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# A BILL FOR AN ACT

RELATING TO TELECOMMUNICATIONS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. (a) The legislature finds that Hawaii must be  
2 aggressive in facilitating the creation of key critical  
3 broadband infrastructure, including the construction of an open  
4 access, carrier neutral cable landing station that could be used  
5 to attract transpacific fiber optic cables.

6           Specifically, the legislature must create an environment  
7 that is attractive to potential partners with the resources,  
8 technical expertise, and ability to develop the State into a  
9 strategic communications and knowledge hub for the Pacific  
10 region. This hub would integrate a robust global communications  
11 network with connectivity to data centers and content  
12 repositories, and hedge computing for the development of next-  
13 generation applications such as artificial intelligence, machine  
14 learning, augmented reality, big data analytics, smart  
15 communities, blockchain, and real-time predictive systems.

16           In 2008, the Hawaii broadband task force published its  
17 final report, which included several key recommendations to



1 maximize the State's connectivity to the world. Specifically,  
2 the task force found that submarine fiber optic cables are  
3 Hawaii's lifeline to the rest of the world. Although Hawaii  
4 once served as the crossroads of transpacific communications,  
5 all of the fiber systems built across the Pacific since 2001  
6 have bypassed the State. The task force recommended that Hawaii  
7 aggressively promote the landing of new transpacific submarine  
8 fiber cables. One key step to do this is the construction of a  
9 shared access cable station that would reduce the barriers of  
10 landing a fiber cable in Hawaii.

11 Telegeography, a telecommunications market research and  
12 consulting firm, released a report in 2018 on the status of new  
13 transpacific fiber optic projects linking Asia and North  
14 America. Of the six projects listed, none are planned to land  
15 in Hawaii. The legislature finds that without a meaningful  
16 change in circumstances, the State will exhaust subsea fiber  
17 optic cable capacity by 2025.

18 The legislature further finds that the creation of an open  
19 access, carrier-natural cable landing will:

- 20 (1) Increase the attraction of transpacific fiber optic  
21 cables;



- 1           (2) Make landing permits easier and less expensive;
- 2           (3) Create a fair environment for all telecommunications
- 3                 carriers;
- 4           (4) Establish Internet price competitiveness;
- 5           (5) Provide easy cross-connection to other networks;
- 6           (6) Provide statewide network resilience and physical
- 7                 security;
- 8           (7) Increase the capacity of the State's future broadband
- 9                 bandwidth;
- 10          (8) Enable increased economic development; and
- 11          (9) Establish the State as a major participant in the
- 12                 global broadband market.
- 13          (b) The legislature finds that it is critical that an open
- 14          access, carrier-neutral cable landing be established soon to
- 15          facilitate several upcoming projects:
- 16                 (1) The South America Pacific Link transpacific fiber
- 17                         cable could potentially land in Hawaii in 2020 if a
- 18                         cable landing were available. This project would
- 19                         connect Hawaii to South America, Central America, and
- 20                         the continental United States;



- 1           (2) The Hawaii community development authority began the  
2           process of permitting and planning for a cable landing  
3           station in Kakaako makai, based on a study conducted  
4           by Johns Hopkins University. Construction of a cable  
5           landing station in this area would directly benefit  
6           the Hawaii technology development center's  
7           entrepreneur sandbox, which is currently being  
8           constructed in Kakaako; and
- 9           (3) The federal Department of Defense is scheduled to  
10          select a vendor for its Joint Enterprise Defense  
11          Infrastructure cloud-computing contract to build out  
12          the department's enterprise cloud. The selected  
13          vendor would likely build a private cloud, including a  
14          data center, to support the operations of the United  
15          States Indo-Pacific Command in Hawaii.
- 16          (c) Accordingly, the purpose of this Act is to:
- 17          (1) Establish a partnership between the State and the  
18          private sector that shall:
- 19                (A) Plan, build, and manage key strategic broadband  
20                infrastructure that benefits the State;



- 1 (B) Encourage cloud-based companies to take advantage
- 2 of this infrastructure;
- 3 (C) Be exempt from chapter 103D, Hawaii Revised
- 4 Statutes, but develop internal policies and
- 5 procedures for the procurement of goods,
- 6 services, and construction, consistent with the
- 7 goals of public accountability and public
- 8 procurement; and
- 9 (D) For the sole purpose of constructing a cable
- 10 landing station at a suitable location in
- 11 Kakaako, on the island of Oahu, be exempt from
- 12 certain state and county approval and permitting
- 13 requirements for a period of five years to help
- 14 expedite this process; and
- 15 (2) Make an appropriation for an open access, carrier-
- 16 neutral cable landing station to enable key strategic
- 17 infrastructure in support of the Hawaii broadband
- 18 initiative.

19 SECTION 2. Chapter 201, Hawaii Revised Statutes, is  
20 amended by adding a new section to be appropriately designated  
21 and to read as follows:



1           "§201-       Public-private partnership to manage strategic  
2 broadband infrastructure. (a) The department may enter into a  
3 public-private partnership with a partner or partners in the  
4 private sector to:

5           (1) Plan, build, and manage key strategic broadband  
6           infrastructure that benefits the State, including a  
7           cable landing station; and

8           (2) Work toward encouraging cloud-based companies to take  
9           advantage of this infrastructure.

10          (b) The partnership may enter into contracts that are  
11 exempt from chapter 103D; provided that the partnership shall  
12 develop internal policies and procedures for the procurement of  
13 goods, services, and construction that are consistent with the  
14 goals of public accountability and public procurement.

15          (c) The partnership shall identify a suitable location for  
16 a cable landing station in Kakaako, on the island of Oahu, and  
17 shall be responsible for the planning, construction, and  
18 management of the station.

19          (d) The cable landing station built pursuant to subsection  
20 (c) shall be exempt from:



1       (1) All county permitting requirements, including any  
2       ordinances, charter provisions, or rules relating to  
3       land use, zoning, infrastructure, and permitting; and  
4       (2) State permitting and approval requirements, including  
5       the requirements of chapters 171, 205A, and 343;  
6       provided that the exemptions established by this subsection  
7       shall expire on June 30, 2024.

8       (e) As used in this section, "partnership" means the  
9       public-private partnership established in subsection (a)."

10       SECTION 3. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$10,000,000 or so  
12 much thereof as may be necessary for fiscal year 2019-2020 for  
13 the establishment of an open access, carrier neutral cable  
14 landing station in support of the Hawaii broadband initiative.

15       The sum appropriated shall be expended by the department of  
16 business, economic development, and tourism for the purposes of  
17 this Act.

18       SECTION 4. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on July 1, 2019.

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INTRODUCED BY:

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JAN 22 2019





# H.B. NO. 821

**Report Title:**

DBEDT; Telecommunications; Broadband; Cable Landing Station; Open Access Carrier Neutral Cable; Infrastructure; Exemptions; Appropriation

**Description:**

Authorizes the Department of Business, Economic Development, and Tourism to enter into a public-private partnership to plan, build, and manage key strategic broadband infrastructure that benefits the State, including a cable landing station in Kakaako, on the island of Oahu, and to encourage cloud-based companies to take advantage of this infrastructure. Exempts the partnership from certain state and county laws. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

