

LINDA LINGLE GOVERNOR

JAMES R. AIONA, JR.

STATE OF HAWAII OFFICE OF THE DIRECTOR 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

June 27, 2006

www.hawaii.gov/dcca

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

Dear Mr. Smith:

Re: Remainder of 2006 Access Operating Fees for Olelo, Hoike, Na Leo, and Akaku

Pursuant to a Letter Order dated January 23, 2006, the Department of Commerce and Consumer Affairs ("**Department**") directed Time Warner Entertainment Company, L.P. ("**TWE**") to pay fifty percent (50%) of the respective 2006 Access Operating Fees to Hoike: Kauai Community Television, Inc. (**Hoike**), Na Leo O Hawaii, Inc. (**Na Leo**), and Olelo Community Television (**Olelo**).

In a separate Letter Order dated January 23, 2006, the Department instructed TWE to pay Akaku: Maui Community Television (**Akaku**) sixteen and seventy-five hundredths percent (16.75%) of its respective 2006 access operating fees. On April 11, 2006, the Department further directed TWE to pay Akaku thirty-three and twenty-five hundredths percent (33.25%) of its 2006 Access Operating Fee so that Akaku would then receive fifty percent (50%) of the 2006 Access Operating Fee consistent with the amounts paid to the other PEG access organizations.

TWE was also directed to deposit and maintain the balance of the 2006 Access Operating Fees in an interest-bearing account in a federally insured financial institution pending further instruction of the Director. In addition, TWE was allowed to recover reasonable costs of administering the bank account (including the tax impact of any interest earned) from the interest on the account. Any remaining interest earned on the bank account would be prorated and disbursed among the PEG access organizations.

MARK E. RECKTENWALD

LAWRENCE M. REIFURTH
DEPUTY DIRECTOR

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The Letter Orders noted the Department's expectation that payment instructions for the remaining portion of the 2006 Access Operating Fees would be forthcoming by June 2006. Accordingly, the Department hereby directs TWE to disburse the remaining fifty percent (50%) of the 2006 Access Operating Fees being held for Olelo, Na Leo, Hoike and Akaku, subject to the provisions in the Letter Orders, to each respective PEG access organization. Payment shall be made no later than ten (10) days from the date of this letter and copies of the payment shall be sent to the Department.

In addition, TWE shall pay by separate check to the PEG access organizations any prorated interest earned on the funds being held less reasonable costs for administering the bank account and any tax impact of the interest earned. TWE shall provide each PEG access organization and the Department an accounting of the interest earned on the funds. The interest payments and accounting shall be made no later than thirty (30) days from the date of this letter.

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

Sincerely,

Mark E. Recktenwald

Director of Commerce and Consumer

Affairs

c: Russell Saiki
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