

HB 1014

HD3

EDT/CPN

TESTIMONY
TO THE
SENATE COMMITTEES
ON
ECONOMIC DEVELOPMENT AND TECHNOLOGY
AND
COMMERCE AND CONSUMER PROTECTION
ON
March 25, 2009
ON
H.B. 1014, H.D.3
RELATING TO ENHANCED 911 SERVICES

Chair Fukunaga, Chair Baker, and members of the Committees

Thank you for this opportunity to testify on behalf of HB 1014 HD2. Due to the importance of 911 services for the citizens and visitors to the State of Hawaii and the Public Safety agencies that operate these services I would like to take this opportunity to counter the written testimony of Hawaiian Telcom provided to these Committees regarding HB 1014 HD3, dated March 25, 2009.

In their testimony, Hawaiian Telcom states that they are "concerned that HB1014 HD3's proposed changes to the surcharge and reimbursement rules may cause Hawaiian Telcom significant financial harm." As a matter of fact Section 138-5(b) states "After January 1, 2005, each communications service provider may request reimbursement from the fund of enhanced 911 service costs incurred...". As a matter of fact, this fee is charged to the end user customer, and not to Hawaiian Telcom, therefore has no financial impact (much less harm) to Hawaiian Telcom. In addition Section 138-4 (e) of the Bill states "Each communications service provider or reseller may retain two per cent of the amount of surcharges collected to offset administrative expenses associated with billing and collecting the surcharge." which would give them access to additional funds to administer the fee on behalf of the State of Hawaii. Therefore this is an erroneous statement by Hawaiian Telcom.

Hawaiian Telcom also states "In this highly competitive market, this mandate will add another financial obstacle to our company and further uneven the level playing field..." Section 138-4 Surcharge (a) states "A monthly enhanced 911 surcharge, subject to this chapter, shall be imposed upon each commercial mobile radio and wireline access communications service connection" which would include wireless and VoIP providers. This Bill clearly provides equity, as it includes all "Communications Services"

Next, Hawaiian Telcom states that "We are also concerned that HB 1014 HD3, while mentioning the inclusion of Voice over Internet Protocol (VoIP) providers, lacks mechanics on how these customers can even be identified to assess a surcharge" This is a very interesting statement, considering the majority of the states in the country have already successfully implemented the inclusion of VoIP customers for paying 9-1-1 fees.

Their testimony also states "Hawaiian Telcom developed a surcharge approved by the Hawaiian Public Utilities Commission based on cost studies that capture the costs associated with the wireline Enhanced 911 service. " "The E911 reimbursement rules in HB 1014 HD3, however, do not adequately allow Hawaiian Telcom to be reimbursed for all the costs necessary to provide statewide Enhanced 911 service. As indicated above this issue has been addressed in Section 138-5(b) of the proposed Bill. In addition, this Bill has no language that would interfere with the authority of the Public Utility Commission or of Hawaiian Telcom to set the rates they charge for 911 services.

Lastly, Hawaiian Telcom states "HB 1014 HD3 would require Hawaiian Telcom to transfer all wireline E911 surcharges over to the Enhanced 911 Board for control and management." Better stated the language of this Bill would require that Hawaiian Telcom and all other communications providers to include VoIP remit the 911 service fees it collects from their customers on behalf of the State of Hawaii to pay for the implementation, administration and operation of 911 services. I argue that the State of Hawaii 911 Board is more qualified than Hawaiian Telcom or any other service provider to administer these funds on behalf of it's citizens rather than the vendor (ex: Hawaiian Telcom)

In conclusion, I encourage your Committees and the Hawaiian Legislature to take up consideration of this proposed legislation and to set the 9-1-1 fee for all communications

services, to include wireline, VoIP and wireless at \$.46, which is considerably less than the \$.66 currently being paid by wireless subscribers. The coordination, oversight and funding afforded by HB1014 HD 3 is very much needed to continue the operation of the 911 system in the State of Hawaii and for the improvements needed to the antiquated and obsolete 911 infrastructure that is currently in place.

Thank you for this consideration.