

STAND. COM. REP. NO. 512

Honolulu, Hawaii

MAR 05 2009

RE: S.B. No. 603
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 603 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES,"

begs leave to report as follows:

The purpose of this measure is to allow the Public Utilities Commission to consider wireless, voice over internet protocol (VOIP), and other telecommunications technology providers when determining competition in the switched access telecommunications market.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii. Testimony in opposition to this measure was received from TW Telecom. Testimony with comments on this measure was received from the Public Utilities Commission, AT&T, Hawaiian Telcom, and Oceanic Time Warner Cable. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that advances in technology make wireless and VOIP telephone services a reasonable substitute for traditional land line, or switched access, service for many consumers. Your Committee finds that this measure will help to create a level playing field for telecommunications service providers, including wireless and VOIP providers who are not currently regulated by the Public Utilities Commission. However, many consumers, especially low income consumers and those in remote areas, remain dependent on switched access. Your Committee

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further finds that important services, such as lifeline telephone rates, carrier of last resort services, and service quality standards remain essential to the operation of switched access providers.

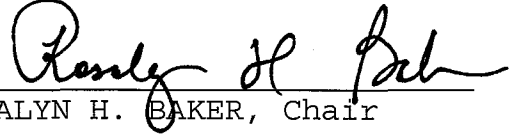
Your Committee has amended this measure by:

- (1) Deleting the requirement that the Public Utilities Commission consider the existence of competition in the telecommunications market with a requirement that the Public Utilities Commission classify the State's local exchange intrastate telecommunications services market as fully competitive with respect to costs, rates, and pricing;
- (2) Requiring telecommunications carriers to file rates, fares, charges, and bundled service offerings with the Public Utilities Commission for information purposes only;
- (3) Clarifying that this measure applies only to retail rates and not to wholesale rates;
- (4) Establishing a maximum retail rate ceiling based on current retail rates;
- (5) Clarifying that switched access providers remain responsible for providing lifeline and carrier of last resort telephone services and for maintaining service quality standards; and
- (6) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 603, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 603	Committee Referral: CPN	Date: 2/26/2009		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman	✓			
HEMMINGS, Fred	✓			
TOTAL	6			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">David Y Ige</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes