

STAND. COM. REP. NO. 2516

Honolulu, Hawaii

FEB 12 2020

RE: S.B. No. 2527
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committees on Technology and Energy, Economic Development, and Tourism, to which was referred S.B. No. 2527 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to establish and appropriate funds for the broadband service infrastructure grant program to award grants to applicants to extend deployment of facilities used to provide broadband service to unserved and underserved areas of the State.

Your Committees received testimony in support of this measure from Charter Communications. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; and Department of Commerce and Consumer Affairs.

Your Committees find that the economic and business incentives to deploy broadband service infrastructure may be insufficient to ensure full access to broadband services in low-density, rural locations and other unserved and underserved areas of the State where the unit costs of providing service may not provide an adequate return on investment. Economically feasible deployment of infrastructure for high-speed broadband across the



State, especially to low population density areas, presents a more formidable challenge than faced by most states because the unique geography of our State prevents the use of less costly options for connectivity. The availability of grants for deployment to unserved and underserved areas would further encourage new investment in broadband service infrastructure and enhance economic development, education, health care, and emergency services in the State.

Your Committees further find that the Federal Communications Commission, through its Rural Digital Opportunity Fund, will direct up to \$20,400,000,000 over the next ten years to finance up to gigabit speed broadband networks in unserved rural areas and note the concerns of the Department of Commerce and Consumers Affairs regarding potential impacts that the establishment of a broadband infrastructure grant program may have on certain areas receiving federal consideration.

Your Committees further note that S.B. No. 553, S.D. 2 (Regular Session of 2019), which was previously passed by the Senate, is a substantially similar measure that establishes a broadband infrastructure grant program to provide broadband services to unserved and underserved areas of the State. Your Committees conclude that the language in S.B. No. 553, S.D. 2, is preferable.

Accordingly, your Committees have amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 553, S.D. 2, a substantially similar measure, which:
 - (A) Establishes the broadband infrastructure grant program to award grants to applicants to extend deployment of facilities used to provide broadband service to unserved and underserved areas of the State, including requirements for eligible applicants, procedures for the applications, procedures for the review and approval of applications, and rules;
 - (B) Requires the Department of Business, Economic Development, and Tourism to adopt rules to implement the broadband infrastructure grant



program within one hundred eighty days of the approval of this measure;

- (C) Appropriates an unspecified amount for the establishment and administration of the broadband infrastructure grant program; and
 - (D) Inserts an effective date of July 1, 2050, to encourage further discussion;
- (2) Making further amendments that:
- (A) Specify that no funds under the broadband infrastructure grant program may be used to support any project involving the upgrade of an existing broadband plant by an applicant; and
 - (B) Specify that eligible applicants commit to paying a minimum of twenty per cent of the project costs out of the applicant's own funds; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Technology and Energy, Economic Development, and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2527, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2527, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Technology and
Energy, Economic Development,
and Tourism,



GLENN WAKAI, Chair



JARRETT KEOHOKALO, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Technology
TEC

Bill / Resolution No.:* SB2527	Committee Referral: TEC/EET, NAM	Date: 2/4/2020		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	X			
ENGLISH, J. Kalani (VC)				X
MORIWAKI, Sharon Y.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt				X
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: _____				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

