

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

-----In the Matter of the-----)
PUBLIC UTILITIES COMMISSION)
Instituting a Proceeding to)
Investigate Whether to Continue)
the Zone of Reasonableness Pilot)
Program for Motor Carriers, with)
or Without Modification, or to)
Terminate the Zone.)
_____)

DOCKET NO. 2007-0159

DECISION AND ORDER NO. 23862

Filed Dec. 3, 2007
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Karen Higashi
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DIV. OF CONSUMER ADVOCACY
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Commission, State of Hawaii.

Karen Higashi

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DECISION AND ORDER

By this Decision and Order, the commission extends the zone of reasonableness program governing the commission's rate review and approval process for motor carriers of passengers and property ("Zone of Reasonableness") by four years, subject to the conditions noted below.¹

¹The Parties are HAWAII STATE CERTIFIED COMMON CARRIERS ASSOCIATION, INC. ("HSCCCA"), HAWAII TRANSPORTATION ASSOCIATION, INC. ("HTA"), WESTERN MOTOR TARIFF BUREAU, INC. ("WMTB"), and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), an ex officio party to this proceeding, pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62(a).

I.

Background²

A.

Motor Carrier Rates

In accordance with HRS chapter 271, also known as the Motor Carrier Law, motor carriers of passengers and property are subject to the commission's regulation and jurisdiction. Passenger carriers are classified by the commission-designated seating capacities of the motor vehicles utilized: 1-to-7, 8-to-25, and over-25. Property carriers are classified by the type of commodities transported and the nature of the services performed: general commodities, household goods, commodities in dump trucks, and specific commodities. Under HRS chapter 271, motor carriers operate as common or contract carriers.

The commission's jurisdiction over the motor carrier industry includes the review and regulation of each carrier's rates and charges. The ratemaking process long observed by the commission for the motor carrier industry is the operating ratio methodology, also known as the cost plus approach. Based on its past practice, the commission has found reasonable a motor carrier's operating ratio of ninety to ninety-three per cent, under the carrier's "normalized" operational structure.³

²The commission takes administrative notice of the information and data on file governing motor carriers of passengers and property.

³The ninety to ninety-three percent operating ratio is based on motor carriers with combined payroll and fringe benefits in the fifty to fifty-five percent range of total operating expenses. Under this approach, a sole proprietor and other

In general, it is the duty of every motor carrier to observe and implement just and reasonable rates and charges.⁴ Each carrier's proposal to establish new rates or to increase or decrease its existing rates is subject to individual scrutiny by the commission.

Rate notices seeking to establish initial rates or to change a carrier's existing rates are filed individually by the carrier, the carrier's authorized tariff agent, or by a tariff association or bureau acting on behalf of its member carriers that participate in a particular passenger or property service or classification.⁵ The commission, upon its review, generally suspends, dismisses without prejudice, denies, or allows the rate proposal to take effect upon operation of law.⁶

B.

Zone of Reasonableness

On August 29, 2003, the commission, in In re Public Util. Comm'n, Docket No. 03-0245, opened an investigation to examine the feasibility of establishing: (1) a zone of reasonableness for motor carriers of passengers and property, whereby specific percentage increases or decreases in a carrier's "small" carriers will generally have a lower operating ratio, because of no salary expenses and less fringe benefit costs.

⁴HRS §§ 271-20, 271-21, and 271-22.

⁵Rate notices filed on behalf of member carriers by a tariff association or bureau utilize the financial data and information of certain sample member carriers, which purportedly comprise a "representative sample" of the participating member carriers.

⁶HRS §§ 271-20, 271-21, and 271-22.

rates and charges within an established zone is automatically approved, if the requested changes are within a zone or range authorized by the commission for that carrier's operations; or (2) some other mechanism to expedite the ratemaking and rate review procedures for regulated motor carriers.

By Decision and Order No. 20704, filed December 5, 2003, the commission implemented a one-year Zone of Reasonableness ("Zone") pilot program governing the commission's rate review and approval process for motor carriers of passengers and property, effective January 1, 2004.⁷ The commission subsequently extended the Zone pilot program for an additional three years, from January 1, 2005 up to and including December 31, 2007.⁸ In extending the Zone up to and including December 31, 2007, the commission held, in relevant part:

2. It reserves the right, at any time, to: (A) adjust or change the Zone of Reasonableness or its applicable requirements, in order to "fine tune" the Zone concept; or (B) terminate the Zone, upon a finding that the pilot program appears to adversely affect the public interest.

3. Upon the completion of the pilot period, the Zone of Reasonableness will continue with base rates being established on January 1 of each year under the same terms and conditions, unless otherwise terminated or modified by the commission.

Decision and Order No. 21490, at 12.

⁷In re Public Util. Comm'n, Docket No. 03-0245, Decision and Order No. 20704, filed on December 5, 2003. The parties in Docket No. 03-0245 were HSCCCA, HTA, WMTB, and the Consumer Advocate.

⁸In re Public Util. Comm'n, Docket No. 03-0245, Decision and Order No. 21490, filed on December 7, 2004.

The terms, conditions, and parameters of the Zone are set forth in Section IV of Decision and Order No. 21490. In sum:

For the Zone's fourth calendar year, from January 1, 2007 up to and including December 31, 2007 ("fourth year"):

1. A motor carrier's base rate is the applicable, approved tariff rate on file with the commission, effective as of January 1, 2007.

For a new motor carrier authorized or certificated by the commission after January 1, 2007, that carrier's base rate is its initial, approved tariff rate on file with the commission.

2. The Zone will consist of points within the range of plus or minus ten (10) per cent from a motor carrier's base rate. The total range of a carrier's Zone during the fourth year, thus, is twenty (20) per cent from its base rate.

A carrier's fuel surcharge rate is included in the Zone's range, i.e., is rolled into the carrier's Zone.

Also, a carrier's base rate is fixed, and does not fluctuate or compound with each new, approved rate change.

Decision and Order No. 21490, Section IV.C, The Fourth Year: January 1, 2007 to December 31, 2007, at 9-10; see also id., Section IV.D, Common Parameters, at 10-11.

"Motor carrier rate changes that fall within the range or Zone, specified in Section IV [of Decision and Order No. 21490], are presumptively just and reasonable."⁹

⁹Decision and Order No. 21490, at 7.

C.

Commission's Investigation

On June 22, 2007, the commission opened this proceeding to investigate whether it is in the public interest to continue the Zone for motor carriers, with or without modification, or to terminate the Zone.¹⁰ In particular, "[t]he commission intends to examine whether the Zone continues to promote and facilitate a highly competitive and efficient market and is in the public interest, or conversely, whether the Zone has adversely affected the public interest."¹¹

The commission: (1) named HSCCCA, HTA, WMTB,¹² and the Consumer Advocate as parties; (2) invited interested persons to timely move to intervene or participate;¹³ and (3) instructed HSCCCA, HTA, and WMTB to file their comments, recommendations, and data, by August 31, 2007, and for the Consumer Advocate to file its comments and recommendations by September 28, 2007. The

¹⁰Order No. 23502, filed on June 22, 2007. This is the same approach previously undertaken by the commission that resulted in its decision to extend the Zone for three years, up to and including December 31, 2007. See Request for Comments: Zone of Reasonableness, dated July 30, 2004; and Decision and Order No. 21490, Section II, Industry Comments, at 2-5, and Section III, Zone of Reasonableness: Review and Findings, at 6-7.

¹¹Order No. 23502, at 8.

¹²As described by the commission in Decision and Order No. 20704:

HTA is a private, non-profit trade organization dedicated to serving and assisting the ground transportation industry in Hawaii. It comprises approximately 350 regulated carriers, private carriers, and allied industry members. HTA serves as a central source of information by conducting research and education programs for its members. It also represents the industry's interests before local, state, and federal agencies.

commission also solicited comments and data from the individual motor carriers, instructing said carriers to submit their responses by August 31, 2007.

Timely comments were submitted by HSCCCA, HTA, and WMTB.¹⁴ Written comments, data, or both, were also submitted by approximately forty-eight motor carriers, representing a cross-section of passenger and property carriers statewide.¹⁵ The Consumer Advocate timely submitted its comments thereafter.¹⁶

HSCCCA operates as a tariff agent on behalf of its member carriers of passengers, with a maximum seating capacity of twenty-five (25), for the purpose of filing tariffs with the commission. Its membership is limited to Oahu-based carriers.

WMTB operates as a tariff bureau on behalf of its member carriers of passengers and property, for the purpose of filing tariffs with the commission. WMTB's membership is statewide, and it has on file with the commission numerous tariffs with statewide application, including its household goods, dump truck, and passenger carrier tariffs.

A motor carrier's participation and membership in these respective organizations is voluntary. Carriers have the option of filing their individual tariffs [directly] with the commission.

Decision and Order No. 20704, at 7-8.

¹³No motions to intervene or participate were filed.

¹⁴HSCCCA's letters, filed on June 29, 2007 and August 29, 2007; HTA's letter, filed on August 31, 2007; and WMTB's letter, filed on August 30, 2007.

¹⁵The following passenger and property carriers submitted comments: AA Equipment & Trucking, LLC; Salvador G. Aquinaldo, dba L&A Handitrans; Owen L. Aiona, Jr., dba Aiona; Akina Aloha Tours, Inc.; Akina Bus Service, Ltd.; Aloha K.P., Inc., dba Kona Limousine; American Hauling, Inc.; Douglas B. Arnott, dba Arnott's Lodge & Hiking Adventures; Bruce T. Baba; Big Isle Moving & Draying, Inc.; Carry-All, Inc.; Cody Express LLC; Exclusive, Inc.; Gyorgy Barcza, Inc., dba We Haul Supermove, and dba Ultimate Movers; H. Kono, Inc., dba HITCO Moving & Storage Co.; Honolulu Freight Service, Inc.; Young Ah In, dba I. S. K. Tour; Megumi Matsumoto, dba Big Blue Hawaii; Milton Rowland III

D.

Industry Comments

HSCCCA, HTA, and WMTB support the continuation of the Zone, without modification,¹⁷ asserting that the Zone provides timely rate relief for its member carriers. As noted by HSCCCA, HTA, and WMTB:

The current Zone of Reasonableness should be continued, without modification, because it enables licensees to increase/decrease their rate structure without going through a lengthy, time-consuming process.

.

The current Zone provides timely rate relief for drivers already burdened with excessive reporting procedures and escalating tax requirements.

McNicoll, dba Island Delivery; Island Freight Services, Inc.; Island Movers, Inc.; Jack's Tours, Inc.; Kauai Commercial Co., Inc.; Kauai Paradise Tours LLC; Melvin Eu Kim, dba ABC Limousine Service; M. Dyer & Sons, Inc.; Tommy Ma; McInerny Transportation Co., Inc.; Horst Wilhelm Ihle, dba Mynabird Travel; Tony Tatsuo O'ishi; Pacific Trucking, Inc.; Jon Won Park, dba Hans Golf Tour; PHT, Inc, dba Polynesian Hospitality; Goran Pleho LLC, dba Resorts Limousine Service; Polynesian Adventure Tours, Inc.; Robert's Tours & Transportation, Inc.; RPM Transportation Hawaii, Inc.; Melvin K. Saito; Nevenko Salopek, dba A-1 Limousines By Neven; Anthony A. Maldonado, dba S & J's Hauling; Dwight H. Takahashi; Ninh Phuoc Tang; Temptation Tours, Inc.; Touchdown Trucking; Trans Quality, Inc.; Tri Isle, Inc., dba Valley Isle Express, and dba Haleakala Transportation & Warehousing; Waalani Enterprises, LLC; and Ed Yamashiro, Inc.

¹⁶Consumer Advocate's letter, filed on September 28, 2007.

¹⁷WMTB believes that "fifteen (15%) would be a better increase to bring carriers to the financial position they should be in, especially the neighbor islands where costs are higher, but the current ten percent increase or decrease would be satisfactory." WMTB's response to PUC-IR-103. Moreover, HTA and WMTB affirmatively reject the concept of annually setting the parameters of the Zone to a level (increases and decreases) that is tied to an economic index, such as the Honolulu Consumer Price Index, reasoning that such an index does not reflect the costs associated with the transportation industry (fuel, labor, rent, insurance premiums, and other costs). See HTA and WMTB's responses to PUC-IR-104.

HSCCCA's responses to PUC-IR-101 and PUC-IR-102.

Our member responses show overwhelming support for the continuation of the Zone of Reasonableness concept with[in] the current parameters.

The concept allows motor carriers to make rate adjustments when they become necessary for their particular operation, and in amounts that are necessary for their particular operation. The flexibility in timeliness and scope is a benefit in the public interest

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The Zone enabled the industry to adjust rates relatively quickly in reaction to real world events. For example, when fuel jumped up and over the \$3 per gallon mark, and remained there, the Zone concept was an invaluable tool to contend with that externally controlled cost factor. Additionally, the Zone helped in a case where a lease negotiation was taking place and the final figure and effective date was not [known] for a protracted period.

There were instances when the 10% range was inadequate to meet certain price spikes, especially in fuel. Fortunately, these were for short periods. We will attempt to monitor such instances, and possibly consider a wider range of the Zone in the future.

HTA's responses to PUC-IR-101 and PUC-IR-102.

Prior past increase requests have been put in as a result of increases in fuel, maintenance, insurance, facilities and labor costs which had increased the cost of doing business. Additionally, taxes and user fees have affected the industry not to mention cost[s] associated with security. In order to put increases in, studies by carrier groups, i.e. dump truck, general commodity, etc., needed to be done to justify the filing thereby delaying the time of the effective date to offset the increases carriers were experiencing. Once the proposed increase was submitted and filed with the [commission], there was already a delay time and what followed was possible postponement due to suspension of the increase.

Many of the filed increases were then reduced to single digit increases far below what was needed to keep a carrier profitable. For example, the household goods tariff had 12 increases from 1980 to 2004, 7 below 5% and the highest in 1996 or 10%. This industry also did not, with the exception of .42% in 1979, have any fuel surcharge adjustments.

Our neighbor island carriers have had a more serious problem because, in general, the cost of doing business and the cost of fuel is higher. The island of Kauai general commodity tariff from 1980 to 2004 only received 8 increases; 1980 14%; 1981 10%; 1986 5%; 1988 3.5%; 1989 4.6%[;] 1993 6%; 1996 9% and the 10% in 2004. Fuel surcharges averaged 1.62% from 1980 to 2004 far below increases.

We feel that the Public Utilities Commission also finds that the Zone is a fair way to increase rates and also feel that, given the amount of time and work that goes into studying each increase, the Zone is also more efficient. The [commission] always has the right to ask for more information or justification on rate increases.

For the public interest, a carrier must be financially viable to complete jobs and services in a professional, efficient and safe manner with proper equipment as required and that can only happen if the carrier['s] costs are not exceeding his income. When carriers have to cut back and "short cut" due to costs, the safety of the public is jeopardized.

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The Zone has provided timely rate relief because there is no postponement or suspension of the proposed increase and carriers can now look to better planning for new equipment and growth of business.

Cost of business, such as the rapid increases in fuel, does not allow time for immediate filing of rate increases with the [commission]. The cost of maintenance of equipment and shipping to Hawaii is a cost that must be absorbed and which also changes constantly. At least the known increase of up to 10% can help offset some of the costs.

In the past, WMTB committees for each tariff met ahead of time for [a] discussion on what would be the increase that their industry would need. Prior to the Zone, most increases agreed upon and filed with the [commission] were suspended for further study and if approved, were to go into effect months after the initial filing. This situation left carriers without the timely rate relief they required.

WMTB's responses to PUC-IR-101 and PUC-IR-102.

HSCCCA states that the Zone should be continued for an additional two years, followed by a commission review process, while WMTB supports the continuance of the Zone indefinitely. WMTB asserts that its "position is consistent with the public interest because a carrier who is financially viable can service the public in a safe, efficient manner. [WMTB] acknowledge[s] that the [commission] can stop or modify the Zone at any time."¹⁸

In general, the individual motor carriers that submitted comments overwhelmingly support the continuation of the Zone.¹⁹ Certain other carriers submitted their data only, without comments, ostensibly in response to PUC-IR-105 and PUC-IR-106,

¹⁸WMTB's response to PUC-IR-101.

¹⁹Comments submitted by the following individual motor carriers supported continuation of the Zone: Owen L. Aiona, Jr., dba Aiona; Akina Bus Service, Ltd.; Akina Aloha Tours, Inc.; American Hauling, Inc.; Bruce T. Baba; Big Isle Moving & Draying, Inc.; Carry-All, Inc.; Cody Express LLC; Exclusive, Inc.; Hawaii Transfer Co., Ltd.; H. Kono, Inc., dba HITCO Moving & Storage Co.; Island Freight Services, Inc.; Jack's Tours, Inc.; Kauai Commercial Co., Inc.; Kauai Paradise Tours LLC; Horst Wilhelm Ihle, dba Mynabird Travel; Pacific Trucking, Inc.; Goran Pleho LLC, dba Resorts Limousine Service; Polynesian Adventure Tours, Inc.; Robert's Tours & Transportation, Inc.; RPM Transportation Hawaii, Inc.; Nevenko Salopek, dba A-1 Limousines By Neven; Anthony A. Maldonado, dba S & J's Hauling; Temptation Tours, Inc.; Trans Quality, Inc.; and Tri Isle, Inc., dba Valley Isle Express, and dba Haleakala Transportation & Warehousing.

One carrier, Touchdown Trucking, states that it intends to adhere to whatever is decided by the commission.

without affirmatively stating whether they support or oppose the continuation of the Zone.²⁰

Conversely, one carrier supports the termination of the Zone, reasoning that the Zone "is a prelude to de-regulation here in Hawaii and would prove to be devastating [to the motor carrier] industry."²¹ Another carrier urges the commission to limit the entry of new carriers into the market, stating that "this would have the effect of . . . strengthening the industry by increasing [the] utilization of all existing equipment and providing a valid gauge [as] to whether another [certificate of public convenience and necessity ('CPCN')]] should be issued."²²

The underlying factors cited by the motor carriers in continuing the Zone include:²³ timely rate relief in response to

²⁰Carriers that only submitted data included: Salvador G. Aguinaldo, dba L&A Handitrans; Aloha K.P., Inc., dba Kona Limousine; Douglas B. Arnott, dba Arnott's Lodge & Hiking Adventures; Gyorgy Barcza, Inc., dba We Haul Supermove, and dba Ultimate Movers; Honolulu Freight Service, Inc.; Young Ah In, dba I.S.K. Tour; Island Movers, Inc.; Melvin Eu Kim, dba ABC Limousine Service; M. Dyer & Sons, Inc.; Tommy Ma; McInerny Transportation Co., Inc.; Milton Rowland III McNicoll, dba Island Delivery; Tony Tatsuo O'ishi; Jong Won Park, dba Hans Golf Tour; Melvin K. Saito; Dwight H. Takahashi; Ninh Phuoc Tang; Waalani Enterprises, LLC; and Ed Yamashiro, Inc.

²¹AA Equipment & Trucking, LLC's Comments.

²²Response of PHT, Inc., dba Polynesian Hospitality, to PUC-IR-101 and PUC-IR-102.

²³The motor carriers who supported continuing the Zone are: Owen L. Aiona, Jr., dba Aiona; Akina Bus Service, Ltd.; Akina Aloha Tours, Inc.; American Hauling, Inc.; Big Isle Moving & Draying, Inc.; Carry-All, Inc.; Cody Express LLC; Exclusive, Inc.; Hawaii Transfer Co., Ltd.; H. Kono, Inc., dba HITCO Moving & Storage Co.; Island Freight Services, Inc.; Jack's Tours, Inc.; Kauai Commercial Co., Inc.; Kauai Paradise Tours LLC; Horst Wilhelm Ihle, dba Mynabird Travel; Pacific Trucking, Inc.; Goran Pleho LLC, dba Resorts Limousine Service; Polynesian Adventure Tours, Inc.; Robert's Tours & Transportation, Inc.; RPM

rising operating costs (fuel, labor, equipment, vehicles, maintenance, insurance, taxes) and other changes in market conditions; provides carriers with the opportunity for more accurate budgeting and forecasting (planning purposes), and to recover their expenses while earning a reasonable return; provides a good balance between a strict regulatory environment and an open market, while protecting the public and allowing carriers to make adjustments to meet changes in costs; the flexibility in rates encourages carriers to structure competitive prices based on their abilities to maximize operational efficiencies, consistent with the public interest; allows carriers to remain viable and available to meet the public's need for safe and reliable transportation services; encourages investments by carriers in technological advancements in transportation vehicles and equipment, to the public's benefit; and eliminates the costly, burdensome, and time consuming ratemaking process undertaken by motor carriers prior to the inception of the Zone.

The majority of the motor carriers that submitted comments support the continuation of the Zone without modification, either for a specified duration or indefinitely.²⁴

Transportation Hawaii, Inc.; Nevenko Salopek, dba A-1 Limousines By Neven; Anthony A. Maldonado, dba S & J's Hauling; Temptation Tours, Inc.; Trans Quality, Inc.; and Tri Isle, Inc., dba Valley Isle Express, and dba Haleakala Transportation & Warehousing.

²⁴The following motor carriers who supported continuing the Zone without modification for either a specified duration or indefinitely include: American Hauling, Inc.; Bruce T. Baba (additional two years); Big Isle Moving & Draying, Inc.; Carry-All, Inc.; Exclusive, Inc.; Hawaii Transfer Co., Ltd. (additional three to five years); Jack's Tours, Inc.; Kauai

Other carriers suggest that the range of the Zone be adjusted,²⁵ while one carrier states that "[t]he only adjustment to the existing program would be a consideration for a fuel adjustment if the current instability continues."²⁶ Moreover, motor carriers have indicated that they do not support "pegging" the parameters of the Zone to an economic index, such as the Honolulu Consumer Price Index, on the basis that such an index does not reflect the operating costs of the motor carrier industry.²⁷

Commercial Co., Inc. (additional three years); Kauai Paradise Tours LLC; Horst Wilhelm Ihle, dba Mynabird Travel; Pacific Trucking, Inc.; Goran Pleho LLC, dba Resorts Limousine Service; Polynesian Adventure Tours, Inc. (additional three years); Robert's Tours & Transportation, Inc.; RPM Transportation Hawaii, Inc.; Nevenko Salopek, dba A-1 Limousines By Neven; Temptation Tours, Inc.; Trans Quality, Inc.; and Tri Isle, Inc., dba Valley Isle Express, and dba Haleakala Transportation & Warehousing. That said, one carrier, Big Isle Moving & Draying, Inc., essentially favors the deregulation of the motor carrier industry.

²⁵The motor carriers who suggested that the range of the Zone be adjusted are: Owen L. Aiona, Jr., dba Aiona (minimum increase of ten percent, maximum decrease of five percent); Akina Bus Service, Ltd., and Akina Aloha Tours, Inc. (six-month zones with a range of plus or minus six percent); H. Kono, Inc., dba HITCO Moving & Storage Co. (ten to fifteen percent flexibility for an additional two years); Anthony A. Maldonado, dba S & J's Hauling (seven to ten percent); and PHT, Inc., dba Polynesian Hospitality (twenty percent).

²⁶Island Freight Services, Inc.'s Comments.

²⁷Concomitantly, one carrier, Cody Express LLC, states without further explanation that "the increases and decreases should be subject to the cost of living/business allowances that occur." Cody Express LLC's response to PUC-IR-103.

E.

Consumer Advocate's Comments

By its letter filed on September 28, 2007, the Consumer Advocate recommends the continuation of the Zone, without modification, "until such time that the Commission determines a need to terminate the program or a party requests a modification to the existing parameters."²⁸ In support of its position, the Consumer Advocate states:

. . . the Consumer Advocate recommends that no changes to the existing thresholds be authorized at this time. Should the industry request modifications to the existing threshold, the merits of the modifications can be addressed in a future, separate proceeding, where the basis for such modifications can be reviewed in order to determine the reasonableness of the request. Furthermore, in support of the requested changes, the party requesting the change should provide data demonstrating that the existing thresholds are insufficient to provide a reasonable opportunity to recover a normalized level of operating costs that would be recognized for ratemaking purposes.

With regard to the zone of reasonableness practice, the Consumer Advocate concurs with the industry representatives that the practice provides an opportunity to timely modify the existing rates to address current operating conditions without the need to process a formal rate change application as was the practice prior to the adoption of the zone of reasonableness pilot program. Furthermore, given the number of certificated carriers providing similar services, it can be assumed that competition within the transportation market can serve the same purpose as public interest regulation as it pertains to the price that is charged for a given service. As a result, the Commission can readily monitor the activities that occur under the zone of reasonableness practice and determine whether there are any abuses occurring, resulting in harm to the consumers of the transportation services. Should such concerns occur in the future, the

²⁸Consumer Advocate's letter, dated September 28, 2007, at 2.

Commission has the statutory authority to open a docket to investigat[e] whether the existing practice should terminate.

Consumer Advocate's Comments, dated September 28, 2007, at 1-2.

II.

Discussion

Section 271-1, HRS, of the Motor Carrier Law states:

Declaration of policy. The legislature of this State recognizes and declares that the transportation of persons and of property, for commercial purposes, over the public highways of this State constitutes a business affected with the public interest. It is intended by this chapter to provide for fair and impartial regulation of such transportation in the interest of preserving for the public the full benefit and use of the highways consistent with the public safety and the needs of commerce; to promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation and among the several 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. This chapter shall be administered and enforced with a view to carrying out the above declaration of policy.

HRS § 271-1 (emphasis added).

The commission, in implementing the Zone for a one-year pilot period and subsequently extending the Zone for three additional years, found that: (1) the motor carrier industry was a highly competitive industry statewide; and (2) expediting the motor carrier rate review and approval process was just, reasonable, and consistent with the public interest.

Here, the commission examines whether it is consistent with the public interest to continue the Zone, with or without modification, or to terminate the Zone. As part this process, the commission reviewed the relevant information and data on file with the commission, including the comments filed by the Parties, and the comments and data filed by individual motor carriers. The commission's pertinent findings and conclusions are discussed below.

A.

General Observations

The commission's review of the annual financial reports filed by motor carriers for the 2004, 2005, and 2006 calendar years²⁹ reveals that, based on a three-year simple average of the historical data submitted:

1. The range of annual gross revenues reported by each motor carrier was widespread. Specifically: (A) for motor carriers of property, from zero to \$15,985,633 per year; and (B) for motor carriers of passengers, from zero to \$31,403,391 per year.

2. Attached as Exhibit 1 to this Decision and Order is a chart that categorizes each of the motor carriers by a specific range of annual gross revenues reported.

²⁹All motor carriers are required to "file an annual financial report of its operations for the previous calendar year by April 30, of each year, in a form prescribed by the commission." HAR § 6-62-42(a).

3. For motor carriers of property, approximately sixty-five carriers reported annual gross revenues in excess of \$1 million, representing approximately seventy-five percent of the total annual gross revenues reported for the property carrier classification.

4. For motor carriers of passengers, approximately thirty-seven carriers reported annual gross revenues in excess of \$1 million, representing approximately seventy-six percent of the total annual gross revenues reported for the passenger carrier classification.

B.

Review and Findings

Based on the commission's review of the current available information and data:

1. At the time the Zone was first implemented by the commission on January 1, 2004, the commission regulated approximately 950 motor carriers of property and passengers. Presently, the commission regulates approximately 1,142 motor carriers of property (540) and passengers (602), representing an increase of twenty percent from January 1, 2004.

2. Of the 540 motor carriers of property, approximately 294 carriers, or fifty-four percent, are members of WMTB. Of the 602 motor carriers of passengers, approximately 111 carriers, or eighteen percent, are members of WMTB.

3. Attached as Exhibits 2, 3, and 4 to this Decision and Order are charts that summarize the rate changes filed by WMTB and individual motor carriers from 2005 until the third quarter of 2007.

4. WMTB, on behalf of all of its member carriers that did not flag out, filed for statewide increases of the maximum ten percent for the property and passenger classifications each year the Zone was in effect.³⁰ Conversely: (A) during 2006, two member carriers, Jack's Tours, Inc. and Robert's Tours & Transportation, Inc., decreased their passenger carrier rates for certain tours; and (B) during 2007, Jack's Tours, Inc., likewise, decreased its passenger carrier rates for certain of its tours and operations.

5. The financial data submitted to the commission by the motor carriers that responded to the commission's information requests reveals that for motor carriers that experienced rate changes, the operating ratio of certain carriers decreased, while the operating ratio of other carriers increased.³¹ Concomitantly,

³⁰Armijo, Inc., Exclusive, Inc., Jack's Tours, Inc., and Trans Quality, Inc. flagged out in 2005, while Exclusive, Inc., H. Kono, Inc., dba HITCO Moving & Storage Co., and Hawaii Transfer Co., Ltd., flagged out in 2006.

³¹Specifically, financial data was submitted by twenty motor carriers of property and twenty-four motor carriers of passengers.

For motor carriers of property:

1. Four carriers reported operating ratios within the commission's acceptable range of ninety to ninety-three percent.
2. Thirteen carriers reported operating ratios that exceeded the range of reasonableness, ranging from

none of the carriers appeared to show any substantial gains in profit as a result of the ten percent maximum increase in rates filed by WMTB, or by the rate increases filed by individual motor carriers.

6. HSCCCA did not file for any rate increases (or decreases) on behalf of its member carriers.

7. Individual motor carriers filed for decreases and increases within the Zone's parameters of plus or minus ten percent.

8. Individual filings by ten motor carriers, with supporting financial data, exceeded the Zone's parameters.³²

ninety-five to one-hundred twenty-six percent, with six of the carriers above one-hundred percent. Moreover, during the past three years: (A) the operating ratios of three of the carriers increased; and (B) while the operating ratios of the other ten carriers decreased, their operating ratios still exceeded the range of reasonableness recognized by the commission.

A majority of the thirteen carriers are "large" carriers, i.e., carriers with annual gross revenues of more than \$1 million.

3. Three carriers reported operating ratios below ninety percent. All three carriers are sole proprietors.

For motor carriers of passengers:

1. Two carriers reported operating ratios within the commission's acceptable range of ninety to ninety-three percent.
2. Five carriers reported operating ratios that exceeded the range of reasonableness, ranging from ninety-seven to one-hundred and ten percent. A majority of these carriers are "large" carriers, i.e., carriers with annual gross revenues of more than \$5 million.
3. Two carriers reported financial data for only the first half of 2007.

9. Many other motor carriers did not propose or seek any changes to their rates or charges.

Based on its review, the commission finds and concludes as follows:

1. While WMTB presently represents a majority of the motor carriers of property (fifty-four percent), data from the last two years shows that for motor carriers of property that received their CPCNs in 2006 and 2007, approximately thirty-seven percent (2006) and thirty-six percent (2007) of these new carriers joined WMTB.

2. WMTB's representation of motor carriers of passengers is less reaching (eighteen percent).

3. WMTB, during the past three years, has utilized the Zone to its maximum potential. At first blush, such action may appear anti-competitive and inconsistent with the public interest, and a cause for concern from the commission's perspective.

Nonetheless, the financial data submitted to the commission by motor carriers that are members of WMTB indicates that even with the increase in rates authorized by the commission pursuant to the Zone, these carriers (with the exception of sole proprietors) are continuing to operate within or above the range

4. The remaining fifteen carriers reported operating ratios below ninety percent. Thirteen of these carriers are sole proprietors.

³²Specifically, E Noa Corporation and Hawaii Forest & Trail, Ltd., in 2005; C.J. Peterson Services, Inc., CNA Senior Transport, LLC, Frank M. Lawrence, dba C & F Trucking, and Travel Associates in 2006; and Island Transporter, LLC, Juan Jaime, Nohili Trucking, LLC, and Oahu Express, Ltd., in 2007.

recognized as reasonable by the commission, and that said increases may appear less than sufficient to recover the carriers' operating costs.

4. The available data and information continues to suggest that the motor carrier industry today, in general, is a highly competitive industry statewide, with more applicants seeking commission authorization to enter the market each year. Moreover, while motor carriers have increased their rates pursuant to the Zone, either individually or jointly as members of WMTB, many other carriers have not increased their rates.

5. There is no discernible evidence in the docket record to suggest that the continuation of the Zone during the past three years has led to one or more select motor carriers (whether a member or non-member of WMTB) dominating the market share of a particular passenger or property classification, or of "over earning."

6. As noted by the commission in Section II.D, above, HSCCCA, HTA, WMTB, and the individual motor carriers that responded to the commission's information requests, overwhelmingly support the continuation of the Zone. The underlying factors cited by these organizations and entities include providing timely rate relief to motor carriers, and eliminating the costly, burdensome, and time consuming ratemaking process undertaken by motor carriers prior to the inception of the Zone.

7. The Consumer Advocate, likewise, supports the continuation of the Zone, without modification.

8. One motor carrier opposes the continuation of the Zone, reasoning that the Zone is a prelude to the deregulation of the motor carrier industry. The commission, in response, notes that the deregulation of the motor carrier industry is beyond the scope of this proceeding, which is focused on examining whether the continuation of the Zone is consistent with the public interest.

9. Other than the comment from the one motor carrier, the Parties and other motor carriers did not voice any affirmative opposition to the continuance of the Zone.

10. Continuing to expedite the motor carrier rate review and approval process will provide motor carriers with the opportunity to seek timely rate relief, consistent with the State's overall policy of fostering sound economic conditions in the motor carrier industry. Concomitantly, certain carriers may not seek to increase their rates, and instead, opt to streamline their operations and increase their operating efficiencies, thereby promoting a healthy, competitive environment. Under either scenario, the flexibility in ratemaking should encourage carriers to competitively structure their rates to respond to market forces and demand, consistent with the public interest.

11. The continuation of the Zone within the same range of plus or minus ten percent is supported by the Parties and the individual motor carriers that submitted comments (except for two individual carriers that propose a higher range than ten percent). The range of plus or minus ten percent should provide motor carriers with the opportunity to recover their reasonably

incurred operating costs, including the cost of fuel, while also providing carriers with the opportunity to decrease their rates in a competitive environment.

12. The continuation of the Zone is just, reasonable, and consistent with the public interest of "promot[ing] safe, adequate, economical, and efficient service[,] and foster[ing] sound economic conditions in transportation . . . without unjust discrimination, undue preference or advantage, or unfair or destructive competitive practices."³³

13. The Zone has been in effect for four years. The continuation of the Zone for an additional four years, subject to the commission's right to review, adjust, or terminate the Zone, at any time, is consistent with the public interest of promoting a competitive and efficient environment in a regulated market.

14. Based on the commission's findings and conclusions, motor carrier rate changes that fall within the range of the Zone, as specified in Section II.C, below, are presumptively just and reasonable, which is, however, a rebuttable presumption.

15. To address the commission's concern of WMTB utilizing the Zone automatically for all of its members to the Zone's maximum potential each year, the commission will require that motor carriers of property and passengers with annual gross revenues of more than \$1 million, file with the commission HAW-PUC Form 03-020 (Annual Report of Passenger and Property Carriers) by June 1 for each four calendar year period during

³³HRS § 271-1.

which the Zone remains in effect.³⁴ Thus, the first filing will be due on June 1, 2009, for the 2008 calendar year period.

The greater than \$1 million threshold comprises approximately seventy-five percent of the revenues generated by motor carriers of property and passengers, respectively -- a sufficient "representative sample" of the motor carrier industry and its operations. The commission will review the filings submitted by these carriers for the purpose of monitoring the revenues generated and expenses incurred by this "representative sample," in determining whether the Zone is continuing to operate in the public interest.

C.

Zone of Reasonableness: Extension

The Zone is presently scheduled to expire on or about December 31, 2007. The commission, pursuant to HRS chapter 271, extends the Zone by an additional four calendar years, from January 1, 2008 up to and including December 31, 2011, under the parameters set forth below.

³⁴The annual financial form (HAW-PUC Form 03-010) presently filed by motor carriers with the commission by April 30 of each year is a streamlined "report" that is limited to reporting the carrier's annual gross revenues for the purpose of computing the public utility fee owed by the carrier. Nonetheless, all carriers are required to prepare, complete, and retain at its place of business, by June 1 of each year, HAW-PUC Form 03-020, the detailed annual financial report that includes information on the carrier's revenues, expenses, and operating ratio. "Each year, all motor carriers shall be able to furnish a copy of this report upon [the] Commission['s] request." See Commission's Information and Instructions to File the PUC Annual Financial Report for All Motor Carriers (emphasis in original).

1.

January 1, 2008 - December 31, 2008

For January 1, 2008 up to and including December 31,

2008:

1. A motor carrier's base rate is the applicable, approved tariff rate on file with the commission, effective as of January 1, 2008.

For a new motor carrier authorized or certificated by the commission after January 1, 2008, that carrier's base rate is its initial, approved tariff rate on file with the commission.

2. The Zone will consist of points within the range of plus or minus ten percent from a motor carrier's base rate. The total range of a carrier's Zone during this period, thus, is twenty percent.

A carrier's fuel surcharge rate is included in the Zone's range, i.e., is rolled into the carrier's Zone.

Also, a carrier's base rate is fixed, and does not fluctuate or compound with each new, approved rate change.³⁵

2.

January 1, 2009 to December 31, 2009

From January 1, 2009 up to and including December 31,

2009:

1. A motor carrier's base rate is the applicable, approved tariff rate on file with the commission, effective as of January 1, 2009.

For a new motor carrier authorized or certificated by the commission after January 1, 2009, that carrier's base rate is its initial, approved tariff rate on file with the commission.

³⁵See, e.g., In re Public Util. Comm'n, Docket No. 03-0245, Decision and Order No. 20704, at 13 n.9.

2. The Zone will consist of points within the range of plus or minus ten percent from a motor carrier's base rate. The total range of a carrier's Zone during this period, thus, is twenty percent.

A carrier's fuel surcharge rate is included in the Zone's range, i.e., is rolled into the carrier's Zone.

Also, a carrier's base rate is fixed, and does not fluctuate or compound with each new, approved rate change.

3.

January 1, 2010 to December 31, 2010

From January 1, 2010 up to and including December 31, 2010:

1. A motor carrier's base rate is the applicable, approved tariff rate on file with the commission, effective as of January 1, 2010.

For a new motor carrier authorized or certificated by the commission after January 1, 2010, that carrier's base rate is its initial, approved tariff rate on file with the commission.

2. The Zone will consist of points within the range of plus or minus ten percent from a motor carrier's base rate. The total range of a carrier's Zone during this period, thus, is twenty percent.

A carrier's fuel surcharge rate is included in the Zone's range, i.e., is rolled into the carrier's Zone.

Also, a carrier's base rate is fixed, and does not fluctuate or compound with each new, approved rate change.

4.

January 1, 2011 to December 31, 2011

From January 1, 2011 up to and including December 31, 2011:

1. A motor carrier's base rate is the applicable, approved tariff rate on file with the commission, effective as of January 1, 2011.

For a new motor carrier authorized or certificated by the commission after January 1, 2011, that carrier's base rate is its initial, approved tariff rate on file with the commission.

2. The Zone will consist of points within the range of plus or minus ten percent from a motor carrier's base rate. The total range of a carrier's Zone during this period, thus, is twenty percent.

A carrier's fuel surcharge rate is included in the Zone's range, i.e., is rolled into the carrier's Zone.

Also, a carrier's base rate is fixed, and does not fluctuate or compound with each new, approved rate change.

5.

Common Parameters

During each year that the Zone is in effect:

1. A motor carrier's proposed increases or decreases to its base rate that fall within the Zone are presumptively valid, i.e., "just and reasonable."
2. A motor carrier's proposed rate change remains subject to the applicable tariff filing requirements under HRS chapter 271 and HAR chapters 6-61, 6-62, and 6-63.

These requirements include the thirty-day advance notice provision, or its short notice alternative. The tariff contents, protest, suspension, and denial provisions also apply.

The commission will continue to issue its monthly motor carriers' tariff order, listing the rate notices and rate change transmittals that will or have taken effect.

3. A motor carrier's rate change is not limited to one request, nor is it limited to across-the-board rate changes. A carrier's rate change can apply only to selected services or items, if the carrier so chooses.
4. An authorized tariff agent or bureau can file rate notices or rate change transmittals on behalf of its member carriers. The member carriers, in turn, have the option of "flagging out."

"Independent actions," at a carrier's option, are also allowed.

5. A motor carrier is entitled to seek rate changes that fall outside the carrier's Zone. If so, the presumption of justness and reasonableness will not apply. Instead, the carrier will have the burden of proving that its proposed rate change is just and reasonable.³⁶
6. The commission envisions that unforeseen issues may arise, based on a requesting carrier's tariff or circumstances.

The commission continues to reserve the right, at any time, to: (A) review and adjust the Zone or its applicable requirements; or (B) terminate the Zone, upon a finding that the Zone appears to adversely affect the public interest.

7. Upon the completion of the extended Zone period, the Zone will be terminated, unless otherwise modified or continued by the commission.

³⁶Example: On March 1, 2008, the commission approves Carrier X's request for a ten percent general rate increase, which falls within Carrier X's Zone. On April 20, 2008, Carrier X files a request for an additional two percent general rate increase, which is outside its Zone. Carrier X must prove that its additional two percent increase is just and reasonable under the commission's normal ratemaking procedures for the commission to approve this additional increase.

8. Motor carriers of property and passengers with annual gross revenues of more than \$1 million shall file with the commission HAW-PUC Form 03-020 by June 1 for each of the four calendar years during which the Zone remains in effect. Thus, the first filing will be due on June 1, 2009, for the 2008 calendar year period.

Consistent with Docket No. 03-0245, "[t]he commission remains optimistic that: (1) the rate increases implemented by motor carriers within the Zone will not result in the carrier's operating ratio decreasing below the ninety (90) percent acceptable amount; and (2) unlawful collusion, other illegal forms of price-fixing, or abuses, will not result."³⁷

Furthermore, the commission intends to continue its close monitoring of WMTB's actions during the extended Zone period. In particular, through its examination of the annual financial reports (HAW-PUC Form 03-020) completed and submitted by the "representative sample" carriers, should the commission determine that WMTB's actions of continuing to seek annual, maximum rate increases of statewide impact under the Zone, result in unreasonable levels of operating ratios or excessive profits for its member carriers, the commission may consider terminating the Zone, as inconsistent with the public interest. Moreover, the commission, on an on-going basis, will accept written comments and feedback from the general public and motor carrier community on the impacts of the Zone.

³⁷In re Public Util. Comm'n, Docket No. 03-0245, Decision and Order No. 21490, at 11.

Lastly, besides HTA, HSCCCA, and WMTB, a total of forty-eight motor carriers submitted comments, data, or both, in response to the commission's information requests. Those remaining carriers that did not submit any comments to the commission, the commission presumes, do not affirmatively object to the Zone or its continuance. Otherwise, if a carrier objected to the Zone or to its continuance, said carrier should have timely filed its objection or concerns with the commission.

III.

Orders

THE COMMISSION ORDERS:

1. The Zone of Reasonableness program is extended for an additional four calendar years, from January 1, 2008 up to and including December 31, 2011, pursuant to the parameters set forth in Section II.C, above.

2. The commission reserves the right, at any time, to: (A) review and adjust the Zone or its applicable requirements; or (B) terminate the Zone, upon a finding that the Zone appears to adversely affect the public interest.

3. Motor carriers of property and passengers with annual gross revenues of more than \$1 million shall file with the commission HAW-PUC Form 03-020 (Annual Report of Passenger and Property Carriers) by June 1 for each of the four calendar years during which the Zone remains in effect. Thus, the first filing will be due on June 1, 2009, for the 2008 calendar year period.

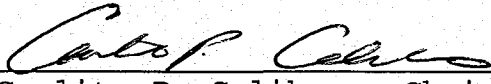
4. If the commission determines that WMTB's actions of continuing to seek annual, maximum rate increases of statewide impact under the Zone, result in unreasonable levels of operating ratios or excessive profits for its member carriers, the commission may consider modifying the Zone (including by limiting or prohibiting joint applications for increases under the Zone) or terminating the Zone, as inconsistent with the public interest.

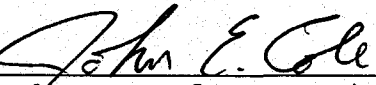
5. The commission, on an on-going basis, will accept written comments and feedback from the general public and motor carrier community on the impacts of the Zone.

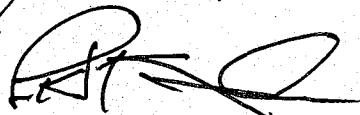
6. Upon the completion of the extended Zone period, the Zone will be terminated, unless otherwise modified or continued by the commission.

DONE at Honolulu, Hawaii DEC - 3 2007.


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
John E. Cole, Commissioner

By 
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:


Michael Azama
Commission Counsel

2007-0159.cp

Exhibit 1**3-Year Average Annual Gross Revenues (2004-2006) Reported by Motor Carriers**

| | No. of Carriers Filed Annual Financial Report | % to Total Carriers | 3-Year Average Revenues | % to Total Revenues |
|---------------------------------|--|--------------------------------|------------------------------------|--------------------------------|
| Property | | | | |
| Above \$10 million | 3 | 0.56% | \$41,194,316 | 14.80% |
| >\$5 million and ≤ \$10 million | 7 | 1.30% | 45,445,994 | 16.33% |
| >\$1 million and ≤ \$5 million | 55 | 10.19% | 121,410,202 | 43.62% |
| \$500,001 to \$1 million | 42 | 7.78% | 28,987,212 | 10.41% |
| \$100,001 to \$500,000 | 173 | 32.04% | 34,292,568 | 12.32% |
| \$50,001 to \$100,000 | 82 | 15.19% | 5,064,876 | 1.82% |
| \$10,001 to \$50,000 | 90 | 16.67% | 1,862,315 | 0.67% |
| \$1 to \$10,000 | 35 | 6.48% | 97,203 | 0.03% |
| \$0 | 53 | 9.81% | 0 | 0.00% |
| Total | 540 | 100.00% | \$278,354,686 | 100.00% |
| Passenger | | | | |
| Above \$10 million | 4 | 0.59% | \$77,088,532 | 39.58% |
| >\$5 million and ≤ \$10 million | 3 | 0.45% | 20,208,359 | 10.38% |
| >\$1 million and ≤ \$5 million | 30 | 4.45% | 50,489,973 | 25.92% |
| \$500,001 to \$1 million | 24 | 3.56% | 15,229,847 | 7.82% |
| \$100,001 to \$500,000 | 98 | 14.54% | 20,831,632 | 10.70% |
| \$50,001 to \$100,000 | 77 | 11.42% | 4,809,815 | 2.47% |
| \$10,001 to \$50,000 | 236 | 35.01% | 5,616,521 | 2.88% |
| \$1 to \$10,000 | 135 | 20.03% | 499,281 | 0.26% |
| \$0 | 67 | 9.94% | 0 | 0.00% |
| | 674 | 100.00% | \$194,773,960 | 100.00% |

PUBLIC UTILITIES COMMISSION

Exhibit 2

TARIFF FILINGS - 2005

| <u>Agent or Company</u> | <u>Date Filed</u> | <u>Effective Date</u> | <u>Rate Notice</u> | <u>Tariff</u> | <u>Island</u> | <u>Increase</u> |
|-------------------------|-------------------|-----------------------|--------------------|--|---------------|-----------------|
| WMTB | 8/29/2005 | 1/1/2006 | 4503-8-C | Passenger | Statewide | 10.00% |
| WMTB | 9/6/2005 | 10/2/2005 | 4504-8C | Passenger | Statewide | 2.80% |
| Exclusive, Inc. | | | | | | Flag-Out |
| WMTB-Hawaii Transfer | 9/15/2005 | 9/21/2005 | 4505-4-B | GC | Oahu | 2.50% |
| WMTB | 9/30/2005 | 10/30/2005 | 4506-4-B | GC | Oahu | 1.40% |
| WMTB | 9/30/2005 | 10/30/2005 | 4507-11-A | BB&D | Oahu | 1.40% |
| WMTB | 9/30/2005 | 10/30/2005 | 4508-14 | Spec. Frt. | Oahu | 1.40% |
| WMTB | 10/12/2005 | 11/10/2005 | 4509-1-B | HHG | Statewide | 3.80% |
| WMTB | 10/12/2005 | 1/1/2006 | 4510-1-B | HHG | Statewide | 10.00% |
| WMTB | 10/12/2005 | 11/10/2005 | 4511-7-B | HHG | Statewide | 3.80% |
| WMTB | 10/12/2005 | 1/1/2006 | 4512-7-B | HHG | Statewide | 10.00% |
| WMTB-Jacks | 10/17/2005 | 11/12/2005 | 4513-8-C | Pass (2.8%) Kona Hist. (521-2) Circle Island (541-B) Volcano Eco (544-D) Hamakua (544-DD) Hamakua (544-DDD) Hilo City (544-F) Kalapana (544-G) Kalapana (544-H) Volcano (544-HH) Volcano (544-HHH) Mauna Kea (547-B) Hale Pohaku (565) Trnsf (TNFR 582) Trnsf (TNFR 584) Hourly Charter | Hawaii | Flag-Out |
| WMTB | 10/19/2005 | 1/1/2006 | 4514-4-B | GC | Oahu | 10.00% |
| WMTB | 10/19/2005 | 1/1/2006 | 4515-11-A | BB&D | Oahu | 10.00% |
| WMTB | 10/19/2005 | 1/1/2006 | 4516-14 | Spec. Frt. | Oahu | 10.00% |
| WMTB-Trans Quality | 10/28/2005 | 11/28/2005 | 4517-8-C | Pass (2.8%) | Oahu | Flag-Out |
| WMTB-Armijo | 10/31/2005 | 11/30/2005 | 4518-8-C | Pass (10%) | Maui | Flag-Out |

PUBLIC UTILITIES COMMISSION

Exhibit 2

TARIFF FILINGS - 2005

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|-------------------------|-----------------------|---------------------------|------------------------|-----------------------|---------------|-----------------|
| Cadabona, J.C. | 7/4/2005 | 8/4/2005 | | GC & DP | Hawaii | 10% |
| Dependable Hawn. Exp. | 8/3/2005 | 9/3/2005 | | GC & BB&D | Oahu | 7% |
| DHX Maui, Inc. | 7/25/2005 | 8/25/2005 | | GC & HHG | Maui | 8% |
| Elite Limousine Service | 7/29/2005 | 8/29/2005 | | Passenger | Oahu | 5% |
| Platinum Management | 7/29/2005 | 8/29/2005 | | Passenger | Maui | 5% |
| A & A Trucking | 8/29/2005 | 9/29/2005 | | DP & GC | Hawaii | 10% |
| Akina Aloha | 9/9/2005 | 10/15/2005 | | Passenger | Maui | 2.7 to 2.96% |
| Akina Bus | 9/9/2005 | 10/15/2005 | | Passenger | Maui | 2.56 to 2.79% |
| Arthur's - Star 21 | 9/6/2005 | 10/15/2005 | | Passenger | Maui | 2.21 to 7.75% |
| Conen's Freight | 9/14/2005 | 10/15/2005 | | DP & GC | Hawaii | 10% |
| Hawaii Transfer Co. | 9/9/2005 | 9/19/2005 | | BB&D | Oahu | 2.50% |
| International Express | 9/13/2005 | 10/14/2005 | | GC & BB&D | Oahu | 1.83% |
| Mercantile Trucking | 8/31/2005 | 10/1/2005 | | GC & BB&D | Oahu | 8% |
| Molokai Outdoor | 9/14/2005 | 10/15/2005 | | Passenger | Molokai | 10% |
| Pacific Transfer | 8/22/2005 | 10/1/2005 | | GC & BB&D | Oahu | 8% |
| Pine Enterprises | 8/24/2005 | 9/24/2005 | | GC & DP | Oahu | 10% |
| Platinum Management | 9/16/2005 | 10/17/2005 | | Passenger | Maui | 2 to 4.5% |
| Royal Hawaiian | 9/6/2005 | 10/7/2005 | | HHG | O,K,M,H | 0.95% |
| Tri Isle, Inc. | 8/31/2005 | 10/1/2005 | | Bulk Petroleum | Maui | 6.90% |
| All American | 9/27/2005 | 11/1/2005 | | HHG | Oahu | 10% |
| | | | | GC | Oahu | 8.50% |
| Kona Transportation | 9/20/2005 | 10/21/2005 | | BB&D | Hawaii | 3.80% |
| | | | | GC | Hawaii | 3.80% |
| Pacific Bridges | 9/27/2005 | 11/1/2005 | | Spec. Comm. | Oahu | 10.00% |
| Wailea Limousine | 9/27/2005 | 11/1/2005 | | A/P Transfer | Maui | 2.56% - 8.42% |
| | | | | Hrly Charter | Maui | 6.66% - 8.56% |
| Aiwohi Bros. | 10/12/2005 | 11/14/2005 | | Dump | Oahu | 10.00% |
| Barr, Katherine | 10/11/2005 | 11/10/2005 | | Hrly Chtr - Sedan | Maui | 9.68% |
| | | | | Hrly Chtr - Nav | | -0.33% |
| | | | | Hrly Chtr - Limo | | 7.06% |
| E Noa Corporation | 10/25/2005 | 11/26/2005 | | Maj. Grand Circle | Oahu | 4.75% |
| | | | | Royal Circle | | 5.32% |
| | | | | Pearl Harbor | | 6.53% |
| | | | | Hiking, Snork. | | 4.16% |
| | | | | Pearl Harbor/Missouri | | 6.04% |
| | | | | Pearl Harbor/Honolulu | | 11.46% |
| | | | | Pineapple | | 6.75% |

PUBLIC UTILITIES COMMISSION

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|-------------------------|-------------------|-----------------------|--------------------|-------------------------|---------------|-----------------|
| | | | | Waialele Center | | 13.64% |
| | | | | Deluxe Little Circle | | 7.65% |
| | | | | Pearl Harbor Excur. | | 10.62% |
| | | | | Trolley Charter | | 3.72% |
| Pomaikai | 10/12/2005 | 11/14/2005 | | HHG | Oahu | 10.00% |
| | | | | Dump Truck | | 10.00% |
| | | | | Cement (410) | | 7.95% |
| | | | | Cement (420) | | 8.00% |
| | | | | Metal Framing (425) | | 10.00% |
| | | | | Freight All Kinds (430) | | 10.00% |
| | | | | Lumber (435) | | 4.79% |
| | | | | Container Spot.(510) | | 10.00% |
| | | | | Hrly Equip. (615) | | 10.00% |
| ABC Rider | 11/1/2005 | 12/2/2005 | | Bar Hop Tour (210) | Maui | 10.00% |
| Arthur's -Star 21 | 11/18/2005 | 1/1/2006 | | Kahului A/P Transf. | Maui | 6% - 7% |
| | | | | Kapalua A/P Transf. | | 5.53% - 9.1% |
| | | | | Wedding Pkg. | | 6% - 6.23% |
| | | | | Hourly Charter | | 3.45% - 9.9% |
| Island Movers, Inc. | 11/4/2005 | 1/1/2006 | | BB&D | Oahu | 10.00% |
| | 11/4/2005 | 1/1/2006 | | BB&D | Maui | 10.00% |
| | 11/4/2005 | 1/1/2006 | | GC | Oahu | 10.00% |
| Mihara Transfer | 11/2/2005 | 12/1/2005 | | GC & HHG | Hawaii | 10.00% |
| Pomaikai | 11/9/2005 | 1/1/2006 | | Low Bed Trlr (30-70) | Oahu | 10.00% |
| RDH Transp. | 11/15/2005 | 12/16/2005 | | Tantalus Transfer | Oahu | 10.00% |
| | 11/15/2005 | 1/1/2006 | | Tantalus Transfer | Oahu | 8.80% |
| | 11/15/2005 | 1/1/2006 | | Hourly Charter | Oahu | 6.00% |
| Akina Aloha | 12/9/2005 | 1/9/2006 | | Passenger | Maui | 10.00% |
| Akina Bus | 12/9/2005 | 1/9/2006 | | Passenger | Maui | 10.00% |
| All American | 11/23/2005 | 12/24/05 | | GC & HHG | Oahu | 0.98% |
| All American | 11/23/2005 | 1/1/2006 | | GC & HHG | Oahu | 10.00% |
| Cadabona, John | 12/9/2005 | 1/9/2006 | | Accessorial | Hawaii | 3.00% |
| | | | | Container Spotting | Hawaii | 2.80% |
| | | | | Hourly Equip. | Hawaii | 2.80% |
| Direct Support | 11/28/2005 | 1/1/2006 | | GC | Oahu | 5.00% |
| E Noa | 11/21/2005 | 1/1/2006 | | Organ. Orient. | Oahu | 8.30% |
| | | | | Tour | Oahu | 9.7% - 10% |
| | | | | Hourly Charter | Oahu | -.67% - -3% |

PUBLIC UTILITIES COMMISSION

Exhibit 2

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|-------------------------|-------------------|-----------------------|--------------------|----------------|---------------|-----------------|
| Hawaii Forest | 12/15/2005 | 1/15/2006 | | Trolley Hourly | Oahu | 1.74% - 2.6% |
| | | | | Mauna Kea | Hawaii | 3.77% |
| | | | | Rainforest | Hawaii | 2.60% |
| | | | | Kohala-Adult | Hawaii | 10.10% |
| | | | | Kohala-Child | Hawaii | 12.66% |
| | | | | Hualalai-Adult | Hawaii | 10.10% |
| | | | | Hualalai-Child | Hawaii | 12.66% |
| International Express | 11/28/2005 | 1/1/2006 | | GC & BBD | Oahu | 5.00% |
| Naumu, Alex | 12/8/2005 | 1/1/06 | | Tour & Shuttle | Kauai | 10.00% |
| Nick's Hauling | 11/21/2005 | 1/1/2006 | | GC & DP | Hawaii | 10.00% |
| Pine Enterprises | 12/12/2005 | 1/15/2006 | | GC & DP | Oahu | 10.00% |
| Platinum Mgt. | 12/5/2005 | 1/5/2006 | | A/P Transfer | Maui | .3% - 9.9% |
| | | | | Hourly Charter | Maui | 9.80% |
| Royal Hawaiian | 11/30/2005 | 1/1/2006 | | GC & HHG | Oahu | 10.00% |
| Xpress Trucking | 12/5/2005 | 2/1/2006 | | BB&D | Oahu | 7.00% |
| | | | | GC | Oahu | 7.00% |

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|-------------------------|-------------------|-----------------------|--------------------|-----------------------|---------------|-----------------|
| WMTB | 12/22/2005 | 1/22/2006 | 4522-2-B | Dump | Statewide | 10% |
| WMTB | 12/22/2005 | 1/22/2006 | 4523-5-A | GC | Maui | 10% |
| WMTB | 12/22/2005 | 1/22/2006 | 4524-3-A | GC | Kauai | 10% |
| WMTB | 12/22/2005 | 1/22/2006 | 4525-6-A | GC | Hawaii | 10% |
| WMTB | 12/22/2005 | 1/22/2006 | 4526-11-A | BB&D | H,K,M | 10% |
| WMTB-H. Kono | 1/5/2006 | 2/5/2006 | 4527-11-A | BB&D | H | Flag-Out |
| | | | | Item 1559 | H | -4% |
| WMTB-Hawaii Transfer | 3/13/2006 | 4/13/2006 | 4530-4-B | RN 4506-4-B 1.4% | O | Flag-Out |
| | 3/13/2006 | 4/13/2006 | 4531-14 | RN 4531-14 1.4% | O | Flag-Out |
| | 3/13/2006 | 4/13/2006 | 4532-4-B | RN 4514-4-B 10% | O | Flag-Out |
| | 3/13/2006 | 4/13/2006 | 4533-14 | RN 4516-14 10% | O | Flag-Out |
| | 3/13/2006 | 4/13/2006 | 4534-4-B | GC | O | 6.25% |
| | 3/13/2006 | 4/13/2006 | 4535-14 | Spec. Frt | O | 6.25% |
| WMTB-Robert's | 4/10/2006 | 5/11/2006 | 4537-8-C | A/P to Waikiki o/w | O | -5.26% |
| | | | | A/P to Waikiki r/t | O | -2.85% |
| WMTB-Jack's | 4/12/2006 | 5/14/2006 | 4538-8-C | Lava Walk 544-HH | H | -10.00% |
| | | | | Mauna Kea 547-B | H | -10.00% |
| WMTB-Jack's | 5/15/2006 | 6/15/2006 | 4540-8-C | S. Kohala Hotel Trnsf | H | -3.41% |
| WMTB-Jack's | 5/15/2006 | 6/15/2006 | 4541-8-C | Circle Island | H | -10.00% |
| WMTB-Jack's | 5/15/2006 | 6/15/2006 | 4542-8-C | Kona Hist. Tour | H | -10.00% |
| WMTB-Jack's | 5/17/2006 | 6/17/2006 | 4543-8-C | Volcano Eco-Tour | H | -10.00% |
| WMTB-Jack's | 5/17/2006 | 6/17/2006 | 4544-8-C | Hale Pohaku-UH Trans | H | -10.00% |
| WMTB-Jack's | 5/26/2006 | 6/26/2006 | 4545-8-C | Hrly Charter Rates | H | -10.00% |
| WMTB | 6/1/2006 | 1/1/2007 | 4548-8-C | Statewide Pass. | Statewide | 10.00% |
| WMTB-Jack's | 9/6/2006 | 10/7/2006 | 4549-8-C | Hale Pohaku-UH Trans | H | 10.00% |
| WMTB-Exclusive | 9/27/2006 | 10/1/2006 | 4553-8-C | RN 4548-8-C | O | Flag-Out |
| WMTB | 11/3/2006 | 1/1/2007 | 4554-2-B | Dump | M, K, H | 10.00% |
| WMTB | 11/3/2006 | 1/1/2007 | 4555-11-A | BB&D | M, K, H | 10.00% |
| WMTB | 11/3/2006 | 1/1/2007 | 4556-3-A | GC | Kauai | 10.00% |
| WMTB | 11/3/2006 | 1/1/2007 | 4557-5-A | GC | Maui | 10.00% |
| WMTB | 11/3/2006 | 1/1/2007 | 4558-6-A | GC | Hawaii | 10.00% |

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|--------------------------|-------------------|-----------------------|--------------------|----------------------|---------------|-----------------|
| All American | 2/6/2006 | 3/8/2006 | | GC & HHG | Oahu | 10.00% |
| Cadabona, John | 2/10/2006 | 3/13/2006 | | Access. | Hawaii | 7% |
| | | | | Cont. Spot. | | 7% |
| | | | | Hrly. Eq. | | 7% |
| Hanoa Trucking | 2/10/2006 | 3/13/2006 | | GC & DP | Oahu | 10% |
| Wilbur, Rodney | 1/24/2006 | 2/24/2006 | | Dump | Hawaii | 10% |
| | | | | Hrly. Eq. | | 10% |
| | | | | Cont. Spot. | | 10% |
| Big Isl. Parcel | 3/1/2006 | 4/1/2006 | | GC | Hawaii | 10.00% |
| | | | | HHG | Hawaii | 10.00% |
| Dir. Supp. Resources | 3/7/2006 | 4/7/2006 | | GC | Oahu | 4.30% |
| Mercantile | 3/9/2006 | 4/9/2006 | | GC | Oahu | 10.00% |
| Sonny Pacis | 2/24/2006 | 3/27/2006 | | GC & DP | Oahu | 10.00% |
| RHS Lee | 3/6/2006 | 4/6/2006 | | GC & DP | Oahu | 10.00% |
| Bering Sea | 3/10/2006 | 3/17/2006 | | Spec. Frt | Oahu | 1.50% |
| C & F Trucking | 2/27/2006 | 3/8/2006 | | Spec. Frt | Hawaii | 61.58% |
| Hawaii Transfer | 3/29/2006 | 5/1/2006 | | BB&D | Oahu | 6.25% |
| Kaluahine, Fredstan | 4/7/2006 | 5/8/2006 | | DP & Spec. Comm. | Kauai | 10% |
| Pacific Transfer | 3/29/2006 | 4/10/2006 | | BB&D | Oahu | 4% |
| Arthur's - Star 21, Inc. | 5/12/2006 | 6/12/2006 | | Gratuity & Taxes | Maui | 10% |
| Ed Yamashiro | 4/27/2006 | 5/8/2006 | | Rules | Oahu | 7.30% |
| | | | | Bulk Petroleum | Oahu | 10% |
| Honolulu Freight | 5/10/2006 | 6/11/2006 | | GC & HHG | Oahu | 7.00% |
| | | | | BB&D | Oahu | 7.00% |
| Kona Transportation | 5/1/2006 | 6/1/2006 | | BB&D | Hawaii | 10.00% |
| | | | | GC | Hawaii | 9% |
| | | | | DP | Hawaii | 9% |
| T.F. Tours & Transp. | 4/12/2006 | 5/2/2006 | | City Tour | Oahu | 3% |
| | | | | Exclusive Chart. | Oahu | 2 to 3% |
| | | | | Indoct. Center | Oahu | -2.10% |
| | | | | Indoct. Center-Excl. | Oahu | 4.2% to 7.8% |
| | | | | A/P Waikiki | Oahu | -10% |
| | | | | Minibus Exclu. Chtr. | Oahu | 2.4% to 2.6% |
| | | | | Minibus Exclu. Hrly | Oahu | 1.5% to 2.2% |
| Travel Associates | 5/11/2006 | 6/11/2006 | | Curb to Curb | Oahu | 50% |
| | | | | Door to Door | Oahu | 50.00% |

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| | | | | Rural Surcharge | Oahu | 10% |
| | | | | Mileage | Oahu | 46.00% |
| Arthur's | 6/9/2006 | 7/10/2006 | | Hrly Charter Rates | Maui | -10.00% |
| B.B. Delivery Srvs. | 6/7/2006 | 7/8/2006 | | General Comm. | Maui | 10.00% |
| C.J. Peterson | 5/15/2006 | 6/15/2006 | | Hrly Equip. Rates | Oahu | 18.00% |
| | | | | Dump | Oahu | 18.00% |
| Dependable -Hawaii | 5/23/2006 | 6/23/2006 | | General Comm. | Hawaii | 9.00% |
| | | | | Dump | Hawaii | 9.00% |
| Dependable-DHX | 5/23/2006 | 6/23/2006 | | BB&D | Oahu | 7.00% |
| | | | | General Comm. | Oahu | 7.00% |
| Elite Limo Srvs, Inc. | 6/14/2006 | 7/15/2007 | | Passenger Exclu. Transfer | Oahu | 4.00% |
| Handi-Express | 5/15/2006 | 6/15/2006 | | Passenger | Oahu | 10.00% |
| Kuwaye Trucking | 6/3/2006 | 7/3/2006 | | General Comm. | Hawaii | 10.00% |
| Safety First | 6/2/2006 | 7/2/2006 | | Spec. Frt | Oahu | 10.00% |
| CNA Senior Transport | 7/14/2006 | 8/15/2006 | | Mileage | Oahu | 20.97% |
| | | | | Airport Pickup | Oahu | 29.53% |
| DHX, Maui | 6/16/2006 | 8/1/2006 | | General Comm. | Maui | 8.00% |
| | | | | HHG | Maui | 8.00% |
| Knight Unlimited | 7/5/2006 | 8/5/2006 | | Min. Ship. Of 4,600 g | Oahu | -5.90% |
| | | | | Min Ship 9,200 (1-3) g | Oahu | 6.70% |
| | | | | Min Ship 9,200 (4-6) g | Oahu | 7.70% |
| MPD, Inc. | 6/30/2006 | 7/31/2006 | | General Comm. | Oahu | 10.00% |
| Naumu, Alexander | 7/10/2006 | 8/10/2006 | | Passenger | Kauai | 10.00% |
| Tri Isle, Incorporated | 6/14/2006 | 8/1/2006 | | Dump | Maui | 8.00% |
| | | | | General Comm. | Maui | 8.00% |
| | | | | BB&D | Maui | 8.00% |
| Brown's Trucking | 7/24/2006 | 8/24/2006 | | General Comm. | Kauai | 10.00% |
| | | | | Spec. Frt | Molokai | 10.00% |
| | | | | Dump | Kauai | 10% |
| Emoto, Derrik | 7/17/2006 | 8/17/2006 | | General Comm. | Oahu | 10.00% |
| International Express | 7/18/2006 | 8/18/2006 | | General Comm. | Oahu | 1.20% |
| Paradise Excursions | 8/4/2006 | 9/4/2006 | | Hrly Charter Rates | Hawaii | 10.00% |
| Vesperas, Frank | 8/9/2006 | 9/9/2006 | | Akaka Falls Tour | Hawaii | 10.00% |
| | | | | Transfer Rates | Hawaii | 10.00% |
| RPM Transportation | 9/1/2006 | 10/2/2006 | | General Comm. | Oahu | 10% |
| Tri Isle, Incorporated | 8/28/2006 | 10/1/2006 | | Petro. Prod. | Maui | 8.19% |
| DHX Maui, Inc. | 9/29/2006 | 10/30/2006 | | Minimum Charge | Maui | 1.86% |

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|-------------------------|-----------------------|---------------------------|------------------------|----------------|---------------|-----------------|
| Dependable Hawn. Exp. | 9/29/2006 | 10/30/2006 | | Cubic Foot | Maui | 1.80% |
| | | | | Minimum Charge | Oahu | 2.92% |
| | | | | Cubic Foot | Oahu | 2.81% |
| Pomaika'i | 9/26/2006 | 10/27/2006 | | Asphalt | Oahu | 10% |
| | | | | Bulk Cement | Oahu | 4% to 9% |
| Kai's Trucking, LLC | 11/9/2006 | 1/1/2007 | | Dump | Hawaii | 10% |
| Pine Enterprises | 11/9/2006 | 1/1/2007 | | GC & DP | Oahu | 10% |

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|-------------------------|-----------------------|---------------------------|------------------------|---------------------------|---------------|-----------------|
| WMTB - Jack's Tours | 12/18/2006 | 1/18/2007 | 4560-8-C | Passenger | Maui | -10% |
| | | | | Various Tours | Hawaii | -10% |
| WMTB - Dump | 12/27/2006 | 1/27/2007 | 4561-2-B | Dump | Oahu | 10% |
| WMTB - Jack's Tours | 1/12/2007 | 2/12/2007 | 4563-8-C | Various Tours | Hawaii | -10% |
| WMTB - Trans Quality | 1/12/2007 | 4/1/2007 | 4562-8-C | Passenger | Oahu | 7% |
| WMTB - Bering Sea | 1/12/2007 | 3/5/2007 | 4565-14 | Fuel Oil | Oahu | 1.5% |
| WMTB | 5/8/2007 | 6/8/2007 | 4567-4-B | Local & Joint Freight | Oahu | 8% |
| WMTB | 5/8/2007 | 6/8/2007 | 4568-14 | Local Specialized Freight | Oahu | 8% |
| WMTB | 5/8/2007 | 6/8/2007 | 4569-11-A | Break Bulk & Delivery | Oahu | 8% |
| WMTB-Equip.Tran.Srv. | 7/9/2007 | 8/9/2007 | 4570-14 | Local Specialized Freight | Oahu | Flag-Out |
| WMTB-Equip.Tran.Srv. | 8/3/2007 | 9/3/2007 | 4571-14 | Local Specialized Freight | Oahu | 3.00% |

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|-------------------------|-----------------------|---------------------------|------------------------|---------------------------|---------------|-----------------|
| Armijo | 12/14/2006 | 1/14/2007 | | Hrly Charter Rates | Maui | 10.00% |
| Pomaikai | 12/14/2006 | 1/14/2007 | | DP and GC | Oahu | 10.00% |
| Royal Hawaiian Movers | 12/14/2006 | 1/14/2007 | | HHG | H,K,M | 6.00% |
| Carey Hawaii | 1/8/2007 | 2/9/2007 | | A/P Transfer | O,M,H | 10.00% |
| Correa Hauling | 1/8/2007 | 2/8/2007 | | GC & DP | Maui | 10.00% |
| Dependable Hawn. Expr. | 12/28/2006 | 2/1/2007 | | GC & DP | Hawaii | 10.00% |
| ER Ranch | 1/8/2007 | 2/8/2007 | | GC & DP | Maui | 10.00% |
| JN Transport | 12/18/2006 | 1/18/2007 | | DP | Maui | 10.00% |
| Matsuyama Bros. | 12/28/2006 | 1/28/2007 | | Sp. Comm & DP | Hawaii | 10.00% |
| Rodney Wilber | 1/10/2007 | 2/11/2007 | | GC & DP | Hawaii | 10.00% |
| Arthur's - Star 21 | 1/18/2007 | 2/19/2007 | | Transfers | Maui | -5% - 10% |
| C.J. Peterson | 1/22/2007 | 2/22/2007 | | GC & DP | Oahu | 10.00% |
| Ida De Ponte | 1/18/2007 | 2/19/2007 | | DP | Hawaii | 10.00% |
| Direct Support | 1/26/2007 | 3/1/2007 | | GC | Oahu | 5% - 9.5% |
| Genesis Trucking | 2/9/2007 | 3/12/2007 | | DP | Oahu | 10.00% |
| Hawaii Transfer | 1/26/2007 | 3/1/2007 | | BB&D | Oahu | 5.50% |
| Iron Horse Trucking | 2/5/2007 | 3/8/2007 | | DP | Hawaii | 10.00% |
| JC Trucking | 1/30/2007 | 3/2/2007 | | GC & DP | Hawaii | 10.00% |
| Sanny P. Pacis | 2/2/2007 | 3/5/2007 | | GC & DP | Oahu | 10.00% |
| RDH Transportation | 1/29/2007 | 3/1/2007 | | City Tour (Item 215) | Oahu | 10.00% |
| UPS Cartage | 1/12/2007 | 2/19/2007 | | Cont. Spotting | Oahu | 10.00% |
| Wassie's Trucking | 1/22/2007 | 2/23/2007 | | GC & DP | Hawaii | 10.00% |
| Hanoa Trucking LLC | 2/12/2007 | 3/15/2007 | | GC & DP | Oahu | 10.00% |
| Island Transporter, LLC | 2/28/2007 | 3/31/2007 | | Transfers | Oahu | 33.3%-114.3% |
| Jaime, Juan Jose | 2/28/2007 | 4/15/2007 | | Transfers | Oahu | 7.69%-50% |
| Jay Lo's Trucking, LLC | 3/5/2007 | 4/5/2007 | | GC & DP | Maui | 10.00% |
| Nakamura, Arthur M. | 3/8/2007 | 4/8/2007 | | GC & DP | Hawaii | 10.00% |
| Nick's Hauling Svc, LLC | 3/13/2007 | 4/13/2007 | | GC & DP | Hawaii | 10.00% |
| Royal Hawaiian Movers | 3/19/2007 | 4/22/2007 | | GC & DP | Oahu | 6.00% |
| Handi-Ride Hawaii LLC | 4/12/2007 | 5/13/2007 | | Transfers & Mileage | Oahu | 6.67%-10% |
| Honolulu Freight Svc. | 4/12/2007 | 5/13/2007 | | Terminal Rates | Oahu | 10.00% |
| J& S Trucking, LLC | 4/30/2007 | 5/31/2007 | | GC & DP | Maui | 10.00% |
| Oahu Express, LTD | 4/27/2007 | 5/28/2007 | | Cont Spot/Hrly Equip Rate | Oahu | 1.97-42.28% |
| Pacific Transfer, LLC | 5/10/2007 | 6/10/2007 | | GC | Oahu | 6.00% |
| Dependable Hawn. Expr. | 5/24/2007 | 6/24/2007 | | loose stow, cont. cargo | Oahu | restructured |

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|-----------------------------|-------------------|-----------------------|--------------------|---------------------------------|---------------|-----------------|
| Dependable Hawn. Expr. | 5/31/2007 | 7/1/2007 | | BB&D | Oahu | 7.00% |
| Dependable Hawn. Expr. | 5/31/2007 | 7/1/2007 | | GC;loose stow, cont. cargo | Oahu | 7%,7%,1.86% |
| Kaluahine, Fredstan | 5/23/2007 | 6/23/2007 | | Sp. Comm & DP | Kauai | 10.00% |
| MPD Inc. | 6/1/2007 | 7/2/2007 | | GC (Petroleum) | Oahu | 10.00% |
| Mahalo Tours & Trans. | 5/30/2007 | 7/2/2007 | | Tour 1& 3 | Maui | (-8.3%) & 10% |
| Nohili Trucking, LLC | 6/12/2007 | 7/13/2007 | | DP | Oahu | 20.00% |
| T&S Trucking | 5/31/2007 | 7/1/2007 | | DP | Oahu | 10.00% |
| RRL, LLC | 6/19/2007 | 7/20/2007 | | acc srv;delay;hrly DP & GC | Oahu | 8-10% |
| Pacific Transfer, LLC | 6/19/2007 | 7/20/2007 | | 3 axle;trailr 25-45ft hrly rate | Oahu | -6.00% |
| Dependable Hawn. Expr. | 6/29/2007 | 8/1/2007 | | BB&D(Home Dept) | Oahu | -7.00% |
| Tri Isle, Incorporated | 6/29/2007 | 8/1/2007 | | DP,GC(excpt petro)&BBD | Maui | 8.00% |
| Foat, R. dba Resort Shuttle | 7/9/2007 | 8/9/2007 | | Passenger | Hawaii | 10.00% |
| Xpress Trucking | 7/16/2007 | 9/1/2007 | | GC | Oahu, Maui | 6%, 7% |
| Xpress Trucking | 7/16/2007 | 9/1/2007 | | BB&D | Oahu, Maui | 6%, 7% |
| DHX, Maui | 7/17/2007 | 8/17/2007 | | GC | Maui | 8.00% |
| Mahalo Tours & Trans. | 8/13/2007 | 9/23/2007 | | Tour 1, 2, & 4 | Maui | 8.3%,(-10%),10% |
| Elite Limo Svc, Inc . | 8/23/2007 | 12/1/2007 | | Airport/charter hrly rates | Oahu | 3.46%-7.25% |
| Dependable-Hawaii | 8/27/2007 | 9/27/2007 | | GC | Hawaii | -9.00% |
| B.B. Delivery Svc. | 8/30/2007 | 9/30/2007 | | GC; spotting, hrly | Oahu, Maui | 5%, 5%, 10% |
| Conen's Frieht Transport | 9/20/2007 | 11/1/2007 | | GC, HHG, DP | Hawaii | 10.00% |
| Platinum Management LLC | 9/28/2007 | 1/1/2008 | | Passenger | Maui | 10.00% |
| RHS Lee | 9/20/2007 | 10/21/2007 | | GC & DP | Oahu | 10.00% |
| Tri Isle, Incorporated | 9/18/2007 | 10/19/2007 | | Petro. Prod. | Maui | 3.24% |
| Harris Trucking, Inc. | 10/5/2007 | 11/5/2007 | | rules; DP & GC | Oahu | 8-10% |
| Safety First | 10/5/2007 | 11/5/2007 | | Spec. Frt | Oahu | 8.00% |
| Aiwohi Bros., Inc. | 10/23/2007 | 11/23/2007 | | DP | Oahu | 10.00% |
| Dependable Hawn. Expr. | 10/26/2007 | 11/26/2007 | | GC;loose stow, cont. cargo | Oahu | 2.25% |
| DHX, Maui | 10/26/2007 | 11/26/2007 | | GC;intra-isle & min chrg | Maui | 2.25% |
| Kalaka Nui, Inc. | 10/25/2007 | 12/1/2007 | | GC & DP | Oahu | 10.00% |

CERTIFICATE OF SERVICE

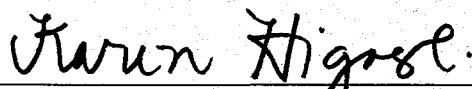
I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 23862 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

DWIGHT TAKAHASHI
PRESIDENT
HAWAII STATE CERTIFIED COMMON
CARRIERS ASSOCIATION, INC.
P. O. Box 88692
Honolulu, HI 96830-8692

GARETH K. SAKAKIDA
MANAGING DIRECTOR
HAWAII TRANSPORTATION ASSOCIATION
P. O. Box 30166
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ROBERT E. LEWIS
MANAGER
WESTERN MOTOR TARIFF BUREAU, INC.
P. O. Box 30268
Honolulu, HI 96820



Karen Higashi

DATED: DEC - 3 2007