



March 15, 2010

REVISED  
LATE TESTIMONY

Honorable Angus McKelvey, Chair  
House Committee on Economic Revitalization, Business & Military Affairs

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

**Re: SB 2543 SD2, Relating to Technology - Support with Amendments**  
**EBM/CPC Hearing, Monday, March 15, 2010, 2:00 pm – Room 325**

Aloha Chair McKelvey, Chair Herkes and Committee members:

I am Nate Smith, President of Oceanic Time Warner Cable ("Oceanic"). On behalf of Oceanic, which provides a diverse selection of entertainment, information, and communication services to nearly 400,000 households, schools and businesses and currently employs more than 1,000 highly-trained individuals, we appreciate the opportunity to submit testimony today. We offer our support for this bill and respectfully request that this bill be amended.

This bill would establish an Office of Telework Promotion and Broadband Assistance and a Broadband Advisory Council, as well as a work group to develop procedures for streamlined permitting functions applicable to development of broadband services or technology. It also requires annual reporting by all state agencies to the legislature on expenditures of federal moneys for broadband initiatives.

As the largest broadband provider in the state, and as a member of the State Broadband Task Force, Oceanic supports the idea of having a Broadband Advisory Council to promote broadband availability and the adoption of broadband services by Hawaii consumers. Oceanic has well over 220,000 high-speed Internet customers, and is continually improving its broadband services. We recently implemented Road Runner Mobile on Oahu and Maui.

Accordingly, Oceanic supports the promotion of telework, streamlining of permitting and several of the other initiatives offered in this bill. However, we do not support the SD1 addition of "digital cable" language to this bill because it is a type of cable distribution and is not synonymous to broadband. The addition of it does not help to achieve the goal of promoting broadband services. Therefore, we respectfully request that the committee adopt the following amendment to this bill to strike out all references to digital cable:

SECTION 1. (b):

(2) Establishing a telework promotion and broadband assistance advisory council to meet the goals of expanded digital cable programming and services in the State of Hawaii;

SECTION 2. Chapter 440G, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

**"§440G-A Other duties of the director. ; ~~digital cable programming and services.~~ In conjunction with expanded digital cable programming and services, The director shall:**

- (1) Promote and encourage use of telework alternatives for public and private employees, including but not limited to appropriate policy and legislative initiatives;
- (2) Advise and assist state agencies, and upon request of the counties, advise and assist the counties, in planning, developing, and administering programs, projects, plans, policies, and other activities to promote telecommuting by employees of state and county agencies;
- (3) Support the efforts of both public and private entities in Hawaii to enhance or facilitate the deployment of, and access to, competitively priced, advanced electronic communications services, ~~including digital cable programming and services and internet access services of general application~~ throughout Hawaii;
- (4) Make recommendations to establish affordable, accessible broadband services to unserved and underserved areas of Hawaii and monitor advancements in communications that will facilitate this goal;
- (5) Advocate for, and facilitate the development and deployment of, ~~expanded digital cable programming and applications,~~ programs, and services including but not limited to

telework, telemedicine, and e-learning that will bolster the usage of and demand for broadband level telecommunications; and

- (6) Serve as a broadband information and applications clearinghouse for the State and a coordination point for federal American Recovery and Reinvestment Act of 2009 broadband-related services and programs.

The director shall submit an annual report to the legislature no later than twenty days prior to the convening of each regular session, on the department's efforts to utilize digital cable programming and services to develop and expand telework initiatives, including telework participation levels and trends of both private and public sector employees in Hawaii.

Should members of this committee prefer language in HB2698, HD2, please note that Oceanic prefers the HD1 version, which places the Hawaii Communication Commission and Broadband Commissioner under DCCA control.

Oceanic believes that these suggested amendments will ensure that we remain focused on what is relevant to the broadband discussion and the work we will need to accomplish, and that Oceanic's experience and expertise in this area will continue to benefit the state and its residents.

Oceanic is ready and willing to continue its support for advancing access to broadband networks to improve performance, capacity and connections needed for Hawaii to compete successfully in the global marketplace.

For these reasons, we respectfully request members of the committee to consider the foregoing amendments to this bill.

As always, I appreciate the opportunity to share our views with you.

Sincerely,

Nate Smith  
President

Written Statement of **LATE TESTIMONY**  
**YUKA NAGASHIMA**  
**Executive Director & CEO**  
High Technology Development Corporation  
before the  
**HOUSE COMMITTEES ON ECONOMIC REVITALIZATION, BUSINESS, & MILITARY  
AFFAIRS**  
**AND**  
**CONSUMER PROTECTION & COMMERCE**  
Monday, March 15, 2010  
2:00 PM  
State Capitol, Conference Room 325

In consideration of  
**SB 2543 SD2 RELATING TO TECHNOLOGY.**

Chairs McKelvey and Herkes, Vice Chairs Choy and Wakai, and Members of the House Committees on Economic Revitalization, Business, & Military Affairs and Consumer Protection & Commerce.

The High Technology Development Corporation (HTDC) recognizes the significance of the role of ubiquitous broadband in Hawaii and for its economic development and offers comments on SB 2543 SD2.

HTDC recognizes that there are several bills that address the needs outlined by the Broadband Task Force this session, as well as HB984 HD4 SD1 CD1 from 2009 session. The difference in funding source should not be the only issue. There are also various versions of the broadband bills from the last session (including SB1680 and SB895) from which we can extract ideas. While HTDC recognizes that last year's HB984 HD4 SD1 CD1 still alive is the most comprehensive, we are concerned about the safe passage of any broadband bill that address a streamlined structure that reflect broadband deployment is a priority for this community. The most comprehensive bill was also the most controversial with several industry members wanting to investigate and explore various sections of the bill further. HTDC believes it is better to pass a smaller, less comprehensive version this year. The concern stems from the fact that broadband is one of the key topics the economic stimulus package features via American Recovery and Reinvestment Act (ARRA) grants and projects, as well as a priority for private sector entities such as Google with its "Fiber to the Home" request for information that various counties in Hawaii will be filing applications for. Hawaii entities have a better chance of winning these awards if the State government's interest in and support of broadband are reflected in our policies. HTDC would like one of the broadband bills under consideration to be passed this session as there is immediate need to acknowledge the restructuring of how broadband is treated in Hawaii.

**HTDC supports** the section of SB 2543 SD2 which establishes a **work group to develop procedures for streamlined permitting functions** applicable to development of broadband services

or technology, as the State has been often criticized for unnecessary bureaucracy with respect to permitting that gets in the way of businesses. As seen in court battles from the 1990s, issue of open access and broadband has been a hot topic which required government intervention, as broadband is now the utility of the 21<sup>st</sup> century. The state of Hawaii has one of the most liberal telecommunication laws. We have an obligation to leverage it and to ensure that Hawaii does not become a “fly over state” in terms of broadband. To pursue that goal, the State requires a dedicated committee to discuss and implement broadband policies and initiatives recommended by the State’s Broadband Task Force and according to best practices considered by other states, and nations, such as studies by Intelligent Community Forum and The Information Technology and Innovation Foundation, all outlining how broadband is one of the fundamental utilities to establish an innovation-based economy.

However, **HTDC has concerns regarding telework promotion (440G-A (I))**, as it is not clear what the definition or goal of telework promotion is. HTDC recommends that if telework promotion has to do with encouraging the public to telecommute in the private sector, it should not be mandated via this bill. Given limited (and reduced) government resources, the State should not be directing resources to educate the public where the public is perhaps more aware of telecommuting and telework opportunities. This area can be addressed by trusting the market to make the most optimal solutions. HTDC would prefer to see the State’s limited resources focus on the core broadband issues to enrich its broadband infrastructure and its policies, without which any promotion of telework would be deemed irrelevant (for lack of stable and inexpensive broadband options to facilitate telework).

Thank you for the opportunity to submit testimony.