



GOV. MSG. NO. 175

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

April 26, 2012

The Honorable Shan Tsutsui, President
and Members of the Senate
Twenty-Sixth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Calvin Say, Speaker
and Members of the House
Twenty-Sixth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

Re: HB1868 HD1

I intend HB1868 HD1, entitled "RELATING TO TELECOMMUNICATIONS." to become law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to amend section 269-16.85, Hawaii Revised Statutes, to prohibit a telecommunications carrier from charging a rate for any retail telecommunications basic exchange service that is higher than the rate in the filed tariff, unless otherwise approved by the Public Utilities Commission ("PUC").

I understand the overall importance of section 269-16.85 as a means for providing telecommunication carriers with pricing flexibility in today's competitive market environment. This measure retains such flexibility except for basic exchange service, which remains subject to PUC oversight.

However, I am concerned that the competitive market today may change in the future, and/or that a service that is now considered to be a non-basic exchange service may become essential in the future. In either situation, PUC oversight may become necessary or appropriate for far more than what is now considered to be basic exchange service.

For the foregoing reasons, I intend HB1868 HD1 to become law as Act 074 (12), effective April 25, 2012, without my signature.

Sincerely,


NEIL ABERCROMBIE
Governor, State of Hawaii

A BILL FOR AN ACT

RELATING TO TELECOMMUNICATIONS.

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

1 SECTION 1. Section 269-1, Hawaii Revised Statutes, is
2 amended by adding four new definitions to be appropriately
3 inserted and to read as follows:

4 "Basic exchange service" means those services consisting
5 of single-line dial tone, touch-tone dialing, access to operator
6 service, access to enhanced 911, telecommunications relay
7 service, telephone directory, and access to directory-assistance
8 service via 411 dialing.

9 "Dial tone" means the ability to make or receive telephone
10 calls with or without operator intervention.

11 "Single-line" means a single-party line or a one-party
12 line.

13 "Touch-tone dialing" means dual-tone multi-frequency, as
14 opposed to dial-pulse signaling."

15 SECTION 2. Section 269-16.85, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) Notwithstanding section 269-16.9 or any other law to
18 the contrary, the public utilities commission shall treat retail



1 intrastate telecommunications services, under the commission's
2 classification of services relating to costs, rates, and
3 pricing, as fully competitive and apply all commission rules in
4 accordance with that designation. In addition, a
5 telecommunications carrier shall not be required to obtain
6 approval or provide any cost support or other information to
7 establish or otherwise modify in any manner its rates, fares,
8 and charges, or to bundle any service offerings into a single or
9 combined price package; provided that a telecommunications
10 carrier, except upon receiving the approval of the commission,
11 shall not charge a higher rate for any retail telecommunications
12 basic exchange service than the rate for the same service
13 included in the telecommunications carrier's filed tariff. All
14 rates, fares, charges, and bundled service offerings shall be
15 filed with the public utilities commission for information
16 purposes only."

17 SECTION 3. New statutory material is underscored.

18 SECTION 4. This Act shall take effect upon its approval.



H.B. NO. 1868
H.D. 1

APPROVED this day of , 2012

GOVERNOR OF THE STATE OF HAWAII