

OFFICE OF INFORMATION PRACTICES

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HONOLULU, HAWAII 96813
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To: House Committee on Consumer Protection & Commerce

From: Cheryl Kakazu Park, Director

Date: February 11, 2021, 2:00 p.m.
Via Videoconference

Re: Testimony on H.B. No. 1191, H.D. 1
Relating to Broadband Service Infrastructure

Thank you for the opportunity to submit testimony on this bill, which would establish a broadband infrastructure grant program. The Office of Information Practices (OIP) takes no position on the substance of this bill, but offers comments and a **suggested amendment to the confidentiality provision on page 8** of the bill.

As written, the confidentiality provision is overly broad, requiring the Department of Business and Economic Development (DBEDT) to keep confidential any application information a grant applicant has designated as confidential so long as it leaves public a description of the project area and some amount of evidence that the project area is unserved. There is no other check on what the applicant may designate confidential, and no provision for a member of the public to appeal the confidentiality designation to OIP or to court. Thus, an applicant could designate as confidential everything in the application except the description of the project area and how it is unserved, and DBEDT would apparently be required to redact it all before putting the application online for public review as also required by this proposal. It is also not clear why a competing broadband provider

challenging the basis for an application should be automatically entitled to have its challenge kept confidential upon request. Given the small number of possibilities, the identity of a challenger is likely to be obvious in any case, and there is no obvious reason why the public and the applicant should not be privy to the grounds for the challenge.

Thus, **OIP recommends that the confidentiality provision be amended so that it allows an applicant to designate material as confidential or a challenger to request confidential treatment, but only requires DBEDT to actually treat the information as confidential to the extent it is in fact protected under the UIPA.** An applicant would have the opportunity to flag confidential information and a challenger would have the opportunity to request confidential treatment, but neither would have the final word on what must be kept confidential by law.

Specifically, OIP recommends replacing the first part of proposed subsection __-6(b) with the following:

(b) To the extent the information falls under one or more of the exceptions to public disclosure in section 92F-13, the department shall keep information in an application or challenge confidential upon request by: . . .

Thank you for considering OIP's suggested amendment.

DAVID Y. IGE
GOVERNOR

JOSH GREEN
LIEUTENANT GOVERNOR



ANNE E. PERREIRA-EUSTAQUIO
DIRECTOR

JOANN A. VIDINHAR
DEPUTY DIRECTOR

JOVANIE DOMINGO DELA CRUZ
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
OFFICE OF COMMUNITY SERVICES
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IN REPLY, REFER TO:
OCS 21.1030

February 9, 2021

To: The Honorable Aaron Ling Johanson, Chair,
The Honorable Lisa Kitagawa, Vice Chair, and
Members of the House Committee on Consumer Protection
And Commerce

Hearing: Thursday, February 11, 2021
Time: 2:00 p.m.
Place: Conference Room 329, via Videoconference

From: Jovanie Domingo Dela Cruz, Executive Director
Office of Community Services, an attached agency of the
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 1191 RELATING TO BROADBAND SERVICE INFRASTRUCTURE

I. OVERVIEW OF PROPOSED LEGISLATION

This measure would create a broadband infrastructure grant program to extend deployment of infrastructure to unserved areas of the State.

II. CURRENT LAW

This bill would modify HRS §206M-15.6, which currently provides for a technology loan revolving fund, and change it to a fund focused solely on broadband infrastructure.

III. COMMENTS ON THE PRESENT BILL

The Office of Community Services (OCS) was established in 1985 by the Legislature to serve economically disadvantaged communities, precisely the types of communities that this bill seeks to serve. OCS regularly serves such communities through our administration of federal programs such as the Community Services Block Grants (CSBGs), the Weatherization Assistance Program, and multiple federal food programs, such as The Emergency Food Assistance Program (TEFAP), Senior Farmers' Market Nutrition Program, and Commodity Supplemental Food Program, as well as other State and Federal programs.

While this bill does not propose any role for OCS, OCS stands ready to assist if called upon, and OCS is supportive of this bill and its goals.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
ON
HOUSE BILL NO. 1191, H.D. 1

February 11, 2021
2:00 p.m.
Room 329

RELATING TO BROADBAND SERVICE INFRASTRUCTURE

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 1191, H.D. 1.

H.B. No. 1191, H.D. 1, establishes the Broadband Infrastructure Grant Program (BIGP); amends the Hawai'i Technology Revolving Fund (HTRF) by changing it to the Hawai'i Broadband Infrastructure Fund (HBIF) and changing the types of funds to be deposited into the fund; authorizes the issuance of general obligation bonds for the BIGP; and establishes a fund ceiling of \$10,000,000 for the HBIF at the end of any fiscal year.

Funds from the HBIF would be used to award grants to applicants to extend broadband infrastructure to unserved areas of the State and therefore improve access to broadband services to resident, consumer, and business users across the State. The measure provides that to be eligible, applicants must commit to paying a minimum of 40% of total project costs from the applicant's own funds and be a non-governmental entity. Since H.B. No. 1191, H.D. 1, changes the fund type of the HTRF from a revolving fund to a special fund, the measure removes a number of financing sources

for the fund, including: moneys received as repayment of loans; investment earnings; royalties; premiums, or fees or equity charged by the corporation, or otherwise received by the corporation; and loans that are convertible to equity. Instead, the HBIF would be financed by funds appropriated by the Legislature; received from the federal government; received from a county; and received from the private sector.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 1191, H.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining as there does not appear to be any significant source of revenues to support the HBIF aside from appropriations from the Legislature.

Thank you for your consideration of our comments.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

CHUNG I. CHANG
DEPUTY DIRECTOR

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Statement of
MIKE MCCARTNEY
Director

Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Thursday, February 11, 2021
2:00 PM
State Capitol, Conference Room 329

In consideration of
HB1191 HD1
RELATING TO BROADBAND SERVICE INFRASTRUCTURE

Chair Johanson, Vice Chair Kitagawa and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) provides comments to HB1191 HD1 that establishes the broadband infrastructure grant program to award grants to applicants to extend deployment of infrastructure used to provide broadband service to unserved areas of the State.

- The COVID-19 pandemic has spotlighted the need for broadband infrastructure and digital equity across all of Hawaii's residents especially those in rural communities and socioeconomically disadvantaged circumstances. In 2021, this is being recognized by Federal stimulus programs directed to state departments.
- DBEDT also needs to assess the resources to create the policies, rules, procedures and reports necessary to successfully implement this grant program.
- DBEDT appreciates the intent of the bill provided it does not replace priorities included in the Executive Budget.
- DBEDT notes, the recent FCC's Rural Digital Opportunity Fund (RDOF) may potentially limit or exclude areas that receive state broadband deployment subsidies from RDOF consideration.

Thank you for the opportunity to testify.



**Testimony to the House Committee on Consumer Protection and Commerce
Thursday, February 11, 2021; 2:00 p.m.
State Capitol, Conference Room 329
Via Videoconference**

RE: HOUSE BILL NO. 1191, HOUSE DRAFT 1, RELATING TO BROADBAND SERVICE INFRASTRUCTURE.

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** House Bill No. 1191, House Draft 1, RELATING TO BROADBAND SERVICE INFRASTRUCTURE.

The bill, as received by your Committee, would:

- (1) Establish the Broadband Infrastructure Grant Program (Program) to extend the deployment of facilities used to provide broadband service to unserved areas of the State;
- (2) Change the Hawaii Technology Loan Revolving Fund to the Hawaii Broadband Infrastructure Fund (Fund), change the types of funds to be deposited into the Fund, and cap the amount in the fund to \$10,000,000 at the end of any fiscal year; and
- (3) Authorize the issuance of \$5,000,000 in general obligation bonds for fiscal year 2021-2022 for the Program.

The bill will also take effect on July 1, 2050, to facilitate further discussion on this issue.

By way of background, the HPCA represents Hawaii Federally-Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

Testimony on House Bill No. 0809, House Draft 1
Thursday, February 11, 2021; 2:00 p.m.
Page 2

Hawaii has long been at the forefront of integrating newer technologies into daily life. One example of this is Hawaii's Telehealth Law which has served as a model across the United States. Yet, it was only after COVID struck our islands that this law became fully integrated into daily life.

Today, it is common practice to ZOOM or SKYPE with your health practitioner instead of physically going to the provider's office for a visit. When COVID first hit our islands, many health providers had to limit the number of patients that could be serviced in-person because of a scarcity of Personal Protective Equipment, restrictions in the gatherings of groups, and the need for changes to the physical arrangement of examination rooms and other diagnostic facilities.

For people with adequate broadband access, telehealth was a lifeline for the provision of essential primary health care services. Yet, health care facilities in rural areas experienced the same problems when COVID hit. They too had to limit the number of patients they could see. But because these communities lacked adequate broadband access, they were effectively cut off from primary care. Many were forced to bear their maladies until it became necessary to go to the emergency room.

The Governor's suspension of a statute that prohibits the use of standard telephonic service in telehealth has temporarily eased this inequity. For those without adequate broadband, at least for now, they are able to obtain basic primary care services over landline telephones. But that is neither adequate, tenable, nor fair to the thousands of citizens who lack broadband access.

Because of this, the HPCA views the lack of broadband access in rural areas as an issue of social equity. In this day and age, everyone should have equal access to health care. Telehealth was envisioned as the means of leveling the field between urban and rural areas. The lack of broadband ensures that urban and rural communities remain unequal.

As a member of the Broadband Hui, the HPCA urges your favorable consideration of this bill.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiipca.net.



Charter Communications
Testimony of Felipe Monroig, Senior Director of Government Affairs

COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

Hawai'i State Capitol
Conference Room 329
Wednesday, February 11, 2021

SUPPORT OF H.B. 1191, RELATING TO BROADBAND SERVICE INFRASTRUCTURE

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee.

Thank you for the opportunity to provide testimony in support of H.B. 1191 which establishes a broadband service infrastructure grant program. The goal is to provide greater broadband connectivity for residents in unserved areas of Hawai'i by promoting the extension of broadband-related infrastructure, in primarily rural areas where the buildout costs are prohibitively expensive because of the low density of housing and commercial opportunities and the resulting small number of potential customers. As demonstrated by the impacts of COVID-19, the need for reliable and accessible broadband connectivity to service these areas has never been greater.

Charter Communications is a dedicated community partner in Hawai'i. As the largest broadband provider in Hawai'i with services available to over 400,000 homes and businesses in all 4 Counties, including Molokai and Lanai, Charter continues to expand its network. As a result of significant network investments, Charter's base broadband speed is 200/10Mbps and we now offer Spectrum Internet Gig (with download speeds of 940 Mbps) in almost all of Hawai'i. Charter continues

to significantly invest and provide infrastructure improvements, unleashing the power of an advanced, two-way, fully interactive fiber network. By moving to an all-digital network, today's Spectrum customers enjoy more HD channels, more On Demand offerings, more video choices than ever before, and the fastest internet speeds and most consistent performance available.

Charter also offers a low cost broadband service for \$17.99/month to eligible low income families and seniors to help bridge the digital divide. At 30Mbps, Spectrum Internet Assist will have a positive impact on the communities we serve in Hawai'i and help to ensure greater access to broadband technology to bridge the digital divide.

Charter strongly supports increasing access to broadband services for residents across the State where service is not available. A properly structured state broadband grant program as outlined in H.B. 1191 will, for example, help all islands, but may be especially useful in Hawai'i Island, which continues to face the greatest challenge primarily due to the lack of adequate infrastructure. With such a program in place, areas like Hāmākua, Puna, Pahoā, Nā'ālehu, Ka'ū and other remote regions will have a chance at access to broadband that they do not currently enjoy.

Because of Hawai'i's unique geography and terrain and the general prices for goods, labor, and materials, the cost of connection is much higher than in some other areas of the mainland United States. By allocating resources to build broadband infrastructure to unserved areas of Hawai'i, H.B. 1191 will help broaden and enhance opportunities in every aspect of peoples' lives through economic development, education, and health care.

To make sure that the money goes to where it is most needed and to ensure proper administration of the funds, we believe that legislation should incorporate the following key principles, which are reflected in H.B. 1191:

- State funds should come from general appropriations or bonds, not sector specific taxes and fees on current broadband customers. A dedicated source of funding best reflects the benefit accrued to the entire state from this investment. Putting in place a state broadband grant program also ensures timely and effective distribution of federal funds, should those be provided for expansion of broadband infrastructure. The fund created by this bill rightly allows for inclusion of federal funds. We also note that this does not prohibit nor impede companies from applying for and receiving broadband infrastructure grants from the federal government, which expressly contemplates working alongside state programs to support filling every gap in broadband access.
- Focus must be on areas which are unserved. The current FCC standard for broadband is 25Mbps download and 3Mbps upload. Any public investment should target resources to areas which are not currently served by broadband at the standards developed by the FCC. This requirement will ensure that funds are invested where they are most needed and the benefit to rural communities will be the greatest.
- A grant program must include open and transparent rules to identify where applicants are seeking state subsidies and a robust challenge process. Public investment should not occur where the private sector has already invested in broadband infrastructure

and service. To guard against a waste of state funds and against duplication of networks and investment where it is not needed, the state's program should include a transparent process which allows adequate time for existing broadband providers to confirm whether an area is already served or to commit to deploying service within a reasonable time such that state funds could be directed to an area in need of assistance.

- The application process should be thorough to weed out unqualified applicants, but at the same time straightforward to avoid burdensome administrative rules that discourage investment; applicants should receive adequate time to complete their investment and the state should provide support to avoid permitting delays that can impede the process.

We will continue to work with the legislature to further our shared goal of bringing broadband to unserved areas of Hawaii. Charter respectfully requests the passage of H.B. 1191 to ensure that a public-private policy framework is built to connect unserved areas of Hawai'i with essential broadband connectivity.

Mahalo for the opportunity to provide testimony.



Written Statement of
Len Higashi
Acting Executive Director
Hawaii Technology Development Corporation
before the
House Committee On Consumer Protection & Commerce
Thursday, February 11, 2021
2:00 p.m.
Videoconference

In consideration of
HB1191 HD1
RELATING TO BROADBAND.

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee.

The Hawaii Technology Development Corporation (HTDC) offers **comments** on HB1191 HD1 that establishes the broadband infrastructure grant program to award grants to applicants to extend deployment of infrastructure used to provide broadband service to unserved areas of the State; amends the Hawaii technology loan revolving fund to change it to the Hawaii broadband infrastructure fund, including the types of funds deposited into the fund; and authorizes the issuance of general obligation bonds for the broadband infrastructure grant program.

HTDC supports efforts to increase broadband capacity in the state. HTDC points out that this bill is unusual in that it establishes a program within DBEDT and uses a HTDC Revolving Fund under HRS206M-15.6 to award grants. HTDC has not implemented a program setup this way before. HTDC works closely with the Hawai'i Broadband Strategy Officer. HTDC is available to assist but defers to the Department on the merits of this measure. HTDC looks forward to working with all stakeholders to move broadband forward.

Thank you for the opportunity to offer these comments.

Written Statement of
Ani Menon
Director of Government & Community Affairs

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

February 11, 2021 2:00PM
State Capitol, Conference Room 329, Videoconference

COMMENTS FOR:

H.B. NO. 1191 HD1 RELATING TO BROADBAND SERVICE INFRASTRUCTURE

To: Chair Johanson, Vice-Chair Kitagawa, and Members of the Committee
Re: **Testimony providing comments for HB 1191 HD1**

Aloha Honorable Chair, Vice-Chair, and Committee Members:

Thank you for this opportunity to submit comments on House Bill 1191 HD1. The primary intent of this bill is to establish a broadband infrastructure grant program that would serve unserved communities throughout our state. Hawaiian Telcom supports this intent with the following comments.

Hawaiian Telcom is the only service provider who has submitted bids for and won federal Connect America Funds (CAF) to connect rural communities throughout Hawaii. CAF is the Federal Communications Commission's (FCC) major reform to the Universal Service Fund to accelerate broadband deployment in unserved areas across the nation.

In the recent past, we submitted and won a competitive bid for the CAF Phase II Auction (a second allocation of FCC Phase II funds, 2018-2024). Hawaiian Telcom was awarded \$18.2 million in CAF Phase II Auction federal funds to deploy high-speed internet service of 1 gigabit per second download and 500 megabits per second upload. This was in addition to our past CAF wins that enabled us to deploy even more broadband infrastructure throughout our state.

The FCC recently established the federal Rural Digital Opportunity Fund (RDOF), a successor to the CAF program. RDOF provides \$20.4 billion in nationwide broadband deployment funding. The RDOF order states that “[the FCC] will exclude those census blocks which have been identified as having been awarded funding through the U.S. Department of Agriculture’s ReConnect Program, or awarded funding through other similar federal or state broadband subsidy programs to provide 25/3 Mbps or better service.”

Based on this language, the FCC may exclude census blocks that receive broadband deployment funding from a state broadband program from their list of eligible areas. **We are concerned that the establishment of a state broadband grant program will jeopardize our state’s access to significant federal broadband funds based on the FCC’s RDOF order.**

We most recently won over \$24 million in federal RDOF Phase I auction funds to deploy broadband to over 8,000 rural locations statewide. The FCC has announced that it will move forward with a RDOF Phase II auction in the near future that will include locations not funded in Phase I. Being able to access federal funds to deploy broadband in Hawaii is important now more than ever.

Thank you for the opportunity to submit these comments and share our concerns regarding House Bill 1191 HD1.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 329
THURSDAY, FEBRUARY 11, 2021 AT 2:00 P.M.**

To The Honorable Aaron Ling Johanson, Chair;
The Honorable Lisa Kitagawa, Vice Chair; and
Members of the Committee on Consumer Protection & Commerce,

**SUPPORT HB1191 HD1 RELATING TO
BROADBAND SERVICE INFRASTRUCTURE**

Aloha, my name is Pamela Tumpap. I am the President of the Maui Chamber of Commerce, in the county most impacted by the COVID-19 pandemic in terms of our dependence on the visitor industry and corresponding rate of unemployment. I am writing share our support of HB1191 HD1.

We support this measure to establish a broadband infrastructure grant program. Broadband has been a longstanding issue in Hawaii, but was exacerbated during this pandemic where students are doing distance learning and more people are working from home. Broadband is a critical need in unserved areas and important to state and county economic development.

Further, we appreciate that this bill houses the grant program under DBEDT, as they already have the Hawaii Broadband Initiative.

Mahalo for your consideration of our testimony and ask that you please pass this bill.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

HB-1191-HD-1

Submitted on: 2/9/2021 12:57:58 PM

Testimony for CPC on 2/11/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Miyahira	Individual	Support	No

Comments:

We have many communities that are unserved by high speed, broadband carriers. The proposed grant program will benefit these communities by providing the means, or partial funding to help carriers to provide services to these communities.

HB-1191-HD-1

Submitted on: 2/9/2021 5:00:02 PM

Testimony for CPC on 2/11/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Paul Stanley	Individual	Support	No

Comments:

I support this bill as it differentiates between wired and wireless broadband.

There must be a differentiation between hard-wired (including fiber optic, etc.) and wireless broadband as there are serious health risks in regards to microwave transmissions.

Electromagnetic Hypersensitivity (EHS) is a real condition which can be debilitating and can be caused by over exposure to microwaves/EMR.

I know this from personal experience as I was injured at my job as a technologist in educational TV due to Electromagnetic Radiation (EMR) over exposure.

I lost my dream job and my home in 2005 because I could no longer work.

I've spent over \$60,000 trying to get better. I'm back to work as a classroom teacher, but I'm still in debt and have no money for my daughter's college education.

I have spent time in the homes of family and friends in California and Texas that had smart meters. I experienced pain and terrible EHS symptoms who in those homes. Occupants of those homes had also experienced symptoms which are consistent to others that have EHS.

What if this happens to you, your child, spouse or loved one?

If a stop is not put to the proliferation of microwaves (Smart meters/cell towers/wi-fi/5G networks) we will be creating a society of e-refugees.

Wireless Smart Meters should NOT be allowed in Hawaii. I am in support of a smart grid, but only if a safe solution can be found. They can transmit data over a cable.

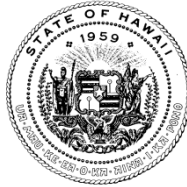
If a wireless meter were to be placed on my home, I would not be able to live there, This would be a violation of my civil rights.

I will be more than happy to answer any questions regarding my experiences.

Mahalo for your consideration.

Paul Stanley

DAVID Y. IGE
GOVERNOR



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 11, 2021
2:00 P.M.
State Capitol, Teleconference

H.B. 1191, H.D. 1
RELATING TO BROADBAND SERVICE INFRASTRUCTURE.

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

The Department of Transportation (DOT) **supports with a recommended amendment** H.B. 1191, H.D. 1 that will establish a grant program to promote the development of last-mile broadband infrastructure in unserved areas.

Project eligibility for the grant program, as currently defined, is limited to unserved areas only and specifically excludes areas partially served by an existing provider. The DOT is concerned that the infrastructure in partially served areas may never be fully developed without the incentive of the grant program. The DOT recommends that projects to complete the broadband development in partially served areas also be considered as eligible projects for this grant program.

Thank you for the opportunity to provide testimony.