
A BILL FOR AN ACT

RELATING TO BROADBAND SERVICE INFRASTRUCTURE.

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

1 SECTION 1. The legislature finds that access to reliable
2 high-speed broadband across the State and in every community is
3 essential to the health and economic realities of our residents.
4 The need for new and enhanced broadband infrastructure is
5 significant, highlighted by the devastating impact of COVID-19.
6 The lack of accessibility to reliable high-speed broadband has
7 had a tremendous negative effect in many areas, but particularly
8 underserved and unserved communities. Insufficient broadband
9 infrastructure and access have hampered the ability of the State
10 to deliver consistent and meaningful distance learning for all
11 students. Telehealth services have replaced in-person doctor
12 visits and are now serving as a significant tool in providing
13 remote medical services to those who would otherwise be unable
14 to receive proper medical care. Reliable broadband access has
15 meant the difference between an employee being able to work
16 remotely or possibly facing unemployment. Online access is also
17 a critical tool for those seeking to access social services such



1 as unemployment claims, SNAP benefits, vital records, and other
2 critical government services. The ability to provide the
3 necessary services relies upon the existence of a robust and
4 extensive broadband infrastructure.

5 Improved and increased access to broadband services in
6 unserved and underserved areas of the State would enhance
7 Hawaii's overall economic development, education, health care,
8 and emergency services. Making grants available for the
9 deployment of broadband infrastructure to unserved and
10 underserved areas would encourage additional new private
11 investment in broadband infrastructure and move the State toward
12 full access to broadband services.

13 The legislature strongly supports efforts to improve access
14 to broadband services for residents, consumers, and businesses
15 across the State. Although broadband coverage in the State is
16 widespread, additional investment must be made to meet the needs
17 in rural communities and enhance access for those in communities
18 that require immediate infrastructure improvements.

19 The purpose of this Act is to facilitate the deployment of
20 last-mile broadband infrastructure in unserved and underserved
21 areas of the State by identifying and addressing any remaining



1 obstacles to full deployment of broadband infrastructure to all
2 areas of Hawaii. More specifically, this Act establishes the
3 broadband infrastructure grant program to award grants to extend
4 the deployment of facilities used to provide broadband service
5 to unserved and underserved areas of the State.

6 This Act is intended to provide the framework for the
7 expansion of wired fiber broadband infrastructure and is neither
8 connected to the use of 5G wireless technology nor intended to
9 be used to facilitate 5G wireless technology.

10 SECTION 2. The Hawaii Revised Statutes is amended by
11 adding a new chapter to title 13 to be appropriately designated
12 and to read as follows:

13 **"CHAPTER**

14 **BROADBAND INFRASTRUCTURE GRANT PROGRAM**

15 § -1 **Definitions.** As used in this chapter, unless the
16 context requires otherwise:

17 "Broadband infrastructure" shall have the same meaning as
18 in section 440J-1.

19 "Broadband service" shall have the same meaning as
20 "broadband access or broadband service" in section 440J-1 but



1 does not include wireless network infrastructure or facilities
2 used to provide wireless services over licensed spectrum.

3 "Department" means the department of business, economic
4 development, and tourism.

5 "Program" means the broadband infrastructure grant program
6 established by this chapter.

7 "Project" means a proposed deployment of wireline broadband
8 infrastructure set forth in an application for grant funding
9 authorized under this chapter.

10 "Project area" means a census block or aggregation of
11 adjacent census blocks proposed to be covered in an application
12 for grant funding authorized under this chapter.

13 "Underserved area" means a project area with access to
14 broadband service for which minimum upload and download speeds
15 are less than double the minimum upload and download speeds
16 required for broadband service.

17 "Unserved area" means a project area without access to
18 broadband service.

19 **§ -2 Establishment of the broadband infrastructure grant**
20 **program.** There is established the broadband infrastructure
21 grant program within the department of business, economic



1 development, and tourism for administrative purposes. The
2 department shall receive and review grant applications and may
3 award grants for eligible projects pursuant to the program.

4 § -3 **Eligible projects.** The department may award grants
5 for eligible projects; provided that on the date the application
6 is submitted, the area to be served by the project shall be an
7 unserved area or underserved area; provided further that no
8 funds may be used to support any project involving the upgrade
9 of an existing broadband plant by an applicant.

10 § -4 **Eligible applicants.** To be eligible for a grant,
11 an applicant shall:

12 (1) Commit to paying a minimum of thirty per cent of the
13 total project costs out of the applicant's own funds;
14 and

15 (2) Be any non-governmental entity with demonstrated
16 experience in providing broadband service, broadband
17 infrastructure, or other communication services to
18 residential customers.

19 § -5 **Applications.** (a) The department shall establish
20 an annual time period to commence an open process for submission
21 of applications for funding under the program. The time period



1 for submission shall be no less than sixty days and no more than
2 ninety days.

3 (b) The form of the application shall be as prescribed by
4 the department and shall include submission of:

5 (1) Evidence demonstrating the applicant's experience and
6 ability to build, operate, and manage broadband
7 infrastructure serving residential customers;

8 (2) A description of the project area, including a list of
9 census blocks covered by the proposed deployment. If
10 a census block included in a project is partially
11 served by a provider of broadband service, the
12 application shall include a:

13 (A) Description of the portions of the census block
14 that are served;

15 (B) Description of the portions of the census block
16 that constitute an unserved area or underserved
17 area; and

18 (C) Certification that no portion of the grant
19 provided by the program for the project shall be
20 used to extend or deploy facilities to any
21 already-served households;



- 1 (3) A description of the broadband infrastructure that is
- 2 proposed to be deployed, including facilities,
- 3 equipment, and network capabilities, including minimum
- 4 speed thresholds;
- 5 (4) Evidence, including certification from the applicant,
- 6 demonstrating the unserved or underserved nature of
- 7 the project area;
- 8 (5) The number of households in each:
 - 9 (A) Unserved area that would gain access to broadband
 - 10 service; and
 - 11 (B) Underserved area that would gain access to
 - 12 broadband service with minimum upload and
 - 13 download speeds that are equal to or more than
 - 14 double the minimum upload and download speeds
 - 15 required for broadband service,
 - 16 as a result of the grant;
- 17 (6) The total cost and timeline for completion of the
- 18 project;
- 19 (7) The amount of matching funds that the applicant
- 20 proposes to contribute and a certification that no



1 portion of the matching funds are derived from any
2 state government grants, loans, or subsidies;

3 (8) Evidence demonstrating the economic and commercial
4 feasibility of the project;

5 (9) A list of all expected government authorizations,
6 permits, and other approvals required for the project
7 and a timeline for the applicant's acquisition of the
8 approvals; and

9 (10) Any other information required by the department.

10 § -6 Review of applications; approval. (a) Within five
11 business days following the last day of the time period for
12 submission of applications to the program, the department shall
13 make all of the applications available for review in a publicly
14 available electronic file posted on the department's website.

15 (b) A broadband service provider that provides service
16 within or directly adjacent to a proposed project area may
17 submit a written challenge to any application within forty-five
18 days of the department making the applications available for
19 review pursuant to subsection (a). The challenge may:

20 (1) Dispute an applicant's certification that a proposed
21 project area is an unserved area or underserved area



1 or that no other federal or state programs provide
2 funding that is available to the applicant for a
3 project for which program support is sought;

4 (2) Attest to the challenging provider's existing or
5 planned provision of broadband service within the
6 applicant's proposed project area; or

7 (3) Attest that the project may jeopardize the eligibility
8 of federal funding for the challenging provider.

9 (c) In reviewing applications and any accompanying
10 challenge, the department shall review the proposed project
11 areas to ensure that all awarded funds are used to deploy
12 broadband infrastructure to unserved areas or underserved areas.

13 (d) The department shall award program grants based upon a
14 scoring system that shall be released to the public at least
15 thirty days prior to the first day of the time period for
16 submission of applications. The scoring system shall give the
17 highest weight or priority to the following specific criteria:

18 (1) Projects proposing to serve a larger geographic area,
19 whether an unserved area or underserved area;



- 1 (2) Projects for which fewer government funds and less
- 2 support are necessary to deploy broadband
- 3 infrastructure in an economically feasible manner;
- 4 (3) Projects with a higher amount of matching funds
- 5 proposed to be committed by the applicant;
- 6 (4) Projects in unserved areas, rather than those in
- 7 underserved areas;
- 8 (5) High service speed thresholds proposed in the
- 9 application and high scalability of the broadband
- 10 infrastructure proposed to be deployed;
- 11 (6) Applicants with a high ability to leverage nearby or
- 12 adjacent broadband infrastructure to facilitate the
- 13 proposed deployment of service to households;
- 14 (7) Projects that do not duplicate any existing broadband
- 15 infrastructure in the project area; and
- 16 (8) Other factors the department determines to be
- 17 reasonable and appropriate, consistent with the
- 18 purpose of facilitating the deployment of broadband
- 19 infrastructure to unserved and underserved areas.
- 20 (e) Each grant award shall include a reasonable timeframe
- 21 to complete the project.



- 1 § -7 **Departmental authority.** The department may:
- 2 (1) Following notice and an opportunity to cure, require
- 3 disgorgement of grant funds in response to an
- 4 applicant's pattern of failure to build-out a project
- 5 area in accordance with the timelines and milestones
- 6 set forth in its application;
- 7 (2) Consider an applicant's financial ability to complete
- 8 the project proposed in an application;
- 9 (3) Make reasonable requests for information necessary for
- 10 the oversight and administration of any project funded
- 11 pursuant to this chapter;
- 12 (4) Impose any new or additional regulatory requirements
- 13 on grant recipients, through grant agreements or any
- 14 other mechanism, in addition to the program
- 15 implementation rules expressly authorized in this
- 16 chapter; and
- 17 (5) Deny or cancel a project if the department finds the
- 18 project will impact federal funding opportunities.

19 § -8 **Rules.** (a) The department shall adopt rules

20 pursuant to chapter 91 to effectuate the purposes of this

21 chapter.



- 1 (b) The rules shall:
- 2 (1) Include reasonable oversight and reporting provisions
- 3 to ensure that grant moneys are used as intended; and
- 4 (2) Not impose any financial penalty or liquidated damages
- 5 provisions, or provisions that are not reasonably
- 6 related to the deployment of broadband infrastructure
- 7 on the State in accordance with this chapter."

8 SECTION 3. Within eighteen months of the approval of this
9 Act, the department of business, economic development, and
10 tourism shall adopt rules pursuant to chapter 91 and
11 section -8, Hawaii Revised Statutes, to implement the
12 broadband infrastructure grant program; provided that any rules
13 adopted pursuant to this section shall include rules regarding
14 the submission, review, and approval of applications;
15 administration of projects funded; and grant agreements
16 memorializing the award of funds.

17 SECTION 4. This Act shall take effect on July 1, 2050.



S.B. NO. 2527
S.D. 2
H.D. 1

Report Title:

DBEDT; Broadband Infrastructure Grant Program; Unserved and Underserved Areas

Description:

Establishes the broadband infrastructure grant program within DBEDT to award grants to applicants to extend deployment of infrastructure used to provide broadband service to unserved and underserved areas of the State. Effective 7/1/2050. (HD1)

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

