

HB 2058

RELATING TO PUBLIC PROPERTY

KEN HIRAKI

VICE PRESIDENT – GOVERNMENT AND COMMUNITY AFFAIRS

HAWAIIAN TELCOM

February 4, 2010

Chair McKelvey and members of the House Economic Revitalization, and Business and Military Affairs Committee:

I am Ken Hiraki, testifying on behalf of Hawaiian Telcom on HB 2058, Relating to Public Property. Hawaiian Telcom opposes this measure.

HB 2058 amends HRS section 102-1 to remove communications and telecommunication services from the definition of the word “concession” and amends HRS section 103D-102 to exempt telecommunications operations from the state’s procurement code.

If this measure is enacted, this may have an impact on the delivery of reliable public payphone service within the State of Hawaii. Currently, Hawaiian Telcom’s county and statewide delivery of reliable public payphone service extends to remote areas of our state—locations where the public need for service may be crucial, but is not frequent. Our company installs and maintains many public phones in areas that may not be served if future public payphone rights are apportioned or otherwise changed in how they are awarded. This may lead to a decrease in the overall number of public payphones available for use and substantial segments of the public need may be left unserved.

In addition, current law allows consideration of overall benefit to the state and not just on the highest promised revenue to the government. Specific to payphones, this ensures the proper maintenance of non-commodities such as service reliability, upkeep, repair, and cleanliness. Such an exemption may lead to varied levels of service, or the more likely: no service.

Based on the aforementioned Hawaiian Telcom respectfully requests your committee to defer HB 2058.

Thank you for the opportunity to testify.



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

An Attached Agency of the Department of Business, Economic Development & Tourism, State of Hawaii



Statement of
RON BAIRD
CHIEF EXECUTIVE OFFICER
Natural Energy Laboratory of Hawaii Authority
before the
**HOUSE COMMITTEE ON ECONOMIC REVITALIZATION,
BUSINESS & MILITARY AFFAIRS**
February 4, 2010
8:00 a.m.
State Capitol Conference Room 312

in consideration of

HB 2058 RELATING TO PUBLIC PROPERTY

Chair McKelvey, Vice-Chair Choy, and members of the House Committee on Economic Revitalization, Business & Military Affairs, I am Ron Baird Chief Executive Officer of the Natural Energy Laboratory of Hawaii Authority, located in Kailua-Kona on the great island of Hawaii.

HB 2058 amends the definition of the term "concession" to remove telecommunication operations or locations therefore from the procurement code. This is logical, as the authority, agency, department that has control over a specific location should rightfully be the grantor of use of the location. As revenue from the operator of a telecommunications facility represent income, not expense, it is logical serve all interested parties not just one.

As NELHA continues to strive for self-sufficiency as it has been mandated to accomplish, yet providing tenant subsidies to help keep companies in business and expand, it needs every revenue source possibly available to it. Verizon has operated a cell phone tower at NELHA for many years as the NELHA location is one of the very best in west Hawaii for such an endeavor, providing a clear wide range of access. The revenues from this activity literally require no labor on NELHA's behalf, unlike the intensive 24/7 seawater delivery operation for aquacultural tenants. With a staff half the size it was a few years ago, a seawater delivery system twice as large and with twice as many tenants, NELHA has and does appreciate the Verizon operation.

NELHA has been approached by four or five other cell phone operators wanting to locate towers at NELHA. However, the current definition of concession has made it impractical with our small staff to pursue these "revenue-with-no-cost" potential sources. The amended definition proposed in HB 2058 will definitely simplify and facilitate the development of this positive revenue source.

NELHA supports the passage of this Bill into an Act as NELHA believes its passage and implementation will make a significant positive economic impact on the future of not just NELHA, but other authorities and agencies, the state and its well-being.

Thank you very much for your consideration of my testimony and if you have any questions, I would be happy to take and answer them now to the best of my ability.