

WRITTEN ONLY

TESTIMONY OF CARLITO P. CALIBOSO  
CHAIRMAN, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
FEBRUARY 24, 2010

**MEASURE:** S.B. No. 2015 SD1

**TITLE:** Relating to Intrastate Telecommunications Services

Chair Herkes and Members of the Committee:

**DESCRIPTION:**

This bill clarifies that the Public Utilities Commission ("Commission") shall treat retail intrastate telecommunications services as fully competitive.

**POSITION:**

The Commission supports this bill.

**COMMENTS:**

Thank you for the opportunity to testify.

**SB 2015 SD1**

**RELATING TO INTRASTATE TELECOMMUNICATIONS SERVICES**

**JOHN KOMEIJI  
SR. VICE PRESIDENT & GENERAL COUNSEL**

**HAWAIIAN TELCOM**

**February 24, 2010**

Chair Herkes and members of the House Consumer Protection and Commerce Committee:

I am John Komeiji, testifying on behalf of Hawaiian Telcom on SB 2015 SD1, Relating to Intrastate Telecommunications Services. Hawaiian Telcom strongly supports this measure.

The intent of SB 2015 SD1 is to further level the regulatory playing field for both voice and data intrastate telecommunications services in Hawaii by classifying "retail" intrastate services as fully competitive and to define the scope of "retail" services. As you are aware, in the last legislative session SB 603 was passed and later enacted as Act 180, SLH 2009. Act 180 requires that the Public Utilities Commission treat the State's local exchange intrastate services as fully competitive. While Act 180 has enabled Hawaiian Telcom to offer Hawaii consumers a more timely selection of competitive local exchange retail products and service offerings in the same manner as other service providers who are either unregulated or not subject to the same level of regulatory oversight, it does not adequately cover all competitive retail services.

The competitive retail services currently not covered by Act 180 include private lines (dedicated lines to transmit primarily data between customer locations, such as ATMs) and special assemblies such as large bundles combining private line and/or regular local exchange services. At least eight other companies, including Time Warner Cable, tw Telecom, and Wavcom Solutions, provide similar private line services and therefore, these products and services should also be deemed fully competitive as they are normally subject to bid by other service providers as well as Hawaiian Telcom.

It should be noted that the proposed amendment will not affect any existing consumer safeguard requirements. A telecommunications carrier is still required to provide lifeline telephone service and to comply with carrier of last resort obligations, as well as applicable service quality standards.

Hawaiian Telcom is subject to many laws and requirements that were enacted long ago, some as early as 1913 when the incumbent local exchange carrier was a monopoly. Consumers today have the freedom to choose from a wide array of telecommunications providers for competitive products and services. We believe that SB

2015 SD1 will further facilitate competition in the marketplace by providing Hawaiian Telcom with the same ability as other less regulated carriers to offer consumers what they demand: more innovation, competitive pricing, and timely introduction of new products and services.

Hawaiian Telcom fully supports SB 2015 SD1 and respectfully requests your favorable consideration. Thank you for the opportunity to testify.



February 24, 2010

Honorable Robert Herkes, Chair  
House Committee on Consumer Protection and Commerce

**RE: SB2015 SD1 – Relating to Intrastate Telecommunications Services**  
CPC Committee –Conference Room 325, February 24, 2010, 2 PM

Aloha Chair Herkes, Vice Chair Wakai, and Members of the Committee:

I am Cliff Miyake, General Manager for tw telecom (“TWTC”), which has operated in Hawaii since 1994, providing voice, Internet and data networking, and managing nearly 25,000 access lines to state and local governments, military, and businesses in the State. Thank you for the opportunity to testify on SB2015 SD1.

We support the changes in the SD1, which keeps intact the exceptions for wholesale rates. This provision supports the protection for the wholesale market and the fair regulation of all carriers. Keeping the wholesale exemptions will help stimulate healthy competition and result in more choices and lower rates for consumers.

For these reasons, we respectfully request the committee pass this bill as is.

As always, thank you for the opportunity to share our views with members of this committee.

Sincerely,

/s/

Cliff Miyake

General Manager

tw telecom - Hawaii