Broadband Task Force
(Established by Act 2, Session Laws of Hawai`i 2007)
State of Hawai`i
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Minutes of Meeting

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Section 92-7(b), Hawai`i Revised Statutes.

Date:	Thursday, June 26, 2008
Time:	1:30 p.m.
Place:	State Capitol 415 South Beretania Street Conference Room 309 Honolulu, Hawai`i
Present:	Chair David Lassner, University of Hawai`i Gordon Bruce, City & County of Honolulu Senator Will Espero, The Senate Senator Carol Fukunaga, The Senate Jennifer Goto Sabas, Office of Senator Daniel K. Inouye Senator David Ige, The Senate Joel Matsunaga, Hawaiian Telcom Clyde Sonobe, Department of Commerce & Consumer Affairs Representative Gene Ward, House of Representatives Kiman Wong, Oceanic Time Warner Representative Kyle Yamashita, House of Representatives Marion M. Higa, State Auditor Sterling Yee, Assistant Auditor Jayna Oshiro, Special Projects Coordinator Debbie Higa, Secretary, Office of the Auditor Robert Doeringer, RHD Consulting, LLC Ken Hiraki, Hawaiian Telcom Marlon Wedemeyer, HENC Alan Young, Intern, City & County of Honolulu
Excused/ Absent:	Gary Caulfield, First Hawaiian Bank Representative Marcus Oshiro, House of Representatives
Call to Order:	Chair Lassner called the meeting to order at 1:45 p.m. at which time quorum was established.
Chair's Report:	Announcements, introductions, correspondence, and additional distribution Member Bruce introduced Alan Young, an intern with the City and County of Honolulu. He is a student at the University of Hawai`i working towards his MIS degree. Chair Lassner announced that this is the last task force meeting for Member Matsunaga. He is leaving Hawaiian Telcom at the end of the month. Member Matsunaga introduced Ken Hiraki as his replacement. Chair Lassner thanked Member Matsunaga for all his hard work and dedication to the task force. To date, we have not received official notice of Mr.

Hiraki's official appointment.

Chair Lassner welcomed Mr. Kiman Wong who officially replaces Mr. Nate Smith.

Chair Lassner distributed two handouts: 1) Background Notes for Framing Task Force Work & Recommendations, adopted from discussions at the previous task force meeting. Chair Lassner stated that it may be useful for the task force to start thinking about getting on track for final recommendations in December. 2) The Exabyte Era and Why Broadband is Essential for Everyone, Ken Wirt, Cisco Vice President for Consumer Marketing. Ken Wirt will be giving a presentation at the July 18, 2008 task force meeting.

Minutes of previous meeting
Member Bruce moved to approve the minutes of the May 22, 2008 meeting. It was seconded by Member Goto Sabas and the motion was unanimously carried.

Task Force Business:

Election of Vice Chair of the Hawai`i Broadband Task Force
Chair Lassner received an email from Vice Chair Vu informing the task force of his resignation. Chair Lassner stated that since this leaves a gap as a member and as a Vice Chair, the task force may want to consider electing a Vice Chair. The task force hopes to get a replacement from the private sector other than our two largest companies.

Member Goto Sabas asked if the Senate President has made an announcement regarding the replacement of Henk Rogers. Chair Lassner stated that he received an email from Mr. Rogers that he was still interested in serving on the task force, however, he has not heard back from him since.

Current Working Group Updates
Senator Fukunaga stated that she would like to schedule e-learning briefings and the following are some potential dates:
- Thursday, July 17, 2008, 1:30-2:30 p.m., State Capitol
- Thursday, August 7, 2008, 1:30-2:30 p.m., State Capitol
- Thursday, August 21, 2008, 1:30-2:30 p.m., State Capitol

Working Towards the Final Report:

Chair Lassner extracted the following recommendations from the discussion at the previous task force meeting:
1. Outreach to help public and policymakers understand that:
    - Broadband will be essential to our social, economic, educational and cultural future
    - It won't just happen without intentional public policy and investment
2. Stimulate demand for advanced applications of broadband
    - Need to find ways to invest in capabilities for advanced research and education
    - Policy initiatives in support of telework and telehealth
    - Other key initiatives?
3. Create a privately-managed shared open-access submarine cable landing station on Oahu
4. Create a consolidated proactive expert telecom regulator with responsibility to:
    - Ensure ongoing data and mapping of broadband supply and uptake
    - Continue to advance capabilities in rural areas that need it most, while recognizing that we won't be equal in all places at all times
    - Consider approaches to shared next-gen fiber, perhaps through synergies with initiatives for undergrounding of all utilities
    - Convene ongoing advisory council
5. Implement telecom requirements in Building Codes and Development Standards to advance broadband infrastructure for the long term

Discussion of themes and directions
Re: Recommendation 1: Member Bruce suggested initiating a city ordinance and he
volunteered to draft the model legislation. Chair Lassner said the task force could
recommend model ordinance for all counties. Member Bruce stated that he would need to
find a councilmember to sponsor this and will report back later.

Re: Recommendation 4: Member Matsunaga expressed concern that Hawaiian Telcom is
already regulated by FCC, PUC, DCCA, and possibly by the recommended fourth agency.
Chair Lassner stated that the goal of the recommendation would be to reduce that number
from three to two agencies. The goal is to have professional telecom regulation in one
place that could look across all services as they converge. Member Matsunaga indicated
that would be helpful. Member Wong shared that Oceanic voluntarily complies with the
PUC.

Chair Lassner stated that the task force legislation includes approving access to rights-of-
way and a part of this would be addressed in building codes in development standards.
Member Bruce stated there are rights-of-way but also access to government property.
With government sitting on private real estate, you can place equipment, wireless
antennas or towers, opening up those co-locations to make it easier for third parties to get
in. There are easements, license agreements, and leases for telcom facilities on
government properties. How government acquires property may put restrictions on the
type of agreements that can be put onto properties.

Senator Fukunaga asked, what would be the costs of the recommendations? Do we need
an explanation or evaluation of what's possible, opportunities and what is the appropriate
means? Member Wong answered, you need to know how much in order to figure out
where you are going to get the money from.

Representative Ward referred to recommendation # 4 above and asked how many is
based on data that we already have or what are we going to collect? Member Matsunaga
stated that it does not need to be data based because it is taking a much broader
approach. It is also acknowledged that rural areas will always lag.

Representative Ward asked about data maps. Member Matsunaga mentioned under the
creation of a regulatory agency, the first recommendation would be intended to ensure
ongoing data mapping. Chair Lassner stated that this is what we asked for money to do
but the Legislature chose not to fund it and this puts us in a different direction. The task
force is now more policy oriented than data oriented at this particular time. But, it might be
interesting to see what we can collect at this point that the major players would agree
upon. This was one of the goals that Member Matsunaga had for the Data Collection
Working Group. Member Matsunaga said from Hawaiian Telcom's perspective, they know
where they have broadband and the information is not confidential because you can go to
their website, type in an address and it will tell you whether you can get broadband or not.
Member Wong indicated Oceanic reports publicly by zip code. Chair Lassner stated that
we can hope that if this goes forward, the regulator will be able to do this at the household
level. This is a best practice we saw from Connect Kentucky that you can see availability
by household. Members Matsunaga and Wong agreed to see how the data from
Hawaiian Telcom and Oceanic could be aggregated to provide a view of where these two
major providers each provide broadband services.

Member Goto Sabas stated that from a policy standpoint, talking about commercial
providers is important but we also need to make sure we consider government
capabilities, such as our responsibility for emergency first responders. There is a big gap
between the state, county, and federal capabilities and systems. There is a need for
policy regarding shared access systems that are a government responsibility. She shared

a day's experience on the Big Island trying to get all the government people together to figure out what services they have and do not have and it was quite terrifying. The issues that Member Bruce raises about shared towers, access to towers, getting those pieces put together becomes pertinent not just for Oahu but even more for the neighbor islands. We need to figure out what is there, where the gaps are, and who has the money in order to ensure that first responders on the neighbor islands have a system in place.

Consultant's Report:	Mr. Doeringer distributed a hand-out for the task force to consider for their final report. Mr. Doeringer reviewed the task force's initial interim report and outlined his suggestions. He suggested regrouping the current working groups in the following manner:

- The first working group, "What other states, countries, and the federal government are doing and why"--There is quite a lot that has been written about other countries but for the state more work needs to be done. This might be looked at as a work group on how do we coordinate all the government input we need.

- The second working group, "Why Broadband Matters"--Mr. Doeringer stated that he has commercial experience, therefore, would like to see the business and economic impact, not just what this is going to cost. Looking at some of the reports from other states they have made projections. This would create a lot of jobs, more revenue and business which then leads to state tax funds. We could say what the economic impact might be and what we present to the Legislature is not so much in terms of cost and needed services, but in terms of potential revenues. Chair Lassner stated that Connect USA did a national study and as part of that came up with an estimate for every state.

- The third working group, "Technology and Availability Considerations"--Mr. Doeringer stated that the task force does not have a work group concentrating on technology. Availability has been put in because it was discussed earlier but we do not have the funds to go out and do a big study.

- The last working group, "Barriers, Constraints, and Recommendations"--Mr. Doeringer stated that this group would focus on answering the areas of concerns. When this is put together in the final report, we have to be able to turn to someone and say "where are the materials?" "what do we have?" and let's put this all together in a meaningful way. Chair Lassner stated that the draft recommendations that were discussed could fall under this working group.

For Phase II, we will re-examine the working groups, how do we want to structure them, and what do we want to accomplish.

Senator Fukunaga referred to Mr. Doeringer's outline and indicated that the task force can run through the list of questions which could be answered from the information we already received. She stated that Member Sonobe's working group received information from NCSL which can be used to answer some of the questions. She further stated that it is a matter of going through the existing work group configurations to see what information we received and what items are still outstanding. Member Matsunaga's working group has gone through some of this and so did the Why Broadband Matters group. Maybe within the next month or so, the task force should provide feedback to Mr. Doeringer on what is outstanding. This will help to identify where we are and what is still outstanding that the consultant may assist to help the task force identify where we need to go. Chair Lassner indicated we will need some context for each of the recommendations and might want to focus on the background info that will support the recommendations.

Representative Ward stated that a lot of the legislators will read this and ask "so what?"--meaning, where is the timeline and where is the fear factor. There is a need for some

sense of urgency. Mr. Doeringer indicated an estimate on jobs and revenue increases is necessary. If this is not done you will lose companies, companies that need the capabilities are not going to come to Hawai`i or they are going to leave Hawai`i and with them goes the jobs and revenues. Chair Lassner stated that the Connect USA people estimated that the economic impact of accelerating broadband in Hawai`i is $578,001,026 and that accounts for 10,200 jobs, healthcare cost saved $3 million, etc. per year. They did their analysis for Kentucky and did a raw extrapolation based on population and economics.

Senator Fukunaga asked all work groups working on specific things to go through the list and identify what we have.

Other: Chair Lassner announced the next scheduled task force meeting will be Friday, July 18, 2008. Following the presentation and discussion with Cisco's Vice President Ken Wirt, the Task Force will go into a normal business meeting.

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 2:45 p.m.

Reviewed and approved by:

Sterling Yee
Assistant Auditor

July 2, 2008

[   ]   Approved as circulated.

[   ]   Approved with corrections; see minutes of _____ meeting.

Broadband06/26/08