



State of Hawaii
Department of Transportation

US DEPARTMENT OF TRANSPORTATION

Maritime Administration
Port Infrastructure Development Program (PIDP)

Kapalama Container Terminal – Gaining
Regenerative and Efficient Energy Needs Project

Appendix C: Commitment Letters

Please find supporting documentation at this link:
<http://www.kctinfo.com/learn/updates/>



HAWAII STEVEDORES, INC.

1601 Sand Island Parkway • Honolulu, Hawaii 96819 • (808) 842-5399 • FAX (808) 842-5394

May 13, 2022

The Honorable Pete Buttigieg
Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Subject: Letter of Commitment, Hawaii Department of Transportation, Harbors Division
Application to the 2022 Port Infrastructure Development Program

Dear Mr. Secretary,

Hawaii Stevedores, Inc. (HSI) is excited to collaborate on the Kapalama Container Terminal – Gaining Regenerative and Efficient Energy Needs (KCT-GREEN) Project, a powerful public-private partnership with the Hawaii Department of Transportation, Harbors Division (HDOT Harbors) with this application to the 2022 Port Infrastructure Development Program (PIDP).

HSI—the leading stevedoring services provider for the Hawaiian Islands—is a subsidiary of The Pasha Group, a third-generation family-owned business and one of the nation’s last remaining diversified maritime services providers as well as U.S. Flag and Jones Act vessel operators. Together with its affiliates, HSI handles more than 40% of all containerized and equipment imports and exports transiting the Hawaiian ports to/from mainland domestic trade partners and foreign ports. In 2017, the Board of Land and Natural Resources of the State of Hawaii authorized HDOT Harbors to enter into a long-term agreement with HSI to lease, develop, and operate the 84-acre Kapalama Container Terminal at Honolulu Harbor. Since then, the two organizations have been coordinating on terminal improvements that will revolutionize the Port, enabling the largest Jones Act ships to call in Hawaii beginning in January 2024. Elsewhere, HSI and Pasha have been leading the charge on demonstrating zero- and near-zero-emission cargo handling equipment and are continuing to transition their cargo handling fleet to advance corporate sustainability goals and support reductions in Scope 2 and 3 emissions for all who rely upon Pasha’s maritime and terminal operations in their businesses and everyday lives. This proposal seeks to accelerate these activities by partnering with HDOT Harbors to reduce the emissions and environmental impacts of port cargo handling operations, establish a truly resilient microgrid-enabled port terminal hub in Hawaii, and develop a replicable strategy for transitioning the terminal to resilient zero-emission and electric technologies.

The equipment, microgrid, infrastructure, facility planning, and port sustainability planning investments proposed for the project will support each of the PIDP program objectives. First, the project will directly improve the safety, efficiency, and reliability of the loading and unloading of goods, the movement of goods, operational improvements, and includes industry-leading environmental and emissions mitigation measures. Second, the project will generate economic vitality at the national and regional levels through procurement of only Buy America-compliant equipment and materials alongside investment in workforce development activities enabling a zero-emission future. Third, the project addresses climate change and environmental justice



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impacts of goods movement by achieving immediate emissions reductions in a Historically Disadvantaged Community and Opportunity Zone. Fourth, the project advances equity and opportunity for all through workforce development, planning, and community engagement activities. Lastly, the project will leverage the requested Federal funding to attract local and private investment that will demonstrate how ports can transition to sustainable, resilient, and zero-emission technologies and renewably-powered infrastructure. This potent combination of improvements—leveraging innovative technologies, methods of project delivery, and financing—will in turn reduce emissions, energy demand, shipping costs, and speed time to market while generating a positive return for U.S. businesses and the U.S. economy overall.

As a sign of the strength of this public-private partnership and our collective commitment to the success of the proposed \$139,361,500 project, HSI has agreed in a Memorandum of Understanding that it will guarantee the committed cost share of \$92,035,200, a figure representing 66.04% of total eligible project costs. If the project is awarded funding, HDOT Harbors and HSI will work closely together to ensure full and complete funding of the project components described in the project narrative.

The proposed cost share of \$92,035,200 by HSI will come from existing capital reserves, operating cash, and credit facilities and will be available upon MARAD's announcement of awardees. Likewise, if the project is awarded funding under the PIDP, HSI guarantees the availability of the staff and resources necessary to complete the activities described in the application, including ensuring timely reporting and compliance with the Build America, Buy America Act and all local, state, and federal laws and regulations.

In partnering with HDOT Harbors, HSI is committing to continuing its industry-leading efforts to decarbonize the engine of global trade and our national supply chain: the ports and maritime industries. Together, we form a powerful team capable not only of planning such an ambitious and important project, but also of executing it in a timely, cost-effective manner

For these reasons and more, I urge you to fund the KCT-GREEN Project. If you have any questions at all, please do not hesitate to contact me.

Sincerely,

George Pasha, IV
Chief Executive Officer

Hawaii Stevedores, Inc.
1601 Sand Island Parkway
Honolulu, Hawaii 96819

cc: Neil Takekawa, District Harbor Manager, Hawaii Department of Transportation, Harbors Division



May 16, 2022

The Honorable Pete Buttigieg
Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Subject: Letter of Commitment, Hawaii Department of Transportation, Harbors Division
Application to the 2022 Port Infrastructure Development Program

Dear Mr. Secretary,

Build Momentum, Inc. (Momentum) is excited to collaborate on the Kapalama Container Terminal – Gaining Regenerative and Efficient Energy Needs (KCT-GREEN) Project, a powerful public-private partnership with the Hawaii Department of Transportation, Harbors Division (HDOT Harbors) and Hawaii Stevedores, Inc. (HSI) with this application to the 2022 Port Infrastructure Development Program (PIDP).

This proposal seeks to accelerate the development and initial steps toward decarbonization of the Kapalama Container Terminal by partnering with HDOT Harbors to reduce the emissions and environmental impacts of port cargo handling operations, establish a truly resilient microgrid-enabled port terminal hub in Hawaii, and develop a replicable strategy for transitioning the terminal to resilient zero-emission and electric technologies.

As a member of the project team, Momentum is committed to leading community outreach, measurement & verification, workforce development, and technology/knowledge transfer activities. Momentum will also collaborate with HDOT Harbors on grant administration and project management activities, manage the Technical Advisory Committee, and oversee development of the Terminal Electrification Plan. In partnering with HDOT Harbors and HSI, Momentum is committing to continuing its industry-leading efforts to realize sustainability and decarbonization efforts across industries. Together, we form a powerful team capable not only of planning such an ambitious and important project, but also of executing it in a timely, cost-effective manner.

For these reasons and more, I urge you to fund the KCT-GREEN Project. If you have any questions at all, please do not hesitate to contact me at matt@buildmomentum.io.

Sincerely,

Matt Hart, President
Build Momentum, Inc.
801 K Street, 28th Floor, Sacramento, CA 95814