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December 29, 2011

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VIA HAND DELIVERY

Ms. Keali'i Lopez
Director
Department of Commerce & Consumer Affairs
King Kalakaua Building
335 Merchant Street, Room 101
Honolulu, Hawaii 96813

**Re: Time Warner Entertainment Company, L.P. through its
Hawaii Division, Oceanic Time Warner Cable's Notice of
Intervention in DCCA's Proceedings to Designate PEG
Access Organizations Pursuant to Act 19 (SLH 2011)**

Dear Ms. Lopez:

This responds to the letter from 'Olelo's counsel to you dated December 20, 2011 "objecting" to Oceanic's notice of intervention dated December 13, 2011 in the above-referenced matter.

'Olelo' objects to Oceanic's notice of intervention as "procedurally impermissible." It is not. As the DCCA is aware, Act 19, Session Laws of Hawaii 2011 ("Act 19") expressly provides for intervention: "No access organization shall be designated except upon written application or proposal to the director, and following a public hearing on each island within the local franchise area that provides opportunity for public input and allows interested parties to intervene." Act of April 27, 2011, Sess. L. Haw. 2011 (emphasis added). Consistent with this legislative mandate, the DCCA's Guidelines to Designate PEG Access Organizations Pursuant to Act 19 (SLH 2011) dated September 2, 2011 ("DCCA Public Access Guidelines"), further provides that "Upon a timely request, and at the discretion of DCCA, any interested person may be permitted to intervene in the public hearing, if that person has a substantial interest in the outcome of the designation of the applicant as a PEG access organization . . ." (emphasis added).

Given the foregoing express provisions regarding intervention, Oceanic's request to intervene in the public hearing in this matter is clearly procedurally permissible and proper.

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Moreover, as noted in Oceanic's notice, Oceanic has a substantial interest in the outcome of the designation of the applicant as a PEG access organization. Oceanic's interest in this proceeding is *sui generis*: Oceanic provides the funding for the Access Operating Fees and the annual capital contributions to 'Olelo as described in the DCCA Public Access Guidelines, and such payments are also required by Decision and Order No. 346 (January 14, 2010). Since 1989, Oceanic has provided a total of nearly \$100 million to 'Olelo in Access Operating Fees and annual capital contributions. Given that 'Olelo makes various representations regarding its operating and capital reserves, as well as the ownership of certain capital assets, unexpended capital and unrestricted funds, and scope of services -- all of which (among other factors) will affect the amount that Oceanic should be required to provide to 'Olelo Community Media pursuant to D&O 346 -- Oceanic has a substantial interest in (and will be substantially affected by) the outcome of this proceeding, and clearly no other party can adequately protect Oceanic's interests herein. Given the foregoing, 'Olelo's argument that Oceanic "has no greater rights or interests than any member of the public," is clearly inaccurate.

Finally, 'Olelo raises unsubstantiated concerns regarding a separate arbitration proceeding concerning the amount of capital funds that 'Olelo is seeking through 2014. 'Olelo apparently seeks to unfairly taint these proceedings and prejudice Oceanic's rights herein, as 'Olelo utterly fails to support its highly prejudicial, speculative and unsubstantiated allegations that Oceanic is seeking "unfair leverage," "additional tools" and an "unfair advantage" with respect to the separate arbitration. As Oceanic noted in its December 13, 2011 letter, Oceanic's reasons for seeking intervention are straightforward: Oceanic seeks intervention to protect its unique and substantial interests herein, and believes that permitting intervention will be conducive to effectuating the goals and purposes of Act 19 while ensuring that all relevant information is presented to the DCCA and the public. 'Olelo's efforts to prejudice Oceanic, taint these proceedings and foreclose legitimate areas of inquiry should be rejected.

Thank you for your attention to this matter.

Very truly yours,

WATANABE ING LLP



BRIAN A. KANG

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cc: Everett Kaneshige, Esq.
Mr. Donn Yabusaki
Lauren Wong, Esq.
Oceanic Time Warner Cable