Development of Improved Broadband Services in Hawaii

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Objective:
Identify governmental actions which will help stimulate increased investment in the development and availability of advanced broadband services.
Action Plan

- Regulatory relief for new entrants
- Public-private partnerships
- Tax incentives and other assistance
Less Regulation

Video Franchise License Requirements

Annual governmental fees:

- 3% of gross revenue for Public, Educational, and Governmental (PEG) Access
- 1% of gross revenue for Hawaii Public Television
- 1% of gross revenue for Department of Commerce & Consumer Affairs
Additional governmental cost incurred as a condition to obtaining a video franchise:

- Institutional Network (INET) requirements
Other Regulatory Costs:

- FCC
- DCCA
- PUC
Recommendations:

Regulatory relief for new video entrants

- Encourage badly-needed competition--will result in faster speeds and advanced broadband services.
- Allow flexibility in structuring the payments and obligations required by the State as a condition to receiving a video franchise.
Design and Construction Challenges
Broadband Hierarchy
Last Mile

- The “last mile” from our central office to the customer is the most expensive component to providing broadband services.

- Our choices
  - Place fiber
  - Shorten our copper loops with remote electronics

- The problem is exacerbated in rural areas where population densities are low and serving loops are long.
Last Mile Issues:

- Rights-of-way
  - Permits
  - State Use & Occupancy Agreements
  - New city codes for UG
- Easements
  - State Easements - Time
  - City Easements - Cost
Public-Private Partnerships

Last Mile Issues

- Flexible design and construction requirements
- Streamline permit and rights-of-way process
- Streamline & improve city/state easement process
- Develop model to encourage collaboration
  - Joint use of infrastructure in ROW
Tax Incentives

Recommendations:

- 20% tax credit on capital expenditures for next-generation broadband investment*
- 10% tax credit on capital expenditures for current-generation broadband investment*

*2008 California Broadband Task Force recommendations
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