

HB 2267, HD 1

EDT



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
RICHARD C. LIM
Director

Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY

Friday, March 16, 2012

1:30 PM

State Capitol, Conference Room 016

In consideration of

**HB 2267 HD1 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE
BONDS TO ASSIST CLEARCOM, INC., IN THE DEVELOPMENT OF BROADBAND
INFRASTRUCTURE IN HAWAII.**

Chair Fukunaga, Vice Chair Wakai, and Members of the Senate Committee on Economic Development and Technology.

The Department of Business, Economic Development and Tourism (“DBEDT”) **supports HB 2267 HD1** authorizing the issuance of Special Purpose Revenue Bonds (SPRB) to Clearcom, Inc. to support broadband infrastructure development.

In leading the Hawaii Broadband Initiative (“HBI”), DBEDT is highly supportive of private initiatives that increase the availability of broadband across the State. Furthermore, DBEDT recognizes that Clearcom, Inc., has obtained, through an auction in 2002, an exclusive license with Honolulu's Board of Water Supply to lease all of its abandoned water mains for the purpose of deploying broadband infrastructure. They also support, through their sister company Sandwich Isle Communications, fiber lines out to rural areas on the neighbor islands. Clearcom’s stated broadband expansion efforts are well aligned with HBI’s goals to provide affordable high speed communications throughout the State by 2018.

Thank you for the opportunity to submit testimony on this bill.

YUKA NAGASHIMA
Executive Director & CEO

High Technology Development Corporation
before the

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY

Friday, March 16, 2012

1:30 PM

State Capitol, Conference Room 016

In consideration of

HB 2267 HD1 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST CLEARCOM, INC., IN THE DEVELOPMENT OF BROADBAND INFRASTRUCTURE IN HAWAII.

Chair Fukunaga, Vice Chair Wakai, and Members of the Senate Committee on Economic Development and Technology.

The High Technology Development Corporation (HTDC) **supports HB 2267 HD1** authorizing the issuance of Special Purpose Revenue Bonds (SPRB) to Clearcom, Inc. for the purpose of broadband infrastructure development. HTDC is supportive of private initiatives that assist in increasing the availability of broadband across the state.

Thank you for the opportunity to submit testimony on this bill.

1003 Bishop Street, Suite 2750
Honolulu, HI 96813
Ph: 808-599-4441 Fax: 808-599-4653

**Testimony of Albert S.N. Hee to
The Senate
Committee on Economic Development and Technology on
March 16, 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 Fukunaga; Vice Chair Wakai 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.



March 15, 2012

The Senate
The Twenty-Sixth Legislature
Regular Session of 2012
Committee on Economic Development and Technology
Senator Carol Fukunaga, Chair
Senator Glenn Wakai, Vice Chair

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: Friday, March 16, 2012, 1:30 pm, Conference Room 016, State Capitol

Dear Senators:

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", with a stylized flourish at the end.

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



COUNCIL FOR NATIVE HAWAIIAN ADVANCEMENT

1050 Queen Street, Suite 200, Honolulu, Hawai'i 96814

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www.hawaiiancouncil.org

Date: March 16, 2012

To: Senator Carol Fukunaga, Chair, Committee on Economic Development and Technology
Senator Glenn Wakai, Vice Chair, Committee on Economic Development and Technology
Committee Members

From: Robin Danner, CNHA President and CEO

Re: HB 2267 HD1 Relating to the Issuance of Special Purpose Revenue Bonds to assist ClearCom, Inc., in the Development of Broadband Infrastructure in Hawaii

Aloha Honorable Chair, Vice Chair and Committee Members:

CNHA, founded in 2001, works to advance the well-being of Hawaii through the cultural, economic and community development of Native Hawaiians. We promote our mission through the administration of the Native Hawaiian Policy Center (Policy Center) to advance sound public policy, the deployment of capital in all counties under our certified Community Loan Fund and Tax Credit Program, operation of the Hawaiian Way Fund to support cultural and community practitioners, and the delivery of affordable housing and economic development projects owned and operated by community based nonprofits.

CNHA operates two facilities located in Anahola, Kauai, and Kakaako, Oahu. With rising interisland commercial airline fares, broadband access is critical to ensuring we can keep costs down while providing the necessary services to our clients on all islands.

Once complete, the robust and reliable fiber optic network proposed in HB 2267 HD1 will expand broadband capabilities and provide affordable access for community anchor institutions, like ours. This will result in substantial benefits for the entire state, delivering improved education, healthcare, and economic development opportunities in a way only broadband can provide.

We strongly believe the future broadband capabilities of our organization and our community hinge on ClearCom's (CC) ability to fund critical infrastructure investments in our communities.

CNHA and its Policy Center are in full support of HB 2267 HD1 and look forward to the benefits adequate and affordable broadband access will provide.

We respectfully request your favorable consideration of HB 2267 HD1 to assist in the deployment of broadband in Hawaii.

HB 2267 HD1

**RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST CLEARCOM, INC.
IN THE DEVELOPMENT OF BROADBAND INFRASTRUCTURE IN HAWAII**

**KEN HIRAKI
VICE PRESIDENT-GOVERNMENT AFFAIRS**

HAWAIIAN TELCOM

March 16, 2012

Chair Fukunaga and members of the 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 because the bill does not list where and what type of broadband projects are being funded.

If it is the intent of this bill to fund duplicative broadband improvements in areas that are already being adequately served by multiple providers we question the public purpose and the need for government 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 argue the greater the public purpose and the greater the need for government support. As presently drafted the bill is devoid of project details so we will limit our testimony at this time.

Thank you for the opportunity to provide some comments.

fukunaga2 - Ashley-Jane

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 12, 2012 1:11 PM
To: EDTTestimony
Cc: soor001@hawaii.rr.com
Subject: Testimony for HB2267 on 3/16/2012 1:30:00 PM

Testimony for EDT 3/16/2012 1:30:00 PM HB2267

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Richard Soo
Organization: Kalawahine Streamside Association
E-mail: soor001@hawaii.rr.com
Submitted on: 3/12/2012

Comments:

Statement of
Nelson Kanemoto
President and CEO
Referentia Systems Incorporated
before the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY
Friday, March 16, 2012
1:30 PM
State Capitol, Conference Room 016
In consideration of
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 Fukunaga, Vice Chair Wakai, and members of the Senate Committee on Economic Development and Technology. Thank you for this opportunity to submit testimony on H.B. 2267 HD1.

My name is Nelson Kanemoto, President and CEO of Referentia Systems Inc. Referentia strongly supports HB 2267 HD1. As a Hawaii-based, SBA certified small disadvantaged business, Referentia Systems is a nationally recognized provider of cybersecurity solutions for the federal government, the Department of Defense (DoD), and other critical infrastructure. Referentia has a strong record of successful advanced solutions to address critical cybersecurity concerns threatening IT modernization.

As a developer of cybersecurity and advanced network solutions for critical infrastructure, Referentia understands the central role that broadband plays in local, national and global economic development and modernization including the development of the smart grid, healthcare information exchange, transportation security, etc. Expanding broadband access will help drive innovation of goods, services and technologies from increased information flow and communications, and in turn, create jobs. Improved broadband availability will enable new business models to develop, stimulating new services and industry and rural development.

For Hawaii to compete as an economic stronghold in the global marketplace, the growth and development of our broadband infrastructure are key to driving innovation, modernization, the economy and job creation. Thank you again for this opportunity to submit testimony in strong support of HB 2267 HD1.

Sincerely,



Nelson Kanemoto
President and CEO

Testimony of B. Puni Kekauoha
Executive Director of Papakolea Community Development Corporation to
The Hawaii State Legislature
Committee on Economic Development and Technology on
March 16, 2012

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

Chair Fukunaga; Vice Chair Wakai and members, thank you for the opportunity to provide testimony in support of HB 2267, H.D.1.

The Papakolea Community Development Corporation is a non-profit organization that strives to promote self-determination by managing its community resources. We operate at the Papakolea Community Center and Park at 2150 Tantalus Drive in Honolulu, 96813. With rising interisland commercial airline fares, broadband access is critical to ensuring we can keep costs down while providing the necessary services to our Hawaiian homestead beneficiaries on all islands.

Once complete, the robust and reliable fiber optic network proposed in HB 2267, H.D. 1 will expand broadband capabilities and provide affordable access for community anchor institutions, like ours. This will result in substantial benefits for the entire state, delivering improved education, healthcare, and economic development opportunities in a way only broadband can provide.

We strongly believe the future broadband capabilities of our organization and our community hinge on ClearCom's (CC) ability to fund critical infrastructure investments in our communities.

We are in full support of HB 2267, H.D.1 and look forward to the benefits adequate and affordable broadband access will provide.

We respectfully request your favorable consideration of HB 2267, H.D.1 to assist in the deployment of broadband in Hawaii.