

**TESTIMONY OF CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
JANUARY 31, 2011**

MEASURE: H.B. No. 629
TITLE: Relating to Public Utilities.

Comments

Chair Herkes and Members of the Committee:

DESCRIPTION:

This bill adds a new section to Chapter 269, Hawaii Revised Statutes ("HRS") to:

- Require telephone service providers to disclose all applicable charges and obtain authorization and verification for product and service charges to be billed.
- Require maintenance of records of disputed charges. Requires billing agents to take reasonable steps to ensure that service providers comply with all applicable requirements.
- Provide that violations constitute an unfair and deceptive trade practice.

POSITION:

The Public Utilities Commission ("Commission") defers to the Legislature on whether the consumer protection provisions of this bill should be enacted as law, but recommends that if this new section is added to the HRS, that it be added in an appropriate consumer protection chapter of the HRS because the Commission would have no duties or enforcement jurisdiction under the proposed law.

COMMENTS:

Under the "Violations" section of the proposed law, "[a]ny service provider or billing agent who violates this part commits an unfair or deceptive trade practice under section 480-2." Section 480-2 (d) provides: "No person other than a consumer, the attorney general, or the director of the office of consumer protection may bring action based upon unfair or deceptive practices declared unlawful by this section."

Therefore, if a "service provider" or a "billing agent" (as these terms are defined in the bill) violates the proposed law, the Commission would have no jurisdiction to enforce the law. Accordingly, this proposed law should be included in a more appropriate consumer protection chapter of the HRS.

Thank you for the opportunity to testify.



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January 31, 2011

The Honorable Rep. Robert Herkes
Chair, Committee on Consumer Protection and Commerce
Hawaii House of Representatives

Re: *Testimony on House Bill 629*
Hearing before the House Committee on Consumer Protection and Commerce
2 p.m., Conference Room 325

opposed

Representative Herkes and Members of the Committee:

Thank you for this opportunity to express AT&T's position on House Bill 629. While we respect the bill sponsor's intentions, AT&T questions whether this legislation is necessary given the federal regulations that already address the issues in the bill.

The Federal Communications Commission has already established strong Truth In Billing regulations to ensure that all charges on telephone bills are properly disclosed and authorized by the consumer. These regulations require that a telephone company's bill must:

- (1) be accompanied by a brief, clear, non-misleading, plain language description of the service or services rendered;
- (2) identify the service provider associated with each charge;
- (3) clearly and conspicuously identify any change in service provider;
- (4) contain full and non-misleading descriptions of charges;
- (5) identify those charges for which failure to pay will not result in disconnection of the customer's basic local service; and
- (6) provide a toll-free number for customers to call in order to lodge a complaint or obtain information.

With federal regulations already in place, we would urge the Hawaii Legislature not to add unnecessary, burdensome, and costly requirements on telecommunications providers. With the economic challenges that we all face, our resources would be better put to use by investing in our networks and preserving the good jobs our industry provides in the State of Hawaii.

Please let me know if there is additional information AT&T can provide to the Committee on this issue. We are open to further discussion on this legislation, but we don't believe the Committee should move forward with the bill at this time.

Respectfully Submitted,

Dan Youmans, AT&T