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## HOUSE CONCURRENT RESOLUTION

REQUESTING THE UNITED STATES FEDERAL COMMUNICATIONS COMMISSION

TO PROVIDE FUNDING FOR UNIVERSAL SERVICE FUND RECIPIENTS IN

RURAL AREAS.

WHEREAS, the federal government established the Universal Service Fund (USF) to promote universal access to telecommunications services in the United States through a system of telecommunications subsidies and fees; and

WHEREAS, the federal government collects a Universal Service fee from every telephone and cellphone bill to be placed in the USF to fund rural telecommunications, including providing broadband internet; and

WHEREAS, the State created a special fund akin to the Universal Service Fund under section 269-42, Hawaii Revised Statutes, which was never funded by the Public Utilities Commission; and

WHEREAS, although the United States Federal Communications Commission (FCC) has laudable goals, the Commission may be unable to prevent the mishandling of certain funds; and

WHEREAS, the FCC granted \$500,000,000 in USF moneys to Sandwich Isles Communications Inc., with the intent to provide fibre and DSL high speed broadband internet service to Hawaiian Home Lands, but despite such funding, a sizeable portion of homes under the Department of Hawaiian Home Lands on the Island of Hawaii remain without internet service, and huge portions of rural Hawaii remain without internet and other telecommunications services; and

WHEREAS, the President of Waimana Enterprises Inc., which is the parent company of Sandwich Isles Communications Inc., was later indicted for the use of \$4,000,000 in company funds for personal use; and

WHEREAS, the FCC made grants to Sandwich Isles Communications Inc. despite Sandwich Isles Communications Inc. not being certified by the Public Utilities Commission as a USF eligible telecommunications carrier; and

WHEREAS, by having its own USF funding, Hawaii will be able to allow for cooperatives and other smaller enterprise telecommunications firms that target rural Hawaii, and enable increased access to high-speed telecommunications for all of Hawaii; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017, the Senate concurring, that the United States Federal Communications Commission is requested to fund the USF to provide funding for and, if necessary, audit USF recipients in rural areas; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Chairman of the United States Federal Communications Commission and members of Hawaii's Congressional delegation.

OFFERED BY:

OFFERED BY:

OFFERED BY:

ON BY:

Columbia William Con By:

HCR HMS 2017-2458-2

## H.C.R. NO. 149

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