

STATE OF HAWAII OFFICE OF THE DIRECTOR

GOVERNOR JAMES R. AIONA, JR.

LINDA LINGLE

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310 P.O. Box 541 HONOLULU, HAWAII 96809 Phone Number: 586-2850 Fax Number: 586-2856 www.hawaii.gov/dcca LAWRENCE M. REIFURTH DIRECTOR

> RONALD BOYER DEPUTY DIRECTOR

VIA FACSIMILE AND U.S. MAIL

January 28, 2010

Mr. Nate Smith President Time Warner Entertainment Company, L.P. 200 Akamainui Street Mililani, HI 96789-3999

Dear Mr. Smith:

Re: <u>Letter Order — Payment of 2010 Access Operating Fees and</u> <u>Capital Contributions to Akaku</u>

In accordance with Decision and Order ("**D&O**") No. 261, Time Warner Entertainment Company, L.P. ("**TWE**") is required to pay an annual Access Operating Fee to Akaku: Maui Community Television ("**Akaku**") that the Department of Commerce and Consumer Affairs ("**DCCA**") contracted with to provide PEG access services to the public.

TWE is also required to make capital contributions to Akaku to acquire or purchase PEG access assets (i.e., facilities and equipment) pursuant to D&O No. 321 (Maui and Lahaina franchise areas).

Typically, the PEG Access Operating Fees and capital contributions are paid on January 31st of each year. DCCA and Akaku are currently in discussions on the ownership of the PEG access assets acquired or purchased by Akaku with the 2010 and future PEG Access Operating Fees and capital fund payments. Thus, DCCA hereby directs TWE to:

- 1. Pay fifty percent (50%) of the 2010 Access Operating Fees to Akaku as soon as possible.
- 2. Deposit and maintain the remaining fifty percent (50%) balance of Akaku's 2010 Access Operating Fees in an interest bearing account in any federally insured financial institution authorized by the State of Hawai'i.

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- 3. Pay fifty percent (50%) of the capital fund payment to Akaku as soon as possible.
- 4. Deposit and maintain the remaining fifty percent (50%) balance of Akaku's 2010 capital fund payment in an interest bearing account in any federally insured financial institution authorized by the State of Hawai'i.
- 5. TWE shall maintain separate accounting records for the 2010 Access Operating Fees and capital contributions attributable to Akaku. Upon request from DCCA, TWE shall promptly provide DCCA with documentation of the bank accounts and accounting records regarding Akaku's 2010 Access Operating Fees and capital contributions.
- 6. Upon direction by DCCA, TWE shall disperse the remaining balance of 2010 Access Operating Fees and capital contributions in the bank accounts attributable to Akaku.
- 7. TWE may recover the reasonable costs of administering the bank accounts, including the taxes on any interest earned, from the interest on the accounts.
- 8. Any interest earned on the bank accounts shall be prorated and disbursed as further directed by DCCA. TWE shall keep separate any interest earned on the 2010 Access Operating Fees from the capital contributions.

If you have any questions on the above, please do not hesitate to contact Mr. Clyde Sonobe, the Cable Television Administrator, at (808) 586-2620. Thank you for your attention to and cooperation in this matter.

Sincerely,

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Lawrence M. Reifurth Director of Commerce and Consumer Affairs

c: Brian Kang, Esq. Jay April, Akaku Clyde Sonobe