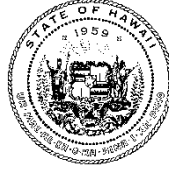


DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
Comptroller

AUDREY HIDANO
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
COURTNEY TAGUPA, EXECUTIVE DIRECTOR
ENHANCED 911 BOARD
TO THE
HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
ON
TUESDAY, FEBRUARY 14, 2017
CONFERENCE ROOM 329

H.B. 206, H.D.1

RELATING TO ENHANCED 911 SERVICES

Chair McKelvey and members of the Committee, thank you for the opportunity to provide testimony on H.B. 206, H.D. 1. I am Courtney Tagupa, Executive Director of the E (Enhanced) 911 Board, representing the Board who sponsors this bill. The E911 Board is comprised of thirteen voting members who represent emergency responders from the four counties, consumer and IT government representatives, and private sector communications industry representatives.

Statewide wireless communications continues to grow each year. In 2016, 75% of 911 calls were via wireless communications. In keeping pace with technology, the four counties took two years to upgrade their dispatch systems to receive **text messages**, which support remote areas like Hawaii County's Puna District that can text but cannot call. **Text 911** supports hearing and speech impaired persons and persons under domestic or criminal threat when voice calls endanger their situations.

In continuous support of dispatch operations statewide, the E911 Fund relies on its surcharges on wireless communications. H.B. 206, H.D. 1 remedies the inequity between users who post pay 66 cents a month for VOIP, and/or wireless service fees and users of prepaid cards who do not pay any service fee for the same E911 access. The E911 Board approved that prepaid card users pay 1.5% at the point of sale, which represents a fair rate for Hawaii based on latest data from CTIA (Cellular Telecommunications Industry Association). The 1.5% prepaid card fee would total about \$4.95 at 12 months of prepaid card usage. An estimated annual revenue of \$1.2M from the prepaid surcharge would augment the E911 Fund that provides county dispatch centers continuous upgrades per their 5 Year Strategic Budget.

In consideration of low income prepaid card purchasers, a purchase of ten minutes or \$5 or less, would be exempt from the 1.5% user fee. We also reference FCC's "Lifeline" program that provides monthly stipends to income eligible persons for wireless access (i.e., persons enrolled in Medicaid, federal housing, food stamps).

In consideration of retailers' concerns for administrative startup costs and preparations for the prepaid card fee, the bill provides 3 percent for administrative purposes collected from prepaid wireless E911 surcharges and a year to establish compliance procedures.

We submit a housekeeping amendment to Section 4, subsection (b), to **reinstate (2) *Prepaid connections***, for clarification between the two surcharges to **add: *which shall be subject to the surcharge as set forth in section 138-___; and.***

In reference to enforcement measures and responsibilities, we ask to defer those concerns until the E911 Board can fully discuss compliance issues and determine what would be best for all concerned.

The counties' dispatch centers have benefitted greatly from the costly equipment, routine maintenance, and software upgrades that provide robust wireless communications. These recent events exemplify this funding effort.

During December, Honolulu Fire Dispatch (HFD) received a wireless 911 call from stranded hikers who were rescued by chopper from Windward District's Ka'aawa Ridge Trail. The wireless call was routed via a Hawaii Kai cell tower. HFD was able to accurately and quickly plot the hiker's location, which confirmed the overall effectiveness of its upgraded system.

Last November, Kauai veteran dispatcher Lavina Taovao assisted with a live-birth delivery through a 911 incoming call. She talked and walked the distressed parties through emergency procedures while dispatching medical support. (MidWeek cover story).

These two events are ordinary daily work performed by our well trained dispatchers and emergency responders. We ask for your continued support as wireless emergency communications expand into photo and video transmissions in the near future.

Mahalo for your time and consideration of our requests. Please contact me for further questions that you may have.

courtney.tagupa@hawaii.gov
(808)391-7971

Courtney Tagupa
DAGS

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HOME PA'INA KAUAI CALENDAR ARCHIVE DIGITAL EDITION ARCHIVE CONTACT US SUBSCRIPTION SERVICES

On Call

COCO ZICKOS on December 14, 2016 at 11:33 am



While everyone else enjoys the holidays, Lavina Taovao, Sarah Louxz, Ginger Bray, Lt. Kennison Nagahisa and Stephanie Neher are hard at work at KPD Kauai Dispatch Center

While everyone else was stuffing their faces with turkey and mashed potatoes Thanksgiving Day, Kauai Police Department's dispatchers were hard at work.

"Tomorrow's a holiday; we work," says Lavina Taovao, Dispatch 3 supervisor, the day before Thanksgiving. "Criminals don't rest."

Many people already were rushing out of work early that day in preparation for the upcoming festivities, but Taovao sat calmly at her Kauai

Dispatch Center desk, embodying a kind of composure that most people likely would be unable to maintain in her position. Her job not only requires her to work holidays, but it's also not for the faint of heart.

On this particular day, she's accompanied by co-workers Sarah Louxz, Ginger Bray and Stephanie Neher, who are busy fielding nonstop calls. Despite the chaos, the ladies are relaxed and go about their routine as if they were in a well-rehearsed, synchronized dance. Only this dance isn't set to beautiful music, but instead incoming calls of distressed individuals whose lives are in a current state of emergency.



The hidden heroes of emergency services hard at work

"I'm just blown away by these girls," says Lt. Kennison Nagahisa, administrative lieutenant at the communications center. "I hear it all and I give these girls credit, multitasking and dealing with upset people all day."

Only a certain kind of person can do what it takes to help others during frantic moments. One might even say the dispatchers are hidden heroes in the emergency response system. They are so good at what they do, Nagahisa says, that by the time police or fire department personnel arrive at the scene, the individuals have been counseled by dispatchers and their nerves eased.

"No one sees them enough or recognizes them," says Lt. Nagahisa. "Yet, they're one of the most important parts of the emergency response process."

Located in what can only be described as a cave, sans windows and buried within KPD headquarters with restricted access, these dispatchers have learned what it takes to remain cool and collected despite what's happening on the other end of the line.



Now people can send a text message to 911 **GRAPHIC COURTESY KPD**

"Every day is different; every hour, every minute, every second," says Taovao. "Some days we have just your everyday calls and some days can be massive."

She recalls one of those recent massive days, when a manhunt ensued for an escaped prisoner on a crime spree. Calls came in one right after another, many hysterical, including the unfortunate individuals who had been hijacked.

"We go home drained," says Taovao, who has learned how to leave everything behind at the end of the day, doing yardwork to help unwind.

Stress isn't easing anytime soon for dispatchers, as the number of calls they receive only keeps rising – car accidents are the No. 1 reason for

contact, followed by domestic violence and suicide attempts, as well as ocean and hiking rescues. The week before Thanksgiving, dispatch received nearly 900 calls (including 911 and police dispatch). Since Taovao started working in the department 12 years ago, incidents have increased significantly, especially in relation to more visitor arrivals.



Lavina Taovao says she has genuinely enjoyed her job as dispatcher for the past 12 years

"It's become more crazy," says Taovao, citing theft and rescues as some of the top reasons people call when more visitors are on island. "It's really changed."

Despite the constant pressure, the Waimea High School graduate loves her job so much that she was involved in the advocacy movement that led Hawaii to become the seventh state in America to launch a text-to-911 service.

"We worked on this for a long time," she says.

Now people can contact 911 via text, which comes in handy during situations like domestic violence when someone in trouble can't alert the perpetrator to their action. The service is especially handy for the elderly or people with disabilities who might have trouble communicating or have difficult time hearing.



When people text to 911, they are connected to a dispatcher who can immediately respond and assist them

Text-to-911 allows users to send 160 characters at a time (no pictures or emojis). An added bonus of the new texting service is its availability island-wide, including remote areas like Hanakapiai Beach. The user's location tracker must be turned on in their phone, however, in order for a response team to be able to find them.

"But if you can call, call. That's the best thing you can do," says Taovao.

No matter the method of contacting Kauai Dispatch Center, employees there know exactly what to do. They follow a strict protocol that aims at calm distressed people during emergency situations. While it's admittedly tough, Taovao says she loves being able to connect with people and help them through their situations.

So, while everyone else is ripping open presents on Christmas or sleeping in New Year's Day, remember the hidden heroes of emergency services, Lili Taovao, who are working diligently behind the scenes in order to keep the island safe and its people free from harm.

To learn more about text-to-911, visit ags.hawaii.gov/hawaii-enhanced-9-1-1-board/text-to-911.

cocomidweek@gmail.com

Share and Enjoy:

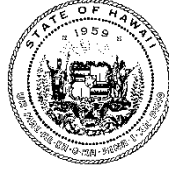
PHOTOS BY COCO ZICKOS

CATEGORIES FEATURE KAUAI COVERSTORY

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LATE

DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
Comptroller

AUDREY HIDANO
Deputy Comptroller

**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY OF
RODERICK K. BECKER, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
CONSUMER PROTECTION AND COMMERCE
ON
TUESDAY, FEBRUARY 14, 2017
2:00 P.M.
CONFERENCE ROOM 329

H.B. 206, HD1

RELATING TO ENHANCED 911 SERVICES

Chair McKelvey, Vice Chair Ichiyama, and members of the Committee, thank you for the opportunity to provide testimony on H.B. 206, HD1. The Department of Accounting and General Services (DAGS) supports H.B. 206, HD1.

We support this measure for the following reasons:

1. This bill will create parity between postpaid and prepaid cellular phone customers. It is estimated that approximately 10% to 20% of cellular phone customers use prepaid cellular phones. Although the prepaid cellular phone customers benefit from the use of the enhanced 911 features, they are currently exempt from the \$0.66/month per line surcharge. As a result, postpaid cellular phone customers subsidize the prepaid cellular phone customers' portion of the

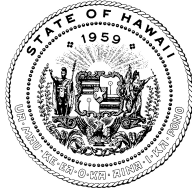
cost for the acquisition, implementation, and maintenance of hardware and software that provide enhanced 911 functionality.

2. Approximately 39 states have enacted legislation to assess 911 call surcharges on prepaid cell phone customers.

We also ask that the proposed revision in Section 4 of the measure that amends section 138-4(b)(2), Hawaii Revised Statutes (HRS), not be made, and that section be left as is. If the revision to section 138-4(b)(2), HRS, is made, prepaid cellular phone customers could be subject to both the 1.5% fee on prepaid wireless telecommunications services purchased and the \$0.66/month per line surcharge.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



LATE

TODD NACAPUY
CHIEF INFORMATION
OFFICER

STATE OF HAWAI‘I
OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

P.O. BOX 119, HONOLULU, HI 96810-0119
Ph: (808) 586-6000 | Fax: (808) 586-1922
ETS.HAWAII.GOV

Testimony of
TODD NACAPUY
Chief Information Officer, State of Hawai‘i

Before the

HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

Tuesday, February 14, 2017; 2:00 p.m.

State Capitol, Conference Room 329

HOUSE BILL NO. 206, H.D. 1
RELATING TO ENHANCED 911 SERVICES

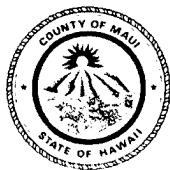
Chair McKelvey, Vice Chair Ichiyama, and Members of the Committee:

I am Todd Nacapuy, Chief Information Officer (CIO) of the State of Hawai‘i, as a member of the Enhanced 911 Board testifying in **support** of House Bill No. 206, H.D. 1, Relating to Enhanced 911 Services.

The Enhanced 911 Fund supports 911 dispatch services that summon police, fire and emergency medical services provided by the City and counties. Every telephone user, except those using prepaid wireless phones, now pays a monthly surcharge of 66 cents that goes into this fund to help State and local governments deploy new technologies in serving and protecting the public. Using this fund, Hawai‘i was among the first states to adopt Text-to-911 and to start planning for Next Generation 911 services.

This bill will help close the loophole that exempts prepaid wireless phone users from paying their share. We believe these surcharges should be imposed equitably for all phone users who may call and benefit from 911 services across the State.

Thank you for this opportunity to testify in support of this measure.



ALAN M. ARAKAWA
MAYOR

OUR REFERENCE
YOUR REFERENCE

POLICE DEPARTMENT

COUNTY OF MAUI

55 MAHALANI STREET
WAILUKU, HAWAII 96793
(808) 244-6400
FAX (808) 244-6411
February 14, 2017



TIVOLI S. FAAUMU
CHIEF OF POLICE

DEAN M. RICKARD
DEPUTY CHIEF OF POLICE

The Honorable Angus L. McKelvey, Chair
The Honorable Linda Ichiyama, Vice Chair
And Members of the Committee on
Consumer Protection and Commerce

The House of Representatives
State Capitol
Honolulu, Hawaii 96813

Re: House Bill No. 206 House Drafts 1, RELATING TO ENHANCED 911 SERVICES

Dear Chair McKelvey and Members of the Committee:

The Maui Police Department supports H.B. 206, H.D. 1.

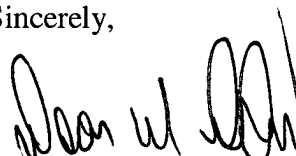
This bill would provide funding to the Enhanced 911 Services through a surcharge collected at the time of purchase of prepaid wireless cellular phones. This surcharge is, as you know, a program that exists for contract cellular phone service providers.

Not only will this increase the funding for the Enhanced 911 Services, it will put the prepaid wireless cellular consumers that also use 911 services on track with current contract wireless users. This will ensure the services are charged to the consumer fairly and equally across the board for both users of contract wireless and prepaid wireless cellular phones.

This cost would be less than 3 cents per transaction to provide a necessary service to the public.

The Maui Police Department asks that you support House Bill No. 206, H.D. 1.

Sincerely,



TIVOLI S. FAAUMU
Chief of Police

LATE

TESTIMONY OF THE HAWAI'I POLICE DEPARTMENT

HOUSE BILL 206, H.D. 1

RELATING TO ENHANCED 911 SERVICES

BEFORE THE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

DATE : Tuesday, February 14, 2017

TIME : 2:00 P.M.

PLACE : Conference Room 329
State Capitol
415 South Beretania Street

PERSON TESTIFYING:

Police Chief Paul K. Ferreira
Hawai'i Police Department
County of Hawai'i

(Written Testimony Only)

Harry Kim
Mayor



Paul K. Ferreira
Police Chief

Kenneth Bugado, Jr.
Deputy Police Chief

February 13, 2017

County of Hawai`i

POLICE DEPARTMENT

349 Kapi`olani Street • Hilo, Hawai`i 96720-3998
(808) 935-3311 • Fax (808) 961-8865

Rep. Angus L.K. McKelvey, Chair
Chairman and Committee Members
Committee on Consumer Protection & Commerce
415 South Beretania Street, Room 329
Honolulu, Hawai`i 96813

Re: HOUSE BILL 206, H.D. 1, RELATING TO ENHANCED 911 SERVICES

Dear Representative Ohno:

The Hawai`i Police Department supports House Bill 206, H.D. 1, with its purpose being to establish a prepaid wireless E911 surcharge per retail transaction of prepaid wireless telecommunications service at the point of sale; which basically eliminates the exemption for prepaid wireless connections.

We believe this legislation as written will serve to ensure an act of equity amongst consumers of wireless communications devices in terms of needed revenue for enhanced 911 (E911) services attendant to these devices. In essence, the wireless communications industry similar to the computer industry is constantly incorporating and deploying, newer, faster, and more efficient technology into the field.

In response, the Public Safety Answering Points (PSAPS) must also constantly upgrade their equipment in order to take advantage of the increasing capabilities of these devices as well as to meet public expectations for the technology. The recent movement towards the Next Generation 911 upgrading of PSAPS is a prime example. These upgrades will allow PSAPS to receive text messages, photos, and video from wireless phones.

In that the E911 funding is utilized for necessary upgrades, we believe the rise in use of prepaid wireless connections should be attendant with elimination of the exemption in the best interests of the communities served by the various PSAPS in the state of Hawai`i.

It is for these reasons, we urge this committee to approve this legislation.

Thank you for allowing the Hawai`i Police Department to provide comments relating to House Bill 206, H.D. 1.

Sincerely,

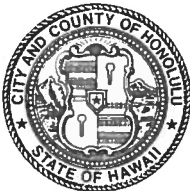
PAUL K. FERREIRA
POLICE CHIEF

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

801 SOUTH BERETANIA STREET · HONOLULU, HAWAII 96813
TELEPHONE: (808) 529-3111 · INTERNET: www.honoluluupd.org

LATE

KIRK CALDWELL
MAYOR



LOUIS M. KEALOHA
CHIEF

CARY OKIMOTO
JERRY INOUE
DEPUTY CHIEFS

OUR REFERENCE WB-AS

February 14, 2017

The Honorable Angus L. K. McKelvey, Chair
and Members
Committee on Consumer Protection and Commerce
House of Representatives
Hawaii State Capitol, Room 329
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair McKelvey and Members:

SUBJECT: House Bill No. 206, HD1, Relating to Enhanced 911 Services

I am William Baldwin, Major of the Communications Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD supports House Bill No. 206, HD1, Relating to Enhanced 911 Services, with the suggested amendment to set the unspecified prepaid wireless enhanced 911 surcharge at 1.5 percent.

This bill provides a fair and equitable contribution to the funding of the 911 system. Currently, prepaid wireless consumers are exempt from paying the the 1.5 percent surcharge but have the same access to the 911 system. The collection and payment obligation of charges to support the 911 system should be in parity with other wireless consumers.

The HPD urges you to support House Bill No. 206, HD1, with the suggested amendment.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink that reads "William Baldwin".

William Baldwin, Major
Communications Division

APPROVED:

A handwritten signature in black ink that reads "Cary Okimoto".

Cary Okimoto
Acting Chief of Police

Bernard P. Carvalho, Jr.
Mayor



Robert F. Westerman
Fire Chief

Wallace G. Rezendes, Jr.
Managing Director

KAUA'I FIRE DEPARTMENT
County of Kaua'i, State of Hawai'i
4444 Rice Street, Suite 315, Lihu'e, Hawai'i 96766
TEL (808) 241-4980 FAX (808) 241-6508

Kilipaki K. F. Vaughan
Deputy Fire Chief



February 13, 2017

The Honorable Angus McKelvey, Chair
Committee on Consumer Protection
and Commerce
House of Representatives
State Capitol, Room 320
Honolulu, Hawaii 96813

Dear Chair McKelvey:

Subject: House Bill (HB) 206, House Draft (HD) 1 Relating to Enhanced 911 (E911) Services

I am Robert F. Westerman, Vice-Chair of the Hawaii State Fire Council (SFC) and Fire Chief of the Kauai Fire Department (KFD). The SFC and the KFD support HB 206, HD 1, which proposes to amend the E911 surcharge from prepaid wireless mobile phone consumers at the retail point of sale.

This bill would impose the surcharge at the point of sale in a fair and equitable manner to prepaid wireless consumers. Currently, prepaid wireless consumers have the same access to the E911 system, but are exempt from paying the 66-cent surcharge. We believe the payment to and collection of charges used to support the E911 system should be in parity with other wireless consumers.

The SFC and the KFD urge your committee's support on the passage of HB 206, HD 1.

Please call me at (808) 241-4975 should you have any questions regarding this matter.

Sincerely,

Robert Westerman
Fire Chief, County of Kaua'i

RFW/eld

LATE

WRITTEN TESTIMONY
OF
DARRYL PERRY, CHIEF OF POLICE
KAUAI POLICE DEPARTMENT
To The
HOUSE COMMITTEE ON CONSUMER PROTECTION &
COMMERCE
ON
Tuesday, February 14, 2017
2:00 PM
CONFERENCE ROOM 329

HB 206 HD1

RELATING TO ENHANCED 911 SERVICES

Chair Angus McKelvey and Vice Chair Linda Ichiyama, and members of the committee, thank you for the opportunity to testify on HB 206. The Kaua'i Police Department supports HB 206, Relating to Enhanced 911 Services that seeks to collect a 911 surcharge from prepaid wireless mobile phone consumers at the retail point of sale.

The collection of a prepaid wireless 911 surcharge is very important in order to sustain adequate funding for enhanced 911 services statewide. The Enhanced 911 Fund (Fund) provides funding to deploy and sustain Enhanced 911 services, as well as to develop and fund future enhanced 911 technologies. Currently, there is a monthly surcharge of 66 cents per month for each communications service connection, except wireless prepaid mobile phone users. This surcharge is remitted by the communications service providers to the Fund.

Surcharges for 911 should be fair and equitable. Currently, postpaid wireless consumers are paying the surcharge and prepaid consumers are not. This bill corrects this inequity. Today, Hawaii's prepaid wireless service consumers are being subsidized by postpaid consumers. To be fair and equitable, prepaid wireless consumers should not be exempt from the 911 surcharge. They should pay a 1.5% 911 surcharge per transaction at the point of sale as stated in the Bill.

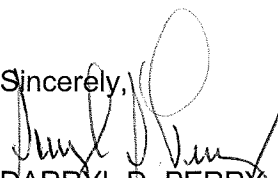
The Cellular Telephone Industries Association (CTIA) estimates prepaid wireless consumers comprise about 20% of the consumer market in Hawaii at this time. Approximately 40 states have already passed legislation for surcharges on prepaid wireless consumers.

The estimated additional revenue of \$1,200,000 per year will assist in upgrading and maintaining the Public Safety Answering Points (PSAP) computer hardware and software in order to support new and emerging technologies.

Testimony Of Darryl D. Perry, Kaua'i Chief of Police
House Committee on Intrastate Commerce
January 31, 2017
Page 2

The benefit to the public is a comprehensive, efficient, and coordinated statewide 911 system serving all citizens, that is funded in a fair and equitable manner. For these reasons, we urge the committees to support this bill. Thank you for this opportunity to testify on this important matter.

Sincerely,



DARRYL D. PERRY
KAUA'I CHIEF OF POLICE

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 13, 2017 3:41 PM
To: CPCtestimony
Cc: victor.ramos@mpd.net
Subject: *Submitted testimony for HB206 on Feb 14, 2017 14:00PM*

HB206

Submitted on: 2/13/2017

Testimony for CPC on Feb 14, 2017 14:00PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Victor K. Ramos	Maui Police Department	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



3610 Waialae Ave
Honolulu, HI 96816
P: (808) 592-4200
E: tyamaki@rmhawaii.org

TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
February 14, 2017

Re: HB 206 HD1 RELATING TO ENHANCED 911 SERVICES

Good afternoon Chair McKelvey and members of the House Committee on Consumer Protection and Commerce. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) is a statewide not-for-profit trade organization representing 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

The Retail Merchants of Hawaii acknowledges the importance being able to access the 911 service during an emergency from a land line or mobile device. However, we are strongly opposed to HB 206 HD1 Relating to Enhanced 911 Services. This measure essentially places an additional 1.5% tax on prepaid wireless services at the point of sales. This would drive up the cost of not only the item but cost of doing business. For the retailer, there will be increased costs to implement and execute this mandate, including updating systems, maintaining accurate records, and preparing and submitting the returns and payments.

The 3% the retailers could retain is not enough and these additional costs will be passed on and shared by all consumers, in addition to the surcharge tax itself on purchasers of prepaid wireless cards. Those on a fixed income like the elderly may be burdened. To absorb the cost of this surcharge, an increase in prices throughout the store may be seen on items that include but are not limited to milk, rice and toilet paper to name a few.

Government mandates like this one has the potential to force some of these small locally owned businesses to close, leaving people out of work. Our smaller retailers are already operating on a thin margin and face stiff competition from on line sellers who can provide the same product at a lesser price void of taxes and surcharges like this one.

We respectfully ask that your consideration NOT to add greater burden to our cost of doing business or our cost of living, and urge you to hold this measure. Mahalo for this opportunity to testify.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Impose enhanced 911 surcharge on prepaid phones

BILL NUMBER: HB 206, HD-1

INTRODUCED BY: House Committee on Intrastate Commerce

EXECUTIVE SUMMARY: Imposes an enhanced 911 surcharge on prepaid phones. This is seen as a way to close a loophole in existing law.

BRIEF SUMMARY: Adds a new section to HRS chapter 138 to provide that an enhanced 911 surcharge of 1.5% shall be imposed as a one-time charge on prepaid wireless telecommunications services. The surcharge shall be the liability of the consumer but collected by the seller. Allows the seller to retain 3% of the surcharge collected from consumers and remit the balance to the enhanced 911 board.

Conforming amendments are made to other sections in chapter 138.

EFFECTIVE DATE: January 1, 2009.

STAFF COMMENTS: The legislature by Act 159, SLH 1994, established a wireless enhanced 911 surcharge of 66 cents per month and a wireless enhanced 911 fund to allow deployment of phase 1 and phase 2 of the wireless enhanced 911 service and expenses of administering the fund. The wireless enhanced 911 program allows wireless phones to be located by public safety personnel in the event of an emergency. The fee is collected to reimburse facilities that provide Public Safety Answering Points (PSAP) which are set up to determine the location of a wireless 911 call for emergency services.

In Act 79, SLH 2009, the legislature determined that there was an excess \$16 million in the enhanced 911 fund. At the time, public safety officials complained that diversion of receipts in the fund could disqualify the state from participating in federal grant programs to enhance the technology of 911 systems. But the fund was raided anyway. Perhaps lawmakers should investigate whether all the funding needs of the system have been made and if upgrades are still needed. Are there technologies still to be implemented to fully operate the system? Is the rate too high, bringing in revenues faster than they can be spent? If the latter is true, then lawmakers should consider reducing the rate so the monthly burden will not be as great on users.

Currently, wireless phones are assessed a surcharge of 66 cents per month while landline phones are assessed 27 cents per month. Prepaid service connections or prepaid pay as you go cell phones are exempt from this surcharge. Because prepaid phones also have access to enhanced 911 services, it appears equitable to assess those phones a fair rate as well.

Digested 2/12/2017

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 13, 2017 1:47 PM
To: CPCtestimony
Cc: rgausepohl@kauai.gov
Subject: Submitted testimony for HB206 on Feb 14, 2017 14:00PM

HB206

Submitted on: 2/13/2017

Testimony for CPC on Feb 14, 2017 14:00PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Rob Gausepohl	Individual	Comments Only	No

Comments: I am in favor of this important bill.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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