



March 21, 2024

Representative Chris Todd, Chair
Representative Darius Kila, Vice Chair
House Committee on Transportation

RE: House Concurrent Resolution No. 135 / House Resolution No. 116 – REQUESTING THE DEPARTMENT OF TRANSPORTATION TO STUDY AND RECOMMEND SOLUTIONS TO RESOLVE SUPPLY CHAIN ISSUES CAUSED BY BARGE DELAYS TO LĀNA‘Ī.

Hearing date: March 21, 2024, 10:30 a.m.

Aloha Chair Todd Vice Chair Kila, and Members of the Committee:

Thank you for the opportunity to submit testimony on behalf of Young Brothers, LLC (“YB”) offering **COMMENTS** for House Concurrent Resolution No. 135 / House Resolution No. 116 – Requesting the Department of Transportation to Study and Recommend Solutions to Resolve Supply Chain Issues Caused by Barge Delays to Lāna‘ī.

YB is a common carrier by water, transporting property by tug and barge between the islands of O‘ahu, Hawai‘i, Kaua‘i, Maui, Moloka‘i, and Lāna‘i. YB is currently the only water carrier authorized to transport property under Chapter 271G, Hawaii Revised Statutes (“HRS”) (i.e., the Hawaii Water Carrier Act), subject to the regulatory authority of the Public Utilities Commission of the State of Hawaii (“PUC”). Since 1900, customers across Hawaii have relied on YB’s frequent, regular, and universal sailings to serve as the bridge that connects all communities in this island-state.

This resolution would request that the Department of Transportation of the State of Hawai‘i (“DOT”) study and recommend solutions to address the supply chain issues caused by delays in the timely delivery of barged goods to Lāna‘i, and that, in performing the study and considering recommendations, the DOT consider options that involve increasing storage facilities near Kaunalapau Harbor for refrigerated and perishable goods. The resolution also requests that the DOT work with businesses like YB that provide barge services or otherwise deliver goods to Lāna‘i in performing the study and to report its findings and recommendations to the legislature at least 20 days prior to the beginning of the 2025 regular legislative session.

YB recognizes that the community of Lāna‘i is acutely reliant on regular barge service to avoid potential supply shortages. Under YB’s current Public Utilities Commission approved sailing schedule, YB is scheduled to provide a weekly barge service to the island of Lāna‘i departing from Honolulu on Tuesdays and arriving at Kaunalapau harbor on Wednesdays. Unfortunately, recent unfavorable trends in weather and ocean conditions have caused significant challenges in YB’s ability to **safely** enter the harbor and unload barges while meeting this sailing schedule. Such unfavorable conditions often pose intolerable

safety risks for YB employees and others near the harbor, and may persist for extended periods. The safety of YB's employees and the safety of all those with whom YB does business is paramount to YB.

YB continues to explore and implement steps that it can take to help mitigate these safety concerns and delays. YB notes that there may be additional, non-YB controlled, mitigation measures to explore. The requested DOT study may be helpful in exploring such mitigation measures.

Finally, YB notes that, as with any study, the level of resources and expertise dedicated to supporting the study will impact its success and usefulness. The legislature should consider identifying a funding source for this study (including the possibility of seeking outside expertise relating to supply chain and harbor infrastructure, such as from the U.S. Army Corps of Engineers). Furthermore, funding and other resources will also likely be necessary to implement any recommendations resulting from the requested study.

For the reasons stated above, YB offers COMMENTS on this measure.

Thank you for your service to the State of Hawaii, and for the opportunity to testify offering comments on this measure.

Sincerely,

Kris Nakagawa
Vice President, External and Legal Affairs

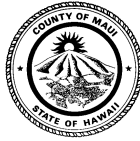
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March 20, 2024

TO: The Honorable Chris Todd, Chair, and
Members of the House Committee on Transportation

FROM: Alice L. Lee
Council Chair

A handwritten signature in cursive script, appearing to read "Alice L. Lee".

SUBJECT: **HEARING OF MARCH 21, 2024; TESTIMONY IN SUPPORT OF HR116 AND HCR135, REQUESTING THE DEPARTMENT OF TRANSPORTATION TO STUDY AND RECOMMEND SOLUTIONS TO RESOLVE SUPPLY CHAIN ISSUES CAUSED BY BARGE DELAYS TO LĀNAʻI**

I **support** these resolutions to request that the State Department of Transportation recommend solutions to address the supply-chain issues caused by delays in the delivery of barged goods to Lānaʻi.

I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support these resolutions for the following reasons:

1. Lānaʻi suffers from expensive transportation costs for freight and goods because of limited sea-barge and air-freight options compared to other Hawaiian Islands.
2. Shipping firm Young Brothers Hawaii has experienced arrival delays at Kaumālapaʻu Harbor, Lānaʻi's primary commercial harbor, because of poor weather, unfavorable ocean conditions, and other factors.
3. Improving barge services is essential for economic development. The delivery of food and other essential goods provides a lifeline to Lānaʻi's grocery stores and local businesses.

Thank you for your consideration.