



GOV. MSG. NO. 1331

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 29th, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Pursuant to the notice requirement of Section 16 of Article III of the Constitution of the State of Hawai'i, I am transmitting herewith the following bill with specific appropriation items stricken or reduced and my official statement of objections to the specific items contained in the bill:

SB2076 SD2 HD3 CD1

RELATING TO BROADBAND SERVICE
INFRASTRUCTURE.

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

EXECUTIVE CHAMBERS

HONOLULU

June 28, 2022

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2076

Honorable Members
Thirty-First Legislature
State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2076, entitled "A Bill for an Act Relating to Broadband Service Infrastructure."

The purpose of this bill is to have the University of Hawaii (UH) and the Hawaii Broadband and Digital Equity Office (BDEO) jointly convene a working group to determine an appropriate governance structure to implement, operate, and maintain broadband infrastructure in the State. For fiscal year 2022-2023, BDEO is appropriated \$360,000 to fund three full-time administrative positions, and UH is appropriated \$200,000,000 in federal moneys for planning and implementation of a statewide broadband initiative.

While the bill as a whole has merit, I object to the \$200,000,000 appropriation for fiscal year 2022-2023, funded through moneys from the American Rescue Plan Act of 2021 (ARPA), Pub. L. No. 117-2, to be used for planning and implementation of a statewide broadband initiative, designated in section 4 on page 6, line 19, of the bill. The appropriation of \$200,000,000 in ARPA funds to UH appears to be redundant with the Coronavirus State Fiscal Recovery Funds (CSFRF) and Capital Projects Fund appropriation for the broadband initiative in the Department of Budget and Finance's budget. Further, because many of the requirements for the initiative will be capital improvements in nature, these funds will not count towards meeting UH's "maintenance of effort" (MOE) based on U.S. Department of Education guidelines for ARPA's Elementary and Secondary School Emergency Relief MOE compliance – higher education capital improvement funding is specifically ineligible.

STATEMENT OF OBJECTIONS
SENATE BILL NO. 2076
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The appropriation will also limit the Administration's ability to balance out fiscal year 2022-2023 appropriations and expenditures to ensure compliance with the MOE requirements.

Section 16 of Article III of the State Constitution provides that, "[e]xcept for items appropriated to be expended by the judicial and legislative branches, the governor may veto any specific item or items in any bill which appropriates money for specific purposes by striking out or reducing the same." Because of the foregoing objections, I have taken the following action pursuant to my line item veto authority:

Stricken out the \$200,000,000 appropriation made from ARPA moneys for fiscal year 2022-2023 in section 4 on page 6, line 19, of the bill, to be used by UH for planning and implementation of a statewide broadband initiative, and changed the amount to \$0.

For the foregoing reasons, I am returning Senate Bill No. 2076 with the appropriation made from ARPA moneys for fiscal year 2022-2023 totaling \$200,000,000 stricken from the bill.

Respectfully,



DAVID Y. IGE
Governor of Hawai'i

A BILL FOR AN ACT

RELATING TO BROADBAND SERVICE INFRASTRUCTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the provision of
2 equitable and robust access to broadband continues to be among
3 the State's most pressing challenges. Hawaii needs to invest in
4 open access, carrier-neutral cable landing infrastructure to
5 attract transpacific fiber optic cable companies and expand its
6 fiber connectivity to the world and throughout the islands,
7 particularly in rural, underserved, and unserved communities, to
8 achieve the digital equity necessary to build a resilient
9 digital economy. Attracting partners with the necessary
10 technical expertise and resources can develop Hawaii into a
11 strategic communications and knowledge hub in the Pacific. This
12 hub would incorporate a robust global communications network and
13 provide cloud platforms to establish next generation
14 applications, such as artificial intelligence and smart
15 communities, in Hawaii.

16 The legislature further finds that to build a robust
17 broadband infrastructure, the State must act quickly to take
18 advantage of various federal and private funds available this



1 year. For example, the 2021 federal Consolidated Appropriations
2 Act earmarks:

- 3 (1) At least \$30,000,000 for the department of Hawaiian
4 home lands;
- 5 (2) \$3,200,000,000 nationally in an emergency broadband
6 benefit for low-income Americans to become connected
7 or remain connected to broadband;
- 8 (3) \$250,000,000 nationally for a new telehealth pilot
9 program;
- 10 (4) \$300,000,000 for a national grant program to fund
11 broadband in rural areas; and
- 12 (5) \$65,000,000 for the improvement of the nation's
13 broadband maps.

14 The legislature notes that the first phase of deployment of
15 these federal funds, in part, supports the South American
16 Pacific Link, a transpacific fiber cable project that would
17 connect Hawaii to South America, Central America, and the east
18 coast of the continental United States. Additionally, over
19 \$100,000,000 is available from the United States Department of
20 Transportation Federal Highway Administration to address the



1 broadband capacity to support telecommuting through pilot
2 projects focused on building broadband infrastructure.

3 Accordingly, the purpose of this Act is to ensure that the
4 State takes full advantage of available funds to build and
5 maintain the broadband infrastructure necessary to sustain
6 interconnectivity throughout islands by:

7 (1) Requiring the University of Hawaii and Hawaii
8 broadband and digital equity office to convene a
9 working group;

10 (2) Appropriating funds to the Hawaii broadband and
11 digital equity office for three full-time equivalent
12 (3.0 FTE) administrative positions for the operation
13 and administration of the Hawaii broadband and digital
14 equity office; and

15 (3) Appropriating federal funds to the University of
16 Hawaii for the planning and implementation of a
17 statewide broadband initiative.

18 SECTION 2. (a) The University of Hawaii and Hawaii
19 broadband and digital equity office shall jointly convene a
20 working group to determine the appropriate governance structure



1 to implement, operate, and maintain broadband infrastructure
2 development in the State.

3 (b) The working group shall consist of the following
4 members, or their designees:

5 (1) The president of the University of Hawaii, who shall
6 serve as co-chair;

7 (2) The strategic broadband coordinator, who shall serve
8 as co-chair;

9 (3) The director of finance;

10 (4) The director of commerce and consumer affairs;

11 (5) The comptroller;

12 (6) The director of business, economic development, and
13 tourism;

14 (7) The director of health;

15 (8) The superintendent of education;

16 (9) The chairperson of the Hawaiian homes commission; and

17 (10) The mayors of the counties.

18 (c) The co-chairs of the working group shall invite the
19 following individuals to become members of the working group:

20 (1) The governor;

21 (2) The State's congressional delegation;



- 1 (3) Representatives from private sector partners; and
- 2 (4) Others as recommended by the working group.
- 3 (d) The working group shall:
 - 4 (1) Provide recommendations for an appropriate governing
 - 5 body to oversee and maintain the State's strategic
 - 6 broadband infrastructure assets;
 - 7 (2) Consider the technical, operational, maintenance, and
 - 8 financial sustainability of broadband infrastructure
 - 9 development for services that are robust, resilient
 - 10 and affordable;
 - 11 (3) Consult with subject matter experts in finance,
 - 12 telecommunications, regulatory bodies, and any other
 - 13 areas as it deems necessary; and
 - 14 (4) Identify revenue sources to sustain the operation and
 - 15 maintenance costs of broadband infrastructure and
 - 16 assets, including landing fees, fiber cross-connects,
 - 17 and infeasible rights of use for terrestrial fiber.
- 18 (e) Members of the working group shall serve without
- 19 compensation but shall be reimbursed for reasonable expenses
- 20 necessary for the performance of their duties, including travel
- 21 expenses. No member of the working group shall be subject to



1 chapter 84, Hawaii Revised Statutes, solely because of the
2 member's participation in the working group.

3 (f) The working group shall submit a report of its
4 findings and recommendations, including any proposed
5 legislation, to the legislature no later than twenty days prior
6 to the convening of the regular session of 2024.

7 SECTION 3. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$360,000 or so much
9 thereof as may be necessary for fiscal year 2022-2023 for three
10 full-time equivalent (3.0 FTE) administrative positions, exempt
11 from chapter 76, Hawaii Revised Statutes, for the operation and
12 administration of the Hawaii broadband and digital equity
13 office.

14 The sum appropriated shall be expended by the Hawaii
15 broadband and digital equity office for the purposes of this
16 Act.

17 SECTION 4. There is appropriated out of the funds received
18 by the State of Hawaii from the American Rescue Plan Act of
19 2021, Public Law 117-2 (Section 9901), the sum of ~~\$200,000,000~~ 0
20 or so much thereof as may be necessary for fiscal year 2022-2023



1 for the planning and implementation of a statewide broadband
2 initiative.

3 The sum appropriated shall be expended by the University of
4 Hawaii for the purposes of this Act.

5 SECTION 5. This Act shall take effect on July 1, 2022.



S.B. NO. 2076
S.D. 2
H.D. 3
C.D. 1

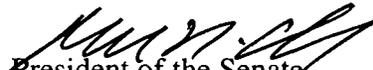
APPROVED this day of , 2022

GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI‘I

Date: May 3, 2022
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-First Legislature of the State of Hawai‘i, Regular Session of 2022.


President of the Senate


Clerk of the Senate

SB No. 2076, SD 2, HD 3, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 03, 2022
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2022.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives