

STAND. COM. REP. NO.

1360

Honolulu, Hawaii

MAR 15 , 2019

RE: S.B. No. 553

S.D. 2

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committees on Economic Development & Business and  
Intrastate Commerce, to which was referred S.B. No. 553, S.D. 2,  
entitled:

"A BILL FOR AN ACT RELATING TO BROADBAND SERVICE  
INFRASTRUCTURE,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Establish the Broadband Infrastructure Grant Program to award grants to applicants to extend deployment of infrastructure used to provide broadband service to unserved and underserved areas of the State; and
- (2) Make an appropriation to establish and administer the program.

The Department of Health testified in support of this measure. The Department of Business, Economic Development & Tourism; Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; Hawai'i Electric Light Company, Inc.; Hawaiian Telcom; and Charter Communications provided comments on this measure.

SB553 HD1 HSCR EDB-IAC HMS 2019-3073



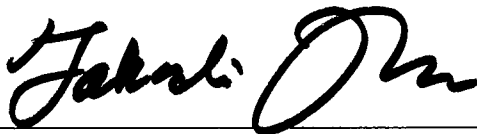
Your Committees have amended this measure by:

- (1) Changing the name of the program to the "Broadband Service Infrastructure Grant Program";
- (2) Clarifying the definition for "broadband service";
- (3) Replacing the definition of "broadband infrastructure" with a new definition of "broadband service infrastructure";
- (4) Reducing the minimum amount that grant applicants must pay for the project costs out of applicant's own funds from fifty percent to twenty percent and removing the requirement that a grant applicant may not provide a matching amount from any funds derived from federal or state government grants, loans, or subsidies;
- (5) Clarifying the definition of "unserved area" to mean a project area without access to broadband service with minimum speeds of at least twenty-five megabits per second downstream and three megabits per second upstream;
- (6) Clarifying the definition of "underserved area" to mean project areas without access to broadband service with minimum speeds of at least fifty megabits per second downstream and five megabits per second upstream;
- (7) Deleting the requirement that the grant application include a certification that none of the funds provided by the program for the project proposed in the application will be used to extend or deploy facilities to any already-served households;
- (8) Appropriating \$5,000,000 for fiscal year 2019-2020 for DBEDT to establish and administer the Broadband Service Infrastructure Grant Program;
- (9) Changing this measure's effective date to July 1, 2112; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

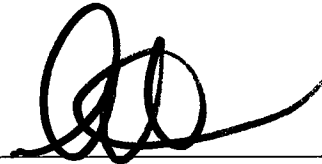


As affirmed by the records of votes of the members of your Committees on Economic Development & Business and Intrastate Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 553, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 553, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committees on Economic  
Development & Business and  
Intrastate Commerce,



TAKASHI OHNO, Chair



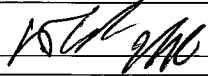
ANGUS L.K. MCKELVEY, Chair



**Record of Votes of the Committee on Economic Development & Business**

|   |  |                  |      |         |
|---|--|------------------|------|---------|
| Bill/Resolution No.:<br>SB553 SD2   | Committee Referral:<br>EDB/1AC, CPC, FIN | Date:<br>3/13/19 |      |         |
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure.   |  |                  |      |         |
| The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold<br><input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) |  |                  |      |         |
| EDB Members   | Ayes                                     | Ayes (WR)        | Nays | Excused |
| 1. McKELVEY, Angus L.K. (C)   | ✓  |                  |      |         |
| 2. KITAGAWA, Lisa (VC)  | ✓  |                  |      |         |
| 3. ELI, Stacelynn K.M.  | ✓  |                  |      |         |
| 4. ICHIYAMA, Linda  | ✓  |                  |      |         |
| 5. JOHANSON, Aaron Ling   | ✓  |                  |      |         |
| 6. QUINLAN, Sean  |  |                  |      | ✓       |
| 7. YAMASHITA, Kyle T.   | ✓  |                  |      |         |
| 8. MATSUMOTO, Lauren  | ✓  |                  |      |         |
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| TOTAL (8)   | 7  | 0                | 0    | 1       |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted<br>If joint referral, _____ did not support recommendation.<br>committee acronym(s)   |  |                  |      |         |
| Vice Chair's or designee's signature: <i>Franklyn</i>   |  |                  |      |         |
| Distribution:    Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO   |  |                  |      |         |

Record of Votes of the Committee on Intrastate Commerce

| Bill/Resolution No.:<br>SB553 SD2   |      | Committee Referral:<br>EDB/ IAC, CPC, FIN |      | Date:<br>3/13/19 |
|---|------|---|------|------------------|
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure.   |      |   |      |                  |
| The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold<br><input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) |      |   |      |                  |
| IAC Members   | Ayes | Ayes (WR)                                 | Nays | Excused          |
| 1. OHNO, Takashi (C)  | ✓    |   |      |                  |
| 2. KOBAYASHI, Dale T. (VC)  | ✓    |   |      |                  |
| 3. GATES, Cedric Asuega   | ✓    |   |      |                  |
| 4. KONG, Sam Satoru   | ✓    |   |      |                  |
| 5. NISHIMOTO, Scott Y.  |      |   |      | ✓                |
| 6. TAKAYAMA, Gregg  | ✓    |   |      |                  |
| 7. McDERMOTT, Bob   |      |   |      | ✓                |
| TOTAL (7)   | 5    | 0   | 0    | 2                |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted<br>If joint referral, _____ did not support recommendation.<br>committee acronym(s)   |      |   |      |                  |
| Vice Chair's or designee's signature:    |      |   |      |                  |
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