



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR
MIKE MCCARTNEY
DIRECTOR
CHUNG I. CHANG
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
MIKE MCCARTNEY
Director

Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURSIM

Monday, March 22, 2021

3:30 PM

State Capitol, Conference Room 224

In consideration of

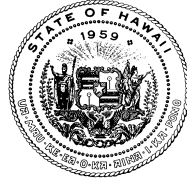
HB1191, HD2

RELATING TO BROADBAND SERVICE INFRASTRUCTURE

Chair Wakai, Vice Chair Misalucha and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **supports** HB1191 HD2 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. Likewise, this grant program should include a digital equity component as well as infrastructure.
- DBEDT also needs to assess the resources to create the policies, rules, procedures and reports necessary to successfully implement this grant program.
- Regarding the use of the Hawaii Technology Loan Revolving Fund we defer to HTDC.
- DBEDT recommends adopting the confidentiality provision amendment provided by OIP in their testimony.
- DBEDT appreciates the intent of this bill with the caveat that sufficient funding is provided to support the proposed activities.

Thank you for the opportunity to testify.



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**WRITTEN
TESTIMONY
ONLY**

**Testimony in SUPPORT of HB1191 HD2
RELATING TO BROADBAND SERVICE INFRASTRUCTURE.**

SENATOR GLENN WAKAI, CHAIR
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Hearing Date: March 22, 2021

Room Number: N/A

1 **Department Testimony:** The Department of Health (DOH) supports the establishment of the
2 Hawaii Broadband Infrastructure Grant Program within the Department of Business, Economic
3 Development, and Tourism, and takes no position on the appropriation or deviations from the
4 Governor's budget proposal.

5 Telehealth has been a strategic priority for the Department of Health for the past several years,
6 and its relevance has only become more pronounced with the pandemic stay-at-home orders.
7 Rural residents in particular, but also those in low socio-economic urban areas and the elderly,
8 have no means to access the internet. A coordinated state strategy to identify and solve inequity
9 will enhance all sectors, not just health.

10 The department defers to the Department of Business, Economic Development, and Tourism on
11 the merits of proposed program details.

12 Thank you for the opportunity to testify.

13 **Offered Amendments:** N/A.

14



MAUI

CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 224
MONDAY, MARCH 22, 2021 AT 3:30 P.M.**

To The Honorable Glenn Wakai, Chair;
The Honorable Bennette E. Misalucha, Vice Chair; and
Members of the Committee on Energy, Economic Development, and Tourism,

**SUPPORT HB1191 HD2 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 HD2.

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.



**Testimony to the Senate Committee on Energy, Economic Development, and Tourism
Monday, March 22, 2021; 3:30 p.m.
State Capitol, Conference Room 224
Via Videoconference**

RE: HOUSE BILL NO. 1191, HOUSE DRAFT 2, RELATING TO BROADBAND SERVICE INFRASTRUCTURE.

Chair Wakai, Vice Chair Misalucha, 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 2, 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 an unspecified amount of 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.

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 2
Monday, March 22, 2021; 3:30 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@hawaiiipca.net.



ALOHACARE

To: The Honorable Senator Glenn Waikai, Chair
The Honorable Senator Bennette E. Misalucha, Vice-Chair
Committee Energy, Economic Development, and Tourism

Date: Monday, March 22, 2021 at 3:30 PM

From: Peggy Mierzwa, Sr. Public Policy Analyst, AlohaCare

RE: **HB1191 HD2, Relating to Broadband Service Infrastructure Support**

AlohaCare appreciates the opportunity to provide testimony in **support** of **HB1191 HD2**, which would help to facilitate the deployment of last-mile broadband infrastructure in unserved areas of the state. It does so by establishing a grant program, amends the Hawaii technology loan revolving fund to the Hawaii broadband infrastructure fund, and authorizes the issuance of general obligation bonds for the grant program.

Founded in 1994, AlohaCare is a community-rooted, non-profit health plan serving 73,000 Medicaid and dual-eligible health plan members on all islands. We are the only non-profit Hawai'i health plan exclusively serving Medicaid patients. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating access to quality health care for all. We believe that health is about supporting whole-person care, including access to housing and food security, to build a stronger, healthier Hawaii.

AlohaCare supports the expansion of reliable broadband statewide. Over the past year, there has been a great need to connect with people in nontraditional ways. In rural settings or other unconnected areas, it is a challenge to ensure people are able to access the healthcare they need in order to either maintain health or address health concerns.

Our providers have shared their challenges when trying to connect with their patients because of the lack of broadband. Providers and clinics in rural neighbor island locations as well providers on Oahu in both urban and rural areas have patients who either do not have any broadband or there is insufficient broadband access to be able to utilize telehealth services.

The problems extend beyond telehealth. With vaccination roll outs, we are now hearing that many kupuna are unable to make appointments for their COVID vaccinations because they are asked to make those via the computer and many do not have access to computers with broadband to do so. These challenges in providing relevant patient care are happening across the state. Taking steps to ensure there will be broadband access statewide will drastically improve the health and well-being of our communities.

Furthermore, there were many people who faced difficulties beyond accessing healthcare. People were unable to work or learn from home over the course of the past year. Access to these necessities are integral to a person's over all well-being, and their ability to feel connected in various ways to their community.

We appreciate the legislature's work on addressing the vast need in the state for expanded access to broadband, which supports people's over all well-being.

Thank you for this opportunity to testify on HB1191 HD2.



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

COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Hawai'i State Capitol
Monday, March 22, 2021

SUPPORT OF H.B. 1191 HD2, RELATING TO BROADBAND SERVICE INFRASTRUCTURE

Chair Wakai, Vice Chair Misalucha, and Members of the Committee.

Thank you for the opportunity to provide testimony in support of H.B. 1191 HD2, 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 HD2 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 HD2 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 HD2:

- 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 that may be appropriated to the states for state-directed broadband expansion. 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. Charter supports language inserted by the Committee on Consumer Protection and Commerce that protects against a state project jeopardizing federal funding.

- 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.

While the bill would provide an outlet for federal funds directed to the, it is important to ensure that this program does not waste funds on areas where the federal government itself has specifically directed funding for broadband expansion. To ensure that the program created by this bill does not fund duplicate infrastructure within areas that have already been designated funding by the federal government, awarded through the Rural Digital Opportunity Fund, we propose the following amendment.

- Page 5, Section 1, line 5-6: amend the following:

“Unserved area’ means a project area without access to broadband service. An ‘Unserved Area’ shall not include any location where federal government funding has been awarded pursuant to the Rural Digital Opportunity Fund specifically to support the deployment or expansion of broadband networks; except that an area shall be considered “unserved” if that funding award is forfeited or upon disqualification of the recipient entity awarded funding for that geographic area under the Rural Digital Opportunity Fund.”

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 HD2 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
Ani Menon
Director of Government & Community Affairs

SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

March 22, 2021 3:30PM
State Capitol, Conference Room 224, Videoconference

COMMENTS FOR:

H.B. NO. 1191 HD2 RELATING TO BROADBAND SERVICE INFRASTRUCTURE

To: Chair Wakai, Vice-Chair Misalucha, and Members of the Committee
Re: **Testimony providing comments for HB 1191 HD2**

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

Thank you for this opportunity to submit comments on House Bill 1191 HD2. The primary intent of this bill is to establish a broadband infrastructure grant program that would serve unserved communities throughout our state. Though Hawaiian Telcom supports the intent of this bill, we offer the following comments and concerns.

The Federal Communications Commission (FCC) recently established the federal Rural Digital Opportunity Fund (RDOF). RDOF provides \$20.4 billion in nationwide broadband deployment funding. Page 7, paragraph 13 of the FCC's RDOF Report and Order states that "[the FCC] will exclude those census blocks which have been identified as having been...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 and has excluded census blocks that receive broadband deployment funding from a state broadband program from their list of eligible areas. The number of unserved census blocks in our state are finite. Therefore, **we are concerned that the establishment of a state broadband grant program that will award grants to deploy broadband infrastructure in unserved communities will jeopardize our state's access to significantly more federal funds for those same communities.**

Hawaiian Telcom just won \$24 million in federal RDOF Phase I auction funds to deploy broadband to over 8,000 unserved 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. The RDOF program has available an additional \$11.2 billion for its subsequent auction(s).

In the recent past, we submitted and won a competitive bid for the federal Connect America Funds (CAF) Phase II Auction (a second allocation of FCC Phase II funds, 2018-2024). CAF is the FCC's major reform to the Universal Service Fund to accelerate broadband deployment in

unserved areas across the nation. 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. In fact, Hawaiian Telcom is the only service provider who has submitted bids for and won federal CAF funds to connect rural communities throughout Hawaii.

Being able to access federal funds from RDOF to deploy broadband infrastructure in Hawaii is important now more than ever. Sections 4(3) and 6(c)(3) attempt to address the concerns we have raised regarding the potential of jeopardizing federal funds. Specifically, Section 4(3) requires that applicants attest that the project does not jeopardize the eligibility of federal funding. Section 6(c)(3) allows a broadband service provider to “challenge” a submitted application if they attest that the project may jeopardize the eligibility of federal funds.

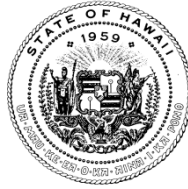
Neither one of these sections addresses the very real concern we have raised. Any applicant can make an attestation that their project does not jeopardize federal funds because applicants – and other broadband service providers - have no way of knowing which “projects” fall within or outside RDOF’s future eligible areas. Similarly, broadband providers cannot anticipate which federal programs will come to fruition that will allocate federal funds for broadband infrastructure nationwide and whether these programs will have similar limitations as the ones imposed by RDOF. At the very least, the department administering this potential grant program should be responsible for evaluating each proposal to ensure that it will not jeopardize federal funding.

If this committee feels inclined to pass HB1191 HD2 despite the potential impact on significant federal funding to deploy broadband infrastructure across our state, we offer the following substantive amendments:

- Section 4(2) “Be a non-governmental entity with demonstrated experience ...”
 - Add language to require that a non-governmental entity be an Eligible Telecommunications Carrier (“ETC”), consistent with federal requirements for similar programs.
- Section 6(e)1 “...The scoring system shall give the highest weight of priority to the following: (1) projects proposing to serve a larger unserved geographic area.”
 - Replace the word “geographic” with the word “population” to better align with the intent of this bill.
- Section 6(e)
 - Award higher scores to projects that utilize fiber optic cable, similar to federally-funded programs, to ensure faster speeds and next-gen infrastructure.
- Section 8(b)
 - Add the following new language as 8(b)(3): “(3) Require the department to evaluate each submitted proposal to ensure that it does not jeopardize federal funding.”

Thank you for the opportunity to submit these comments and share our concerns regarding House Bill 1191 HD2.

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

LATE

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

March 22, 2021
3:30 P.M.
State Capitol, Teleconference

H.B. 1191, H.D. 2
RELATING TO BROADBAND SERVICE INFRASTRUCTURE.

Senate Committee on Energy, Economic Development and Tourism

The Department of Transportation (DOT) **supports with a recommended amendment** 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.

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 SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT,
AND TOURISM
ON
HOUSE BILL NO. 1191, H.D. 2

LATE

March 22, 2021
3:30 p.m.
Via Videoconference

RELATING TO BROADBAND SERVICE INFRASTRUCTURE

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 1191, H.D. 2.

H.B. No. 1191, H.D. 2, 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. 2, 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.

H.B. No. 1191, H.D. 2, is similar to the Administration's proposed H.B. No. 913, H.D. 1, in that H.B. No. 913, H.D. 1, would require the proposed Hawai'i Broadband and Digital Equity Office to administer grant programs in support of broadband infrastructure, innovation, and the digital economy. However, the measures differ as H.B. No. 1191, H.D. 2, proposes the establishment of a specific grant program and special fund to achieve this goal. Although H.B. No. 1191, H.D. 2, renames the HTRF to the HBIF, B&F notes that the HTRF is currently established under the purview of the Hawai'i Technology Development Corporation, but the proposed grant program is established within the Department of Business, Economic Development and Tourism. This would allow for a situation in which a program other than HTDC would expend funds from an account which is statutorily established within HTDC pursuant to Section 206M-15.6, HRS.

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. 2, 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.

LATE

OFFICE OF INFORMATION PRACTICES

STATE OF HAWAII
NO. 1 CAPITOL DISTRICT BUILDING
250 SOUTH HOTEL STREET, SUITE 107
HONOLULU, HAWAII 96813
TELEPHONE: 808-586-1400 FAX: 808-586-1412
EMAIL: oip@hawaii.gov

To: Senate Committee on Energy, Economic Development, and Tourism

From: Cheryl Kakazu Park, Director

Date: March 22, 2021, 2:00 p.m.
Via Videoconference

Re: Testimony on H.B. No. 1191, H.D. 2
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. OIP further notes that it has discussed this issue with Charter Communication and may be open to the alternative of a much narrower confidentiality provision, but has not yet seen proposed language from Charter.

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.



1001 Bishop Street | Suite 625 | Honolulu, HI 96813-2830
1-866-295-7282 | Fax: 808-536-2882
aarp.org/hi | aarphi@aarp.org | twitter.com/AARPHawaii
facebook.com/AARPHawaii



The State Legislature
The Senate
Committee on Energy, Economic Development and Tourism
Monday, March 22, 2021
3:30 p.m.

TO: The Honorable Glenn Wakai, Chair
RE: H.B. 1191 HD 2 Relating to Broadband Infrastructure

Aloha Chair Wakai and Members of the Committees:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a membership organization of people age fifty and over, with nearly 145,000 members in Hawai'i.

AARP Hawai'i supports H.B. 1191 HD2 which 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. This bill 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. The goal is to establish a framework that provides infrastructure project funding between public and private entities and provide a process to ensure that scarce state/federal/county dollars are directed only at unserved areas

The recent pandemic has significantly increase the demand and use of broadband for communication across all sectors, and throughout our communities statewide. Students are engaged in distance learning for their school work, businesses for e-commerce transactions and patients have become more reliant on telehealth to connect with their physicians for medical consultation and monitoring. This is especially important for homebound kūpuna at risk of exposure during this health pandemic. The heavy demand for broadband access has amplified the weakness in our broadband infrastructure especially in rural communities, and other underserved or unserved areas in the State. AARP supports efforts that will expand digital equity and access to ensure that all individuals and communities have access to information and modern communication technologies.

Thank you very much for the opportunity to support H.B.1191 HD2.

Sincerely,

Keali'i Lopez, AARP Hawai'i

LATE

HB-1191-HD-2

Submitted on: 3/21/2021 5:09:19 PM

Testimony for EET on 3/22/2021 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Noel Morin	Individual	Support	No

Comments:

I am supportive of this bill. Accessible broadband access is a must. It is critical for the equitable distribution of opportunity for our residents. Please support this bill.