



February 28, 2007

Mr. Clyde S. Sonobe  
Cable Television Administrator  
Department of Commerce and Consumer Affairs  
335 Merchant Street  
P. O. Box 541  
Honolulu, Hawaii 96809

Dear Mr. Sonobe:

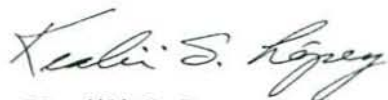
Enclosed are 'Olelo's Annual Activity Report and Executive Summary for calendar year 2006.

Both reports show a substantial growth in programming last year, and much of that is due to the many clients who spent countless hours in creating programs that reflect the diverse voices of our community.

Our ability to support these efforts and also provide the massive amounts of information needed for dialog about the Request for Proposals process is also a tribute to our clients as well as the dedicated 'Olelo staff.

If you have questions on the reports, please contact me.

Mahalo,

A handwritten signature in black ink that reads "Keali'i S. Lopez".

Keali'i S. Lopez  
President and CEO

Enclosures  
Annual Activity Report  
Executive Summary

**‘ŌLELO COMMUNITY TELEVISION  
2006 ANNUAL ACTIVITY REPORT**

**2006 HIGHLIGHTS**

Serving the community with more outreach and providing more diverse programming were continuing objectives for ‘Ōlelo during 2006. Additionally, because of the potential impact on clients of a proposed Request for Proposals (RFP) for PEG services, ‘Ōlelo spent a considerable amount of time responding to the Department of Commerce and Consumer Affairs (DCCA) requests for information, providing testimony to the State Procurement Policy Board and educating clients in the complex procurement issues surrounding the competitive process. As a result of this work, several hundred clients attended three public meetings of the State’s Procurement Policy Board (PPB) and a community meeting called by the DCCA. They provided written and oral testimony that overwhelmingly supported the DCCA’s request that the contracts be exempt from the competitive process.

With respect to programming, in 2006 ‘Ōlelo cablecast 51,600 hours of on-air programming (shown in Table 1), a 17.8 percent increase over 2005. That included programming of a sixth channel, FOCUS 49 that was awarded to ‘Ōlelo for a trial period that began on February 10, 2006. Additionally, FOCUS 49 was concurrently added to ‘Ōlelo’s 24-hour video streaming service that already included channels 52, 53 and 54. ‘Ōlelo continued to provide a fifth stream in high bandwidth format with a 24-hour view of the Honolulu traffic cameras.

The sixth channel was needed because programming on the existing access channels had grown substantially since the fifth access channel was awarded to ‘Ōlelo in January 1996. At that time ‘Ōlelo had a total of 2,855 hours of first-run programming. By 2003, first-run hours had grown to 4,260, a 49 percent increase. After the channel was awarded, programming increased further. The sixth channel has had a measurable positive impact on scheduling of access programming. FOCUS 49 helped alleviate the crowding of ‘Ōlelo’s prime time and legislative schedule, allowing for more timely scheduling of programs, as well as more assurance that programs will run in their assigned time slots.

Prior to the activation of FOCUS 49, producers of special programs two hours or more in length could wait as long as 127 days for airing of their program in prime time. The average wait was 36 days. By comparison, after FOCUS 49 became available, the longest wait was 32 days, and the average wait dropped to 12 days. ‘Ōlelo has applied to make the award of FOCUS 49 permanent.

## PUBLIC, EDUCATIONAL AND GOVERNMENT ACCESS PROGRAMMING HOURS

The strong growth described above is shown in the Public and Government statistics in the table below. More detail is shown in the tables in the accompanying Executive Summary.

**Table 1. Total Hours of Programming: First Run, Repeat and Submitted but Not Aired**

Sector	Total Hours of Programming		Total Hours of First Run Programming		Total Hours of Repeat Programming		Total Hours of Programming Submitted but Not Aired †	
	2005	2006	2005	2006	2005	2006	2005	2006
Public	16,423.87	18,776.87	3,166.12	3,662.00	13,257.75	15,114.87	N/A	N/A
Education	13,987.38	14,649.92	‡	‡	‡	‡	N/A	N/A
Government	6,273.28	6,963.92	1,317.32	1,251.10	4,955.97	5,712.82	N/A	N/A
Sub-Totals	36,684.53	40,390.71	4,483.44	4,913.10	18,213.72	20,827.69	N/A	N/A
Other Sectors §	7,115.47	11,209.29						
Total	43,800.00	51,600.00						

† All programs meeting submittal requirements are aired.

‡ UH and DOE programming hours are provided in the HENC reports.

§ This programming is not designated P, E or G, and includes Island Info, overnight satellite feeds and other non-PEG specific programs.

## OUTAGE SUMMARY

There were 15 outages in 2006. A dozen were the result of the loss of an Oceanic feed and three were caused by power interruptions. They ranged in duration from a matter of seconds or minutes to one caused by the earthquake on October 15, 2006 that knocked out all HECO power on Oahu, lasted for nine hours and affected all channels. Although `Ōlelo was able to sustain operations using its emergency generator, the station was shut down after two hours because there were no fiber feeds from State Civil Defense and Oahu Civil Defense. Another major interruption that affected all channels occurred on December 15 when fiber was accidentally cut by road crews working in the Mapunapuna area. Oceanic repaired it in about three hours. The other 11 fiber outages are summarized below.

- Channel 49 was interrupted six times. One was a loss of the connection from Honolulu Hale and another occurred because of a loss of feed from the State Capitol. The others resulted from a loss of feed from Mililani.
- Channel 54 was interrupted twice.
- Channel 56 was interrupted three times.

The other two HECO-related outages are listed below.

- Channel 55 was interrupted when a power surge damaged the time base corrector that serves that channel.
- Channels 49 and 56 were knocked off the air for a few minutes by a severe power surge. Channel 56 was back on shortly using UPS power.

## FACILITY USE

In 2006, the estimated value that clients received by using equipment and facilities at `Ōlelo's Community Media Centers was \$7,534,508. This was a three percent increase in value over 2005. It does not include the value of `Ōlelo's resources used by the State Legislature, City Council and City Administration.

The majority of the increase in combined facility and equipment use can be attributed to a rise in the use of mini-field cameras (116,285 hours), up 12 percent from 2005. Non linear edit usage (38,377 hours) increased by 18 percent, and both studio and production van usage were up (16 percent and 37 percent respectively).

There was also a predictable drop in linear edit equipment usage to 5,056 hours, an 18 percent decrease from 2005. This was accompanied by a correlating decrease in the use of larger field units to 8,557 hours, down 31 percent from 2005. This pattern reflects the community's growing preference for smaller more portable cameras and computer-based editing.

### VIDEO PRODUCTION TRAINING

In order to compare training accomplishments between 2005 and 2006, two factors need to be recognized. First, the method of training delivery changed. In 2006 `Ōlelo replaced much of its ala carte training with a new three-part package for production training that included Producer, Mini Camera and Final Cut Pro non-linear editing classes. At year's end, `Ōlelo was developing curricula for advanced classes, however advanced training was, and continues to be, offered to clients through one-on-one mentoring sessions. The other factor that should be considered when comparing training data between 2005 and 2006 is a one-time class that was taught in 2005. It was a project of the Palolo Community Media Center in which 100 Kaimuki High School students were trained on campus. This raised the training enrollment and certifications for 2005. When these factors are considered, training numbers for 2006 were on-target and responsive to the changing needs of the community. Comparisons are shown in the table below.

Class Name								
	2005	2006	2005	2006	2005	2006	2005	2006
Mini Camera	80	77	686	526	572	392	83%	75%
Final Cut Pro	66	50	436	517	323	363	74%	70%
Producer	62	67	484	476	364	281	75%	59%
Feather Pack	19	19	145	203	127	197	88%	97%
FFP/Van	1	1	15	6	15	6	100%	100%
	7	11	68	88	75	99	110%	113%
Total Instances	235	225	1,834	1816	1,476	1338	80%	74%

### VOLUNTEER ACTIVITY/EXECUTIVE PRODUCTIONS

Volunteers are an integral part of `Ōlelo's success, and over 600 clients volunteered a total of 35,837 hours in 2006. Although this number is impressive, it is understated because many of `Ōlelo's clients choose not to log their hours. In addition to volunteering on other people's productions, clients contributed to 78 executive productions. This was in an increase of 33 percent over 2005 levels. About 70 percent of the productions were done for community groups such as the Defend Oahu Coalition, Community Alliance on Prisons, Hawaii Association for the Blind, League of Women Voters and Salvation Army. Educational organizations that benefited from executive productions (about 17 percent) included the UH Law School, as well as Kaiser and Kaimuki High Schools. Government organizations, such as the Workforce Development Council, accounted for the rest. Executive productions give volunteers the opportunity to gain more production experience, while assisting non-profit and community organizations with event coverage.

### FACILITATED AND SPECIAL PRODUCTIONS

`Ōlelo provides production services to individuals, organizations and community groups that might not otherwise have a voice on the cable system. These services provide those who have a message, but do not have the technical skills or time to create a program. The following is a summary of services offered in 2006.

### **Capitol Commentary**

Capitol Commentary is an open-mic service on location at the State Capitol. It allows legislators and community members to share their views on proposed or recently enacted legislation. Capitol Commentary completed its eighth season at the Legislature in May 2006. From January to May, 137 speakers--including 62 legislators--participated. Nineteen programs, totaling 13.5 programming hours, were created. Youth Capitol Commentary, a project that allowed students from across O`ahu to videotape legislators, allowed approximately 50 students to interview legislators from their districts on Opening Day. Students represented eleven schools, including elementary, middle, high and charter schools and were mentored by 'Ölelo staff. Youth Capitol Commentary is a continuing effort to provide students with insight into the legislative process. All programs were aired on VIEWS, (channel 54) and also distributed to neighbor island PEG Access stations for airing throughout the session.

### **Giving Aloha**

In 2006, 'Ölelo continued its Giving Aloha service for non-profits. Giving Aloha is an 'Ölelo service that offers non-profit and community groups the opportunity to get their message out via 30-minute studio discussions, fully facilitated by 'Ölelo staff and volunteers. Non-profits used the service last year to create eight shows that were cablecast on OAHU (channel 52) and also distributed to PAX TV and COX Radio upon request to extend the message of O`ahu's non-profit agencies.

### **Hali`a Aloha Hawai`i (Oral History Training)**

Since its inception seven years ago, the Hali`a Aloha Hawai`i video oral history program continued to provide quality programs featuring Hawaii's senior citizens. In 2006, efforts focused on maximizing the program's use as a community building tool. As part of this, more staff were trained and the service became available at all of 'Ölelo's Community Media Centers. Much of this was the result of increased viewer calls requesting more oral history programming and copies of shows, as well as a heightened interest in oral history training classes. At least one staff member from each CMC worked on a video oral history project as part of the increased training. Six projects were in the post-production stage by the end of the year.

In 2005, the emphasis was on encouraging past participants to create new programs with less oversight by 'Ölelo staff. This successful approach was continued in 2006 with a work group that met regularly to work on projects.

The value of "Hali`a Aloha Hawai`i" was recognized this year with a Nā Lima Kōkua Ma Waēna o Makua (Helping Hands Across the Ages) Award from the Hawai`i Pacific Gerontological Society in the Communication & Arts category.

### **YOUTH XCHANGE**

Youth Xchange, 'Ölelo's annual statewide video production competition, celebrated its third year. In 2006, 315 entries were received, up 65 percent from the 205 received in 2005. Two additional categories were added; Environmental Justice and Renewable Energy, thanks to supportive sponsors. Approximately 300 students, teachers, administrators, officials, business executives and community leaders attended the awards banquet in March where the work of elementary, middle and high school students in seven categories was honored. Speakers such as Senator Daniel Inouye and actor Jason Scott Lee were present to encourage the crowd. Issues continued to focus around drug abuse, drinking and driving, the environment and health.

### **VOTE!2006**

Vote! is an 'Ölelo initiative that is held during election years that supports 'Ölelo's goal of increasing civic participation in the democratic process. In 2006, an advisory committee was formed that included representatives from each of the political parties (Democratic, Green, Libertarian, and Republican) as well as the Hawaii Institute of Public Affairs and The League of

Women Voters. The committee assisted in setting programming priorities and provided feedback on services. Voter Viewpoint, a series of panel discussions, covered the issues of: traffic, education, homelessness, business and labor, economic development, and drug policy. Candidates in Focus provided the opportunity for all registered candidates to tape a five-minute speech that was aired on 'Ōlelo's channels throughout the primary and general elections. This year 'Ōlelo served 141 candidates. Vote! 2006 programs dealing with statewide candidates and issues were also distributed to the Neighbor Islands. Candidates Debate gave those in smaller races the opportunity to publicly debate and air their views on the issues in their areas. Contests and issues for discussion were chosen in consultation with the Advisory Committee. In 2006, 25 debates were held, serving 76 speakers. Five debates on Hawaii Constitutional Amendments and one Honolulu City Charter Amendment were included. As a result of Vote!2006 production services, 17 candidates decided to expand their messages by using the services of 'Ōlelo's Mapunapuna MiniStudio.

**MINI STUDIO**

Olelo's popular mini studio was revamped, doubling its size and adding production enhancements, such as new robotic cameras and PowerPoint, to accommodate demand. The increased space comfortably holds more people, making it ideal for smaller series programs that once needed the main studio facilities. During the year, 79 individuals and organizations used the mini-studio, many of them to produce series programming. Program content included the Arts, Cultural and Ethic material, Government and Community issues and Inspirational programming.

**MARKETING AND ADVERTISING**

In 2006, marketing and graphics support were provided for Youth Xchange, Vote!2006 and client block programming. Print and television advertising campaigns for Vote! and block programming were purchased in the Fall of 2006.

**SUMMARY OF REVENUE FROM SOURCES OTHER THAN FRANCHISE FEES**

The following figures are unaudited. Audited financial information will be available in July 2006 following approval of the audit by 'Ōlelo's Board of Directors.

Description	Revenue Amount
Service Income	\$704.50
Training Fees	\$9,523.00
Tape Sales, Publications and Production Materials	\$24,721.00
Rent/Tenant Income	\$587,246.32
Interest Income	\$382,690.18
Miscellaneous Income	74,244.51
<b>Total Collected in Addition to Oceanic Franchise Fees</b>	<b>\$1,079,129.51</b>

**ʻŌLELO COMMUNITY TELEVISION  
2006 Annual Activity Report  
EXECUTIVE SUMMARY**

**Overview**

Calendar Year 2006 was another year of achievement for ʻŌlelo. As the programming charts show, first-run programming increased substantially because of a 15.7 percent increase in first-run Public programming. This validated the need for the sixth channel that was awarded to ʻŌlelo by the DCCA on February 10, 2006. Programming on that channel (FOCUS 49) in 2006 accounts for the increase in total hours of programming over 2005.

**Programming**

**Table 1. Total Hours of Programming: First Run, Repeat and Submitted but Not Aired**

Sector	Total Hours of Programming		Total Hours of First Run Programming		Total Hours of Repeat Programming		Total Hours of Programming Submitted but Not Aired †	
	2005	2006	2005	2006	2005	2006	2005	2006
Public	16,423.87	18,776.87	3,166.12	3,662.00	13,257.75	15,114.87	N/A	N/A
Education	13,987.38	14,649.92	‡	‡	‡	‡	N/A	N/A
Government	6,273.28	6,963.92	1,317.32	1,251.10	4,955.97	5,712.82	N/A	N/A
Sub-Totals	36,684.53	40,390.71	4,483.44	4,913.10	18,213.72	20,827.69	N/A	N/A
Other Sectors §	7,115.47	11,209.29						
Total	43,800.00	51,600.00						

† All programs meeting submittal requirements were aired.

‡ UH and DOE programming hours are provided in the HENC reports.

§ This programming is not designated P, E or G, and includes Island Info, overnight satellite feeds and other non-PEG specific programs..

**Table 2. Programming by Origin: Locally Produced, Non-Locally Produced and Bulletin Board**

Sector	Total Hours of Programming		Total Hours of Locally Produced Programming		Total Hours of Non-Locally Produced Programming		Total Hours of "Bulletin Board" Programming	
	2005	2006	2005	2006	2005	2006	2005	2006
Public	16,423.87	18,776.87	12,834.09	15,952.40	3,589.78	2,824.47	N/A	N/A
Education	13,987.38	14,649.92	†		†		N/A	N/A
Government	6,273.28	6,963.92	6,026.40	6,707.08	246.88	256.84	N/A	N/A
Sub-Totals	36,684.53	40,390.71	18,860.49	22,659.48	3,836.66	3,081.31		
Bulletin Board	676.92	2,197.90					676.92	*2197.9
Other Sectors §	6,438.55	9,011.39						
Total	43,800.00	51,600.00						

§ This programming is not designated P, E or G, and includes overnight satellite feeds and other non-PEG specific programs.

† UH and DOE programming hours are provided in the HENC reports.

\* Bulletin Board programming increased because an overnight satellite feed was moved by the provider part way through the year and ʻŌlelo replaced it with "Island Info."

**Table 3. Programming By Source: First Run Hours from P, E and G Sectors in the Categories of Dropped off for Play, PEG Trained and Certified Producers and Hours Created by ‘Ōlelo (Open Mic and Created by PEG)**

Sector	Total Hours of Programming "Dropped Off for Play" *		Total Hours of Programming Created by PEG Trained and Certified Producers		Total Hours of Programming Created by Open Mic †		Total Hours of Programming Created by PEG ‡	
	2005	2006	2005	2006	2005	2006	2005	2006
Public	1,587.75	1,767.87	1,578.37	1,894.10	N/A	N/A	N/A	N/A
Education §	§	§	§	§	N/A	§	N/A	N/A
Government	152.45	206.13	1,164.87	1,044.97	N/A	N/A	N/A	N/A
Totals	1,740.20	1,974.00	2,743.24	2,939.07	25.92	19.65	64.62	97.15

\* These hours include ‘Ōlelo trained and certified producers who don't use ‘Ōlelo facilities for some programs.

† These hours are not tracked using the P, E or G designations. Open Mic includes *O`ahu Speaks* and *Capitol Commentary*.

‡ These hours are not tracked using the P, E or G designations.

§ UH and DOE programming hours are provided in the HENC reports.

### Island Info (Bulletin Board)

Island Info is ‘Ōlelo’s bulletin board service that provides information about community events. The significant increase over last year’s numbers resulted when Island Info was used to replace an after-midnight satellite feed that was moved by its provider to a transponder that could not be picked up by ‘Ōlelo’s receivers. In 2006, a total of 3,538 notices were posted from 549 community organizations such as neighborhood boards. Those figures include 63 new groups.

### O`ahu Speaks (Open Mic)

O`ahu Speaks is ‘Ōlelo’s open mic program that provides anyone with a message seven minutes of air time to cablecast that message. Use dropped in 2006 because many former users elected to use ‘Ōlelo’s expanded mini studio services to create longer programs. These new mini studio programs were significant contributors to the 2006 programming increases.

### Training

In order to compare training accomplishments between 2005 and 2006, two factors need to be recognized. First, the method of training delivery changed. In 2006 ‘Ōlelo replaced much of its ala carte training with a new streamlined three-part package for production training that included Producer, Mini Camera and Final Cut Pro non-linear editing classes. At year’s end, ‘Ōlelo advanced training was--and continues to be--offered to clients through one-on-one mentoring sessions. The other factor that should be considered when comparing training data between 2005 and 2006 is a one-time 2005 project of the Palolo/Kaimuki Community Media Center in which 100 Kaimuki High School students were trained on campus. This raised the training enrollment and certifications for 2005. When these factors are considered, training numbers for 2006 were on-target and responsive to the changing needs of the community.



**Table 4. Video Production Training: All Locations**

Class Name	Number of Sessions		Total Number of Enrolled Students		Total Number of Students that Completed		Percentage of Students Completing Class	
	2005	2006	2005	2006	2005	2006	2005	2006
Mini Camera	80	77	686	526	572	392	83%	75%
Final Cut Pro	66	50	436	517	323	363	74%	70%
Producer	62	67	484	476	364	281	75%	59%
Feather Pack	19	19	145	203	127	197	88%	97%
EFP/Van	1	1	15	6	15	6	100%	100%
Studio	7	11	68	88	75	99	110%	113%
<b>Total Instances</b>	<b>235</b>	<b>225</b>	<b>1,834</b>	<b>1816</b>	<b>1,476</b>	<b>1338</b>	<b>80%</b>	<b>74%</b>

\*Students may complete or become certified in a different year than the year they take a class. For example, a student who trains in December of 2005 may become certified in 2006. This can, in some instances, create a certification rate of over 100 percent for a particular class type.

### Video Production Training Certifications

**Table 5. Number of Students Trained and Certified as Producers: All Locations**

Trained and Certified Producers		
230	364	281

### Summary of Compliments, Suggestions and Complaints

In 2006, a total of 354 comments were received via US Mail, email and telephone and in-person communication. This number is up substantially from the 132 comments received in 2005. Of the 354 comments, 338 were compliments (up 360 percent from the 94 in 2005), 4 were suggestions (down 43 percent from the 7 in 2005) and 12 were complaints (down 61 percent from the 31 in 2005). The specific areas of interest or concern are as follows:

Area			
Programming	326	4	8
Scheduling			1
Client Service / Staff	11		
Administration	1		3
<b>Total</b>	<b>338</b>	<b>4</b>	<b>12</b>

### Complaint Resolution

‘Ōlelo welcomes all comments and considers complaints opportunities to examine, change, and improve services, where appropriate. Complaint resolution varies depending on the issue. Complaints about procedures and processes, including administration, are handled by the appropriate staff member and are generally resolved on a departmental level. Complaints received from viewers about specific program content are recorded by staff and investigated. Staff will identify and review programs in question. If program content violations, such as prohibited content or technical gaps, are confirmed, staff works directly with the program's producer to resolve the issue.