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oadband Task Force
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, September 11, 2008

Time: 10:00 a.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
Ken Hiraki, Hawaiian Telcom
Senator David Ige, The Senate
Clyde Sonobe, Department of Commerce & Consumer Affairs
Representative Gene Ward, House of Representatives
Kiman Wong, Oceanic Time Warner

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

Robert Doeringer, RHD Consulting, LLC

Excused/ Absent: Gary Caulfield, First Hawaiian Bank
Representative Marcus Oshiro, House of Representatives
Henk Rogers, BluePlanet Wireless
Representative Kyle Yamashita, House of Representatives

Call to Order: Chair Lassner called the meeting to order at 3:05 p.m. at which time quorum was established.

Presentation: Clearwire Mr. Oscar Libed of Hawaiian Telcom did a brief presentation on Recommendations to Streamline a Broadband Wireless Network. This presentation can be found at the Auditorõs website at: http://www.hawaii.gov/auditor

Mr. Libed stated that Clearwire customers are experiencing 4 to 6 mbps of download and 1 mbps of upload. He stated that these speeds are comparable to DSL and Roadrunner services. For wireless broadband network, private capital is used to build wireless network. Investors will ask, what state or city can invest in to maximize by return on investments. It is expensive to build due to leasing, zoning, and building permit barriers. For Clearwire, currently considering for WiMax implementation, the site acquisition timeframe is a major factor.

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e acquisition process. The State of Hawai`i can assist in ors to invest money in Hawai`i. The current site acquisition process is:

- Leasing = 2-3 months
- Zoning = 2 months
- Complex zoning = 1-2 years
- Building permits = 3 months
- Building permit modifications = varies from1 month to over a year
- Construction = 7 months to over a year

Noting the Task Forceôs use of the phrase, ñimpatient capital,ò he noted that one barrier is the barrier of time. A typical wireless site earns $500/day in revenue. Every day of delay represents a loss of opportunity to the investor. How can the city, state, and federal governments remove the barriers? The following are Mr. Libedôs recommendations:

- Make approval of wireless sites as a statewide policy.
- Create approved templates for state and county licenses.
- Prioritize zoning and building permit applications to be done faster than 5 months.
- Restructure the Neighborhood Board requirements of submitting a zoning application. Currently, one must appear before the board to do a live presentation of the site being built. It requires 1-2 months to get on the schedule, therefore losing 2 months before filing for zoning application.
- Rural areas always had problems with land line broadband providers because itôs expensive to build out to these rural areas. Co-location sites need to be identified for wireless carriers.

Mr. Libed commented and supported item 13 of the DRAFT Hawai`i Broadband Task Force Findings and Recommendations which talks about, ñWired or Wireless?ò Itôs not either/or, itôs both. With wireless infrastructure in place the state can be in a position to include the wireless industryôs 4th generation wireless broadband network in Hawai`i, specifically WiMax and and its competing LTE networks.

Presentation: City and County of Honolulu

Member Gordon Bruce did a presentation on Telecommunications Master Plan. Mr. Bruceôs presentation can be found at the Auditorôs website at: http://www.hawaii.gov/auditor

Mr. Bruce stated that the incumbent telephone company is the only telephone provider, in that they are the only company to provide traditional land line telephone service. Similarly, the cable company is the only real video provider and wireless is just remote telephones. In reality, there are other options available. From the developerôs standpoint, there are condo master plans and light pole master plans. If the City wanted to put wireless internet onto the light poles, the challenge is at PUC and HECO. HECO has their special rate determined by the PUC for the electric bills on light poles. The moment the city puts an antenna on the light pole, the city compromises the PUC building arrangement. It is estimated to take two years to change that. This is why the city doesnôt put antennas on light poles. To plan for wireless ahead of time, easements, licenses, and lease agreements all need to be standardized.

Another problem is all the aspects coming up in the communityð whether itôs underground, above the ground, itôs all over the place. You also have the problems of the communities and neighborhood boards saying, they donôt want these things in their backyards and it should be put somewhere else. Because of these issues, the public needs to be educated.

When developers come in and develop cities, they install additional conduits. There are

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ssues and this is where the problem is. When the city takes The master plan for communications equipment is to co-locate th wireless carriers for co-location sites ahead of time or after the fact.

The city has a centralized application process in place but they still donôt have standardized agreements. This cityôs scenario for planning/permitting/zoning. When you submit an application, the city will encourage you to go to the neighborhood board, then you have to go through the City Council to get approval because the city encumbers the land. Itôs a 3-month process at a minimum. When applying for Special Use Permits (SUP), you need to go through the State and that adds more time to the process. There are also land conveyance issues. For example, take a piece of property dedicated to the city as a park. Telcom facilities will not be allowed on the park or it reverts back to the developer. There are all different kinds of aspectsð parks, buildings, base yardsï and they are all different. Therefore, this can get in the way of the process.

An example of deployment of broadbandð the city enters into a partnership with non-profits and they will work with with the city and the private sector to put in wireless hot zones. The city has been doing that. It doesnôt infringe on the wireless providers because itôs filteredð no video streaming, no downloading, just basic contents.

Chairôs Report:

Minutes of previous meeting

Member Hiraki moved to approve the minutes of the August 20, 2008 meeting, seconded by Member Goto Sabas and the motion was unanimously carried.

Draft Recommendations and Outline:

Chair Lassner asked the task force to work through and think about how to handle version 0.4 of the Findings and Recommendations draft, trying to make sure when the task force is done, the task force submits something to the Legislature thatôs fairly actionable and can make a difference. The final report will be the one that people could look at and say, this is what the task force did over the past year or so. Does the draft seem to have the right kind of flavor and if the flavor is right, the task force should go through the draft and see whether we as a task force agree? Member Goto Sabas said the findings are okay but suggested the recommendations need to be cleaner and simpler because we are presenting the report to the Legislature and we need to better connect-the-dots for the Legislature. Senator Fukunaga suggested having some charts the consultant could help us with, to try and tell the story and show whatôs important. Having charts would support and compliment the findings portion.

The task force then engaged in an extensive and lengthy discussion of the draft Findings and Recommendations. Chair Lassner agreed to revise the draft to reflect the discussion and share a revised draft before the next Task Force meeting for further discussion and refinement.

Future Meetings and Events:

Chair Lassner would like to have at least three more meetings by the end of Novermber. The Auditorôs Office will poll members for their availability.

Adjournment:

With no further business to discuss, the Chair adjourned the meeting at 11:57 a.m.

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eviewed and approved by:

Sterling Yee
Assistant Auditor

September 24, 2008

[ ] Approved as circulated.

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

Broadband09/11/08