

LINDA LINGLE
GOVERNOR



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DIRECTOR

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STATE OF HAWAII
CABLE TELEVISION DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS 335 MERCHANT STREET

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VIA FACSIMILE AND U.S. MAIL

July 2, 2007

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

Dear Mr. Smith:

Re: Remainder of 2007 Access Operating Fees for Olelo, Hoike, Na Leo, and Akaku

Pursuant to a Letter Order dated January 24, 2007, the Department of Commerce and Consumer Affairs ("**Department**") directed Time Warner Entertainment Company, L.P. ("**TWE**") to pay fifty percent (50%) of the respective 2007 Access Operating Fees and also to pay fifty percent (50%) of the respective 2007 capital fund payments to Hoike: Kauai Community Television, Inc. (**Hoike**), Na Leo O Hawaii, Inc. (**Na Leo**), Olelo Community Television (**Olelo**) and Akaku: Maui Community Television (**Akaku**).

TWE was also directed to deposit and maintain the balance of the 2007 Access Operating Fees and the balance of the 2007 capital fund payments in separate interest-bearing accounts in federally insured financial institutions pending further instruction of the Director. In addition, TWE was allowed to recover reasonable costs of administering the bank accounts (including the tax impact of any interest earned) from the interest on the accounts. Any remaining interest earned on the bank accounts would then be prorated and disbursed among the PEG access organizations.

The January 24, 2007 Letter Order noted the Department's expectation that payment instructions for the remaining portion of the 2007 Access Operating Fees would be forthcoming by June 2007. Accordingly, the Department hereby directs TWE to disburse the remaining fifty percent (50%) of the 2007 Access Operating Fees being held for Olelo, Na Leo, Hoike and Akaku, subject to the provisions in the Letter Order, to each respective PEG access organization. By separate check, TWE shall also disburse the remaining fifty percent (50%) balance of the 2007 capital fund payments to each

Mr. Nate Smith
July 2, 2007
Page 2

respective PEG access organization. Payments 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, for each type of payment, TWE shall pay by separate checks 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,



Lawrence M. Reifurth
Director of Commerce and Consumer Affairs

c: Russell Saiki
John Komeiji, Esq.
Kealii Lopez, Olelo
J Robertson, Hoike
Juergen Denecke, Na Leo
Jay April, Akaku
Marlon Wedemeyer (HENC)
Clyde Sakamoto, Chancellor (MENC)
Oscar Matsui, (MENC)
Clyde S. Sonobe, CATV