DAVID Y. IGE GOVERNOR OF HAWAII



ELIZABETH A. CHAR, M.D. DIRECTOR OF HEALTH

STATE OF HAWAI'I STATE COUNCIL ON DEVELOPMENTAL DISABILITIES PRINCESS VICTORIA KAMĀMALU BUILDING 1010 RICHARDS STREET, Room 122 HONOLULU, HAWAI'I 96813 TELEPHONE: (808) 586-8100 FAX: (808) 586-7543 February 25, 2022

The Honorable Representative Sylvia Luke, Chair House Committee on Finance The Thirty-First Legislature State Capitol State of Hawai'i Honolulu, Hawai'i 96813

Dear Representative Luke and Committee Members:

SUBJECT: HB2397 HD2 Relating to Broadband

The Hawaii State Council on Developmental Disabilities **SUPPORTS HB2397 HD2** establishes the Hawaii broadband infrastructure authority and defines broadband equity within the Hawaii broadband and digital equity office.

COVID has shown that our communities, especially our most vulnerable, must turn more and more to internet-based support. Some of these supports come in the form of telehealth appointments and Zoom-based communication. COVID proved that many individuals within our intellectual and developmental disability community are part of a high-riskgroup that needs to rely on staying at home and using internet services more than the averagecitizen. Many of our community members live in rural areas of our State and do not have easy broadband access. These individuals found themselves without internet and many times without any form of support during the pandemic.

As we continue to make strides in technology, more and more technology is invented that helps individuals with intellectual/developmental disabilities (I/DD) live more independently. However, we find that having broadband access is key for most new technologies that rely on wi-fi to function. Time is of the essence, and it appears that allowing the electric utilities to own, operate, lease, plan, construct, install, maintain, and/or replace broadband facilities will be the quickest and most efficient way to bring broadband facilities and services to our vulnerable population throughout State.

Thank you for the opportunity to submit testimony in **support of HB2397 HD2**.

Sincerely,

ainter Bartolia

Daintry Bartoldus Executive Administrator

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 Web site: dbedt.hawaii.gov

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Statement of **MIKE MCCARTNEY** Director Department of Business, Economic Development, and Tourism before the HOUSE COMMITTEE ON FINANCE Friday, February 25, 2022 12:30 PM State Capitol, Conference Room 308 In consideration of HB2397, HD2 **RELATING TO BROADBAND.**

Chair Luke, Vice Chair Yamashita, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) offers comments on HB2397, HD2 that establishes the Hawai'i Broadband Authority.

Over the course of the last two years, the COVID-19 pandemic has spotlighted the need for broadband infrastructure and digital equity for all of Hawai'i's residents and the federal government has identified the need to build robust broadband infrastructure and to fund digital equity programs across the country.

For Part II, DBEDT defers to DCCA on the specific provisions of the bill.

With this once in a generation opportunity, it is important that we address broadband access, affordability, adoption and literacy, and build robust and resilient broadband infrastructure for Hawai'i to achieve digital equity and thrive in the digital economy. The Broadband & Digital Equity Office will continue to provide the focus, coordination and facilitation of programs that enable all Hawai'i residents to seamlessly connect to the digital tools needed to be successful in our modern society and look forward to working collaboratively with all agencies that share that mission.

Thank you for the opportunity to submit this testimony.

DAVID Y. IGE GOVERNO

MIKE MCCARTNEY DIRECTOR

CHUNG I. CHANG DEPUTY DIRECTOR



DAVID Y. IGE

JOSH GREEN LT. GOVERNOR

STATE OF HAWAII OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310 P.O. BOX 541 HONOLULU, HAWAII 96809 Phone Number: 586-2850 Fax Number: 586-2856 cca.hawaii.gov CATHERINE P. AWAKUNI COLÓN DIRECTOR

JO ANN M. UCHIDA TAKEUCHI DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

Before the House Committee on Finance Friday, February 25, 2022 12:30 p.m. Via Videoconference

On the following measure: H.B. 2397 H.D.2, RELATING TO BROADBAND

Chair Luke and Members of the Committee:

My name is Catherine P. Awakuni Colón, and I am the Director of the Department of Commerce and Consumer Affairs (Department). The Department offers comments on this bill.

The purpose of this bill is to ensure that the State takes full advantage of available funds to build broadband infrastructure necessary to sustain interconnectivity throughout the islands by (1) establishing the Hawaii Broadband Infrastructure Authority (Authority), to be administratively attached to the Department; (2) defining broadband equity with the Hawaii broadband and digital equity office, and (3) appropriating federal funds in fiscal year 2022-2023 to the Department.

The Department believes strongly in the importance of a resilient broadband infrastructure throughout the state, to provide critical connectivity for among other things, telehealth, telework, and remote learning. The Department notes, however, that the creation of the Authority may be premature at this time given that the relevant grant Testimony of DCCA H.B. 2397 H.D.2 Page 2 of 2

programs are still being developed and guidance on what the allowable uses of these funds will be has not yet been issued.

The Department also notes that the bill as drafted will require a significant commitment of personnel and funds. Although the bill on page 18 lines 2 to 9 provides for a one-time appropriation of federal funds to be received by the State, it is unclear whether the funds will in fact be available, how long the funding will be available, and what the funds may be used for. Also, the bill does not provide for the establishment of positions that would be needed to support the new Authority. Finally, the Department suggests that the bill clearly indicate that the establishment of the Authority is conditioned on the timely availability of federal funds that can be used for the purposes set forth in the bill.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

OFFICE OF THE PUBLIC DEFENDER



CRAIG K. HIRAI DIRECTOR

GLORIA CHANG DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY TESTIMONY BY CRAIG K. HIRAI DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE TO THE HOUSE COMMITTEE ON FINANCE ON HOUSE BILL NO. 2397, H.D. 2

February 25, 2022 12:30 p.m. Room 308 and Videoconference

RELATING TO BROADBAND

The Department of Budget and Finance (B&F) offers comments on Parts II and IV of this bill, which creates a new Broadband Authority (BA) administratively attached to the Department of Commerce and Consumer Affairs (DCCA), and appropriates an unspecified amount of federal funds for broadband infrastructure and expansion of broadband access to DCCA. B&F defers to the Department of Business, Economic Development and Tourism on Part III, which amends Sections 206S-1 and 206S-3, HRS, which relates to the Hawai'i Broadband and Digital Equity Office.

B&F suggests that it would be premature to establish a new BA and appropriate federal funds to this new Authority at this time. The federal Broadband Equity, Access, and Deployment and State Digital Equity Planning and Capacity Grant programs are still being developed by the National Telecommunications and Information Administration at the U.S. Department of Commerce. As yet, no guidance has been issued on what the allowable uses of these federal funds will be.

Thank you for the opportunity to provide testimony.



Legislative Testimony

Testimony Presented Before the House Committee on Finance Friday, February 25, 2022 at 12:30 p.m. By Garret T. Yoshimi, Vice President for Information Technology/Chief Information Officer University of Hawai'i System

HB 2397 HD2 – RELATING TO BROADBAND

Chair Luke, Vice Chair Yamashita, and members of the committee:

The University of Hawai'i, representing the State's broadband interests, provides the following comments on HB 2397 HD2.

HB 2397 HD2 creates a state broadband infrastructure authority, and provides for clarification of the role of the state broadband office within DBEDT to focus on critical elements of digital equity and literacy necessary to maximize benefits of investment in broadband infrastructure. Based on a range of conversations and views expressed over the past weeks, while the creation of a state broadband infrastructure authority may be necessary at some point in the future, it might be prudent to wait for clarity around the expected Federal program announcements and rules, as well as determination of requirements around ownership and governance of any resulting assets and facilities constructed or acquired with the anticipated influx of public funds. There is also the concern expressed over imposing potentially conflicting or overlapping regulation in the generally competitive broadband markets currently under the oversight of the FCC.

The rules and processes to support the expected Federal formula and competitive programs remain unclear at this time, and are likely to be issued over the second half of calendar 2022. Planning to maximize the community benefits of the expected Federal funds is underway, and we expect that we will align projects and outcomes with those funds as the programs controlling the funds issue rules and create the mechanisms to expend the funds. An integral part of the planning process includes the governance and sustainability of the efforts to be implemented; that will inform the potential for requiring the formation of a state broadband infrastructure authority.

Thank you for the opportunity to provide comments on HB 2397 HD2.

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

DAVID Y. IGE GOVERNOR



TESTIMONY BY:

JADE T. BUTAY DIRECTOR

Deputy Directors ROSS M. HIGASH EDUARDO P. MANGLALLAN PATRICK H. MCCAIN EDWIN H. SNIFFEN

STATE OF HAWAII DEPARTMENT OF TRANSPORTATION 869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

February 24, 2022 12:30 P.M. State Capitol, Teleconference

H.B. 2397, H.D. 2 RELATING TO BROADBAND

House Committee on Finance

The Department of Transportation (DOT) provides **comments** on this measure that establishes the Hawaii Broadband Infrastructure Authority.

The DOT supports achieving digital equity and a resilient digital economy through the build out of broadband infrastructure across all islands. Effective coordination of state efforts is critically important and will ensure we are efficient, agile, responsive, and successful. In reviewing the proposed make up of members on the authority board, we respectfully request your committee's consideration of the inclusion of member with expertise in infrastructure development, construction, and large-scale capital improvement projects.

While the DOT defers to the Department of Commerce and Consumer Affairs on the feasibility of establishing the Hawaii Broadband Infrastructure Authority, we request your consideration of the inclusion of the Director of the DOT as an ex officio member of the board. There is a general expectation that transportation infrastructure should and could be used for the backbone of the broadband infrastructure. To that end, inclusion of the DOT in the authority board will facilitate discussions in the earliest phases for projects involving transportation infrastructure.

Thank you for the opportunity to provide testimony.



February 24, 2022

The Honorable Sylvia Luke Chair, House Committee on Finance Hawaii State Capitol, Room 306 Honolulu, HI 96813

The Honorable Kyle T. Yamashita Vice Chair, House Committee on Finance Hawaii State Capitol, Room 422 Honolulu, HI 96813

RE: HB 2397 HD 2 Oppose Unless Amended – Broadband Infrastructure Authority

Dear Chair Luke and Vice Chair Yamashita,

On behalf of CTIA[®], the trade association for the wireless communications industry, I write to respectfully oppose HB 2397 HD 2. Specifically, language remains in the bill in Section 10 (12) that is very vague and we would respectfully ask that it be removed.

Section 10 (12) of HB 2397 HD 2 contains very broad ambiguous language that seeks to "Regulate and oversee broadband infrastructure..." as a responsibility for the Broadband Infrastructure Authority. It is very unclear to CTIA and our members as to what it meant by this language. The state has limited authority over regulation of broadband infrastructure – specifically wireless infrastructure – and we have concerns this may be an overreach and potentially preempted by federal law.

We appreciate the amendments that have been taken to-date on this legislation and look forward to continuing conversations with the introducers and other interested stakeholders to ensure there is sufficient clarity in HB 2397.

For the reasons described herein, we respectfully oppose unless amended HB 2397 HD 2.

Sincerely,

Bethame Colley

Bethanne Cooley Assistant Vice President State Legislative Affairs



Committee on Finance Sylvia Luke, Chair Kyle T. Yamashita, Vice-Chair

February 25, 2022, 12:30 p.m., Via Videoconference HB 2397 HD2 RELATING TO BROADBAND

TESTIMONY Janet Mason, Legislative Committee, League of Women Voters of Hawaii

Chair Luke, Vice Chair Yamashita, and Committee Members:

This measure establishes the Hawaii broadband infrastructure authority, defines broadband equity within the Hawaii broadband and digital equity office, and appropriates federal funds. The League of Women Voters of Hawaii offers comments only on this measure.

Our state is now close to consensus on the goal of "digital equity" for broadband customers, building on the work already done by the Hawaii Digital Broadband and Equity Office and legislation introduced in this and other bills. The League heartily supports this work and the goal of "digital equity."

But planning and organizing our broadband infrastructure, design, and financing is a daunting task that remains. Part of this development is maximizing the use of expected Federal funding, thereby allowing the State to better provide broadband services to everyone in Hawaii.

Much previous testimony on this measure points to a timing problem with organizing this effort, because the U.S Department of Commerce has not yet issued final rules on what the allowable uses of these funds will be. For this reason, the Department of Budget and Finance and the Department of Commerce and Consumer Affairs have both recommended deferring this measure.

But there is already a surge of business interest in providing expanded broadband, and our State must be prepared to make reasoned judgments about which providers are reliable and in the best interest of consumers. It is our understanding that Federal guidelines are likely to be issued during the second half of 2022. If this is true, it justifies creation of an organization at this time to oversee our broadband future, as well as accepting any forthcoming Federal funds. The next session of the legislature won't begin until January 2023.

There is a large, weighty governing board proposed for this Authority, further indication of the complexity of the undertaking. This needs to be streamlined, but we are the first to admit we don't have any idea how to do this. Also, as written, the bill does not specify authorize positions to staff the new entity, including during a startup phase. More planning for the Authority itself is needed.

Is it possible to amend this bill to require the Department of Business and Economic Development to prepare a plan for creation of this important Authority, charging this Department with design of the Authority's structure, while permitting them to accept Federal funding which might be available in late 2022. A temporary arrangement – including an appropriation for this purpose -which takes effect immediately - is worth considering. This would also have the benefit of spreading State appropriations over at least two fiscal years.

Thank you for the opportunity to submit testimony.



Charter Communications Testimony of Rebecca Lieberman, Director of Government Affairs

COMMITTEE ON FINANCE

Hawaii State Capitol Friday, February 25, 2022

COMMENTS ON H.B. 2397 H.D. 2, RELATING TO BROADBAND

Chair Luke, Vice Chair Yamashita, and Members of the Committee.

Thank you for the opportunity to provide comments on H.B. 2397 H.D. 2, a bill that would (1) establish the Hawaii Broadband Infrastructure Authority, (2) define broadband equity, and (3) designate additional responsibilities to the broadband and digital equity office.

As the largest broadband provider in the state, Charter supports efforts to promote digital equity and broadband access. However, there are aspects of H.B. 2397 H.D. 2 that require deeper review and may be problematic. The nature of broadband infrastructure deployment is an important and complicated issue, involving federal, state, and local agencies, as well as private entities. As the federal government is still finalizing the rules associated with the significant funding for broadband infrastructure, access, and adoption, Hawaii may want to consider waiting for additional clarity and guidance from the National Telecommunications and Information Administration before establishing a governing body on broadband.

Further, a Broadband Infrastructure Authority is best located within an economic development agency, such as the Department of Business, Economic Development, and Tourism (DBEDT), rather than a regulatory agency. DBEDT's mission to foster community development, high-quality living environments and promote innovation sector job growth more closely matches the goals of this authority. Additionally, some broadband coordination and planning is already being conducted by DBEDT, including the state broadband infrastructure grant program, which was established in 2021.

The goals of the authority as laid out in the bill are goals that we share. Broadband should be universally available. And it should be built on infrastructure that can meet the needs of Hawaii today and tomorrow. As noted, we believe these goals are best aligned with an economic development agency rather than a regulatory body. This is why we also object to the language in the bill that would grant the authority the power to regulate broadband infrastructure. While this could make sense to the extent that infrastructure is publicly owned, it is unnecessary and counterproductive with respect to privately built networks. Private investment by Charter alone has already successfully brought gigabit broadband (1000 Mbps download speeds) to more than 400,000 homes and businesses in the state where Charter service is available. Unlike traditionally regulated utilities, broadband is a constantly evolving service that requires constant technological innovation to support the everchanging array of applications and needs of consumers.

Charter believes that every Hawaii resident should have reliable access to the Internet ecosystem. We stand ready to help bring the benefits of broadband and access to the internet to those who need it most. In 2020 alone, Charter extended its network to reach an additional 14,000 homes and small businesses in Hawaii, investing more than \$87 million in the state. Additionally, Charter is pleased to now provide high-speed data services to beneficiaries living in the Hawaiian

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Homelands following an announcement made earlier this month by DHHL, which allows homesteaders to obtain telecommunications services from a provider of their choice.

Charter is a member of DBEDT's weekly Broadband Hui to assist in strategic broadband planning and closing the Digital Divide. Additionally, Charter participated in the FCC's Emergency Broadband Benefit Program (EBB) and is now participating in the \$14.2 billion federal Affordable Connectivity Program (ACP). The EBB, and now the ACP, has helped connect over 18,000 eligible households in Hawaii with high-speed broadband during the ongoing COVID-19 pandemic. Broadband internet access is more important than ever and the newly adopted ACP offers a tremendous opportunity to help low-income families stay connected, providing eligible households a discount of up to \$30 per month toward broadband service and up to \$75 per month for households on the Hawaiian Homelands.

Charter looks forward to working with the legislature on this important issue.

Mahalo for the opportunity to testify.

House Committee on Finance Hearing Date: Friday, February 25, 2022, 12:30pm

Honorable Representatives Sylvia Luke, Chair; Kyle T. Yamashita, Vice Chair; And Members of the House Committee on Finance

Subject: HB 2397 HD2, Relating to Broadband

TESTIMONY IN SUPPORT

Aloha Chair Luke, Vice Chair Yamashita, and Committee Members:

Ocean Networks, Inc. has supported the expansion of Broadband Services in the State of Hawaii for many years. As the developer of the South American Pacific Link, we firmly support the intent of this bill.

ONI agrees that the State of Hawaii needs to attract partners that can help develop Hawaii into a strategic communications and knowledge hub in the Pacific. As the bill states Hawaii can achieve this by investing in open access, carrier-neutral cable landing infrastructure to entice new systems to land in and transit through Hawaii. The bill also mentions the urgency on acting to take advantage of the availability of Federal Funds. To this end the bill enacts steps and allocates funds to positively impact the expansion of access to advanced communications technology infrastructure. The bill also creates policy to expand digital connectivity, support digital equity and digital economy for all.

Thank you for this opportunity to submit testimony. Please feel free to contact me if you have any questions.

Sincerely,

Clifford Miyake

Clifford Miyake VP, Business Development Ocean Networks, Inc.



Written Statement of Jeannine Souki Sr. Manager – Government & Regulatory Affairs

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

February 25, 2022, 12:30 PM State Capitol, Room 308 & Videoconference

COMMENTS FOR:

H.B. NO. 2397, HD2 RELATING TO BROADBAND SERVICE INFRASTRUCTURE

To: Chair Luke, Vice-Chair Yamashita, and Members of the Committee **Re: Testimony** providing comments for HB 2397, HD2

Aloha Honorable Chair, Vice-Chair, and Committee Members:

Thank you for this opportunity to submit comments on House Bill 2397, HD2. The primary intent of this bill is to establish a Hawaii Broadband Infrastructure Authority, strengthen and clarify the Hawaii Broadband and Digital Equity Office's role, and appropriate funds for the establishment of the authority and broadband infrastructure across the state.

Hawaiian Telcom supports the intent of this measure to expand broadband access and appreciates the prior committee's amendments to address issues relating to the collection of data. However, we are concerned that adding a state authority will take considerable time and resources and may slow or impede broadband deployment in the state.

1. While there is a temporary infusion of federal funds for broadband infrastructure, Hawaii needs to leverage this opportunity of public and private sector investments to address the digital divide, especially in the underserved and underserved areas. The private sector has and should continue to drive investment in broadband infrastructure so that consumers have competitive service offerings at affordable prices. The state can best assist by eliminating barriers and partnering with the private sector to go after grants. Public-private partnerships need to be encouraged to deploy broadband to unserved areas where there is no economic business case to justify an extension of service. In contrast, creating an authority will take considerable time and resources and slow private investment. Slowing deployment is also not in sync with the state's efforts to close the digital divide, especially for students and households that cannot afford or do not have access to broadband service.

- 2. Hawaiian Telcom is concerned that overly broad language in this measure would grant the state authority to regulate all broadband infrastructure within the state. We would not object to limiting this authority to publicly owned broadband infrastructure; however, we strongly oppose the extension of this regulatory authority over privately built networks.
- 3. Hawaiian Telcom supports the provisions in Section 3 of this bill, which updates §206S-1 and 206S-3, Hawaii Revised Statutes, to clarify the definitions of "broadband equity" and "digital equity" and update the role of the Hawaii Broadband and Digital Equity Office. Further, we note that similar measures are advancing this session to define "broadband equity" and clarify the duties of the Hawaii Broadband and Digital Equity Office, which would achieve the outcome as proposed in this section of the bill.

In closing, Hawaiian Telcom supports fair market competition and increased choices for broadband consumers. We also support policies that help meet digital equity needs and promote the expansion of broadband infrastructure and services in unserved and underserved areas in the state. To avoid discrepancies that may arise as the federal government moves to implement new compliance requirements for broadband Internet service providers and vet the distribution of federal broadband funds authorized by the Infrastructure Act, we respectfully urge the committee to defer this bill.

Thank you for the opportunity to submit these comments for House Bill 2397, HD2.

RYAN KAWAILANI OZAWA

P.O. Box 892727 Mililani, HI 96789-8332 Main: (808) 707-3027 Fax: (808) 427-9227



February 15, 2022

Aloha, Rep. Sylvia Luke, Chair; Rep. Kyle T. Yamashita, Vice Chair; and members of the Committee on Finance:

I am writing to share **comments** on HB2397 related to broadband.

I agree that equitable and robust access to broadband should remain a priority for our State. Further, I am glad that the Federal government is making significant investments in broadband across the country, including in Hawaii.

However, this bill acknowledges that the state "must act quickly to take advantage of various federal and private funds available," yet proposes yet another layer of bureaucracy – another "authority" with board members – as the solution.

Further, this bill places this body within the Hawaii broadband and digital equity office, which seems to diminish its value and scope.

Finally, the term "digital equity" encompasses much more than this bill and existing broadband-focused office directly addresses. I would advocate simpler solutions to the bill's stated purpose of "strengthening and clarifying the Hawaii broadband and digital equity office's role":

- 1. Deferring the creation of the Hawaii broadband infrastructure authority.
- 2. Renaming the overall program office to the Hawaii State Broadband Office (similar to the Energy Office).
- 3. Assign equity-related issues to an existing or new statewide office focused on broader diversity and equity issues, perhaps in the Judiciary or another department.

Mahalo for your consideration.



Ryan Kawailani Ozawa

HB-2397-HD-2

Submitted on: 2/24/2022 12:44:45 PM Testimony for FIN on 2/25/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Sandie Wong	Individual	Support	Yes

Comments:

I support and echo the testimony of Ocean Networks, Inc.