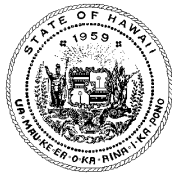


HB 2526, HD 2

EDT-CPN



NEIL ABERCROMBIE
GOVERNOR

EXECUTIVE CHAMBERS
HONOLULU

Testimony in SUPPORT of HB2526 HD2
Relating to Reporting Requirements for Telecommunications and
Cable Television Providers

Committee on Economic Development and Technology
Senator Carol Fukunaga, Chair
Senator Glenn Wakai, Vice Chair
and
Committee on Commerce and Consumer Protection
Senator Rosalyn Baker, Chair
Senator Brian Taniguchi, Vice-Chair

March 16, 2012
1:15 pm Room 016

Chair Fukunaga, Chair Baker, Vice-Chair Wakai, Vice-Chair Taniguchi, and members of the Committees:

The Office of the Governor stands in SUPPORT of House Bill 2526, House Draft 2, Relating to Reporting Requirements for Telecommunications and Cable Television Providers. This measure will assist in providing the infrastructure necessary for Hawaii to thrive in the 21st century.

We realize that the industry has concerns regarding the requirements mandated in this bill and will continue to work with the industry to help address those concerns, while keeping in mind the goal of retrieving more detailed data to help the availability of broadband to all citizens statewide.

The Department of Commerce and Consumer Affairs would be responsible for the implementation of the provisions in this measure and can answer any technical questions you may have.

Thank you for the opportunity to testify.



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

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
RICHARD C. LIM
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY
AND
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Friday, March 16, 2012

1:15 PM

State Capitol, Conference Room 016

In consideration of

**HB 2526 HD2 RELATING TO REPORTING REQUIREMENTS FOR
TELECOMMUNICATIONS AND CABLE TELEVISION PROVIDERS**

Chairs Fukunaga and Baker, Vice Chairs Wakai and Taniguchi, and Members of the Committees on Economic Development and Technology and Commerce and Consumer Protection:

The Department of Business, Economic Development and Tourism (DBEDT) **supports HB 2526 HD2**. 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 HD2, broadband data collected from and provided by telecommunications and cable television providers can be compiled at a more granular level. By limiting the reporting requirements to percentage of households with broadband service availability within a census block rather than reporting of the Tax Map Key (TMK) level data as originally proposed, some of industry's concerns are being addressed while providing the State more useful information.

The Departments will continue to work with industry stakeholders on any concerns with this bill. We respectfully request correction of the defective effective date and assure clear passage of this bill. Thank you for this opportunity to submit testimony on HB 2526 HD2.



Dan Youmans
President –Washington/Hawaii
External Affairs

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March 16, 2012

The Honorable Senator Carol Fukunaga
Chair, Committee on Economic Development and Technology

The Honorable Senator Rosalyn Baker
Chair, Committee on Commerce and Consumer Protection

*Re: Testimony OPPOSING House Bill 2526 HD2
Hearing before the Senate Committee on Commerce and Consumer Protection and the
Senate Committee on Economic Development and Technology
1:15 p.m., March 16, Conference Room 016*

Sen. Baker, Sen. Fukunaga and Members of the Committees:

Thank you for this opportunity to express AT&T's position on House Bill 2526 HD2. AT&T certainly supports the availability of broadband services to all Americans. However, we must respectfully oppose this legislation. We are concerned that House Bill 2526 HD2 would impose additional burdens and cost on telecommunications carriers to produce data that is either already provided to the Hawaii Department of Commerce and Consumer Affairs ("Department") or has little value.

The Department already has access to important information related to the provisioning of broadband in Hawaii by telecommunications carriers. In 2010, the Department was awarded a grant from the federal government to assist the state in gathering and verifying data on the availability, speed, location, and technology type of broadband services. The Department teamed with the University of Hawaii's Pacific Disaster Center for this effort, called the Hawaii Broadband Map Initiative.

AT&T has worked cooperatively with the University by providing information about AT&T's broadband deployment and operations in Hawaii, especially our wireless network. We provide the relevant information the state needs to determine wireless broadband coverage throughout Hawaii in the same fashion we provide this information to other states.

As a member of the Broadband Assistance and Advisory Council, AT&T welcomes continued dialogue on how to meet the state's needs for information. Unfortunately, House Bill 2526 HD2s' requirements would be burdensome to produce and divert carrier resources from expanding broadband availability. For these reasons, we oppose House Bill 2526 HD2.

Respectfully Submitted,

Dan Youmans
AT&T

March 15, 2012

The Honorable Carol Fukunaga
Chair, Hawaii Senate Committee on Economic Development and Technology

The Honorable Rosalyn Baker
Chair, Hawaii Senate Committee on Commerce and Consumer Protection

The Honorable Glenn Wakai
Vice Chair, Hawaii Senate Committee on Economic Development and Technology

The Honorable Brian Taniguchi
Vice Chair, Hawaii Senate Committee on Commerce and Consumer Protection

Dear Senators Fukunaga, Baker, Wakai, and Taniguchi:

On behalf of CTIA-The Wireless Association, I write to respectfully oppose House Bill 2526 HD2, which would create burdensome and costly reporting mandates on wireless carriers to provide broadband-related information to the Hawaii Department of Commerce and Consumer Affairs. CTIA is the international trade association for the wireless telecommunications industry, representing wireless providers, device manufacturers, and Internet service providers.

The wireless industry is committed to deploying mobile broadband services to Hawaii consumers. HB 2526 HD2, however, would divert carrier resources from capital investments in wireless networks to comply with the onerous reporting requirements in the legislation. These capital investments are necessary to upgrade carrier networks to deploy next generation wireless services and respond to consumer demand.

In addition, it is our understanding that the Department of Commerce and Consumer Affairs already has access to information, through the Hawaii Broadband Map Initiative, related to broadband services offered by wireless carriers. By mandating additional reporting requirements, the state would force carriers to direct resources away from network upgrades to meet these unnecessary requirements. We would encourage Hawaii to look at alternative public-private broadband programs, such as Connected Nation, which has worked with telecommunications providers and other jurisdictions, including Alaska, Colorado, Florida, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nevada, North Carolina, Ohio, Puerto Rico, South Carolina, Tennessee, Texas, and West Virginia, to assess broadband availability.

The wireless industry remains committed to working with the state to provide broadband-related information. However, we are opposed to the onerous reporting mandates in HB 2526 HD2. Please do not hesitate to contact me at 202.736.3238 or gkeegan@ctia.org if you have questions or need more information.

Sincerely,



Gerard Keegan
Director
State Legislative Affairs

HB 2526 HD2

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

**KEN HIRAKI
VICE PRESIDENT-GOVERNMENT AND COMMUNITY AFFAIRS**

HAWAIIAN TELCOM

March 16, 2012

Chairs Fukunaga and Baker and members of the Committees:

I am Ken Hiraki, testifying on behalf of Hawaiian Telcom on HB 2526 HD2, Relating to Reporting Requirements for Telecommunications and Cable Television Providers. Hawaiian Telcom is opposed to this measure.

While we support the State's efforts to promote broadband deployment, it is our understanding that this measure may violate federal privacy laws because it still contains provisions that may require providers to disclose confidential private customer information by specific customer address or tax map key. Disclosure of such personal information is generally only obtained by court order or consent of the individual.

Even if our company were allowed to disclose such customer information, Hawaiian Telcom does not currently have the ability to provide the type of data 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 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.

Our belief is that promoting fair and level competition with minimal rather than greater governmental regulations will do more 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.

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



*Sandwich Isles
Communications, Inc.*

A Waimana Company

**ROBERT KIHUNE
CHIEF EXECUTIVE OFFICER
SANDWICH ISLES COMMUNICATIONS, INC.
TO
THE SENATE
COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY AND
COMMITTEE ON COMMERCE AND CONSUMER PROTECTION ON
MARCH 16, 2012 - 1:15 P.M.**

**HB2526, HD2 RELATING TO REPORTING REQUIREMENTS FOR
TELECOMMUNICATIONS AND CABLE TELEVISION PROVIDERS**

Chairs Fukunaga and Baker, and members of the Senate Committees on Economic Development and Technology and Commerce and Consumer Protection:

I am Robert Kihune, Chief Executive Officer of Sandwich Isles Communications (SIC), providing testimony in support of HB2526, HD2, 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 and HD2, 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.

Lyndall W. Nipps
Vice President, Regulatory-Western Region



tw telecom inc.
9665 Granite Ridge Drive
Suite 500
San Diego, CA 92123
858-805-6050

March 16, 2012

Honorable Carol Fukunaga, Chair
Senate Committee on Economic Development and Technology

Honorable Rosalyn H. Baker, Chair
Senate Committee on Commerce and Consumer Protection

RE: HB 2526, HD2- Reporting Requirements for Telecommunications and Cable Television
Providers - CONCERNS
March 16, 2012; Conference Room 016 – 1:15 PM

Aloha Chairs Fukunaga and Baker and Members of the Committees:

I am Lyndall Nipps, Vice President of Regulatory Affairs for **tw telecom of hawaii lp** ("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 present testimony on HB 2526, HD2.

As a company that offers high-speed broadband service within the state, we are affected by provisions in this bill that would mandate TWTC to provide reports for each county which includes broadband access availability, pricing, and other detailed proprietary information.

We have concerns regarding this request since no other state mandates companies to provide the same information at such a granular level. Complying with this request would add significantly to our costs and to consumer costs.

Furthermore, there are proprietary data and confidentiality concerns we have with this level of detail as it could lead our competitors to predatory pricing of services out of the market.

Finally, there is no clear reason why this data is needed since all providers recently participated in the state's Broadband Mapping Project.

We would like to work with the committee and other stakeholders to resolve these issues and, to perhaps, provide reasonable information on a voluntary basis.

For this reasons, we respectfully urge members to defer this bill in committee.

Sincerely,

/s/

Lyndall Nipps
Vice President, Regulatory Affairs-Western Region
tw telecom of hawaii lp



**Testimony of Michael Bagley
Director of Public Policy for Verizon
Before the Committee on Economic Development and Technology and
Committee on Commerce and Consumer Protection
On H.B. 2526, HD 2
March 16, 2012**

The Honorable Carol Fukunaga
Chair
Committee on Economic Development and Technology
Hawaii Senate

The Honorable Rosalyn Baker
Committee on Commerce and Consumer Protection
Hawaii Senate

**Re: H.B. 2526, HD 2 – Reporting Requirements for Telecommunications and Cable
Television Providers**

Chairman Fukunaga, Chairman Baker, and Members of the Committee:

On behalf of Verizon, I wanted to express our opposition to H.B. 2526, HD 2, legislation which seeks to compel private telecommunications providers to make available certain “broadband data” for the stated goal of assisting the State in moving forward with accelerated broadband deployment.

Although this version of broadband data legislation is narrowed, the bill is still unnecessary and places a burden on businesses. In regard to mapping information, Verizon is willing to cooperate with the State on broadband mapping, with regard to our wireless services, and have cooperated similarly with other states. Hawaii does not need to pass heavy-handed legislation to get cooperation on mapping data. The bill is not needed.

I would urge the Committee to defeat this unnecessary legislation, and give carriers the opportunity to work with the State in a positive and pro-active manner with regard to broadband mapping. H.B. 2526, HD 2, is too “command and control oriented.” We urge the Legislature

instead to focus its efforts on pre-empting the regulation of wireless and VOIP services, and provide a means to expedite the permitting of cell sites in the State.

We thank you for your consideration of our testimony.