

RE: S.B. No. 218
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii
Sir:

Your Committees on Technology and Government Operations, to which was referred S.B. No. 218 entitled:
"A BILL FOR AN ACT RELATING TO BROADBAND,"

beg leave to report as follows:

The purpose and intent of this measure is to:

(1) Require the Hawaii Technology Development Corporation to establish a public-private partnership, exempt from the state procurement code and other certain state and county requirements, with a private organization to plan, build, and manage key strategic broadband infrastructure and attract cloud based companies to Hawaii; and

(2) Appropriate funds to the Hawaii Technology Development Corporation to establish an open access, carrier neutral cable landing station to support the Hawaii broadband initiative.

Your Committees received testimony in support of this measure from the Cable Television Division of the Department of Commerce and Consumer Affairs; Department of Education; Department of Business, Economic Development, and Tourism; Hawaii Technology Development Corporation; Oahu Economic Development Board; Hawaiian Electric Companies; Oceanit Laboratories, Inc.; American Council of Engineering Companies of Hawaii; and Ocean Networks. Your Committees received testimony in opposition to this measure from the State Procurement Office. Your Committees received comments on this measure from Hawaiiki Submarine Cable USA LLC.

Your Committees find that Hawaii needs to better address critical broadband infrastructure in the State by establishing an open access, carrier neutral cable landing station to attract installers of transpacific fiber optic cables and expand Hawaii's connectivity around the world, which will establish Hawaii as a key player in the global broadband market and address the need for better broadband connection. Your Committees further find that the timing for an open access, carrier neutral cable landing is critical due to various federal and private contracts that are available to Hawaii.

Your Committees have amended this measure by:

(1) Deleting language that would have exempted the public-private partnership from the public procurement code and certain other state and county requirements;

(2) Inserting a blank appropriation amount;

(3) Inserting an effective date of July 1, 2050, to encourage further discussion;

(4) 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 Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 218, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 218, 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 Government Operations,

LAURA H. THIELEN, Chair

JARRETT KEOHOKALO, Chair