

HAWAI'I BEAD INITIAL PROPOSAL

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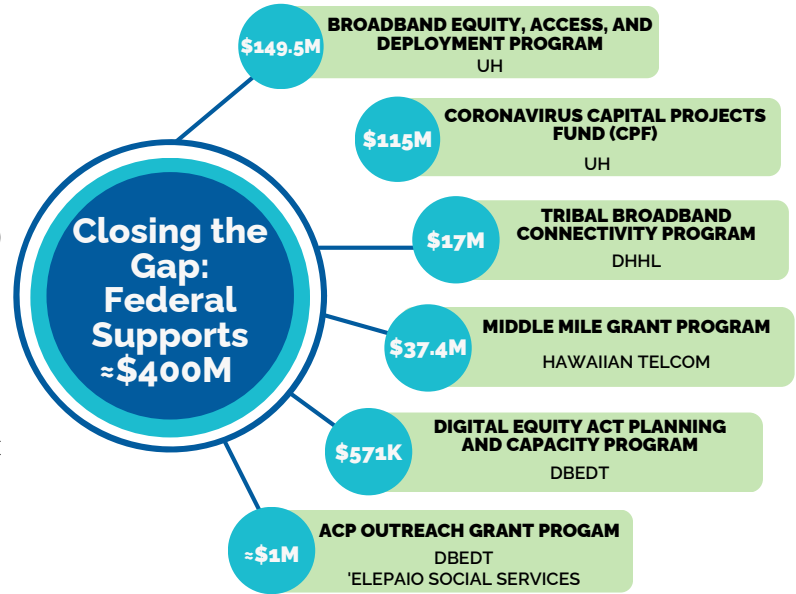
In collaboration with Governor Josh Green, M.D., Lieutenant Governor Sylvia Luke has launched **Connect Kākou** with partners from the Hawai'i Broadband and Digital Equity Office (HBDEO), the University of Hawai'i (UH), the Department of Hawaiian Home Lands (DHHL), and multiple state and county agencies. Connect Kākou encompasses all broadband efforts across the State.

In total, more than \$400 million has been allocated to Hawai'i through the National Telecommunication and Information Administration (NTIA), the Department of Treasury, the Federal Communications Commission (FCC), and other federal agencies to work towards the goal of universal access to high-speed Internet. UH has been tasked with leading the largest effort, the Broadband Equity, Access, and Deployment (BEAD) Program, a \$149.5 million program to build out last mile connections to all of Hawaii's unserved and underserved locations, as well as eligible community anchor institutions (see next page for definition).

UH has developed a series of draft plans outlining how it will deploy BEAD funds. The first was the Five-Year Action Plan, released in June 2023. The latest output is the Initial Proposal, which was open for public comment in November and December, and was submitted to the NTIA on December 26th.

The Initial Proposal is the "first draft" of what will eventually become the BEAD Final Proposal, explaining how Hawai'i will ensure that every resident has access to reliable, affordable, high-speed broadband connection from their home.

The Initial Proposal is split into two parts: Volume 1 & 2. Volume 1 of the Initial Proposal details how Hawai'i will execute the BEAD Challenge Process. Notably, this volume also defines community anchor institutions, outlines all of the federal funding Hawai'i anticipates for broadband-related projects, and features the list of unserved and underserved locations considered eligible for BEAD funding. Volume 2 of the Initial Proposal outlines critical execution components of the BEAD program. This includes how broadband deployment funds will be competitively awarded; defining the stakeholder engagement process; workforce initiatives; planned expenditures to support the execution of BEAD, and more. This document is an executive summary providing a comprehensive look at the main components of the Initial Proposal.



UNSERVED/UNDERSERVED & CAIS

10,976

Unserved Homes and Small Businesses

948

Underserved Homes and Small Businesses

| Island | Unserved | Underserved |
|----------|----------|-------------|
| Hawai'i | 7970 | 295 |
| Kaua'i | 691 | 8 |
| Lāna'i | 42 | 0 |
| Maui | 924 | 615 |
| Moloka'i | 274 | 1 |
| O'ahu | 1074 | 29 |

National Broadband Availability Map (NBAM), Dec 2023 Data published June 2024

75+

Eligible Community Anchor Institutions

33 Community Support Organizations

2 Public Safety Entities

26 Medical Facilities

14 Public Schools

COMMUNITY ANCHOR INSTITUTIONS

Community Anchor Institutions (CAI) are an important alternative to having a broadband connection at home. The term "community anchor institution" means an entity such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, or community support organization that facilitates greater use of broadband service by vulnerable populations, including, but not limited to, low-income individuals, unemployed individuals, children, the incarcerated, and aged individuals. UH further defined community support organizations by the following:

1. Whether the community support organization has physical location(s) in a permanent structure to facilitate greater use of broadband service by vulnerable populations, including, but not limited to, Native Hawaiians, low-income individuals, unemployed individuals, children, the incarcerated, and aged individuals.
2. Whether the physical location(s) of the community support organization is dedicated to the organization's usage for activities to facilitate greater use of broadband service by vulnerable populations (e.g. not a residential house) and as part of the organization's mission, involves or plans to involve activities that facilitate greater use of broadband service by vulnerable populations.
3. Whether the physical location(s) of the community support organization is public facing in nature, meaning the organization does not require paid or unpaid membership before using its services.

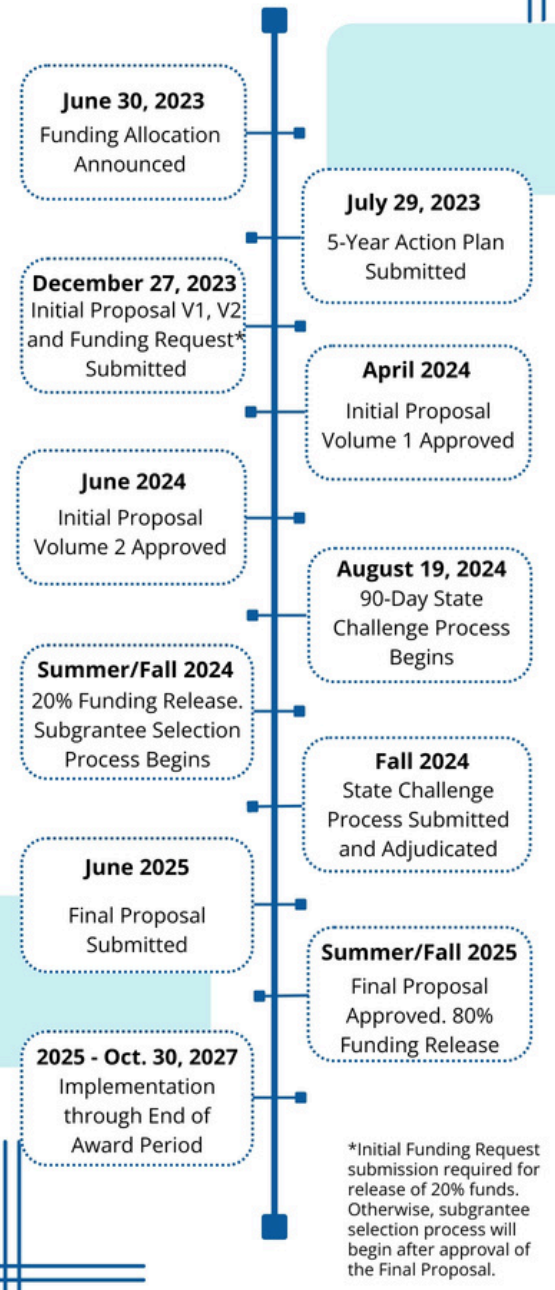
BEAD CHALLENGE PROCESS

Hawai'i will adopt the NTIA BEAD Model Challenge Process as approved in the State's Initial Proposal Volume 1 submission. The Hawai'i BEAD Challenge Process will commence on August 19, 2024, and allows for nonprofit organizations, county/state entities, and Internet service providers to submit challenges on behalf of the communities they represent and service. These entities may challenge the served, unserved, and underserved status designation of any broadband serviceable locations identified on the FCC National Broadband Map, as well as whether a location qualifies as a CAI or not.

The Challenge Process will be conducted through a web portal created in partnership with Ready.net, that meets all required NTIA criteria, including the following functional requirements: the ability to register to access the portal; a user management interface; the ability to submit challenges and supporting documentation, evidence review, challenge notifications, rebuttal submissions through the portal, an adjudication process, and completed challenge process outputs (e.g., CSV file of challenges received and their adjudication) for submission to the NTIA.

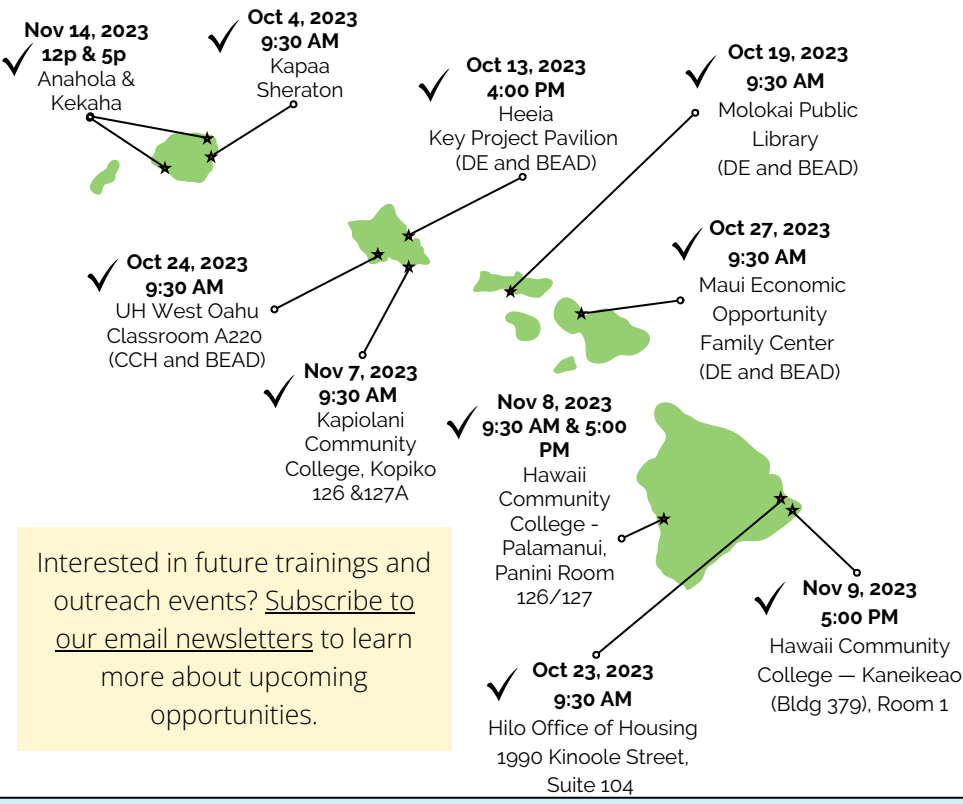
The Challenge Process consists of three phases (challenge, rebuttal, adjudication) and will span a total of 90 days, not including a seven-day validation period between each phase. There will be a 30-day window to submit challenges once UH formally starts the process. Internet service providers will have the opportunity to rebut any challenges received within the next 30-day window during the rebuttal phase. If the ISP disputes the challenge, UH will have 30 days to make a final determination (sustain or reject). After the Challenge Process is complete, UH will submit the results to NTIA for review. Upon NTIA's approval, UH can begin the competitive award process of soliciting Requests for Proposals for broadband infrastructure buildout under the BEAD Program.

BEAD TIMELINE



LOCAL COORDINATION & PLANNING PROCESSES

Over the past few months, UH has been working diligently alongside the counties, HBDEO, and DHHL to coordinate outreach activities across the state. To date, UH has conducted 19 in-person presentations on five islands, 12 Broadband Hui learning sessions, 4 virtual outreach sessions, 4 virtual public comment sessions, and provided a BEAD program overview to two of Hawaii's four county councils with a third planned for early 2024. These engagement and listening sessions in multiple formats have allowed BEAD program staff to touch communities on O'ahu, Kaua'i, Maui, Moloka'i, and Hawai'i island (see map). UH will continue to solicit and incorporate community feedback and recommendations throughout the BEAD project.



ELIGIBLE ENTITY IMPLEMENTATION ACTIVITIES

In addition to county support for outreach and community engagement events to support local coordination activities, a small sum of BEAD planning funds have been reserved for the following activities:

- Onboarding UH broadband initiative staff to support data management, communication and outreach activities, and project management
- The creation of **Connect Kākou**, a statewide public campaign for broadband.
- Acquisition of a BEAD Challenge Process portal tool to collect all challenges issued to the State and allow review and adjudication by ISPs and the State
- Select non-competitive non-deployment activities, such as digital navigator programs and other initiatives detailed in the state's Digital Equity Plan

USE OF BEAD FUNDING

UH will be requesting 100% of BEAD funding upon approval of the Initial Proposal per the NTIA's guidance. This request is based on the following:

- Servicing at least 11,500 broadband serviceable locations, 10,500 of whom are unserved, and almost 1000 underserved locations.
- Running of the state's subgrantee selection process for both deployment and non-deployment programs through the end of 2027.
- Hawaii's previous digital skills, adoption, and affordability measures to date make it clear that Hawai'i requires proper investment in non-deployment activities that will not only grow our future digital workforce but provide a venue for residents to capitalize on opportunities that may be beneficial to them (e.g., distance learning, teleworking, telemedicine, etc.).

Through 2027, this 100% allocation will be used towards:

- Deployment costs, including all last mile buildouts to unserved, underserved, and qualifying CAI locations, and select middle mile buildouts required to build out last mile deployment successfully.
- Non-deployment costs, such as digital navigator programs and community digital hubs to be deployed at qualifying CAIs.
- Programmatic expenses, including the procurement of an NTIA BEAD-compliant Challenge Process portal and outreach activities.
- Administrative costs, including staffing of the UH Broadband Office.

SUBGRANTEE SELECTION PROCESS

The subgrantee selection process is a competitive method for awarding funds to applicants. UH will use the Research Corporation of the University of Hawaii's (RCUH) Request for Proposal (RFP) procurement process to distribute competitive funding notices for both deployment and non-deployment activities in the state.

RCUH was established by the Hawaii State Legislature in 1965 as a public instrumentality and is attached to the University of Hawaii for administrative purposes. To fulfill its mission, RCUH is exempt from certain State procurement and personnel laws. This exemption allows RCUH to provide rapid and efficient services that enable its clients to be more productive and to meet their research, development, and training objectives in a timely manner. RCUH has established processes and procedures specifically designed for the execution of federally funded grants and is consistent and familiar with Federal requirements along with State procurement principles. All UH extramural funding utilizes RCUH for purchases, contracts, and transactions.

All RFPs will be posted on CommercePoint and advertised through our email newsletters, broadcasted in the weekly Broadband Hui, and publicly posted on our website. Applicants will need to create an account with CommercePoint in order to submit an application. The State expects multiple addendums to the RFP as the extremely high-cost per location threshold is determined and refined, with prospective offerors submitting updated responses via the RCUH CommercePoint site. Once the RFP period closes and final offers are received, a five-person review committee will have a minimum of twenty (20) business days to review all received proposals in their respective category. The highest-scoring average from a qualified offeror will be awarded, and contracting processes will commence.

Priority Broadband Projects Scoring Rubric 365 POINTS TOTAL

- Primary criteria (325 points)
 - Minimal BEAD Program Outlay (150 points)
 - Affordability (100 points)
 - Fair and Safe Labor Practices (75 points)
- Secondary Criteria (30 points)
 - Speed to Deployment (30 points)
- Additional Criteria (10 points)
 - Open Access (10 points)

Other Last-Mile Projects Scoring Rubric 385 POINTS TOTAL

- Primary criteria (325 points)
 - Minimal BEAD Program Outlay (150 points)
 - Affordability (100 points)
 - Fair and Safe Labor Practices (75 points)
- Secondary Criteria (50 points)
 - Speed to Deployment (30 points)
 - Speed of Network (20 points)
- Additional Criteria (10 points)
 - Open Access (10 points)

Non-deployment Programs Scoring Rubric 100 POINTS TOTAL

- Primary Criteria (65 points)
 - Project merit (40 points)
 - Qualifications and Expertise (25 points)
- Secondary Criteria (25 points)
 - Project Sustainability (15 points)
 - Project Budget (10 points)
- Additional Criteria (10 points)
 - Prior Community Engagement (5 points)
 - MBE/WBE/Labor Surplus Area Firm (5 points)

USE OF NONDEPLOYMENT FUNDS

Nondeployment funds will be prioritized towards the creation of community digital hubs and digital navigator programs. Other nondeployment activities are permissible, including: digital literacy training; remote learning and telehealth; computer science, coding, and cybersecurity education programs; implementation of our state Digital Equity Plan; broadband sign-up assistance and programs that provide technology support; multi-lingual outreach to support adoption and digital literacy; covered population digital literacy, job skills, online job-acquisition skills, etc.; direct subsidies for use toward broadband subscription, where the Eligible Entity shows the subsidies will improve affordability for the end user population (and to supplement, but not to duplicate or supplant, the subsidies provided by the Affordable Connectivity Program); costs associated with stakeholder engagement, including travel, capacity-building, or contract support, and; other allowable costs necessary to carry out programmatic activities. Nondeployment programs proposed in the subgrantee selection process may overlap project areas only if the program offered is non-duplicative (e.g., one telehealth and one digital literacy program, but not two telehealth programs at the same facility).

Low-Cost Broadband Service Option

To assist in overcoming the affordability barrier faced by Hawaii's low-income households, subgrantees must offer a low-cost broadband service option with the minimum requirements:

- Costs \$30 per month or less, inclusive of all taxes, fees, and charges with no additional non-recurring costs or fees to the consumer
- Allows the end user to apply the ACP or successor program subsidy to the service price to achieve "net free" access
- Provides speeds of at least 100/20
- Provides typical latency measurements of no more than 100 milliseconds
- Is not subject to data caps, surcharges, or usage-based throttling, and is subject to only the same acceptable use policies that subscribers to all other broadband Internet access service plans offered to home subscribers by a subgrantee must adhere
- If a provider later offers a new low-cost plan with higher speeds, they must permit eligible subscribers subscribed to an existing low-cost broadband service option to upgrade to the new low-cost offering at no cost

Subgrantees can request a modification to the per month low-cost service option price up to a not-to-exceed amount of \$70 per month. The modification can be made once a calendar year through the federal interest period, provided that the provider can certify and demonstrate the cost-based justification for a higher-cost service option, subject to the approval and acceptance of the State. Finally, households within BEAD-funded service areas must be made aware of the availability of the low-cost plan via public awareness campaign activities.

Middle Class Affordability

Middle class affordability will likely be dependent on the market and the necessity for a fully competitive market with a reasonable number of participating Internet Service Providers (ISPs) offering wireline service to all residents. Currently, Hawaii is funding efforts to build out the state's inter-island fiber network, creating a resilient, high-speed network that will serve the state for the next 25 years. Hawaii continues exploring ways to support a competitive network and promote a diverse broadband network that will connect the transpacific region. With a diversified middle mile supply, Hawaii anticipates lowered capital costs of ALL carriers and ISPs, including reducing the cost of entry to new market entrants.

WORKFORCE READINESS

In 2020, three major workforce needs were identified for Hawaii to take advantage of during this once-in-a-lifetime opportunity afforded by the national Internet for All effort: 1) ensuring a diverse, well-trained workforce will be available to design, build, and implement Internet services to all unserved/underserved populations in Hawaii, 2) providing comprehensive education and training programs in high-demand employment sectors: Information Technology, Healthcare, Clean Energy/skilled trades and Creative Industries, and 3) developing education and training programs in digital literacy to ensure that all citizens of the state can use the Internet to access critical social services, engage in well-paying remote work opportunities and diversify the state economy through high tech jobs and the innovation economy. As of the release of the Initial Proposal, the state's workforce is well-positioned to execute on broadband deployment projects over the next few years, with most carriers/ISPs offering in-house training programs (with support of IBEW) or leaning on the available training programs (e.g., Good Jobs Hawaii) that already focus on the IT Sector. These training programs also reinforce the workforce supports that may be delivered under BEAD.

Hawaii's approach to workforce also expands the definition to complement the general technology literacy elements that support broader workforce readiness in a future that requires a level of technology literacy for most jobs. This is where the broad IT Sector Partnership work helps to raise overall skills and deepen the technology workforce pool, and apply new technology skills where possible across the job market.

Hawaii is fortunate to already have a highly engaged employer community that supports the IT Sector Partnership, which is already in operation, already funded (dating back to pandemic CARES funding), and in full swing, in advance of efforts to be supported by BEAD and the other federal broadband programs.

MINORITY BUSINESS ENTERPRISES / WOMEN'S BUSINESS ENTERPRISES / LABOR SURPLUS AREA FIRMS

UH is committed to supporting diversity, equity, and inclusion in all aspects of the BEAD program. Promoting these values is socially responsible and can bring additional benefits to the project, including the opportunity to recruit new talent, enhance innovation, and gain access to a broader talent pool. UH will develop and communicate a clear supplier diversity policy that outlines our commitment to working with minority-owned, women-owned, and labor surplus area firms. Potential suppliers that meet our diversity criteria will be identified through industry associations, business directories, and State government databases. RFPs will include specific language that encourages or requires diversity participation from potential suppliers, including a scoring system that considers diversity as a factor in evaluating bids and proposals. Contracts with selected suppliers must include diversity goals, reporting requirements, and provisions for penalties or incentives based on performance. Other key performance indicators (KPIs) related to diversity goals will be defined, tracked, and reported on UH's broadband website.