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TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE

TWENTY-SIXTH LEGISLATURE
Regular Session of 2012

Date: Monday, February 6, 2012

Time: 2:00 p.m.

TESTIMONY ON HB 2526 HD1- RELATING TO REPORTING REQUIREMENTS FOR
TELECOMMUNICATIONS AND CABLE TELEVISION PROVIDERS

TO THE HONORABLE ROBERT N. HERKES, CHAIR, AND MEMBERS OF THE
COMMITTEE:

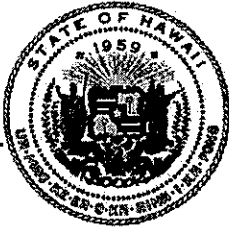
My name is Keali'i Lopez. I am the Director of the Department of Commerce and Consumer Affairs (DCCA). The Department appreciates the opportunity to express its strong support for H.B. No. 2526 HD1.

The revised bill requires telecommunications carriers and cable television providers to provide reports biannually on broadband access availability and pricing detailed by address or tax map key. This reporting will allow the State access to current information that it has otherwise been unable to obtain from most providers because of concerns regarding the proprietary nature of the information and the State's ability to maintain the confidentiality of the information. The bill addresses these concerns by

protecting the required information from public disclosure, except for mapping information.

Access to information showing the state of the State's communications infrastructure and level of broadband service availability is fundamental to creating effective policies and programs to advance access to broadband services throughout the State. The State must have the means to identify, target, and best provide for the unserved and underserved areas of the State.

The Department thus supports this or any amendment to the required reporting that will still provide the State with an accurate picture of the State's communications backbone and services. The Department strongly urges passage of this bill.



**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
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Monday, February 6, 2012
2:00 PM
State Capitol, Conference Room 325
In consideration of
HB 2526, HD1 (PROPOSED)
**RELATING TO REPORTING REQUIREMENTS FOR TELECOMMUNICATIONS
AND CABLE TELEVISION PROVIDERS.**

Chair Herkes, Vice Chair Yamane, and members of the House Committee on Consumer Protection & Commerce.

My name is Richard Lim, Director of the Department of Business, Economic Development and Tourism ("DBEDT"). DBEDT supports HB 2526 Proposed HD1. In leading the Hawaii Broadband Initiative ("HBI"), DBEDT requires statistical data to make accurate and timely analysis, assessments and evaluations on the status of broadband infrastructure and services that are provided and available in the State. Such analyses will also aid DBEDT greatly in its development of initiatives related to the future expansion and enhancement of broadband infrastructure and services.

Hawaii's current broadband mapping activities, as required under federal grant guidelines, compile broadband data at the census block level. With the passage of HB 2526 Proposed HD1, broadband data collected from and provided by telecommunications and cable television providers can be compiled at a more granular level. Broadband data, including but not limited to availability and pricing, could be aggregated on an address or tax map key ("TMK") basis, rather than currently done at the census block level. Such broadband data will provide much greater detail of broadband penetration and availability, and will more accurately depict the status of broadband access in Hawaii.

The Departments will continue to work with industry stakeholders on any concerns with this bill.

Thank you again for this opportunity to provide comments on HB 2526 Proposed HD1.

**HB 2526
HD1 (Proposed)**

**RELATING TO REPORTING REQUIREMENTS FOR
TELECOMMUNICATIONS AND CABLE TELEVISION PROVIDERS**

**KEN HIRAKI
VICE PRESIDENT-GOVERNMENT AFFAIRS**

HAWAIIAN TELCOM

February 6, 2012

Opposed

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

I am Ken Hiraki, testifying on behalf of Hawaiian Telcom on HB 2526 HD1 (proposed), Relating to Reporting Requirements for Telecommunications and Cable Television Providers. Hawaiian Telcom is opposed to this measure.

While we appreciate the opportunity to testify on a new proposed HD1, we believe this version of the bill is in some ways even more onerous and counterproductive than the bill as introduced. It is our understanding that the proposed bill violates federal privacy law by now requiring providers to disclose confidential private customer information by specific customer address or tax map key. Disclosure of such information may only be obtained by court order or consent of the individual.

If the goal of this legislation is to promote greater broadband deployment the passage of this measure will have the opposite effect. Subjecting broadband providers to unnecessary, unreasonable, and costly new regulatory requirements will act to discourage local providers from improving existing broadband infrastructure. Hawaiian Telcom does not currently have the ability to provide the type of information that is being mandated under this measure. We estimate the cost to our company to develop such a system will have a significant financial impact that we are unable to financially absorb and will also mean less available funds for our company to invest in improving our existing broadband facilities.

If the intent of this measure is to develop broadband in underserved areas we are more than willing to work with the state to prioritize initiatives. We believe the recently created Broadband Assistance Advisory Council (BAAC) comprised of public and private committee members should be utilized to explore voluntary broadband mapping options first before any legislation is proposed. For example, the BAAC may be utilized to implement a voluntary broadband mapping initiative for Hawaii similar to one used in South Carolina. South Carolina recently embarked on a creative voluntary broadband

mapping program that works collaboratively with the public, private sector and community anchor institutions such as schools, universities, libraries, community organizations and public safety entities to help identify gaps in broadband service by the simple use of a mailed or emailed survey and a broadband speed measuring website that allows and engages volunteers living throughout the state to accurately report their broadband speeds to governmental officials until all the necessary information is charted and then mapped. Similarly, the BAAC may wish to look at the voluntary South Carolina model for use in Hawaii. Our community now has the capability (see Governor's recent press release attached) to easily measure broadband speeds at home making the collection of broadband data for purposes of broadband mapping easy and accurate without the need for unnecessary, costly, and invasive legislation.

As we stated in our previous testimony, we are unaware of any other state that regulates broadband to the degree as in HB 2526 and continue to question the need for such disclosure of proprietary business information. If this measure is adopted, Hawaii will overnight earn the distinction of the state having the most hostile and restrictive broadband law in the country.

Our belief is that promoting fair and level competition with minimal governmental regulations is what is needed to help ensure that Hawaii's broadband consumers receive what they demand most: more innovation, quality service, competitive prices, and a greater selection of new products and offerings. Adopting unnecessary regulatory requirements will serve to only reinforce the perception that Hawaii has a negative regulatory environment and make it more difficult to attract any potential new domestic or foreign entrant to Hawaii's broadband market.

Based on the aforementioned, Hawaiian Telcom respectfully requests that this measure be held. Thank you for the opportunity to testify.

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State Launches Internet Speed Test Site

State Launches Internet Speed Test Site

Participants Will Aid in Hawai'i's Broadband Initiative

January 31, 2012

HONOLULU – A new website will allow internet users to determine their computer or electronic device's Internet speed and help the state map its broadband coverage as the Abercrombie Administration moves forward with its Hawai'i Broadband Initiative. Participants can take the test at hawaiispeedtest.net. The data collected will assist the state in identifying and closing gaps in service throughout Hawai'i.

"This is a unique opportunity in which citizens can directly help in an important state initiative," said Governor Abercrombie. "Right now, current technology such as social media allows citizens to share their thoughts with us. As broadband and technology progresses, people will be able to further engage with the state and each other."

Data collected in 2012 will provide the state's broadband specialists an important baseline.

"Measuring broadband speeds is pretty tough, but if we can get enough tests coming in from the public over various times of the day and with various amounts of Internet traffic, then we can make a good estimation to work from," noted Broadband Program Specialist Sterling Yee.

To take the test, visit hawaiispeedtest.net, fill in your current location information, and click "Begin Test."

Additional Information about the Hawai'i Broadband Initiative

On August 23, 2011, Governor Neil Abercrombie issued an Executive Memorandum on the Hawai'i Broadband Initiative and directed the Department of Commerce and Consumer Affairs and the Department of Business, Economic Development and Tourism to lead the effort. Read the memo here: <http://hawaii.gov/gov/broadband-executive-memo/>.

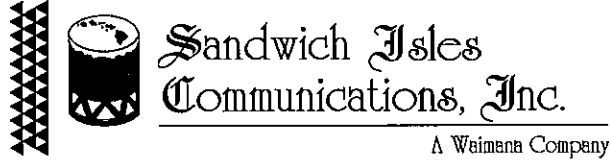
The Hawai'i Broadband Initiative has four goals:

1. Ensure ubiquitous access to world-class gigabit-per-second broadband service at affordable prices throughout Hawai'i.
2. Increase the use of ultra-high-speed broadband services and applications for economic development, healthcare, education, public safety, governmental efficiency and civic engagement.
3. Reduce Hawai'i's barriers to global participation and ensure equitable access for all our islands, including the most remote areas of the state.
4. Develop and implement a modern regulatory and permitting environment that supports and advances investment in broadband infrastructure and public services.

The Governor also outlined the vision, purpose and goals behind the Hawai'i Broadband Initiative. Click here to learn more: <http://hawaii.gov/gov/broadband-policy-outline/>

Also, Australia is launching its own National Broadband Network. Watch this short video to learn more on their effort: <http://youtu.be/7tjTDSuv-2I>

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**ROBERT KIHUNE
CHIEF EXECUTIVE OFFICER
SANDWICH ISLES COMMUNICATIONS, INC.
TO
THE HOUSE OF REPRESENTATIVES
COMMITTEE ON CONSUMER PROTECTION & COMMERCE ON
FEBRUARY 6, 2012 - 2:00 P.M.**

**HB2526 HD1 RELATING TO REPORTING REQUIREMENTS FOR
TELECOMMUNICATIONS AND CABLE TELEVISION PROVIDERS**

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

I am Robert Kihune, Chief Executive Officer of Sandwich Isles Communications (SIC), providing testimony in support of HB2526 HD1, Relating to Reporting Requirements for Telecommunications and Cable Television Providers.

We agree that advanced broadband capability is an essential infrastructure necessary to drive innovation, the economy, and job creation in the twenty-first century. We further concur that statistical data will assist in assessments and evaluations of available broadband infrastructure and services, which will aid in the development of initiatives related to the future expansion and enhancement of broadband infrastructure and services.

We believe the onerous and burdensome requirements originally outlined in HB2526 have been adequately addressed with the changes proposed in HB2526 HD1, to simply require broadband availability and pricing at the address or tax map key basis, rather than at the census block level.

We agree that broadband reporting at the census block basis may result in an inaccurate assessment or overrepresentation of broadband availability within the state. Therefore, SIC has already provided broadband data at the tax map key level for the state's broadband data and development grant to create and maintain a broadband map illustrating available broadband services throughout the State

We look forward to working with the Department of Commerce and Consumer Affairs (DCCA) on meaningful solutions that will help to expand broadband penetration and availability to all in Hawaii.

Thank you for the opportunity to provide testimony.