



DAVID Y. IGE  
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JOSH GREEN  
LT. GOVERNOR

**STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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CATHERINE P. AWAKUNI COLÓN  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
Senate Committee on Ways and Means  
Friday, April 5, 2019  
10:05 a.m.  
State Capitol, Conference Room 211**

**On the following measure:  
H.B. 1062, S.D. 1, RELATING TO BROADBAND**

**WRITTEN TESTIMONY ONLY**

Chair Dela Cruz and Members of the Committee:

My name is Ji Sook “Lisa” Kim, and I am the Cable Administrator of the Department of Commerce and Consumer Affairs’ (Department) Cable Television Division. The Department offers comments on this bill.

The purposes of this bill are to: (1) establish a broadband infrastructure grant program, to be administered by the Department of Business, Economic Development, and Tourism (DBEDT), to award grants to applicants to extend infrastructure used to provide broadband service to unserved and underserved areas of the State; and (2) appropriate funds.

In today’s world, access to affordable, high-speed broadband services is essential to fully participate in our economy and society. The Department thus strongly supports legislation that can improve access to broadband services for Hawaii residents, particularly in the unserved and underserved rural areas across our state, so

that all of our residents may benefit equally from the services and opportunities afforded by access to high-speed internet. The proposed grant program could help bridge the broadband gap to rural areas where broadband deployment would otherwise be cost prohibitive for providers because of the excessively high cost to install infrastructure to serve only a small number of subscribers in those areas.

Efforts to date, using funding through the Federal Communications Commission's (FCC) Connect America Fund (CAF) program, have been successful in extending infrastructure and access to unserved census blocks. However, given the breadth of the rural broadband gap, many residents remain, and will remain for an indeterminate time, without access to any wired internet service or with service well below any speed threshold currently used to define "broadband-level" service. A grant program that will provide financial incentives to providers to extend their infrastructure into rural, high-cost service areas would assist in extending service to those areas. The proposed program appears to target a need that is not currently being addressed by the FCC's CAF program.

Thank you for the opportunity to testify on this bill.



DAVID Y. IGE  
GOVERNOR

MIKE MCCARTNEY  
DIRECTOR

## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of  
**MIKE MCCARTNEY**  
Director

Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Friday, April 5, 2019  
10:05 a.m.  
State Capitol, Conference Room 211

In consideration of  
**HB 1062, HD1, SD1**  
**RELATING TO BROADBAND.**

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) provides **comments** on HB 1062, HD1, SD1 which establishes the broadband service infrastructure grant program to award grants to applicants to extend deployment of facilities used to provide broadband service to unserved and underserved areas of the State. We have the following comments and suggested changes:

1. Eligible applicants should also include partnerships between government agencies and non-governmental entities to encourage partnerships to implement broadband infrastructure in support of telehealth, agriculture and disaster recovery.
2. We have the following suggested changes:

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Lines 17-20 - (2) Be any non-governmental entity or a non-governmental entity in partnership with a governmental agency, with demonstrated experience in providing broadband service, broadband infrastructure, or other communications service to residential and business customers within the State; and

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Lines 7-13 - [~~SECTION 3. Within one hundred eighty days of the approval of this Act, the department of business, economic development, and tourism shall adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to implement the broadband service infrastructure grant program including rules regarding the submission, review, and approval of applications, and the administration of projects funded, including rules for grant agreements memorializing the award of funds.~~]

3. DBEDT appreciates the intent of the bill provided that it does not replace priorities included in the Executive Budget.

Thank you for the opportunity to testify on this measure.

**HB-1062-SD-1**

Submitted on: 4/4/2019 11:09:03 AM

Testimony for WAM on 4/5/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
John Honda	Individual	Support	No

Comments:

**HB-1062-SD-1**

Submitted on: 4/4/2019 11:35:56 AM

Testimony for WAM on 4/5/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Rob Guzman	Individual	Support	No

Comments:

As an 11 year resident of Puna's lower east rift zone, I am acutely aware of how most residents have ZERO access to broadband as defined by the FCC. This bill can only help and I strongly support it.

Charter Communications  
Testimony of Myoung Oh, Director of Government Affairs

**COMMITTEE ON WAYS AND MEANS**

Hawai'i State Capitol, Conference Room 211  
Friday, April 5, 2019  
10:05 AM

**Support the Intent of H.B. 1062, H.D.1, S.D.1, Relating to Broadband**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee.

Thank you for scheduling Decision Making on this measure. H.B. 1062, H.D.1, S.D.1 which establishes the framework for the creation of a broadband infrastructure grant program, through public-private partnerships, to applicants to extend deployment of facilities used to provide broadband to remote areas of the State.

Like many part across the country, Hawaii is not immune to the challenges of remote access to broadband. Access to broadband in unserved and underserved areas in Hawaii would enhance economic development, education, health care, and emergency services in the State.

Charter respectfully requests the continued passage of H.B. 1062, H.D.1, S.D.1 to ensure that a public-private policy framework is built to connect more remote areas of Hawaii with essential broadband connectivity.

We appreciate the Committee on Ways and Means to consider the roles that service providers play in extending existing services to our remote communities and ask for passage for further discussion in Conference Committee.

Mahalo for the opportunity to submit written testimony.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON  
WAYS AND MEANS**

**H.B. 1062, HD1, SD1  
Relating to Telecommunications**

Friday, April 5, 2019  
10:05 a.m.  
State Capitol, Conference Room 211

**Written Testimony in Support**

Mindy E. Hartstein  
Director of Pole Infrastructure Enterprise  
Hawaiian Electric Companies

Aloha Chair Dela Cruz, Vice Keith-Agaran and Members of the Committee,

My name is Mindy E. Hartstein and I am testifying on behalf of the Hawaiian Electric Company, Inc., Maui Electric Company, Limited and Hawai'i Electric Light Company, Inc. ("the Hawaiian Electric Companies") in support of HB1062, HD1, SD1.

On October 16, 2018, the Public Utilities Commission approved the joint Docket No. 2018-0075, between the Companies and Hawaiian Telcom, Inc. As of October 16, 2018, the Companies are now the sole managing owner of the communication space on approximately 120,000 poles that were once jointly-owned with Hawaiian Telcom. This means that the Companies now serve to facilitate broadband service to all parts of the State with our pole infrastructure. The Companies also use broadband services to assist with key renewable and resiliency efforts such as our distributed energy resources opportunities and in providing innovative grid modernization solutions.

As a physical infrastructure owner across all islands (except Kauai) and owner of temporary and spare fiber, the Companies believe the it can contribute to the deployment of broadband services in unserved, and underserved areas of Hawaii,



which will enhance the economic development, education, health care, and emergency services across the State. The Hawaiian Electric Companies anticipate being involved in the planning of some of the projects submitted by applicants over the years.

As an infrastructure owner, we appreciate and support the language adopted and stricken in HB1062, HD1, SD1 and believe it now gives the Hawaiian Electric Companies the opportunity to participate in the grant process. Hawaii's broadband initiative is paramount for robust connectivity, economic viability, and to create renewable, resilient, and sustainable communities for the future. Thank you for this opportunity to testify.

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**TESTIMONY BEFORE THE SENATE COMMITTEE ON  
WAYS AND MEANS**

**H.B. 1062, HD1, SD1  
Relating to Telecommunications**

Friday, April 5, 2019  
10:05 a.m.  
State Capitol, Conference Room 211

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Director of Pole Infrastructure Enterprise  
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**Hawaiian Electric  
Maui Electric  
Hawai'i Electric Light**

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