

February 9, 2011

The Honorable Rep. Marcus Oshiro  
Chair, House Finance Committee  
Hawaii State Capitol, Room 306  
Honolulu, HI 96813

*RE: Opposition to House Bill 799*

Dear Representative Oshiro:

CTIA – The Wireless Association<sup>®1</sup> respectfully submits testimony in opposition to HB 799. Specifically, CTIA opposes the current provision which states “Gross receipts of home service providers acting as service carriers providing mobile telecommunications services to other home service providers as described under Section 2376-13 (6) (d).”

The legislation before your committee will have an adverse financial impact on Hawaii residents, businesses and tourists by creating a new tax on roaming charges. New taxes on wireless services increase the cost to your constituents and thereby discourage the use of those services, including broadband services, which state and federal legislators are determined to universally deploy.

In order to prevent the double taxation of wireless consumers, the U.S. Congress passed the Mobile Telecommunications Sourcing Act (P.L. 106-252), which ensures that wireless calls are taxed according to the caller’s “place-of-primary use”. HB 799 would ignore the federal sourcing act and unfairly impose a new tax on calls made by residents of Hawaii and also on calls made by out-of-state wireless customers roaming within Hawaii.

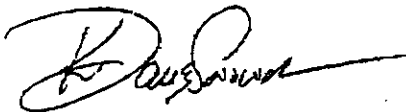
CTIA appreciates the revenue needs for the state during these difficult economic times but Hawaii consumers already contribute significantly to the state through a public service communications tax, a general excise tax, a public utility communications fee and a wireless 911 tax.

<sup>1</sup> CTIA – The Wireless Association<sup>®</sup> is the international organization of the wireless communications industry for both wireless carriers and manufacturers. Membership in the organization covers Commercial Mobile Radio Service (“CMRS”) providers and manufacturers, including cellular, Advanced Wireless Service, 700 MHz, broadband PCS, and ESMR, as well as providers and manufacturers of wireless data services and products.



As we work to ensure that all Americans have access to state-of-the-art communications capabilities, we need to be mindful that tax policies should promote, rather than impair, our ability to deliver that access. If you have any questions or wish to discuss, please contact James Schuler at [JSchuler@CTIA.org](mailto:JSchuler@CTIA.org) or 202-736-3200.

Sincerely,



K. Dane Snowden  
Vice President  
External & State Affairs

CC: Rep. Marilyn B. Lee  
Rep. Pono Chong  
Rep. Denny Coffman  
Rep. Ty Cullen  
Rep. Sharon E. Har  
Rep. Mark J. Hashem  
Rep. Linda Ichiyama  
Rep. Jo Jordan  
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Rep. James Kunane Tokioka  
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Rep. Gene Ward

