

STAND. COM. REP. NO. 1073

Honolulu, Hawaii

March 20, 2009

RE: S.B. No. 1680  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred S.B. No. 1680, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TECHNOLOGY,"

begs leave to report as follows:

The purpose of this bill is to establish a high-speed communications infrastructure in Hawaii that will enhance our ability to compete in the global economy. This bill implements key recommendations of the Hawaii Broadband Task Force by, among other things:

- (1) Consolidating regulation of cable and telecommunications providers in a new chapter of the Hawaii Revised Statutes, under a Hawaii Broadband Commissioner (Commissioner), attached to the Department of Commerce and Consumer Affairs;
- (2) Requiring the Commissioner to investigate, promote, and ensure the growth and development of broadband infrastructure within the state;
- (3) Allowing the Commissioner to fully or partially exempt telecommunications carriers from regulation increase broadband competition, availability, and affordability;



- (4) Authorizing the Commissioner to apply for and receive federal moneys under the American Recovery and Reinvestment Act of 2009 and other applicable federal acts for the purposes of developing broadband;
- (5) Requiring the Commissioner to establish a work group to investigate and recommend procedures to streamline and expedite permitting of broadband services and technology and report to the Legislature; and
- (6) Requiring the Legislative Reference Bureau to review Hawaii statutes on broadband technology, telecommunications, and related subjects, and recommend conforming amendments and those that facilitate implementation of the new chapter.

The Department of Business, Economic Development, and Tourism, High Technology Development Corporation, Akaku: Maui Community Television, Olelo Community Television, Connected Nation, and many concerned individuals supported this bill. The Public Utilities Commission, Hawaiian Telcom, Community Media Producers Association, and several concerned individuals supported the intent of this measure. The Department of Commerce and Consumer Affairs, State Procurement Office, Chair of the Hawaii Broadband Task Force, Verizon, AT&T, Oceanic Time Warner Cable, TW Telecom, and several concerned individuals offered comments.

As this and similar measures have progressed through the legislative process it has become increasingly clear that the parties must sit down together and develop solutions to their concerns. At the same time, your Committee feels a sense of urgency concerning the passage of this measure or a similar measure allowing the State to receive, coordinate, and maximize the benefits that can be obtained from the federal moneys currently available for state broadband infrastructure and related projects.

As this bill must move quickly through the legislative process, your Committee has identified and made several amendments to this bill that are not the subject of contention and that make the bill revenue neutral:

- (1) Reducing the cap on the fee set by the Commissioner from three-tenths to one-fourth of one percent of the gross income from the telecommunications carrier's business during the preceding year;

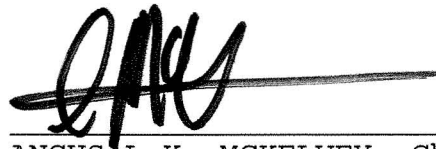


- (2) Removing a provision that would have allowed the Commissioner to use discretion to impose additional fees on telecommunications carriers; and
- (3) Changing the effective date to July 1, 2112, to encourage further discussion.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1680, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1680, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Revitalization, Business, &  
Military Affairs,



---

ANGUS L.K. MCKELVEY, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

17SCR1073

**Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs**

<b>Bill/Resolution No.:</b> <span style="font-size: 1.5em; font-family: cursive;">SB 1680 SD2</span>	<b>Committee Referral:</b> <span style="font-size: 1.5em; font-family: cursive;">EBM, CPC, FIN</span>	<b>Date:</b> <span style="font-size: 1.5em; font-family: cursive;">3/17/09</span>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. BERG, Lyla B.				X
4. EVANS, Cindy	✓			
5. MANAHAN, Joey	✓			<del>✓</del> <span style="font-family: cursive;">w/Choy</span>
<del>6. TAKAI, K. Mark</del>				
7. TOKIOKA, James Kunane	✓			
8. TSUJI, Clift	✓			
9. WAKAI, Glenn	✓			
10. WOOLEY, Jessica	✓			
11. WARD, Gene	✓			
<b>TOTAL (11)</b>	9			1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
<b>Vice Chair's or designee's signature:</b> _____ <div style="text-align: center; font-size: 1.5em; font-family: cursive;">Isaac W. Choy</div>				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				