



EXECUTIVE CHAMBERS

HONOLULU

NEIL ABERCROMBIE
GOVERNOR

**SENATE COMMITTEES ON
ECONOMIC DEVELOPMENT AND TECHNOLOGY
AND
COMMERCE AND CONSUMER PROTECTION**

**Senator Carol Fukunaga, Chair - EDT
Senator Rosalyn Baker, Chair - CPN
Senator Glenn Wakai, Vice Chair - EDT
Senator Brian Taniguchi, Vice Chair - CPN**

**February 8, 2012
1:15 pm Room 016**

**Testimony in SUPPORT on SB 2788
Relating to Reporting Requirements for Telecommunications
and Cable Television Providers**

Chair Fukunaga, Chair Baker, Vice-Chair Wakai, Vice-Chair Taniguchi, members of the Economic Development and Technology and Commerce and Consumer Protection Committees:

The Office of the Governor is in strong support of Senate Bill 2788, Relating to Reporting Requirements for Telecommunications and Cable Television Providers. This measure will assist government in providing the infrastructure necessary for Hawaii to thrive in the 21st century.

We realize that the industry has some concerns regarding the information that would be required should this measure pass. The Administration is willing to work with the industry, while keeping the goals of the Hawaii Broadband Initiative should be top of mind:

1. Ensure ubiquitous access to world-class gigabit-per-second broadband service at affordable prices throughout Hawaii.
2. Increase the use of ultra high-speed broadband services and applications for economic development, healthcare, education, public safety, governmental efficiency, and civic engagement.

3. Reduce Hawaii's barriers to global participation and ensure equitable access for all our islands, including the most remote areas of the state.
4. Develop and implement a modern regulatory and permitting environment that supports and advances investment in broadband infrastructure and public services.

The Department of Commerce and Consumer Affairs would be responsible for implementing the provisions in this measure, and to the extent that there are technical questions regarding the types of information that would be provided and any issues related thereto, they can work with the industry to come up with any needed changes.

Thank you for this opportunity to testify.



NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR

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KEALI`I S. LOPEZ
DIRECTOR

**TO THE SENATE COMMITTEE ON
ECONOMIC DEVELOPMENT AND TECHNOLOGY**

and

**THE SENATE COMMITTEE ON
COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**

TWENTY-SIXTH LEGISLATURE
Regular Session of 2012

Date: Wednesday, February 8, 2012
Time: 1:15 p.m.

**TESTIMONY ON SB 2788 - RELATING TO REPORTING REQUIREMENTS FOR
TELECOMMUNICATIONS AND CABLE TELEVISION PROVIDERS**

**TO THE HONORABLE CAROL FUKUNAGA AND ROSALYN H. BAKER, CHAIRS,
AND MEMBERS OF THE COMMITTEES:**

My name is Keali`i Lopez. I am the Director of the Department of Commerce and Consumer Affairs (DCCA). The Department appreciates the opportunity to express its strong support for S.B. No. 2788.

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. A number of bills have been introduced this session that recognize that government must

be able to understand a swiftly changing communications industry, and to continually adapt its policies and laws as technology evolves. Such efforts are critical to ensure the development of 21st century communications infrastructure and access to advanced information services throughout the State.

S.B. No. 2788, as drafted, would require telecommunications carriers and cable television providers to report information that would provide the State with a current and full comprehension of the industry and the state of the State's critical communications infrastructure. H.B. No. 2526, the House companion bill, has been heard by the House Committee on Consumer Protection & Commerce. Based upon concerns raised by providers regarding the time and expense of providing the information required under the bill, H. B. No. 2526 H.D. 1 was introduced and was passed out of committee. House Draft 1 deleted the list of information to be reported at section -3 and the reports required at section -4. Instead, it requires reports by county that include broadband access availability and pricing by address or tax map key without any other personal or private information. It also provides the director of the DCCA with the flexibility necessary to amend that list to respond to the rapid changes in technology and in the industry. Based upon the concerns raised, the Department has prepared the attached Senate Draft 1 to S.B. No. 2788 should these Committees wish to similarly amend the Senate bill.

As amended, the bill focuses upon receiving information that would allow greater detail on broadband availability for the State Broadband Map, which is a project funded

by the federal ARRA grant received by the DCCA. The State Broadband Map is meant to serve as a planning tool for State and local governments, and importantly, is looked at by federal agencies when determining this State's needs for federal financial support. For these purposes, it is essential that the State be able to determine the gaps in our communications infrastructure with detailed and accurate information. The reported information would allow the Department to identify the areas of the State that are currently unserved or underserved, and provide the data needed to seek funding sources to address the broadband infrastructure needs in those areas.

At present, the State's broadband map overstates the availability of broadband service because the State has, with the exception of a few wireless carriers, only been able to obtain census block data from providers. Data at the census block level results in overstatements of service particularly in rural areas. In rural areas, census blocks are larger in size and can contain homes that have broadband service and homes that do not. If a single home has service, however, the map will show service availability for the entire block. This problem is of particular significance in Hawaii because the majority of the State is comprised of rural areas. The State must have a more accurate means to determine and measure actual broadband availability.

It was suggested by one provider that this State instead use information volunteered by residents, businesses, and community anchor institutions. The State has begun this process. It has launched a voluntary speed test site to collect data. It has also begun mapping its community anchor institutions. A voluntary process of

collecting data, however, is a very slow process, relies on consumers having accurate knowledge of all the types of service available to them, and most importantly, must be independently verified for the State to rely on the data for federal funding purposes.

Given the ambitious goals the Governor and the Legislature have to propel this State into a leading position for broadband speeds and availability in the very near future, accurate data is needed now.

The information required under the proposed Senate Draft 1 will allow the State access to current information that it has otherwise been unable to obtain from most providers. Providers have refused to provide the information, expressing concerns regarding the proprietary nature of the information and the State's ability to maintain the confidentiality of the information. The bill addresses these concerns by providing blanket confidentiality for the information provided. Further, the bill restricts interagency sharing to certain agencies and only if necessary for the agency's functions and compatible with the purpose for which the information was collected.

It was suggested by one provider that the information collected would somehow reveal personal information of its subscribers. This misconstrues the information to be reported. As the Department has made repeatedly clear to providers, the mapping project does not require subscriber lists. Rather, the information needed is whether and what level of service, if any, would the provider be able to supply to each address or tax map key parcel. If desired, this could be clearly stated in the bill by adding the following language to section -2(a):

Broadband service is "available" at an address if the provider does, or could, within a typical service interval and without an extraordinary commitment of resources, provision broadband service to a subscriber at that address.

The Department strongly believes that access to the type of information required under this bill is critical for the State to create effective policies and programs to advance access to broadband services throughout the State. It is also needed to seek and obtain future federal financial support both for state programs and for providers. The Department thus strongly urges its passage.

S.B. NO. 2788 SD1

A BILL FOR AN ACT

RELATING TO REPORTING REQUIREMENTS FOR TELECOMMUNICATIONS AND
CABLE TELEVISION PROVIDERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Governor Abercrombie's creation of the Hawaii broadband initiative boldly states that advanced broadband capability is an essential infrastructure necessary to drive innovation, the economy, and job creation in the twenty-first century. High-speed broadband infrastructure and affordable broadband services are essential for the advancement of education, health services, public safety, research, innovation, e-government services, economic development, and public safety. The telecommunications industry is an essential element of Hawaii's economy and vital to the health and welfare of the people of Hawaii.

Implementation of the Hawaii broadband initiative requires statistical data for accurate and timely analyses. The data will also assist in assessments and evaluations of available broadband infrastructure and services. Such analyses will also aid in the development of initiatives related to the future

expansion and enhancement of broadband infrastructure and services.

SECTION 2. In January 2010, the United States Department of Commerce's National Telecommunications and Information Administration awarded the State of Hawaii a broadband data and development grant, number 15-50-M09057, to create and maintain a broadband map illustrating available broadband services throughout the State. In addition to the mapping, other grant activities included analysis of broadband availability and adoption, identification of services at public schools, libraries, hospitals, colleges, universities and public buildings (referred to as community anchor institutions), development of a five year plan and roadmap to increase access and adoption through legislation and local technical assistance.

Of particular interest, the federal grant required broadband data to be aggregated at the census block level. Due to this requirement, if any subscriber in a census block receives broadband service from a provider, that entire census block is deemed to be served by that provider. The legislature finds that reporting on census block basis may result in an inaccurate assessment or overrepresentation of broadband availability within the State.

Broadband data collected from and provided by providers can and should be compiled at a more elemental level. Broadband

data, including availability and pricing, can be aggregated on an address or tax map key basis, rather than at the census block level. Reporting broadband data by address or tax map key will provide increased detail of broadband penetration and availability and will more accurately depict the locations and the status of broadband access in Hawaii.

SECTION 3. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

"CHAPTER

TELECOMMUNICATIONS AND CABLE INDUSTRY INFORMATION REPORTING

§ -1 Definitions. As used in this chapter, unless the context otherwise requires:

"Broadband access or broadband service" means an "always on" service that includes but is not limited to computer processing capabilities, information provision, and computing interactivity with data transport, enabling end users to access the internet and use a variety of applications at minimum speeds pursuant to the Federal Communications Commission.

"Broadband infrastructure" means the medium used to provide broadband access or broadband service, including fiber optic cable, copper cable, coaxial cable, and wireless media, such as satellite communications, wi-fi, and worldwide interoperability for microwave access.

"Department" means the department of commerce and consumer affairs.

"Director" means the director of commerce and consumer affairs.

"Mapping information" means that information required under the United States Department of Commerce's National Telecommunications and Information Administration broadband data and development grant, number 15-50-M09057.

"Provider" means any cable operator, telecommunications carrier, or telecommunications common carrier that provides broadband service.

§ -2 Informational reports. (a) On January 31 and July 31, commencing on July 31, 2012, every provider shall file with the department, in a form as prescribed by the director, separate reports for each county that include broadband access availability and pricing over the most recent thirty-day period, detailed by address or tax map key without any other personal or private information.

(b) The department may request that a provider submit additional information to the department when the department deems it necessary to perform its responsibilities under this chapter.

§ -3 Confidential information. (a) Notwithstanding chapter 92F, statements and reports provided to the department

pursuant to section -2, and the data contained therein, shall be deemed confidential and proprietary; provided that the department may disclose mapping information.

(b) Information and data collected by the department may only be shared with the attorney general, the consumer advocate, and the director of business, economic development, and tourism, and their authorized representatives and employees, if the information and data are necessary for the performance of the agency's or other department's duties and functions and are compatible with the purpose for which the information was collected or obtained.

(c) Unless otherwise provided by law, the department and any other department or agency permitted access under subsection (b) shall be prohibited from:

- (1) Using the information furnished or obtained for any purpose other than the purposes for which it is supplied;
- (2) Making any publication whereby the data furnished by any person can be identified; and
- (3) Allowing any person other than the director, the attorney general, the consumer advocate, the director of business, economic development, and tourism, and their authorized representatives and employees, to

examine the individual reports or statements
provided."

SECTION 4. This Act shall take effect on July 1, 2012.

Draft

Report Title:

Broadband Providers; Reporting Requirements

Description:

Requires broadband providers to report availability and pricing on an address or TMK basis, instead of the current census block basis, to DCCA. (SD1 Proposed)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

Draft



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February 8, 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 on Senate Bill 2788
Hearing before the Senate Committee on Commerce and Consumer Protection and the
Senate Committee on Economic Development and Technology
1:15 p.m., Conference Room 016*

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

Thank you for this opportunity to express AT&T's position on Senate Bill 2788. AT&T certainly supports the availability of broadband services to all Americans. To that end, we are active on Hawaii's Broadband Task Force. However, we are concerned that SB 2788 will impose additional burden 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.

Senate Bill 2788 would require telecommunications carriers to provide to the Department information, broken down by county, concerning data centers, network maps, bandwidth connections, subscriber connections, network nodes, network availability, bandwidth utilization, and much more. Additionally, the Department may request from a provider any additional information that the Department deems is necessary to perform its responsibilities. It is not clear when or how often this information would be required. That too is left to the Department's discretion.

Providing the information required by this legislation would impose additional burden and cost on telecommunications carriers, with little or no benefit to Hawaii. Carriers would have to develop and implement a method for capturing information not currently captured. Yet, it is not clear how this information would be used by the Department and to what end. The legislation does not answer these questions.

Of equal importance, 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 relevant to AT&T's broadband deployment and operations in Hawaii.

In sum, the Department already has access to meaningful information about broadband provisioning in Hawaii by telecommunications carriers. SB 2788's requirement for duplicative and additional information would be burdensome to produce and divert carrier resources from expanding broadband availability. For these reasons, we oppose SB 2788.

SB 2788

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

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

HAWAIIAN TELCOM

February 8, 2012

Chairs Fukunaga and Baker and Members of the Economic Development and Technology and Commerce and Consumer Protection Committees:

I am Ken Hiraki, testifying on behalf of Hawaiian Telcom (HT) on SB 2788, Relating to Reporting Requirements for Telecommunications and Cable Television Providers. HT is opposed to this measure.

While we support the stated intent of creating effective policies to support the broadband industry, SB2788 may be considered one of the most counterproductive measures introduced this session. It is our understanding that the proposed bill may violate federal privacy law by now requiring providers to disclose confidential private customer information. Disclosure of confidential private customer information may only be obtained by a court order or consent of the individual. Even if HT were allowed to disclose such information, our company does not currently have the ability to provide the type of detailed customer information that is being 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 goal of this legislation is to promote greater broadband deployment the passage of this measure will have the opposite effect. Subjecting broadband providers to unnecessary, unreasonable, and costly new regulatory requirements will act to discourage local providers from improving existing broadband infrastructure.

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 (see Governor's recent press release attached) 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.

As we stated in our previous testimony, we are unaware of any other state that regulates broadband to the degree as in SB2788 and question the need for such disclosure of proprietary business information. If this measure is adopted, Hawaii will overnight earn the distinction of the state having the most hostile and restrictive broadband law in the country.

Our belief is that promoting fair and level competition with minimal governmental regulations is what is needed 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. Adopting unnecessary regulatory requirements will serve to only reinforce the perception that Hawaii has a negative regulatory environment and make it more difficult to attract any potential new domestic or foreign entrant to Hawaii's broadband market.

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

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State Launches Internet Speed Test Site

State Launches Internet Speed Test Site

Participants Will Aid in Hawai'i's Broadband Initiative

January 31, 2012

HONOLULU – A new website will allow internet users to determine their computer or electronic device's internet speed and help the state map its broadband coverage as the Abercrombie Administration moves forward with its Hawai'i Broadband Initiative. Participants can take the test at hawaispeedtest.net. The data collected will assist the state in identifying and closing gaps in service throughout Hawai'i.

"This is a unique opportunity in which citizens can directly help in an important state initiative," said Governor Abercrombie. "Right now, current technology such as social media allows citizens to share their thoughts with us. As broadband and technology progresses, people will be able to further engage with the state and each other."

Data collected in 2012 will provide the state's broadband specialists an important baseline.

"Measuring broadband speeds is pretty tough, but if we can get enough tests coming in from the public over various times of the day and with various amounts of internet traffic, then we can make a good estimation to work from," noted Broadband Program Specialist Sterling Yee.

To take the test, visit hawaispeedtest.net, fill in your current location information, and click "Begin Test."

Additional Information about the Hawai'i Broadband Initiative

On August 23, 2011, Governor Neil Abercrombie issued an Executive Memorandum on the Hawai'i Broadband Initiative and directed the Department of Commerce and Consumer Affairs and the Department of Business, Economic Development and Tourism to lead the effort. Read the memo here: <http://hawaii.gov/gov/broadband-executive-memo/>.

The Hawai'i Broadband Initiative has four goals:

1. Ensure ubiquitous access to world-class gigabit-per-second broadband service at affordable prices throughout Hawai'i.
2. Increase the use of ultra-high-speed broadband services and applications for economic development, healthcare, education, public safety, governmental efficiency and civic engagement.
3. Reduce Hawai'i's barriers to global participation and ensure equitable access for all our islands, including the most remote areas of the state.
4. Develop and implement a modern regulatory and permitting environment that supports and advances investment in broadband infrastructure and public services.

The Governor also outlined the vision, purpose and goals behind the Hawai'i Broadband Initiative. Click here to learn more: <http://hawaii.gov/gov/broadband-policy-outline/>

Also, Australia is launching its own National Broadband Network. Watch this short video to learn more on their effort: <http://youtu.be/7tjTDSuv-2I>

###

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To: Senate Committees on Economic Development and Technology and on
Commerce and Consumer Protection

From: Cheryl Kakazu Park, Director

Date: February 8, 2012, 1:15 p.m.
State Capitol, Room 016

Re: Testimony on S.B. No. 2788
Relating to Reporting Requirements for Telecommunications and
Cable Television Providers

Thank you for the opportunity to submit testimony on S.B. No. 2788.

The Office of Information Practices (OIP) takes no position on the substance of this bill, which would require reporting by telecommunications and cable television providers to the Department of Commerce and Consumer Affairs. OIP, however, seeks clarification of proposed section (6)(a), at bill page 11 lines 1-7.

Under this provision, even if public disclosure would ordinarily be required under the UIPA, data reported to DCCA would be confidential unless determined to be public by DCCA's director. Notably, the UIPA, in HRS section 92F-13, already provides exemptions from public disclosure that are applicable to information in government records that consists of trade secrets and confidential business information. As drafted, however, the bill's section (6)(a) would make confidential any data in a statement or report, regardless of whether it would actually fall within an exception to disclosure under the UIPA.

Whether to provide the confidentiality provision proposed for the records covered by this bill is a policy decision for the Legislature. However, OIP notes that

Senate Committees on Economic Development and Technology and on
Commerce and Consumer Protection
February 8, 2012
Page 2

it would be a departure from the underlying intent of the UIPA to provide a uniform standard for records disclosure. OIP is also concerned that the provision gives DCCA's director full discretion--not subject to any standard--to determine whether information will become public, which would make that determination generally unreviewable.

Thank you for considering OIP's testimony.



*Sandwich Isles
Communications, Inc.*

A Waimana Company

**ROBERT KIHUNE
CHIEF EXECUTIVE OFFICER
SANDWICH ISLES COMMUNICATIONS, INC.
TO
THE SENATE
COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY AND
COMMITTEE ON COMMERCE & CONSUMER PROTECTION ON
FEBRUARY 8, 2012 - 1:15 P.M.**

**SB2788 RELATING TO REPORTING REQUIREMENTS FOR
TELECOMMUNICATIONS AND CABLE TELEVISION PROVIDERS**

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

I am Robert Kihune, Chief Executive Officer of Sandwich Isles Communications (SIC), providing comments on SB2788, Relating to Reporting Requirements for Telecommunications and Cable Television Providers.

We agree that the telecommunications industry is an essential element of the State's economy and vital to the health and welfare of all in the State. We further concur that a complete and thorough understanding of the operations of the telecommunications industry and cable television industry would assist with the administration of effective policies to support and grow a competitive, stable and robust industry for the benefit of the State's economy and consumers, and for the

well-being of the public at large. However, as drafted, we believe the requirements in SB2788 would impose an undue burden on the state's telecommunications and cable providers with no support, financial or otherwise, and little specific justification. Conversely, the measure would impose hefty civil penalties, with no limit, for failing to comply. We question the value and wisdom of a bill that would unnecessarily drive up costs during these uncertain economic times.

A rough analysis determined that the requirements imposed in this bill would require significant start-up costs exceeding \$51,000 and more than \$2,500 in ongoing costs per report. These unrecoverable and uncompensated cost estimates do not include any equipment, software or hardware that may need to be purchased to implement the requirements set forth in the measure.

Furthermore, we believe a complete and thorough understanding of the operations of the telecommunications industry and cable television industry can be better achieved collaboratively and voluntarily, not by imposing unfunded mandates legislatively.

We have serious concerns with this bill, as drafted, but are willing to work with the Department of Commerce and Consumer Affairs (DCCA) on meaningful solutions that will provide the DCCA with the information they need without posing onerous and excessive requirements on telecommunications and cable companies.

Thank you for the opportunity to provide testimony.



**Testimony of Michael Bagley
Director of Public Policy for Verizon
Before the
Consumer Protection and Commerce Committee
On S.B. 2788
February 8th, 2012**

The Honorable Senator Carol Fukunaga
Chairwoman, Senate Committee on Economic Development and Technology
The Honorable Senator Rosalyn Baker
Chairwoman, Senate Committee on Commerce and Consumer Protection
Hawaii State Senate

***Re: S.B. 2788 -- Reporting Requirements for Telecommunications and Cable
Television Providers***

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

On behalf of Verizon, I submit testimony in opposition to S.B. 2788 and urge the Committee to defeat this legislation.

Verizon is proud to be a leading technology company that has been at the forefront of innovation for broadband services through the deployment of 4G Long-Term Evolution (LTE) and FIOS in limited markets. 4G LTE represents the most efficient and highest speed wireless broadband available, allowing customers to download songs in seconds and movies in minutes.

Verizon wants to be a strong partner with the State of Hawai'i with regard to broadband deployment, but we must respectfully oppose S.B. 2788, which we believe would have a harmful impact on our ability to serve the broadband needs of our customers and the State. New burdensome regulations and reporting requirements send exactly the wrong signal to businesses like ours that want to expeditiously and efficiently deploy the resources and infrastructure necessary for broadband.

Specifically, S.B. 2788 would:

Be overly intrusive into our business, demanding extensive resources to gather data that does not directly serve the needs of Hawai'i consumers; and worst, divert limited resources that could instead be used to build out the broadband network itself. Rather than spend limited capital on "bureaucratic overreach," we believe that such capital would be more effectively used on infrastructure build-out and deployment.

The bill sets requirements for the collection and delivery of highly proprietary and sensitive data that would make competitors vulnerable as they compete aggressively in the marketplace.

The bill calls for extremely detailed data requests that identify no clear purpose for why the information is being asked or for what purpose the data would be used.

We are also troubled by the reality that businesses that would be impacted and are targeted by the legislation were industries not consulted in advance, and therefore have had no opportunity to fully raise issues related to both the unintended and intended consequences of S.B. 2788. There should be a more collaborative process with industry to discuss and review what the Department of Commerce and Consumer Affairs (DCCA) is seeking to achieve, so that providers such as Verizon can responsibly advise on what kind of data we can more readily provide without onerous requirements that burden our business. We believe that a blind request for data that is costly and difficult is the wrong approach.

Unfortunately, this legislation does not send a positive and encouraging signal to businesses about how Hawaii wants to approach cooperative interaction on broadband. SB 2788 instead, has high potential to directly discourage broadband deployment in the State, which is the opposite goal that the Governor and the Legislature would want to achieve.

We ask for a "NO" vote on S.B. 2788. Thank You.