



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of  
**RICHARD C. LIM**  
Director

Department of Business, Economic Development, and Tourism  
before the

**SENATE COMMITTEE ON WAYS AND MEANS**

Thursday, March 29, 2012

9:00 AM

State Capitol, Conference Room 211

In consideration of

**HB 2524, HD2, SD1**

**RELATING TO THE REGULATION OF TELECOMMUNICATIONS AND CABLE  
TELEVISION SERVICES.**

Chair Ige, Vice Chair Kidani, and Members of the Senate Committee on Ways and Means.

The Department of Business, Economic Development and Tourism (DBEDT) respectfully **supports the intent of HB 2524, HD2, SD1 but prefers HD1**. In leading the Hawaii Broadband Initiative (HBI), DBEDT recognizes the need for a streamlined regulatory framework to be in place as a prerequisite to the wide area deployment and adoption of broadband networks.

HB 2524, HD2, SD1 establishes a new communications commission within the Department of Commerce and Consumer Affairs (DCCA) to **study the framework** governing telecommunications and cable television services **and make recommendations** for administrative and statutory changes to further broadband deployment. DBEDT prefers HB 2524 HD1, which **establishes authority** under DCCA and transfers responsibilities previously assigned to the Public Utilities Commission.

Thank you for the opportunity to submit testimony.



NEIL ABERCROMBIE  
GOVERNOR

BRIAN SCHATZ  
LT. GOVERNOR

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KEALI`I S. LOPEZ  
DIRECTOR

TO THE SENATE COMMITTEE ON  
WAYS AND MEANS

TWENTY-SIXTH LEGISLATURE

Regular Session of 2012

Date: March 29, 2012

Time: 9:00 a.m.

**TESTIMONY ON HB 2524, HD2, SD1 - RELATING TO THE REGULATION OF  
TELECOMMUNICATIONS AND CABLE TELEVISION SERVICES**

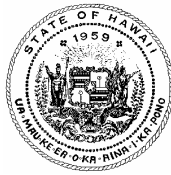
TO THE HONORABLE DAVID IGE AND MEMBERS OF THE COMMITTEE:

I am Keali`i Lopez, Director of the Department of Commerce and Consumer Affairs (DCCA). The DCCA strongly supports this bill.

HB 2524, its original form, was intended to provide the DCCA with the authority, structure and means to leverage the Department's strengths and mission to advance the Governor and the Legislature's clear, ambitious broadband goals to strengthen our State's economic future and enhance the quality of life of our residents. Consolidation of telecommunications and cable television regulation recognizes the convergence of technologies used to provide voice, data and video services through wireline, wireless, cable and satellite infrastructure. The DCCA believes that it is a key first step in streamlining and harmonizing our State's regulatory environment to expedite the development of broadband infrastructure.

This bill, as amended, will continue to move us towards consolidated regulation, beginning with the establishment of the Communications Commission within the DCCA. Two commissioners will be appointed and charged to develop legislation to thoughtfully provide for this consolidation and to propose changes to the statutes and regulatory processes to create a modern regulatory and permitting environment that will advance the development of broadband infrastructure throughout the State. The DCCA believes that this bill will allow time for the Commission to work with stakeholders on concerns raised this session and to prepare for such transition.

The DCCA thus strongly supports this legislation.



STATE OF HAWAII  
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT  
235 S. BERETANIA STREET  
HONOLULU, HAWAII 96813-2437

**REVISED 3/28/12**

March 28, 2012

COMMENTS TO THE  
SENATE COMMITTEE ON WAYS AND MEANS

For Hearing on Thursday, March 29, 2012  
9:00 a.m., Conference Room 211

BY

BARBARA A. KRIEG  
INTERIM DIRECTOR

**House Bill No. 2524, H.D. 2, S.D. 1**  
**Relating to the Regulation of Telecommunications and Cable Television Services**

**WRITTEN COMMENTS ONLY**

TO CHAIRPERSON IGE AND MEMBERS OF THE COMMITTEE:

The purpose of H. B. No. 2524, H.D. 2, S.D. 1 is to establish the communications commission within the Department of Commerce and Consumer Affairs.

The Department of Human Resources Development has **comments** about the language of this measure, as currently drafted.

Section 2 (page 9, lines 18 through 22, and page 10, lines 1 and 2) of the bill authorizes the commission to appoint certain types of personnel. We respectfully offer the following alternative language for your consideration:

- (3) To appoint, ~~with or without regard to chapter 76, clerks, stenographers, agents, engineers, accountants, and other personnel for the commission as the commission finds necessary for the performance of the commission's functions; and one or more attorneys independent of the attorney general who shall act as attorneys for the commission; and to~~ appoint, with or without regard to chapter 76, as appropriate, staff that are necessary for the performance of the commission's functions;

Thank you for the opportunity to offer comments on this measure.

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Honorable David Ige, Chair  
Honorable Michelle Kidani, Vice Chair  
Senate Committee on Ways and Means

**RE: HB 2524 HD2 SD1 - Relating to the Regulation of Telecommunications and Cable Television Services - Comments**

March 29, 2012 – 9:00 am, Hawaii State Capitol Room 211

Aloha Chair Ige, Vice Chair Kidani and members of the committee,

On behalf of Oceanic Time Warner Cable (Oceanic), which provides a diverse selection of entertainment, information, and communication services to over 425,000 Hawaii households, schools and businesses and currently employs more than 1,000 highly-trained individuals, we appreciate the opportunity to offer comments on HB 2524 HD2 SD1.

Oceanic supports the intent of HB2524, HD2 SD1, but respectfully requests that the committee consider incorporating the following proposed revisions to promote regulatory uniformity and fairness for all stakeholders:

Oceanic requests that provision regarding the appointment of the commissioners on P. 8, lines 4-8 be amended to promote fairness with respect to all stakeholders: "...No individual owning any stock or bonds of any telecommunications carrier or cable operator, or having any interest in, or deriving any remuneration from, any telecommunications carrier, cable operator or access organization, within four years of the date of appointment, shall be appointed as a commissioner."

Thank you for the opportunity to review and comment on HB 2524, HD2 SD1.

Sincerely,

Bob Barlow  
President of Oceanic Time Warner Cable

TESTIMONY OF HERMINA MORITA  
CHAIR, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
SENATE COMMITTEE ON WAYS & MEANS

MARCH 29, 2012

**MEASURE:** H.B. No. 2524, H.D. 2, S.D. 1

**TITLE:** Relating to the Regulation of Telecommunications and Cable Television Services

Chair Ige and Members of the Committee:

**DESCRIPTION:**

This measure proposes to establish a communications commission (“Commission”) within the Department of Commerce and Consumer Affairs (“DCCA”) made up of two members appropriately qualified and appointed. The general powers and duties of the Commission include the study of existing communications regulation in the State, the development of recommendations for administrative and statutory changes to support broadband deployment, the general promotion of interests of the State, the creation of incentives and other mechanisms to further broadband infrastructure, the creation of a set of collaborative broadband infrastructure deployment demonstration projects, and other powers necessary to carry out this measure. The Commission must also report regularly to the Legislature its status in carrying out this measure, as well as all recommendations for improving communications regulation in Hawaii.

**POSITION:**

The Public Utilities Commission (“PUC”) would like to offer the following comments for the Committee’s consideration.

**COMMENTS:**

The PUC supports the intent of having a clear and dedicated effort to improve modern communications regulation in the State, which would include a transitional process where DCCA works with affected stakeholders to develop policy guidance and appropriate laws and procedures. The PUC supports the goals this measure to

establish a communications regulatory authority within DCCA, and to examine existing telecommunications and cable service regulation to create recommendations on streamlining the regulatory process and a demonstration project process to prove out those recommendations. However, additional clarifications may need to be made to improve the efficacy of the proposed regulatory overhaul, and the PUC recommends that the framework be put in place prior to the appointment and confirmation of new commissioners and the commitment of staff.

The bill, as currently written, creates a new agency that is responsible for reviewing existing communications regulation, making related administrative and statutory recommendations to further broadband deployment, and setting up a demonstration project process to further broadband infrastructure deployment. Unfortunately, what is not clarified in this measure is how this Commission functions if its recommendations are not enacted.

Thank you for the opportunity to offer comments on this measure.