JAN 1 9 2018

### A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

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

- 1 SECTION 1. Section 269-1, Hawaii Revised Statutes, is
- 2 amended by amending the definition of "telecommunications
- 3 carrier" or "telecommunications common carrier" to read as
- 4 follows:
- 5 ""Telecommunications carrier" or "telecommunications common
- 6 carrier" means any person that owns, operates, manages, or
- 7 controls any facility used to furnish telecommunications
- 8 services for profit to the public, or to classes of users as to
- 9 be effectively available to the public, engaged in the provision
- 10 of services, such as voice, data, image, graphics, and video
- 11 services, that make use of all or part of their transmission
- 12 facilities, switches, broadcast equipment, signalling, or
- 13 control devices [-] and shall include internet service
- 14 providers."
- 15 SECTION 2. Section 269-16.9, Hawaii Revised Statutes, is
- 16 amended by amending subsection (a) to read as follows:



1	"(a) Notwithstanding any provision of this chapter to the		
2	contrary, the commission, upon its own motion or upon the		
3	application of any person, and upon notice and hearing, may		
4	exempt a telecommunications provider or a telecommunications		
5	service from any or all of the provisions of this chapter,		
6	except the provisions of section 269-34, upon a determination		
7	that the exemption is in the public interest [-]; provided that		
8	the commission shall not exempt internet service providers from		
9	the provisions of this chapter. In determining whether an		
10	exemption is in the public interest, the commission shall		
11	consider whether the exemption promotes state policies in		
12	telecommunications, the development, maintenance, and operation		
13	of effective and economically efficient telecommunications		
14	services, and the furnishing of telecommunications services at		
15	just and reasonable rates and in a fair manner in view of the		
16	needs of the various customer segments of the telecommunications		
17	industry. Among the specific factors the commission may		
18	consider are:		
19	(1) The responsiveness of the exemption to changes in the		
20	structure and technology of the State's		

telecommunications industry;

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1	(2)	The benefits acciding to the customers and users of
2		the exempt telecommunications provider or service;
3	(3)	The impact of the exemption on the quality,
4		efficiency, and availability of telecommunications
5		services;
6	(4)	The impact of the exemption on the maintenance of
7		fair, just, and reasonable rates for
8		telecommunications services;
9	(5)	The likelihood of prejudice or disadvantage to
10		ratepayers of basic local exchange service resulting
11		from the exemption;
12	(6)	The effect of the exemption on the preservation and
13		promotion of affordable, universal, basic
14		telecommunications services as those services are
15		determined by the commission;
16	(7)	The resulting subsidization, if any, of the exempt
17		telecommunications service or provider by nonexempt
18		services;
19	(8)	The impact of the exemption on the availability of
20		diversity in the supply of telecommunications services
21		throughout the State;

1	(9)	The improvements in the regulatory system to be gained
2		from the exemption, including the reduction in
3		regulatory delays and costs;
4	(10)	The impact of the exemption on promoting innovations
5		in telecommunications services;
6	(11)	The opportunity provided by the exemption for
7		telecommunications providers to respond to
8		competition; and
9	(12)	The potential for the exercise of substantial market
10		power by the exempt provider or by a provider of the
11		exempt telecommunications service."
12	SECT	ION 3. Statutory material to be repealed is bracketed
13	and stric	ken. New statutory material is underscored.
14	SECT	ION 4. This Act shall take effect upon its approval.
15		INTRODUCED BY: DANGELLOW

#### Report Title:

Public Utilities Commission; Internet Service Providers; Regulatory Authority

#### Description:

Provides the Public Utilities Commission with explicit authority to regulate internet service providers by amending the definition of telecommunications carrier to include an internet service provider.

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