

STAND. COM. REP. NO. 3700

Honolulu, Hawaii

APR 05 2022

RE: S.R. No. 107
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.R. No. 107 entitled:

"SENATE RESOLUTION REQUESTING THE HAWAII PUBLIC UTILITIES COMMISSION TO DEVELOP AN EFFICIENT AND STREAMLINED PROCESS FOR REVIEWING ELECTRIC UTILITIES' REQUESTS TO PROVIDE "MIDDLE MILE" BROADBAND SERVICES IN SUPPORT OF EXPANDING BROADBAND SERVICES FOR HAWAII RESIDENTS IN UNDERSERVED AND UNSERVED AREAS,"

begs leave to report as follows:

The purpose and intent of this measure is to request the Public Utilities Commission to develop an efficient and streamlined process for reviewing electric utilities' requests to provide "middle mile" broadband services in support of expanding broadband services for Hawaii residents in underserved and unserved areas.

Your Committee received testimony in support of this measure from Hawaiian Electric Company. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs' Division of Consumer Advocacy, Public Utilities Commission, and Hawaiian Telcom.

Your Committee finds that there remain a number of underserved and unserved communities in the State that lack sufficient broadband facilities. Digital accessibility has become



even more essential as a result of the coronavirus disease 2019 pandemic. Further, electric utility telecommunication is increasingly important to operate electric grid safety and reliability, and maximizing an electric utility's infrastructure for broadband deployment is a growing national trend. While electric utilities are currently capable and authorized to continue to provide middle mile broadband infrastructure, this measure establishes strong public policy support and clear recognition of electric utilities' valuable role in broadband expansion, and acknowledges the need for an efficient regulatory oversight process to serve this public purpose and provide safeguards to avoid potential market-power abuses and cross-subsidization between regulated and unregulated activities.

Your Committee has amended this measure by:

- (1) Inserting findings acknowledging the Infrastructure Investment and Jobs Act, which includes funding to expand middle mile infrastructure to unserved and underserved areas, and that electric utilities do not currently see barriers to entering the middle mile telecommunications market but are concerned over the length of time needed for its approvals as competitive federal broadband funding becomes available;
- (2) Requesting the Public Utilities Commission to consider whether a standardized application that requires electric utility companies to file more than sufficient information to facilitate a streamlined and efficient review process is warranted, rather than requiring regulators to rely on a discovery process to address concerns;
- (3) Requesting that the Public Utilities Commission ensure that a level playing field and appropriate levels of competition in the telecommunications infrastructure industry is maintained;
- (4) Amending its title accordingly; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 107, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 107, S.D. 1.

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


ROSALYN H. BAKER, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

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|--|---|--|-----|---------|
| Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SR 107</div> | Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN</div> | Date: <div style="font-size: 1.2em; font-family: cursive;">03-24-2022</div> | | |
| <div><input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____</div> | | | | |
| The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"><div><input type="checkbox"/> Pass, unamended 2312</div><div><input checked="" type="checkbox"/> Pass, with amendments 2311</div><div><input type="checkbox"/> Hold 2310</div><div><input type="checkbox"/> Recommit 2313</div></div> | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| BAKER, Rosalyn H. (C) | ✓ | | | |
| CHANG, Stanley (VC) | ✓ | | | |
| DECOITE, Lynn | ✓ | | | |
| NISHIHARA, Clarence K. | ✓ | | | |
| RIVIERE, Gil | ✓ | | | |
| SAN BUENAVENTURA, Joy A. | ✓ | | | |
| FEVELLA, Kurt | ✓ | | | |
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| TOTAL | 7 | | | |
| Recommendation: <div style="display: flex; justify-content: space-around; align-items: center;"><div><input checked="" type="checkbox"/> Adopted</div><div><input type="checkbox"/> Not Adopted</div></div> | | | | |
| Chair's or Designee's Signature: <div style="text-align: center; font-size: 1.5em; font-family: cursive;">[Signature]</div> | | | | |
| Distribution: <div style="display: flex; justify-content: space-between; font-size: 0.8em;"><div>Original File with Committee Report</div><div>Yellow Clerk's Office</div><div>Pink Drafting Agency</div><div>Goldenrod Committee File Copy</div></div> | | | | |

*Only one measure per Record of Votes