

Broadband Task Force
(Established by Act 2, Session Laws of Hawai'i 2007)
State of Hawai'i
www.state.hi.us/auditor

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, November 1, 2007

Time: 1:30 p.m.

Place: State Capitol
415 South Beretania Street
Conference Room 329
Honolulu, Hawai'i

Present: Chair David Lassner, University of Hawai'i
Gary Caulfield, First Hawaiian Bank
Senator Carol Fukunaga, The Senate
Jennifer Goto Sabas, Office of Senator Daniel K. Inouye
Senator David Ige, The Senate
Joel Matsunaga, Hawaiian Telcom
Nate Smith, Oceanic Time Warner
Clyde Sonobe, Department of Commerce & Consumer Affairs
Representative Gene Ward, House of Representatives
Representative Kyle Yamashita, House of Representatives

Marion M. Higa, State Auditor, Office of the Auditor
Sterling Yee, Assistant Auditor, Office of the Auditor
Jayna Oshiro, Special Projects Coordinator, Office of the Auditor
Pat Mukai, Secretary, Office of the Auditor

Oscar Libed, Clearwire
Robert Doeringer, RHD Consultants, LLC
Burt Lum, Hawaiian Telcom
Karian Flyer, Capital Consultants
Yuka Nagashima, HTDC

Excused/
Absent: Gordon Bruce, City & County of Honolulu
Senator Will Espero, The Senate
Representative Marcus Oshiro, House of Representatives
Henk Rogers, BluePlanet Wireless
Vice Chair Nam Vu, ShakaNet, Inc.

Call to Order: Chair Lassner called the meeting to order at 1:35 p.m. at which time quorum was established.

Chair's
Report: Minutes of previous meeting
Member Matsunaga moved to approve the minutes, seconded by Senator Fukunaga. The motion was unanimously carried.

Presentation: Oscar Libed of Clearwire did a presentation for the task force.

Mr. Libed explained the differences between telephone, cable, and wireless networks using a baseball metaphor. A grand slam is achieved when a carrier is able to provide services in the areas of voice, video, Internet, and wireless.

Telephone Network

First base - telephone provider builds a voice network to provide telephone service.

Second base - the telephone provider builds an IP network to provide Internet service.

Third base - wireless service is provided. The grand slam is being able to provide television service over the IP network.

Cable Network

First base - cable provider builds a cable television network to provide cable service.

Second base - the cable provider builds an IP network to provide Internet service.

Third base - phone service is provided by the Voice Over IP network (VOIP). The grand slam is being able to provide wireless service.

Wireless Cellular Network

First base - wireless service is provided. Second base - cellular voice services provided.

Third base - Internet service is provided through building an IP network. The grand slam is being able to provide mobile television via Digital Video Broadcast Handheld technology.

Mr. Libed also explained that WiMax (Worldwide Interoperability and Microwave Access) is similar to WiFi but has faster speeds, greater distances, and is highly secured. WiMax is able to provide the grand slam. The grand slam consists of first base as wireless, second base as Internet service, third base as VOIP Internet telephone service; and fourth base as IPTV video content over air. WiMax technology and the Clearwire network is a viable third competitor to the telephone, cable, and cellular wireless providers. Clearwire's intent is to provide wireless Internet service anywhere you go.

Mr. Libed stated that Clearwire and Sprint have decided to build a brand new network at a cost of \$5 billion. Clearwire currently provides Internet service and will be offering telephone services referred to as Internet phone service similar to cable providers. In the future, Clearwire will be able to take the video content from your home television and transport it over the air to get mobile IPTV. This will allow you to watch television on your laptop.

Member Matsunaga mentioned Sprint is the only wireless company so far that has invested heavily in WiMax and have been criticized. What is the criticism? Mr. Libed said the criticism with Sprint and Clearwire is the \$5 billion investment, whether the \$5 billion is used toward an existing legacy network or building a new network. Critics state that a new network should not be built with the uncertainty of the performance.

Senator Fukunaga asked if Clearwire picked Hawai'i to test and evaluate the kind of acceptance level, small market, etc. Mr. Libed responded that it has to do with the frequencies in Hawai'i. Clearwire bought frequencies from the FCC for Oahu and Maui. Services are available for both islands with some services on the Big Island. There are no services on Kaua'i. Also, Hawai'i is considered a high Internet market.

Report to the
2008
Legislature:

Chair Lassner prepared a draft outline of the areas he felt the task force may want to consider for the report. The outline includes the following areas:

1. Executive Summary
2. Background of the task force

3. Broadband relevance to the community
4. What other countries are doing
5. Our vision for Hawai`i
6. Hawai`i's landscape today
7. What other states are doing about Broadband
8. Expectation of the federal environment
9. Changing technologies and approaches
10. Current obstacles and constraints (barriers)
11. Recommendations for the State of Hawai`i

After discussion, the task force agreed with the above areas. Items 10 and 11 above will not be addressed in the preliminary report. The 2008 report to the Legislature will follow the outline format and will describe the work the task force has done so far.

Working
Groups:

Chair Lassner prepared a working group summary from the previous meeting. The summary included a description of the following five working groups:

1. Why broadband matters
Chair: Senator Fukunaga
2. Data collection (market analysis)
Chair: Joel Matsunaga
3. Expectations at the federal level
(Invited) Chair: Jennifer Sabas
4. What other states are doing
Chair: David Lassner
5. What other countries are doing
Chair: Nam Vu

Chair Lassner stated that, under the Sunshine Law, each working group is allowed up to seven members. The composition of the working group may include task force members, members from the community, and outside the State. The work of these working groups is not subject to Sunshine Law provisions, however their reports back to the Task Force which would take action will be. He asked that all task force members serve on at least one of the working groups. Chair Lassner then polled the members on which working group they would like to serve on. The chairs are as noted above.

Chair Lassner also referred to a template prepared by the Auditor's Office for the working groups to use for their notes. Mr. Yee explained that the template will assist the Auditor's Office in compiling the information received by the working groups.

Consultant:

The task force reviewed the Request for Qualifications (RFQ) for a consultant to assist the task force with the writing, analysis, and tasks for the preliminary and final reports.

Representative Ward questioned the RFQ saying that it did not indicate whether it is looking for an individual or a company. He said it looks as though the task force is doing it to get as many applications as we can, and usually there are minimum qualifications. Member Goto Sabas said it was also hard to tell if the task force was looking for someone with legislative background that can help with drafting or technical background and asked what would be helpful to the Auditor. Mr. Yee responded that we are looking for someone with administrative and technical background, being able to work with the working groups, and is able to compile all the information. Chair Lassner stated he would work with the Auditor's Office to incorporate task force members' suggestions before issuing the RFQ.

Mr. Yee also distributed a sample of the task force letterhead which will be used for all future correspondence of the task force.

Chair Lassner asked the task force members for suggestions for future presentations.

The next meeting is scheduled for Wednesday, November 14, 2007 at 2:00 p.m.

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 2:55 p.m.

Reviewed and approved by:

Sterling Yee
Assistant Auditor

November 15, 2007

Approved as circulated.

Approved with corrections; see minutes of _____ meeting.

Broadband11/01/07