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**PRESENTATION OF
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
OFFICE OF CONSUMER PROTECTION**

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

**TWENTY-FIFTH STATE LEGISLATURE
REGULAR SESSION, 2009**

**Wednesday, February 4, 2009
2:00 p.m.**

**TESTIMONY ON HOUSE BILL NO. 164 – RELATING TO PREPAID CALLING
CARDS.**

**TO THE HONORABLE ROBERT N. HERKES, CHAIR, AND MEMBERS OF THE
COMMITTEE:**

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify in support of House Bill No. 164, Relating to Prepaid Calling Cards. My name is Stephen Levins, and I am the Executive Director of the Department's Office of Consumer Protection.

House Bill No. 164 proposes to amend Chapter 269 of Hawaii Revised Statutes by requiring companies selling prepaid calling cards to disclose the terms and services of the cards and by making a violation of the disclosure requirements an unfair or deceptive act or practice.

Testimony on House Bill No. 164
February 4, 2009
Page 2

House Bill No. 164 is a laudable provision which will provide consumers with fundamental consumer protections. It requires that consumers be apprised of all of the essential terms and conditions of a prepaid calling card prior to its purchase. Consumers should be provided with accurate information so that they can make informed decisions. Over the course of the past several years, the Office of Consumer Protection has received several complaints that some of the cards sold locally have misrepresented the true number of minutes available for use as well as usage fees. The requisite disclosures contemplated under House Bill No. 164 should alleviate many of these complaints.

The one concern that the Department has regarding this measure relates to placing it in Chapter 269 of the Hawaii Revised Statutes. In this regard, unless the legislature intends for the Public Utilities Commission to enforce its provisions it may not be appropriate to place it within that Chapter.

Thank you for this opportunity to testify on House Bill No. 164. I will be happy to answer any questions that the members of the Committee may have.

**HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE**

February 4, 2009

House Bill 164 Relating to Prepaid Calling Cards

Chair Herkes and members of the House Committee on Consumer Protection & Commerce, I am Rick Tsujimura, representing T-Mobile USA, Inc. T-Mobile respectfully requests an amendment to House Bill 164 Relating to Prepaid Calling Cards.

Thank you for the opportunity to present this testimony regarding House Bill 164. T-Mobile has concerns about the current draft of the bill and we are recommending a minor amendment to clarify what is intended by the measure. T-Mobile is a national provider of wireless voice and data services and we provide access to our network through both postpaid and prepaid service options.

Paragraph (b) of Section 1 uses an undefined term: "prepaid calling card." We are concerned that this could be applied to telecommunications offerings beyond what is defined by the term "prepaid calling service." Therefore, T-Mobile urges the Legislature to make the following amendment to read as follows:

Page 2, line 5, "for sale prepaid calling service, at the time of sale, shall"

Thank you again for the opportunity to provide these comments.