

ACT 231

S.B. NO. 2076

A Bill for an Act Relating to Broadband Service Infrastructure.

Be It Enacted by the Legislature of the State of Hawaii:

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

The legislature further finds that to build a robust broadband infrastructure, the State must act quickly to take advantage of various federal and private funds available this year. For example, the 2021 federal Consolidated Appropriations Act earmarks:

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

The legislature notes that the first phase of deployment of these federal funds, in part, supports the South American Pacific Link, a transpacific fiber cable project that would connect Hawaii to South America, Central America, and the east coast of the continental United States. Additionally, over \$100,000,000 is available from the United States Department of Transportation Federal Highway Administration to address the broadband capacity to support telecommuting through pilot projects focused on building broadband infrastructure.

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

- (1) Requiring the University of Hawaii and Hawaii broadband and digital equity office to convene a working group;
- (2) Appropriating funds to the Hawaii broadband and digital equity office for three full-time equivalent (3.0 FTE) administrative positions for the operation and administration of the Hawaii broadband and digital equity office; and
- (3) Appropriating federal funds to the University of Hawaii for the planning and implementation of a statewide broadband initiative.

SECTION 2. (a) The University of Hawaii and Hawaii broadband and digital equity office shall jointly convene a working group to determine the appropriate governance structure to implement, operate, and maintain broadband infrastructure development in the State.

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

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

- (2) The strategic broadband coordinator, who shall serve as co-chair;
- (3) The director of finance;
- (4) The director of commerce and consumer affairs;
- (5) The comptroller;
- (6) The director of business, economic development, and tourism;
- (7) The director of health;
- (8) The superintendent of education;
- (9) The chairperson of the Hawaiian homes commission; and
- (10) The mayors of the counties.

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

- (1) The governor;
 - (2) The State's congressional delegation;
 - (3) Representatives from private sector partners; and
 - (4) Others as recommended by the working group.
- (d) The working group shall:

- (1) Provide recommendations for an appropriate governing body to oversee and maintain the State's strategic broadband infrastructure assets;
- (2) Consider the technical, operational, maintenance, and financial sustainability of broadband infrastructure development for services that are robust, resilient and affordable;
- (3) Consult with subject matter experts in finance, telecommunications, regulatory bodies, and any other areas as it deems necessary; and
- (4) Identify revenue sources to sustain the operation and maintenance costs of broadband infrastructure and assets, including landing fees, fiber cross-connects, and indefeasible rights of use for terrestrial fiber.

(e) Members of the working group shall serve without compensation but shall be reimbursed for reasonable expenses necessary for the performance of their duties, including travel expenses. No member of the working group shall be subject to chapter 84, Hawaii Revised Statutes, solely because of the member's participation in the working group.

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

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

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

SECTION 4. There is appropriated out of the funds received by the State of Hawaii from the American Rescue Plan Act of 2021, Public Law 117-2 (Section 9901), the sum of \$200,000,000¹ or so much thereof as may be necessary for fiscal year 2022-2023 for the planning and implementation of a state-wide broadband initiative.

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

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

(Approved June 30, 2022.)

Note

1. Item vetoed, replaced, and initialed "DYI".