

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 553
S.D. 2

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

Sir:

Your Committees on Ways and Means and Commerce, Consumer Protection, and Health, to which was referred S.B. No. 553, S.D. 1, 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 infrastructure grant program to provide grants for the purpose of subsidizing the costs of installing broadband infrastructure in locations that lack high speed internet access.

Your Committees received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Aloha Broadband; Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii; Oahu County Democrats; and one individual.

Your Committees received written comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that certain rural areas of the State lack broadband service due, in part, to the excessively high cost to install infrastructure to serve a small number of subscribers. This measure will help to reduce infrastructure installation costs



for those communities so they may benefit from the opportunities afforded by high-speed internet access.

Your Committees note that the broadband infrastructure grant program will require an appropriation of \$5,000,000 for fiscal year 2019-2020.

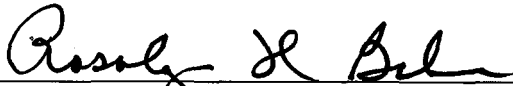
Your Committees have amended this measure by:

- (1) Changing the definitions of "broadband service" and "broadband infrastructure" to reference section 440J-1, Hawaii Revised Statutes;
- (2) Changing the definition of "underserved area" to require minimum speeds in proportion to the minimum broadband service speeds established by the Federal Communications Commission;
- (3) Deleting a duplicative provision authorizing a non-government infrastructure provider to be considered an eligible applicant;
- (4) Including a requirement that applicants to the broadband infrastructure grant program commit to complying with net neutrality principles;
- (5) Clarifying, with respect to a written challenge to an application, that the federal or state funding refers to the funds that are available to the applicant;
- (6) Clarifying the criteria of the scoring system used by the Department of Business, Economic Development, and Tourism to award the grants;
- (7) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (8) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

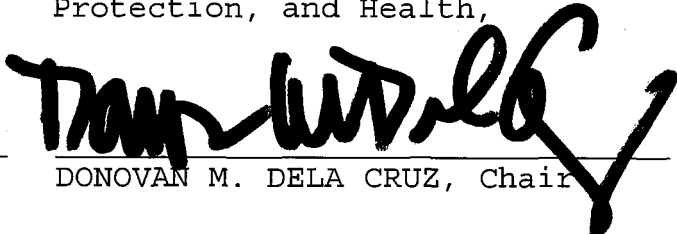


As affirmed by the records of votes of the members of your Committees on Ways and Means and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 553, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 553, S.D. 2.

Respectfully submitted on behalf of the members of the Committees on Ways and Means and Commerce, Consumer Protection, and Health,



ROSALYN H. BAKER, Chair

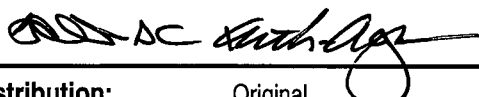


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB553, SD1	TEC/EET, WAM/CPH	2/25/19
<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	
DELA CRUZ, Donovan M. (C)	X	
KEITH-AGARAN, Gilbert S.C. (VC)	X	
ENGLISH, J. Kalani	X	
HARIMOTO, Breene		X
INOUYE, Lorraine R.		X
KAHELE, Kaiali'i	X	
KANUHA, Dru Mamo	X	
KIDANI, Michelle N.		X
MORIWAKI, Sharon Y.	X	
RIVIERE, Gil	X	
SHIMABUKURO, Maile S.L.	X	
TANIGUCHI, Brian T.	X	
FEVELLA, Kurt	X	
TOTAL	10	3
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

