

## Sandwich Isles response to TEC/HWN Hearing on 5-March-2020

Senator J Keohokalole

Thank you for the opportunity to respond to your hearing on Technology and Hawaiian Home Lands. I am disappointed that the hearing dissolved into a referendum on Sandwich Isles without allowing a representative to appear or answer questions. As a public utility, Sandwich Isles provides a vital service and it is important that statements are based on facts. The legal issues surrounding Sandwich Isles are complex as the article on Saturday, March 8<sup>th</sup> and the HPR discussion confirmed. The public is not served by uninformed comments. Sandwich Isles was **approved to borrow** \$400M from the US Department of Agriculture, Rural Utilities Service. The loan was based on the repayment being supplemented with monies from the Universal Service Fund administered by the Federal Communications Commission. All Hawaii residents have, and will continue to pay into this fund. In 2012, the FCC reduced the amount of USF paid to Sandwich Isles' resulting in the present bankruptcy. Attached is an article from Hawaii Business Magazine that gives a different perspective on what Sandwich Isles built. Although written several years ago, the all of the opportunities and benefits contained in the article were realized.

In regards to the opportunity to obtain unlicensed wireless spectrum for use on Hawaiian Home Lands, I fully support that initiative. The initiative should be combined with an effort to obtain licensed wireless spectrum on Oahu from the current licensees. A large part of the licensed spectrum on Oahu belongs to the University of Hawaii. These licenses, although FCC regulated, are not part of the Tribal Broadband Initiative. When Sandwich Isles looked at these licenses several years ago, UH was not using the free licensed spectrum in an efficient manner and could easily free up some for use on Hawaiian Home Lands on Oahu.

In regards to HHL being an operator and provider of telecommunications services, it takes a different set of qualifications that are not presently available at HHL. Government operated communications companies are scarce. Chairperson Hoaliku Drake was right when she declined to have DHHL operate Sandwich Isles.

As was testified to, having wireless spectrum without a backbone network is not ideal and in many cases cannot be done. Yes it is true that Satellite or point to point wireless technology is available. However, these produce an inferior product compared to a fiber network. A concerted effort should be made by the legislature and HHL to secure use of the network Sandwich Isles built that is currently in bankruptcy court. The Federal Government, which has the statutory mandate to insure service to all US Citizens appears content to see service to Hawaiians end. HHL is aware of this but has not taken any action. It would be a travesty if the network Sandwich Isles' built to fulfill the statutory mandate was not used for HHL. It will certainly be used for everywhere else that can pay. Whoever ends up owning and controlling the network will be profit oriented. This means HHL will be soon relegated to the situation that existed when Chairperson Hoaliku Drake contacted me resulting in Sandwich Isles borrowing the \$400M and building the network. The homesteader or HHL will once again be forced to pay for the infrastructure, accept whatever service is available or have the homesteader go without phones and internet. With Sandwich Isles, that money is being used to build homes. The new telecom provider will not agree, as Sandwich Isles did, to borrow the money to build the best, pay for it and serve ALL of HHL.

HHL is going backwards and without immediate intervention they will lose the use of the network Sandwich Isles was asked to build to secure the future of our mo'opuna.

I am available to discuss if helpful.

Al Hee  
Waimana Enterprises