Honolulu, Hawaii

February 14, 2018

RE: H.B. No. 1995 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1995, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO BROADBAND INTERNET ACCESS," begs leave to report as follows:

The purpose of this measure is to explore methods to mitigate the adverse effect on the State by the Federal Communications Commission's decision to overturn its net neutrality rules by:

- (1) Regulating providers of broadband internet access in Hawaii; and
- (2) Establishing a task force to study the establishment of a state-owned public utility company to provide internet service to consumers in Hawaii.

The Department of Business, Economic Development & Tourism, Life of the Land, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, Young Progressives Demanding Action - Hawaii, and a few individuals supported this measure. AT&T, Honolulu County Republican Party, Charter Communications, and CTIA opposed this measure. The Department of the Attorney General and Hawaiian Telcom provided comments.

Your Committee notes that concerns were raised by the Department of the Attorney General about the prohibitions on blocking, impairment, paid prioritization, and interference by providers of broadband internet access service in the State. These provisions may subject this measure to a preemption challenge by the Federal Communications Commission, which issued a declaratory order that purports to establish a federal deregulatory regime for broadband internet access providers and can preempt inconsistent state laws.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1995, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ROY M. TAKUMI, Chair

State of Hawaii House of Representatives **HSCR_539-18**The Twenty-ninth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

	nittee Referral:	Date:	01,21	Ø
HB 1995, HD1 IA	C, CPC, FII	J	2/13/	100
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	<i>J</i>			
2. ICHIYAMA, Linda (VC)				
				:
3. AQUINO, Henry J.C.	✓			
4. ITO, Ken		·		
5. JOHANSON, Aaron Ling				√
6. LoPRESTI, Matthew S.				
7. MIZUNO, John M.				
8. SAY, Calvin K.Y.	<u> </u>			
9. TOKIOKA, James Kunane		V		n s. – Ar Ulbana mera
10. YAMANE, Ryan I.			The Alberta Supplemental Forms	The Marian Control
11. McDERMOTT, Bob				******
TOTAL (11)	a		\bigcap	<u> </u>
The recommendation is: Adopted	D Na Ada	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				