

# ClearCom, Inc.

A WAIMANA COMPANY

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**Testimony of Albert S.N. Hee to  
The House of Representatives  
Committee on Finance on  
February 23, 2012**

**HB 2267, HD 1 Relating to the Issuance of Special Purpose Revenue Bonds to  
assist ClearCom, Inc., in the Development of Broadband Infrastructure in  
Hawaii**

Chair Oshiro; Vice Chair Lee and members, thank you for the opportunity to appear before you today.

My name is Al Hee. I am President of ClearCom, Inc. We are in strong support of HB2267, HD 1, which would provide Special Purpose Revenue Bond funds to develop critical broadband infrastructure in Hawaii.

Established in 1997, ClearCom is a Competitive Local Exchange Carrier licensed to provide telecommunication and broadband services throughout the state of Hawaii. As a local, native Hawaiian company, ClearCom has access to its sister company, Sandwich Isles Communications', 348 miles of undersea and 138 miles of terrestrial fiber optic cable that connects and serves the islands of Kauai, Oahu, Molokai, Maui, and Hawaii. Installed in 2009, the pure silica fiber offers virtually

unlimited capacity to meet all bandwidth requirements now and into the future. ClearCom has operated in the islands for more than a decade, gaining valuable experience in utility operations and infrastructure installations. As the general contractor, ClearCom completed the largest undersea fiber optic project in the State, managing complex environmental and cultural challenges. ClearCom led a team of local, national and international companies to successfully complete the historic project under budget and ahead of schedule.

Furthermore, ClearCom has exclusive access to all abandoned water mains on Oahu. Development of buried fiber optic facilities utilizing ClearCom's abandoned water mains would help achieve the State's broadband goals quickly and economically. Compared to aerial cables, underground cables are protected from weather related risks, accidental damage, and are aesthetically pleasing, eliminating unsightly overhead wires. The use of abandoned water mains is a proven way to facilitate cost-efficient and rapid deployment of buried fiber optic infrastructure, while minimizing the unavoidable traffic impacts that plague traditional underground construction methods, especially in the urban core. Moreover, pursuant to Act 151, effective January 1, 2012, actions relating to the installation, improvement, construction, or development of infrastructure relating to broadband service or broadband technology, including the interconnection of telecommunications cables, shall be exempt from county permitting requirements, state permitting and approval requirements.

ClearCom embarked on this ambitious project by working collaboratively with Hawaii's other telecommunications carriers, namely, Hawaiian Telcom (HT), Oceanic Time Warner Cable, and TW Telecom. The idea was to come together as a consortium and build shared infrastructure that would bring much needed

capacity into Honolulu's urban core. The project would have been an underground fiber optic loop from Pearl Harbor to Waikiki and back. Building this network as a consortium would have meant cost savings for each carrier, resulting in cost savings for consumers. All parties agreed it was a worthwhile project to pursue, however, due to corporate restrictions the other carriers, were unable to commit at this time. Meanwhile, HT and Oceanic remains interested in redirecting some funds for an aerial fiber optic segment between Volcano and Pahala on the Big Island of Hawaii. ClearCom decided to move forward and remains open to working with the other carriers, at any time. To ensure the network would be financially viable, after the other carriers bowed out, ClearCom changed the scope of the project to ensure Honolulu's business district; military installations; medical facilities; federal, state, and county government offices; and schools could benefit from the broadband network. Our revised route takes state-of-the-art fiber optic infrastructure past Pearl Harbor, Schofield Barracks, Fort Shafter, Camp Smith, Wheeler, Kaneohe Marine Corps Air Station, National Guard and state civil defense facilities, as well as more than 60 schools, and right through the heart of downtown Honolulu.

The approval of this legislation will allow ClearCom adequate time to fulfill all the requirements necessary prior to issuance of the bond and secure sufficient commitments to make this broadband infrastructure a reality. I believe that this broadband project will enable access to affordable ultra high-speed Internet which is essential to build a vibrant and sustainable economy and workforce in Hawaii and improve the quality of life for residents. I urge your support of this bill.

At this time, I would be happy to answer any questions the Committee may have.



February 21, 2012

Before the House of Representatives  
Committee on Finance

Subject: Testimony in Support of HB 2267 HD1 (HSCR279-12)  
Relating to the Issuance of Special Purpose Revenue Bonds to Assist Clearcom, Inc. in  
the Development of Broadband Infrastructure in Hawaii

Hearing: Feb 23, 2012, 12:00 pm, Conference Room 308

Dear Representatives:

I am Ed Yeh, owner of ControlPoint Surveying, Inc. I wish to testify in support for H.B. 2267, Relating to the Issuance of Special Purpose Revenue Bonds to Assist Clearcom, Inc. in the Development of Broadband Infrastructure in Hawaii.

Clearcom is an affiliate of Sandwich Isles Communications. ControlPoint Surveying, Inc. provides land surveying services for Sandwich Isles Communications ("SIC") and we know first-hand that SIC's state-of-the-art all-fiber optic infrastructure is the best in the state. SIC is equipped and staffed to successfully build out telecomm infrastructure to provide modern and reliable services. If the HB 2267 is passed, a project like this would have a big job impact on ControlPoint Surveying, Inc. and the industry.

We respectfully request that you consider and approve HB 2267. Thank you for letting me submit my testimony in favor of HB 2267.

Thank you for your time.

Very truly yours,

A handwritten signature in black ink, appearing to read "Yue-Hong Yeh", written in a cursive style.

Yue-Hong "Ed" Yeh  
PRESIDENT  
Tel: 808.591.2022, Ext 110

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Aloha,

My name is Ed Pukini and I am the Area Manager of Mid-State Consultants, Inc. I am writing to express my support of HB 2267.

For the past 13 years, Mid-State Consultants, Inc. has been actively involved with innovative infrastructure projects for Sandwich Isles Communications, Inc. and its affiliate Clearcom Inc., in which they have designed, engineered and built more than 100 miles of broadband infrastructure. We have provided both engineering support as well as construction management of their projects which included telecommunications equipment installations on every major island and fiber optic network installations on both land and sea. We were also involved in the design and use of abandoned water mains for fiber optic network installations. This resulted in significant construction cost savings and minimized impact to daily traffic.

Mid-State Consultants, Inc. firmly believes that HB 2267 will help increase the amount of jobs in engineering as well as construction industries. And it will help create a more robust statewide broadband network capable of improving and extending services such as high speed data, cell phone service, IPTV service and cellular backhaul. Mid-State Consultants, Inc. is proud to serve Hawaii through Clearcom, Inc.'s and its continued expansion of their broadband network.

For these reasons, Mid-State Consultants, Inc. supports HB 2267. Thank you very much for your time, and please feel to contact me at 808-585-6188 or via e-mail at epukini@mscon.com.

Mahalo,

Ed Pukini  
Area Manager  
Mid State Consultants, Inc.  
1003 Bishop St., Suite 750  
Honolulu, HI 96813

## **FINTestimony**

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**From:** mailinglist@capitol.hawaii.gov  
**ent:** Wednesday, February 22, 2012 11:19 AM  
**To:** FINTestimony  
**Cc:** soor001@hawaii.rr.com  
**Subject:** Testimony for HB2267 on 2/23/2012 12:00:00 PM

Testimony for FIN 2/23/2012 12:00:00 PM HB2267

Conference room: 308  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Richard Soo  
Organization: Kalawahine Streamside Association  
E-mail: soor001@hawaii.rr.com  
Submitted on: 2/22/2012

Comments:

## **FINTestimony**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 22, 2012 3:33 PM  
**To:** FINTestimony  
**Cc:** punikekauoha@gmail.com  
**Subject:** Testimony for HB2267 on 2/23/2012 12:00:00 PM

Testimony for FIN 2/23/2012 12:00:00 PM HB2267

Conference room: 308  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Puni Kekauoha  
Organization: Individual  
E-mail: [punikekauoha@gmail.com](mailto:punikekauoha@gmail.com)  
Submitted on: 2/22/2012

Comments:

**HB 2267 HD1****RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS  
TO ASSIST CLEARCOM, INC.****KEN HIRAKI  
VICE PRESIDENT-GOVERNMENT AND COMMUNITY AFFAIRS****HAWAIIAN TELCOM****February 23, 2012****Agenda #3**

Chair Oshiro and members of the House Finance Committee:

I am Ken Hiraki, providing comments on behalf of Hawaiian Telcom on HB 2267 HD1, Relating to the Issuance of Special Purpose Revenue Bonds to Assist Clearcom, Inc. in the Development of Broadband Infrastructure in Hawaii.

While we support the overall objective of improving Hawaii's broadband infrastructure, we are unable to provide detailed comments at this time because the bill's language is vague and does not disclose specific material information that should be made public such as the location, cost and the type of broadband projects envisioned by Clearcom, Inc. As currently drafted, this bill provides a virtual "blank check" to Clearcom, Inc. without a showing of a clear public benefit.

If it is the intent of this measure is to merely fund duplicative broadband improvements in urban areas that are already more than adequately served by multiple service providers then we would question whether there is a need for governmental support for such a project. Conversely, if the intent of this bill is to provide improved broadband services to areas currently underserved (especially on the neighbor islands) then we would agree there exists a greater public purpose and greater need for governmental support. Unless additional information is provided, our company cannot make a determination whether or not to support this measure at this time so we will limit our testimony except to alert the committee of the noted "red flags".

Thank you for the opportunity to provide some comments.