

Testimony of Chuck Schumann Kailua Kona

LATE

More than a decade ago Cable TV in Hawaii was viewed as a uncaring monopolistic utility. For many years during this period the Hawaii Department Of Economic Development expended resources to promote competition to improve service and ease rates. After satellite television arrived in Hawaii cable TV did improve. It is undisputed that this was a result of that competition.

Satellite TV already faces many challenges unique to this business. The large antennas necessary to provide service cost more to purchase, ship AND install. The extraordinary size occurs mostly because the appropriate agencies are not minding the store and making sure that satellites are built to provide equivalent service to all 50 States.

It is evident to anyone that looks at the facts that the satellite television retailers of Hawaii and subscribers endure hardship already to provide or get service. Now comes the State of Hawaii to impose a tax to add to that hardship. A tax that will stall and maybe even reverse the competition that it fought to build just 10 years ago. This seems very shortsighted to those that have participated in this effort with you.

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Testimony of Sandra Blinstrubas Kailua Kona

LATE

Members of the Committee. I would like to specifically respond to the testimony of Mr Bob Barlow of Oceanic Time Warner Cable. Oceanic would like this committee to consider the cost of maintenance and repair of the public rights of way they are using as a tax. If I rent a building I incur an obligation as part of that lease to perform certain maintenance and repair. Cleaning the building is my responsibility, replacing burned out lights is my responsibility, interior painting is my responsibility. These are not taxes, they are the cost of doing business. In addition Oceanic mentions the free services they have to provide to local government. What they don't say is that Federal Law requires this of them as well as of the satellite companies. It is called public interest programming.

The tax measure before the Committee does not bring equity to taxation. It puts the State in the position of supporting one provider of television services over another. While the State has the power to tax, it must do so fairly and equitably.

Sandra Blinstrubas

Kailua Kona