RESOLUTION NO. 679 20**A RESOLUTION URGING YOUNG BROTHERS AND THE PUBLIC UTILITIES COMMISSION TO EXPLORE ALL OPPORTUNITIES TO CONTINUE UNINTERRUPTED CARGO SERVICE TO THE ISLANDS OF THE STATE OF HAWAI‘I.**

WHEREAS, the islands of Hawai‘i are dependent on the uninterrupted flow of interisland cargo; and

WHEREAS, interisland cargo is the key to allowing agricultural commodities to reach their intended markets in a timely manner, which promotes economic growth and recovery, and builds food self-reliance in Hawai‘i; and

WHEREAS, United States Code Title 46, Section 55601, directs the U.S. Secretary of Transportation to establish a short sea transportation program and to designate such projects to be conducted under the program to mitigate landside congestion, or to promote short sea transportation; and

WHEREAS, the Secretary is further directed through the program, to encourage the use of short sea transportation through the development and expansion of documented vessels, shipper utilization, port and landside infrastructure, and marine transportation strategies by State and local governments; and

WHEREAS, the Secretary may designate a project to be a short sea transportation project if the Secretary determines that the project uses documented vessels and mitigates landside congestion or promotes short sea transportation; and

WHEREAS, pursuant to this section of U.S. Code, the U.S. Department of Transportation has established under its Maritime Administration the “America’s Marine Highway” program, comprising 25 coastal, river, and lake routes to expand the use of America’s navigable waters, and has established a grant funding program to promote use of waterways; and

WHEREAS, acting upon an application from the Hawai‘i Department of Transportation (HDOT), the Maritime Administration, on July 9, 2018, designated the waters around and between the Hawaiian Islands as MH-1, the Daniel K. Akaka Marine Highway, in honor of the late United States Senator; and

WHEREAS, this designation enables HDOT’s participation in the Marine Highways program, which provides federal resources to increase operational efficiency in moving cargo through the State’s commercial harbors; and

WHEREAS, Young Brothers LLC, a subsidiary of Foss Maritime Company, LLC, a subsidiary of Saltchuk Marine Services, LLC, a subsidiary of Saltchuk Resources, Inc., is an interisland shipper licensed and regulated by the Public Utilities Commission (PUC) under Hawai‘i Revised Statutes Chapter 271G, the Hawai‘i Water Carrier Law; and

WHEREAS, the PUC on May 4, 2020, has issued Order No. 37128, approving Young Brothers’ request as stated in their Transmittal No. 20-0003, to cut expenses by reducing its weekly sailings to the Kahului Harbor from three to two, by reducing its weekly sailings to Kaunakakai Harbor from two to one, and by reducing its weekly sailings to Hilo Harbor from two to one on a temporary basis; and

WHEREAS, the reduction in sailings to these ports reduces carrying capacity, constrains intrastate commerce, and increases the potential for service interruptions due to incidents arising from improper container loads; and

WHEREAS, Young Brothers has on May 26, 2020, requested a grant of \$25 million from the State’s allocation of Coronavirus Aid, Relief, and Economic Security Act (CARES) funding, has stated that its parent company will not cover revenue shortfalls after May 31, 2020, and also that “absent immediate relief from the State, it will soon be unable to pay its expenses or continue operations”; and

WHEREAS, a cessation of service is contrary to the stated intent of the Hawai‘i Water Carrier Law to “promote safe, adequate, economical, and efficient service among carriers, to encourage the establishment and maintenance of reasonable rates and charges for transportation and related accessorial service, without unjust discrimination, undue preference or advantage, or unfair or destructive competitive practices, all to the end of developing, coordinating, and preserving a sound transportation system by water”; and

WHEREAS, federal subsidies may be available through the U.S. Department of Transportation’s Maritime Administration, the U.S. Department of Agriculture, and elsewhere to offset reasonable expenses incurred by Young Brothers so that the company may continue its operations; now, therefore,

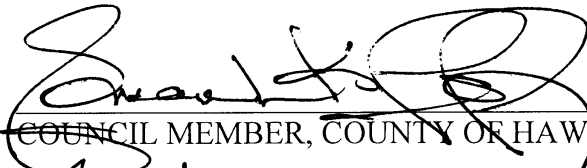
BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF HAWAI‘I that Young Brothers and the Public Utilities Commission are urged to explore all opportunities to continue uninterrupted cargo service to the islands of the State of Hawai‘i, while maintaining “just and reasonable” rates as required by the Hawai‘i Water Carrier Law.

BE IT FURTHER RESOLVED that the cessation of interisland cargo service is an unacceptable outcome.

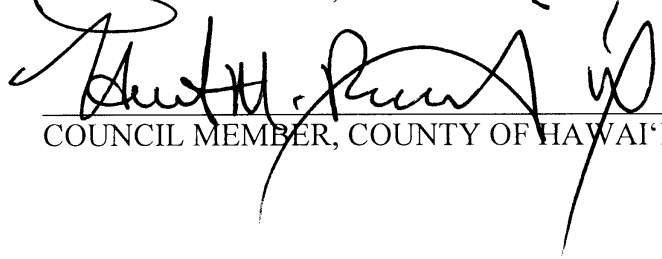
BE IT FINALLY RESOLVED that the County Clerk shall transmit a copy of this resolution to the Honorable Brian Schatz, United States Senator; the Honorable Mazie Hirono, United States Senator; the Honorable Tulsi Gabbard, United States Representative; the Honorable Lorraine R. Inouye, Senator; the Honorable Kaiali'i Kahele, Senator; the Honorable Chris Todd, Representative; James P. Griffin, Public Utilities Commission Chair; Dean Nishina, Consumer Advocate; Jay Ana, Young Brothers President; Donna Domingo, International Longshore and Warehouse Union Local 142 President; the Honorable David Y. Ige, Governor; and the Honorable Harry Kim, Mayor.

Dated at Hilo, Hawai'i, this 8th day of July, 2020.

INTRODUCED BY:



 COUNCIL MEMBER, COUNTY OF HAWAI'I



 COUNCIL MEMBER, COUNTY OF HAWAI'I

COUNTY COUNCIL
 County of Hawai'i
 Hilo, Hawai'i

I hereby certify that the foregoing RESOLUTION was by the vote indicated to the right hereof adopted by the COUNCIL of the County of Hawai'i on July 8, 2020.

ATTEST:


 COUNTY CLERK


 CHAIRPERSON & PRESIDING OFFICER

ROLL CALL VOTE

	AYES	NOES	ABS	EX
CHUNG	X			
DAVID	X			
EOFF	X			
KANEALI'I-KLEINFELDER	X			
KIERKIEWICZ	X			
LEE LOY	X			
POINDEXTER	X			
RICHARDS	X			
VILLEGAS	X			
	9	0	0	0

Reference: C-991/Waived GREDC

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