

LATE

SB781

RELATING TO PUBLIC UTILITIES

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HAWAIIAN TELCOM

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Chair Baker and members of the Senate Commerce and Consumer Protection Committee:

I am Ken Hiraki, testifying on behalf of Hawaiian Telcom on SB781, Relating to Public Utilities.

The purpose of this measure is to create a tax credit for electric utilities for undergrounding utility lines. Hawaiian Telcom is opposed to this measure.

As you are already aware, most utility poles are jointly owned by Hawaiian Electric and Hawaiian Telcom. Should the electric utility move its lines underground with some cost subsidy, Hawaiian Telcom will still remain on the poles, but will now have to incur the total cost of the ongoing maintenance of these poles. In addition, non-electric lines to the respective customers of utilities such as telecommunications and cable companies will still remain above ground.

If the goal of this measure is to encourage the undergrounding of utility lines, then this bill must be amended to allow tax credits for all utility pole owners including Hawaiian Telcom, cable, and other utility carriers. Even with this tax credit, the reality is that due to the exorbitant cost of undergrounding only a small portion of Hawaii's utility lines can be relocated underground each year.

For the aforementioned reasons, Hawaiian Telcom requests that this measure be held.

Thank you for the opportunity to testify and I am available to answer any questions.