TO THE SENATE COMMITTEES ON
ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY
and
PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS

TESTIMONY RELATING TO SB 1201

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CHARTER COMMUNICATIONS, INC.

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TO CHAIR WAKAI, CHAIR NISHIHARA, AND MEMBERS OF BOTH COMMITTEES:

My name is Mark Brown, and I am Vice President for State Regulatory Affairs for Charter Communications, the overall corporate parent of Oceanic Time Warner Communications. I appreciate the opportunity to speak with you today regarding both our company and pending legislation concerning small cell deployment.

At the outset, I want to highlight Oceanic's commitment to robust broadband deployment in Hawaii. Oceanic is the single largest provider of high-speed broadband and video throughout the state. We currently have deployed over 2,900 Wi-Fi hotspots throughout the Islands, with a commitment to provide an additional 1,000 hotspots by 2020. Oceanic has also committed to raise our base or floor-level broadband speed to 60 MBs by May of this year. Additionally, Oceanic is also planning to introduce by May Spectrum Internet Assist, our low-cost broadband program for low-income families and seniors, which at 30MBs, will be the fastest program of its kind offered by any broadband provider, and we believe will have a tremendous positive impact on the communities we serve in Hawaii.

We are concerned that certain aspects of SB 1201 have the potential to create an uneven playing field by crafting special rules for the placement of small wireless facilities in the public rights-of-way. Access to public rights-of-way should be equitable access for all occupiers.

In order to access the public rights-of-way Charter, as a cable operator, is required to obtain a franchise, which involves a lengthy vetting process with DCCA. We are also subject to stringent safety and other obligations, including the requirement to pay franchise fees in Hawaii of 5% of gross revenue for occupancy and use. This equates to millions of dollars each year in payments.

This legislation is intended largely to allow unfranchised entities to circumvent the right-of-way authorization process, bypassing the procedure applicable to cable providers.

We are very concerned that cable operators should not be treated discriminatorily simply because we use the public rights-of-way to offer video/cable service, and our customers should not have to pay for us to use the public rights-of-way when others do not. Direct Broadcast Satellite

companies like Dish Network and DirecTV already enjoy an advantage because they are not subject to any state or local regulation applicable to cable operators. This legislation would go one step further, allowing companies that are building a series of ***wireline*** networks to circumvent the processes applicable to cable providers simply because they deliver content to customers over a wireless device like a mobile phone.

Although we are still reviewing these bills, and any unintended consequences, it is worth noting that the expedited process contemplated by this legislation does not apply only to the antennas themselves. The definition of "small wireless facilities" in SB 1201, for example, appears to include all "associated equipment", which seems to encompass "cable runs for the connection of power and other services." Use of the term "associated equipment" for the provision of "other services" is a clear example of the bills' effort to broaden its application beyond the stated purpose of wireless facility deployment and cover all uses of the public rights-of-way, including a series of wireline connections between wireless antenna sites.

The bill is also unfair with regard to payment for the use of the public rights-of-way. The expedited wireless process severely limits fees while cable operators pay millions of dollars in franchise fees each year (not to mention cable's provision of valuable public, educational and government programming and other obligations that flow from our cable authorization). We think reduced fees for wireless services would be appropriate but only if the Legislature were willing to consider a comprehensive reform of all fees and obligations required of cable and telecommunications providers for access to the public rights-of-way.

Finally, it is important to note that requiring underlying right-of-way authority also ensures better coordination among the entities within the public rights-of-way (electric, telephone, cable) when plant and network are installed, repaired or replaced. Entities that are allowed to place equipment in the public rights-of-way without such authority can easily jeopardize the network and services of other providers.

SB 1201 makes significant changes to the current process for public right-of-way access and create an uneven playing field. We ask the Committee to hold consideration of the bills until it has an opportunity to further review the implications of these bills and provide entities, like Charter, an opportunity to more fully detail issues and concerns.