

February 1, 2010

Honorable Robert Herkes House Committee on Consumer Protection and Commerce

RE: <u>HB 2360 – Relating to Intrastate Telecommunications Services - Concerns</u> CPC Committee – February 1, 2010, Conference Room 325, 2 PM

Aloha Chair Herkes, Vice Chair Wakai, and members of the Committee:

I am Lyndall Nipps, Vice President of Regulatory Affairs for tw telecom ("TWTC"), which has operated in Hawaii since 1994, providing voice, Internet and data networking, and managing nearly 25,000 access lines to state and local governments, military, and businesses in the State. Thank you for the opportunity to share our concerns on HB 2360.

One of our concerns relate to the proposed change to subsection (b) which limits the exception for wholesale services to such service that are provided under a single statute. We urge that HRS § 269-16.85, which declares certain telecommunications services to be "fully competitive", continue to, include a complete exception for all wholesale services, functions and facilities, whether purchased directly from Hawaiian Telcom's ("HT") private line tariff or from interconnection agreements.

It is essential to our ability to operate that any deregulation bill or statute contains a complete exception for "wholesale" facilities, functions and services provided by one telecommunications carrier to another, that this exception be technologically neutral, i.e. that it will continue to apply even if HT migrates its services to internet protocol or other "next generation" facilities. We believe this bill, if passed, would erode those exceptions for wholesale rates.

We are also concerned about the proposed revision to subsection (a) which appears to expand the scope of services which are deemed to be fully competitive, without any explanation or justification.

For these reasons, we respectfully request members of the committee to consider holding this bill for the remainder of this session.

Sincerely, /s/ Lyndall Nipps Vice President, Regulatory Affairs

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Late Filed Testimony

February 1, 2010

Honorable Robert Herkes

House Committee on Consumer Protection and Commerce

RE: <u>**HB 2360 – Relating to Intrastate Telecommunications Services**</u> CPN Committee – February 1, 2010, Conference Room 325, 2 PM

Chair Herkes, Vice Chair Wakai, and members of the Committee:

I am Ross Marlin, Contract and Regulatory Affairs Manager, for Wavecom Solutions, formerly Pacific LightNet, Inc., a local telecommunications company which has operated in Hawaii since 2001. Thank you for the opportunity to share our concerns on HB 2360.

The proposed change to subsection (a) potentially expands intrastate services to be classified as fully competitive. We urge this committee to clarify what intrastate services are contemplated to be affected by this change.

We are further concerned about the proposed change to subsection (b) limiting the exception for wholesale services to only those services provided under section 269-34. Again, we urge statutory clarification of which wholesale services, if any, the legislature intends this subsection to describe, and which wholesale services the legislature intends to exclude.

We believe the public interest is best served when all wholesale services, functions and facilities, continue to be regulated by the public utilities commission: that such oversight is essential to maintaining a healthy marketplace that fosters competition and provides consumers with affordable alternatives.

For these reasons, we respectfully request members of the committee to you consider hold this bill for the remainder of this session.

Sincerely, 1st Ron Martin

Ross Marlin Contracts & Regulatory Affairs