
A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that competition in the
2 telecommunications market is robust. Consumers have many
3 choices when deciding how to communicate: traditional land-line
4 telephony, voice over internet-protocol, and wireless phone
5 service.

6 The legislature further finds that advances in voice over
7 internet-protocol and wireless phone services make these
8 technologies a viable substitute for traditional land-line, or
9 switched access, telephony. These services currently provide
10 9-1-1 capability, number portability, reliable service, and
11 extensive network coverage. Even though some federal and state
12 regulators feel these new technologies, especially wireless
13 phone service, can never replace the traditional land-line phone
14 for casual and emergency communication needs, many consumers do
15 not share this same view. According to the Federal
16 Communications Commission, the number of switched access lines
17 of Hawaii's incumbent local exchange carrier decreased from
18 735,459 in 2001 to only 541,030 in 2007. The number of wireless



1 subscribers in Hawaii, however, increased from 595,721 to
2 1,096,181 over the same period. While some consumers
3 subscribing to wireless phone service maintain their land-line
4 or wired phone service, other consumers are subscribing to
5 wireless service as a true alternative and thus are
6 disconnecting their land-line service. Hawaii is not unique;
7 this telecommunication market trend is similar across the United
8 States.

9 The legislature further finds that competition in Hawaii's
10 telecommunications market is not a level playing field; the
11 incumbent local exchange carrier is highly regulated, while
12 other telecommunications service providers do not share the same
13 level of regulation. Although the incumbent local exchange
14 carrier continues to maintain the majority of switched access
15 lines, this dominance of market share does not take into account
16 the meteoric rise of wireless subscribers and voice over
17 internet-protocol service. In order to determine competition in
18 a modern telecommunications market, all types of services need
19 to be evaluated for their effects in the marketplace.

20 The purpose of this Act is to require the public utilities
21 commission to treat switched access service as fully competitive



1 in order for switched access providers to compete with new
2 technology and advanced service.

3 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§269- _____ Switched access service; fully competitive.

7 After July 1, 2009, the public utilities commission shall treat
8 the State's switched access service, under the commission's
9 classification of services relating to costs, rates, and
10 pricing, as fully competitive and apply all commission rules in
11 accordance with that designation."

12 SECTION 3. New statutory material is underscored.

13 SECTION 4. This Act shall take effect upon its approval.

14 INTRODUCED BY: _____

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Report Title:

Public Utilities; Switched Access Telephone Service; Competition

Description:

Requires the public utilities commission to treat switched access phone service as fully competitive.

