

STAND. COM. REP. NO. 1131

Honolulu, Hawaii

MAR 25 2021

RE: H.B. No. 1191
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred H.B. No. 1191, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Broadband Infrastructure Grant Program to award grants to extend the deployment of facilities used to provide broadband service to unserved areas of the State;
- (2) Rename the Hawaii technology loan revolving fund to the Hawaii broadband infrastructure fund and changing the types of funds to be deposited into the fund; and
- (3) Authorize the issuance of general obligation bonds for the Broadband Infrastructure Grant Program.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Transportation; Department of Health; Maui Chamber of Commerce; Hawai'i Primary Care Association; AlohaCare; Charter Communications; Office of Information Practices; AARP



Hawai'i; and one individual. Your Committee received comments on this measure from the Department of Budget and Finance and Hawaiian Telcom.

Your Committee finds that it is critical 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. Your Committee further finds that the Broadband Infrastructure Grant Program facilitates deployment of infrastructure necessary to bring broadband service to unserved and underserved areas of the State. Project eligibility under the Broadband Infrastructure Grant Program is currently limited to unserved areas and excludes areas partially served by an existing provider. However, your Committee also finds that inclusion of partially served areas in the Broadband Infrastructure Grant Program eligibility requirements will foster full development of the broadband infrastructure throughout the State.

Your Committee also notes that while the Broadband Infrastructure Grant Program is intended to be complementary to the Federal Communications Commission's Rural Digital Opportunity Fund, it is important to ensure that the Broadband Infrastructure Grant Program does not duplicate funding in those areas where the federal government has specifically directed funding for broadband expansion.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying the meaning of "unserved area" to specify that it does not include locations where federal funding has been awarded pursuant to the Rural Digital Opportunity Fund for the deployment or expansion of broadband networks;
- (2) Expanding project eligibility requirements under the Hawaii Broadband Infrastructure Grant Program to include those areas that are partially-served by an existing provider;
- (3) Allowing applicants to designate material as confidential or a challenger to request confidential



treatment, but only require the Department of Business, Economic Development, and Tourism to treat the information as confidential to the extent it is in fact protected under the Uniform Information Practices Act;

- (4) Increasing the minimum amount an applicant is required to commit to paying for project costs from forty percent to fifty percent; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1191, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1191, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

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

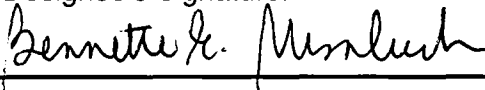


GLENN WAKAI, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1191 HD2	EET, WAM	3/22/21		
<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)	✓			
MISALUCHA, Bennette E. (VC)	✓			
LEE, Chris	✓			
RIVIERE, Gil	✓			
FEVELLA, Kurt				✓
TOTAL	4	0	0	1
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