

STAND. COM. REP. NO. 949

Honolulu, Hawaii
March 6, 2009

RE: H.B. No. 984
H.D. 4

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 984, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO TECHNOLOGY,"

begs leave to report as follows:

The purpose of this measure is to implement recommendations of the Hawaii Broadband Task Force to develop the State's broadband access and infrastructure.

Specifically, this measure:

- (1) Establishes the Hawaii Communications Commission (HCC) and the Hawaii Communications Commissioner within the Department of Commerce and Consumer Affairs (DCCA);
- (2) Transfers regulatory functions relating to telecommunications providers from the Public Utilities Commission (PUC) to the HCC while authorizing the PUC to continue exercising its authority until July 1, 2010;
- (3) Transfers regulatory functions relating to cable operators from DCCA to the HCC;
- (4) Establishes the Hawaii Communications Commission Special Fund (Special Fund) into which will be deposited penalties collected by the HCC to fund the operations of the HCC;



- (5) Requires DCCA to transfer four positions to service the HCC and requires up to ten additional general funded positions to be transferred to the HCC and funded from the Special Fund;
- (6) Requires the HCC to convene a working group to develop procedures for streamlined regulatory, franchising, and permitting for broadband service and technology and to report its findings to the Legislature by January 1, 2010;
- (7) Requires the HCC to begin implementing the recommendations of the working group by July 1, 2010; and
- (8) Requires the HCC to review Hawaii's laws relating to broadband and related subjects, and recommend amendments of these laws to conform to the new HCC requirements, or to facilitate implementation of those requirements.

The Department of Commerce and Consumer Affairs, High Technology Development Corporation, and Akaku: Maui Community Television supported this bill. The Hawaii Broadband Task Force, Hawaiian Telcom, tw telecom, AT&T, Honolulu Community Media Council, Community Media Producers Association, Oceanic Time Warner Cable, Olelo Community Television, and several concerned individuals submitted comments.

Your Committee has amended this bill by:

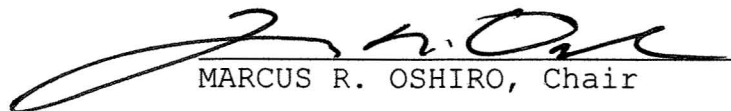
- (1) Extending by one year, to July 1, 2011, the time by which the HCC must investigate the extent to which telecommunications services provided to residential and business customers are available from multiple providers in Hawaii and whether to reclassify those services as "fully competitive" communications services;
- (2) Exempting telecommunication carrier rates, fares, and charges, and the classifications, rules, and practices implementing such rates, fares, and charges from regulation by the HCC;
- (3) Repealing requirements that cable operators designate seven or more channels and ten percent of bandwidth capacity for the use of PEGs;



- (4) Extending the time period for which a cable franchise may be held without requiring renewal from 15 to 20 years;
- (5) Providing that the regulation for telecommunications carriers and telecommunications common carriers contained in section 2 of this bill will take effect on July 1, 2010;
- (6) Ensuring that the PUC will continue its regulation of telecommunications until the HCC takes over;
- (7) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (8) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 984, H.D. 3, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 984, H.D. 4.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



