

STAND. COM. REP. NO. 325

Honolulu, Hawaii

FEB 14 2019

RE: S.B. No. 553
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committees on Technology and Energy, Economic Development, and Tourism, to which was referred S.B. No. 553 entitled:

"A BILL FOR AN ACT RELATING TO BROADBAND SERVICE INFRASTRUCTURE,"

beg leave to report as follows:

The purpose and intent of this measure is to establish the broadband service infrastructure grant program to award grants to applicants to extend deployment of infrastructure used to provide broadband service to unserved and underserved areas of the State.

Your Committees received testimony in support of this measure from Hawaiian Electric Company, Inc., and Charter Communications. Your Committees received comments on this measure from the Cable Television Division of the Department of Commerce and Consumer Affairs and Hawaiian Telcom.

Your Committees support efforts to improve access to broadband services for residents, consumers, and businesses across the State. Although broadband coverage in the State is widespread, additional investment can be made to keep up with needs in rural communities to bridge the digital divide. The broadband service infrastructure grant program proposed by this measure would facilitate deployment of infrastructure necessary to



bring broadband service to unserved and underserved areas of the State.

Your Committees have amended this measure by:

- (1) Amending the definition of "broadband service" to be the same as the definition for "broadband access or broadband service" under section 440J-1, Hawaii Revised Statutes;
- (2) Replacing the term and definition of "broadband service infrastructure" with the term "broadband infrastructure", to have the same meaning as under section 440J-1, Hawaii Revised Statutes;
- (3) Deleting language that would have prohibited an applicant from using grant funds to upgrade existing broadband infrastructure;
- (4) Deleting language that would have made any applicant who receives funds under another federal or state grant or loan program ineligible for the grant program;
- (5) Requiring an applicant to commit to paying a minimum of fifty percent, rather than twenty percent, of the project costs;
- (6) Including any non-governmental entity with demonstrated experience in providing broadband infrastructure as an eligible applicant;
- (7) Authorizing a non-governmental broadband infrastructure provider to be an eligible applicant or to partner with another eligible applicant;
- (8) Deleting the length of time the applicant has been providing broadband service in the State from the scoring criteria for awarding funding under the grant program;
- (9) Deleting language that would have required the Department of Business, Economic Development, and



Tourism (Department) to not include consideration of new or additional regulatory obligations;


- (10) Deleting language that would have required the Department to adopt rules that do not include certain financial commitments to secure performance;
- (11) Making it effective on January 1, 2020, to allow time for implementation; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Technology and Energy, Economic Development, and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 553, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 553, S.D. 1, and be referred to your Committees on Ways and Means and Commerce, Consumer Protection, and Health.

Respectfully submitted on
behalf of the members of the
Committees on Technology and
Energy, Economic Development,
and Tourism,



GLENN WAKAI, Chair

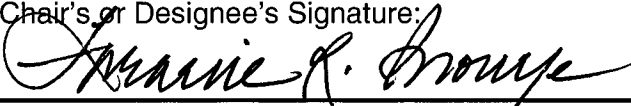


JARRETT KEOHOKALOLE, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 553	EET, WAM/CPH	2/5/19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
TANIGUCHI, Brian T. (VC)				✓
INOUYE, Lorraine R.	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt				✓
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes