blatantly incomplete? How is it that you, committee members, are able to vote on something that has no information? Unless you have more information regarding this bill that the public is not privy to is the only way it can be viewed. It appears that this is another attempt at getting a ferry running between islands but it is difficult to determine. And that prospect as you well know has been ruled by the Supreme Court to cause irreparable damage to the outer islands. Surely, you can author a more explicit bill that defines exactly what this bill entails. Or shall we call it the Senators' mystery bill? Let's have some specifics please or toss it.

**nishihara1 - Danille**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 01, 2012 1:50 PM  
**To:** AGL Testimony  
**Cc:** pomroys001@hawaii.rr.com  
**Subject:** Testimony for SB2331 on 2/7/2012 2:45:00 PM

Testimony for AGL/TIA 2/7/2012 2:45:00 PM SB2331

Conference room: 229  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Sharon Pomroy  
Organization: Individual  
E-mail: [pomroys001@hawaii.rr.com](mailto:pomroys001@hawaii.rr.com)  
Submitted on: 2/1/2012

**Comments:**

Aloha, I am Sharon Pomroy of Anahola, Kauai. I am a small fruit and flower farmer working on 6 acres of land in Anahola. I am expressing support for this bill in its present form. I believe any comprehensive report on the value of a ferry system to help small farmers and ranchers will be of benefit to all facets of society in Hawaii. I believe that such a report should also look into acquiring one or both of the ferries that were built for the ill fated Super Ferry in Hawaii. I do not see the benefits of a passenger only or produce and livestock only ferry. I believe that daily or every other day service to Kauai of both commodities would further the sought for success that such an interisland ferry service would need to reach that goal.

Mahalo for your consideration in this endeavour. Sharon Pomroy, 4561 Hokualele Rd Anahola, HI., 96703-0600