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**Glenn K.Y. Hong**  
President

March 20, 2014

Glenn M. Okimoto, Ph.D.  
Director  
State of Hawaii Department of Transportation  
869 Punchbowl Street  
Honolulu, HI 96813

Dear Dr. Okimoto:

Re: State of Hawaii, Department of Transportation, Harbors Division  
TIGER V Discretionary Grants Application  
Pier 4 Wharf Project at Hilo Commercial Harbor, Hawaii Island

We submit this letter in strong support of the State of Hawaii Department of Transportation, Harbors Division's TIGER V Discretionary Funds grant application for the Pier 4 Wharf Project at Hilo Commercial Harbor, County and Island of Hawaii (commonly known as the "Big Island").

Much like interstate highways in mainland states, commercial harbors play a critical role in our state's economy. The harbors, and the vessels that call upon them, act as our marine highway system offering the primary means for such distribution of goods and commodities between our islands. As a State consisting of neighboring islands, our State harbors are no less than our lifelines. Timely completion of the Pier 4 Wharf Project at Hilo Commercial Harbor is critical to maintaining these lifelines.

As you know, Young Brothers, Limited is the State's primary water carrier moving intra-state freight between its hub on the Port of Honolulu (on Oahu) and the State of Hawaii's neighbor islands. YB moves 12 barge loads weekly from Honolulu to neighbor island ports providing critical "just-in-time" service to our neighbor island communities. Next year will mark Young Brothers' 115th year of serving the people and communities of Hawaii.

Young Brothers serves the Big Island with four weekly barge sailings (two each to the Ports of Hilo and Kawaihae). Hilo Harbor, located on the east side of the island, is the older and primary facility serving the Big Island. In addition to nearly all of the Big Island cruise traffic, this port (across its three piers) receives more than half of the cargo necessary to sustain the largest island in the State. In the past, lack of capacity at Hilo Harbor has resulted in some inter-island cargo being directed to Kawaihae Harbor and transported back to East Hawaii by truck, being a distance of approximately 75 miles.

Hilo operations are severely hampered by congested berthing, aging facilities that will not handle increased loads into the future and yard space that is inadequate. In addition, subsidence in paved cargo staging areas currently present serious safety issues for Young Brothers' heavy-lift equipment and

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will make the area too unsafe for use by heavy-lift equipment in the near future. Young Brothers' operations are frequently sandwiched between cruise ship passenger operations (at Piers 1 and 3,) and fueling barges (at Pier 3), Matson Navigation Company vessels (barges and ships at Pier 1), and/or a second passenger ship. Young Brothers' need to manage its operations between other incompatible operations is currently the norm.

Our State is somewhat unique in that most of its major commercial harbor users (including Young Brothers) have come together, as the Hawaii Harbors Users Group, to identify priority projects and work with the State Department of Transportation to identify and work together on means of funding of priority harbor projects. The need for a new Pier 4 facility primarily dedicated to inter-island cargo operations has been long recognized and such a facility has been designed to enable Young Brothers to increase lift capacity to Hilo, efficiently turn barges within a single day, have the space and configuration to manage efficient receipt and delivery and improve safety by providing a reinforced area free of crossing passenger and cargo traffic. However, despite agreement by State officials and the Hawaii Harbors Users Group on the critical need for this facility based on both key safety considerations and cargo demand for essential commodities, financial constraints could threaten the timely completion of this project and therefore place the well-being of this island at risk. Of all neighbor island needs, it is our opinion that this project is the most critical and the failure to complete Pier 4 represents the greatest threat to any neighbor island's sustainability.

We look forward to building upon and expanding the collaborative efforts of the Hawaii Harbors Users Group, the State of Hawaii and the U.S. Maritime Administration to take the necessary steps to implement and realize our commercial harbors modernization plan.

Please contact us if we may provide additional information or should you have any questions.

Very truly yours

YOUNG BROTHERS, LIMITED,  
a Hawaii corporation



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Glenn Hong  
Its President and Chief Operating Officer