



**DEPARTMENT OF BUSINESS,
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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 2526, HD2, SD1

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

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

The Department of Business, Economic Development and Tourism (DBEDT) **supports HB 2526, HD2, SD1 with requested amendment** to authorize sharing of the data with the director and authorized representatives of DBEDT. In leading the Hawaii Broadband Initiative (HBI), DBEDT requires statistical data to make accurate and timely analyses, 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. DBEDT's involvement is crucial to ensure that **HBI remains an economic development initiative** first and foremost.

Thank you for this opportunity to submit testimony on HB 2526, HD2, SD1.



NEIL ABERCROMBIE
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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.

**COMMENT ON HB 2526, HD2, SD1 - RELATING TO REPORTING REQUIREMENTS
FOR TELECOMMUNICATIONS AND CABLE TELEVISION PROVIDERS**

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.

Development of world-class communications infrastructure is vital to the future of our State's economy and to the health, welfare and quality of life of all our residents. To ensure such development and statewide access to advanced information services, the State must have data to understand and adapt its policies to a swiftly changing communications industry. Access to accurate and current information on the State's communications infrastructure and broadband service availability is key to effective policies and programs to advance broadband access, lobbying for federal funds for broadband infrastructure, and identifying the best strategies to leverage government

resources and future projects to foster infrastructure deployment, especially in unserved and underserved areas of the State. This bill will provide the State with data for these purposes that it has, for the most part, been unable to obtain from providers.

To avoid any ambiguity, the DCCA would like to recommend a couple of amendments to the language of the bill. First, the DCCA respectfully requests that this Committee amend the definition of “broadband speed threshold” under section -1. The DCCA has been advised that it would be clearer to refer to the Federal Communications Commission’s (FCC) “most recent broadband report” rather than that “applicable for the time period” because the reports are not made applicable to a specific time period, and the FCC is sometimes significantly behind in releasing its required reports to Congress. Thus, the DCCA requests that the definition be amended to read as follows:

"Broadband speed threshold" means the highest speed threshold defined or established in the most recent broadband progress report issued by the Federal Communications Commission to Congress.

Second, the DCCA respectfully requests that this Committee amend the report filing dates to be March 1 of each year, rather than January 1, to coincide with the FCC’s deadline for carriers to file their FCC Form 477. This will ensure that the information that the State receives is current and consistent with what is filed with the FCC. Thus, DCCA requests that subsections -2(a) and (b) be amended so that each begins with the following language: “Beginning on March 1, 2013, and on every March 1 thereafter”

Thank you for your consideration of these amendments and the opportunity to voice the DCCA’s strong support of this bill.

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

**RE: HB 2526 HD2 SD1 – Relating to Reporting Requirements for
Telecommunications and Cable Television Providers – CONCERNS and
AMENDMENT REQUESTED**

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 express our concerns on HB 2526 HD2 SD1 – Relating to reporting requirements for telecommunications and cable television providers.

Oceanic is supportive of the Governor's Broadband Initiative and is an active member of the Broadband Assistance and Advisory Council and Broadband Working Group. We continue to support the state's expansion of broadband infrastructure that is in line with consumer and market demands.

We do appreciate recent amendments to this bill to address some of the more onerous requirements contained in earlier drafts. However, we are still concerned with the confidentiality provision of this bill, which may subject Oceanic's proprietary and competitive information to be shared publicly. We're concerned that our customers and Oceanic may be impacted if data is inadvertently released to our competitors or to the public. Since no other states subject telecommunications and cable television providers to similar reporting requirements – this would have a chilling effect on broadband deployment in the state.

For these reasons, we respectfully ask the committee to carefully consider our concerns regarding HB2526 HD2 SD1. We offer the attached amendments for the committee's consideration.

As always, we appreciate the opportunity to offer our testimony on this bill.

Sincerely,

Bob Barlow
President of Oceanic Time Warner Cable

§ - 3 Confidential information. (Insert the following):

(c) The department and any other department or agency permitted access under subsection (b) shall implement and train its staff on a comprehensive written information security program that includes administrative, technical, and physical safeguards for the protection of the information and data. The information security program shall be designed to:

- (1) Ensure the security and confidentiality of the information;
- (2) Protect against any anticipated threats or hazards to the security or integrity of the information; and
- (3) Protect against unauthorized access to or use of the information that could result in personal or competitive harm to individuals or providers."