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February 27, 2009

Mr. Lawrence M. Reifurth  
Director  
Dept. of Commerce and Consumer Affairs  
P.O. Box 541  
Honolulu, HI 96809

Dear Director Reifurth:

Enclosed are the documents that make up 'Ōlelo's 2008 Annual Report. They include the:

- Executive Summary for Calendar Year 2008.
- Annual Activity Report required by 'Ōlelo's contract with the DCCA.
- Year-End Activity Report that provides information about 'Ōlelo's other operational and administrative achievements during the year.

Together, these documents provide a broad overview of 2008 at 'Ōlelo. It was a year of great achievement. Once again, programming increased, clearly justifying the permanent award of our sixth channel, FOCUS 49 that was provided conditionally under Decision and Order 320 for the community's use on June 8, 2005.

During 2008, 'Ōlelo trained more people and continued its outreach efforts in more communities on Oahu. One of the highlights of the year was the trip by 'Ōlelo's student interns to the Alliance for Community Media's conference in Washington D.C. These young people received many compliments for the training that they provided to representatives of access centers from across the nation. Additionally, they interviewed each member of Hawaii's congressional delegation on matters of local and national interest.

However, these gains have not occurred without a cost. That is why it is essential that the cap on Access fees provided to 'Ōlelo be removed. Kindly take the time to review these documents. We are proud of what we have accomplished. If you have questions, please call me.

Sincerely

A handwritten signature in black ink, appearing to read 'Keali'i S. Lopez'.

Keali'i S. Lopez  
President and CEO  
Enclosures

Executive Summary  
Annual Activity Report  
Year End Activity Report

cc: Mr. Clyde Sonobe

**‘ŌLELO COMMUNITY TELEVISION  
2008 Annual Activity Report  
EXECUTIVE SUMMARY**

**OVERVIEW**

This Executive Summary is one of three reports that—taken together—chronicle ‘Ōlelo’s activities for 2008. The DCCA has required this report, in addition to the Annual Report, since 2004.

In 2008, ‘Ōlelo cablecast 52,704 hours of programming (shown in Table 1), this increase of 144 hours over 2007 occurred because 2008 was a leap year with an extra cablecast day for all six channels. Overall first-run programming from the Public Sector was up nearly 10 percent; however total first-run Government programming decreased by 25 percent, returning to 2006 programming levels. Most of that was due to reduced programming output by the Hawaii State Legislature. Anecdotally, this seems to be consistent with program levels during previous election years. Because ‘Ōlelo does not schedule the programs created by the DOE and the University of Hawaii, we cannot distinguish how much of that programming was first-run vs. repeat hours.

In order to address the decrease in programming from the Government sector, ‘Ōlelo began negotiations in 2008 for a Government Access Media Center to be located at the State Capitol. The center would make access resources more easily available to State Government officials and agencies. Those negotiations led to the opening of ‘Ōlelo’s “Studio@Capitol” in February 2009. The 2009 report will evaluate the impact of the center on creation of local Government programs distributed by ‘Ōlelo.

‘Ōlelo also expanded its service to the Public and Education sectors in October with the start-up of a seventh community media center (CMC) at Leilehua High School in Wahiawa.

**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 †	
	2007	2008	2007	2008	2007	2008	2007	2008
<b>Public</b>	18,726.12	<b>19,420.80</b>	4,076.45	<b>4,473.92</b>	14,649.67	<b>14,946.88</b>	N/A	N/A
<b>Education</b>	14,420.40	<b>14,753.63</b>	‡	‡	‡	‡	N/A	N/A
<b>Government</b>	7,961.65	<b>6,393.87</b>	1,562.23	<b>1,165.75</b>	6,399.42	<b>5,228.12</b>	N/A	N/A
<b>Sub-Totals</b>	41,108.17	<b>40,568.30</b>	5,638.68	<b>5,639.67</b>	21,049.09	<b>20,175.00</b>	N/A	N/A
<b>Other Sectors §</b>	11,451.83	<b>12,135.70</b>						
<b>Total</b>	52,560.00	<b>52,704.00</b>						

† All programs meeting standard administrative and technical 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	
	2007	2008	2007	2008	2007	2008	2007	2008
Public	18,726.12	19,420.80	15,889.17	16,035.50	2,836.95	3,385.30	N/A	N/A
Education	14,420.40	14,753.63					N/A	N/A
Government	7,961.65	6,393.87	7,795.12	6,393.87	166.53	0.00	N/A	N/A
Sub-Totals	41,108.17	40,568.30	23,684.29	22,429.37	3,003.48	3,385.30		
Bulletin Board	2,512.93	2,717.72					2,512.93	2,717.72
Other Sectors §	8,940.85	9,417.98						
Total	52,560.00	52,704.00						

§ 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.

Note: Non Local Government Programming in 2007 represents a program called "Armed Forces Network Pacific Command". This show stopped airing on 'Ōlelo in September of 2007 when Oceanic added the Pentagon Channel to their lineup which included this program.

**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 ‡	
	2007	2008	2007	2008	2007	2008	2007	2008
Public	2,048.03	1,968.45	2,028.42	2,505.47	N/A	N/A	N/A	N/A
Education §					§	§	N/A	N/A
Government	124.73	46.10	1,437.50	1,119.65	N/A	N/A	N/A	N/A
Totals	2,172.76	2,014.55	3,465.92	3,625.12	29.00	21.50	62.33	66.32

\* 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 (Bulletin Board) is 'Ōlelo's bulletin board service that provides information about community events. In 2008, a total of 2,013 notices were posted from individuals, community organizations and agencies such as Oahu Job Links and the Hawaii Office of the U.S. Census.

### **OAHU SPEAKS (OPEN MIC)**

O'ahu Speaks is one of 'Ōlelo's Open Mic services. It allows anyone from the community to come to the Mapunapuna CMC and videotape a message of up to seven minutes in length. This program runs weekly, so it is a convenient way to get brief messages on the channels with minimal turn-around time between taping and cablecast. In 2008 this service was used 38 times and resulted in 5 original hours of open mic programming (21.5 when Capitol Commentary is included).

### **TRAINING**

#### **VIDEO PRODUCTION TRAINING**

As Table 4 shows, more classes were taught and more people completed training in 2008 than in 2007. This included a 24 percent increase in the number of producers certified. During 2008 'Ōlelo awarded community members 1,497 certifications in various areas of video production. Noticeable trends in the training program continue to be a decreased demand for certification in Studio and EFP/Van ('Ōlelo's mobile production van with a multi-camera live switching unit). Studio and van productions require larger crews and are therefore more difficult for community members to coordinate. For example, only two percent of all enrolled students took the EFP/Van or Studio class. 'Ōlelo's mini studio service continued to grow in popularity and has replaced the need of some producers for the main studio. Certification rates have dramatically increased in most other production classes including Mini Camera, Final Cut Pro, Producer and Feather Pack. This increase is attributed to a revised curriculum implemented in 2008 and more follow-up with trainees so that certification requirements are met for each area. The current curriculum's development was reported in the 2007 Annual Activity Report.

**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	
	2007	2008	2007	2008	2007	2008	2007	2008
Mini Camera	73	72	521	604	305	461	59%	76%
Final Cut Pro	74	71	530	531	319	439	60%	83%
Producer	64	69	542	536	329	409	61%	76%
Feather Pack	10	23	123	191	106	161	86%	84%
EFP/Van	1	1	12	8	12	8	100%	100%
Studio	5	2	33	30	38	19	115%	63%
<b>Total Instances</b>	227	238	1,761	1,900	1,109	1,497	63%	79%

\*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.

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

2007	2008
329	409

### **SUMMARY OF COMPLIMENTS, SUGGESTIONS AND COMPLAINTS**

In 2008, a total of 250 comments were received by 'Ōlelo Community Television. These come primarily by telephone, and also come via U.S. Mail, email, and in-person communication. This number is down by 128 from the 378 comments received in 2007.

Of the 250 comments 140 (56%) were compliments; 49 (20%) were viewer requests for broadcast/programming information; 36 (14%) were requests for producer information; 17 (7%) were general comments; and 8 (3%) were complaints about programming.

### **COMPLAINT RESOLUTION**

All complaints are looked into as soon as possible during normal business hours and they are normally resolved within 10 business days of receipt. Complaints will range from viewers disagreeing with a program's content or message or being displeased that a program they previously viewed changed airtimes or was no longer available, or a program did not air as scheduled.

When 'Ōlelo receives calls about programs, staff explains how programs are produced and scheduled. Viewers who take issue with program content are offered the opportunity to create their own programming to present their viewpoints. Additionally, the name and contact of the program producer is provided so that the viewer can share his or her views directly with the producer. Staff also explains how programs are scheduled, letting callers know if and when the program in question will air again and how to contact the producer to obtain copies of a program, if desired.

'Ōlelo also receives requests for when a program will air or re-air. In addition 'Ōlelo receives requests for the name and contact for program producers.

# ‘ŌLELO COMMUNITY TELEVISION 2008 ANNUAL ACTIVITY REPORT

## OVERVIEW

- This report contains information required by ‘Ōlelo’s contract with the Department of Commerce and Consumer Affairs (DCCA) that is not part of the Executive Summary. This is one of three reports that collectively summarize ‘Ōlelo’s activities for 2008.
- The second report, the Executive Summary, contains information on programming, training, and complaint resolution. For ease of reading, the table on Total Hours of Programming is contained in both this report and the Executive Summary.
- The Year-End Activity Report is the third report. It provides added narrative information, particularly about those projects that relate to community building as well as projects that had an impact on ‘Ōlelo’s resources. For example, in 2008, ‘Ōlelo formalized an agreement with the Hawai‘i State Department of Education to open a new community media center (CMC) at Leilehua High School. Community building programs increased and a substantial amount of work was also done in response to bills and resolutions introduced in the Legislature.

## REPORTING ELEMENTS NOT INCLUDED IN THE EXECUTIVE SUMMARY

## PROGRAMMING HIGHLIGHTS

- First-run programming hours from the Public sector increased by 10 percent in 2008 over 2007 levels.
- First-run Government programming decreased by 25 percent in 2008 in comparison to 2007. The primary reason for this was the drop in programming created by the Legislature in 2008. However, government programming for 2008 was about equal to 2006 levels. Anecdotally, government programming tends to decrease during election years such as 2006 and 2008.

### 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 †	
	2007	2008	2007	2008	2007	2008	2007	2008
Public	18,726.12	19,420.80	4,076.45	4,473.92	14,649.67	14,946.88	N/A	N/A
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Other Sectors §	11,451.83	12,135.70						
Total	52,560.00	52,704.00						

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



## **OUTAGE SUMMARY**

'Ölelo's channels individually were off the air for a total of 33 hours in 2008. Of this, all channels were affected for over 22 hours. Outages on individual channels accounted for the rest of the down time. The great majority of the outages were due to a loss of electrical power. The island wide outage of December 26 accounted for 19 hours of the total. Two other major but localized electrical outages accounted for another 2 hours and 30 minutes during which all channels were out. Individual channel outages are shown in the table below.

Channel	49	52	53	54	55	56	All	Total
Total Hrs	3.9 hrs	3.5 hrs	.8 hrs	.7 hrs	.2 hrs	1.3 hrs	22.6 hrs	33 hrs

The balance of outages was attributable to problems with the cable system. This included 2 hours when the cable system in the Mapunapuna area was out. About 2 hours and 50 minutes were due to power problems at Oceanic's head end and 2 hours and 22 minutes occurred because there was no return signal from Oceanic to 'Ölelo. Most of these outages affected channel 49.

## **FACILITY AND EQUIPMENT USAGE**

'Ölelo's overall facility and equipment usage increased by twenty seven percent in 2008. Details are shown in the table below. The increase in equipment use is especially remarkable as falling camera and editing equipment prices allowed more people to purchase their own equipment instead of using 'Ölelo's gear.

Equipment usage reflected a growing preference (97 percent) for smaller cameras instead of the larger commercial types. There was also a substantial preference (almost 92 percent), for non-linear computer-based editing over the older linear process. The fully staffed mini studio also drew some clients away from the main studio that requires a volunteer production crew. The mini studio service does not require a crew because it uses remote-controlled cameras and is operated by a single 'Ölelo staff member. Although use of the main studio decreased, mini studio usage grew by 179 percent.

Equipment Type	2007 Total Hours Used	2008 Total Hours Used	% Difference	Hours Per Session	Estimated Value Per Session	2007 Total Estimated Value	2008 Total Estimated Value	% Difference
Studio	2,395	1,896	-21%	8	\$3,000	\$898,125	\$711,000	-21%
Feather Pack	7,653	8,708	14%	8	\$2,000	\$1,913,250	\$2,177,000	14%
Non-Linear Editing	35,030	43,411	24%	6	\$300	\$1,751,500	\$2,170,550	24%
Linear Editing	4,321	3,776	-13%	4	\$300	\$324,075	\$283,200	-13%
Field (PD 170)	124,752	172,715	38%	24	\$400	\$2,079,200	\$2,878,583	38%
Field (DSR390)	8,985	5,852	-35%	24	\$800	\$299,500	\$195,067	-35%
Mini Studio Service*	1,551	4,327	179%	2	\$600	\$465,300	\$1,298,100	179%
FFP Van	345	419	21%	8	\$4,000	\$172,500	\$209,500	21%
Consumer Cams	14,693	35,301	140%	24	\$200	\$122,442	\$294,175	140%
Total Estimated Value of Resources Used:						\$8,025,892.00	\$10,217,175.00	27%

## **OUTREACH AND MARKETING**

‘Ōlelo launched an awareness campaign in 2008 to better inform the public of the value of PEG access services and to offer the community the opportunity to speak and be heard. To reinforce that message and add further value, television buys were supported with a print/promotion program that included newspaper, magazine and bus card exposure. Both television and print communicated the importance of community access, using testimony of clients and others whose lives had been affected by ‘Ōlelo’s training and education programs.

- **Television:** Three thirty-second TV spots aired on Oceanic and ‘Ōlelo’s channels beginning on February 28, 2008, with an initial 1,000 spots on Oceanic and then approximately 100 spots a week to sustain the impact through September 1. ‘Ōlelo’s channels ran over 500 spots a week for the first three weeks, then reduced the number of spots to an average of 250 a week until June 30, and again increased the number of spots aired per week to over 500.
- **Newspaper and Transit Advertising:** Three ads focused on free speech and PEG access’ ability to enable the community to speak and be heard. Ads were scheduled on the outside back cover of The Honolulu Advertiser’s TV Guide every other Sunday from March 9 through June 15. Variants of these print ads were formatted as transit cards and run on over 500 busses for 60 days. Other newspaper ads focused on VOTE2008! (See VOTE! report).
- **Magazine:** ‘Ōlelo distributed a 2008 Community Report that focused on community access success stories and services. The report was inserted in the July issue of Hawaii Business Magazine, with a reach of nearly 20,000 local business leaders. The report was also mailed to local and national legislative representatives.

Additionally, a new website was launched on May 29, 2008 with an improved design, easier navigation, and expanded video features. The revamped site allows ‘Ōlelo to provide the community with a wide range of information from channel listings, to training information, to notices of DCCA public meetings.

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

A total of \$992,305 was collected in addition to franchise fees. Tenant rental income and reimbursements accounted for \$628,541 of that, and interest income was \$271,264. Youth Xchange donations accounted for \$31,500, and \$23,854 was derived primarily from sales of tape. Additional donations of \$22,000 were collected to offset travel expenses to the ACM Conference by Waianae students. Training fees accounted for \$9,422 and the rest was primarily miscellaneous income from different CMCs and programs.



## **‘ŌLELO COMMUNITY TELEVISION 2008 YEAR-END ACTIVITY REPORT**

### **OVERVIEW**

This 2008 Year-End Activity Report highlights challenges and accomplishments during the year. It provides added information about important operational and administrative achievements and community building efforts which add value to ‘Ōlelo’s services. This report complements data in the Annual Activity Report and the Executive Summary. Together, the three reports provide a comprehensive overview of ‘Ōlelo’s major efforts in 2008.

All required information has been provided within these reports, however additional information that might customarily have been provided in the past has been limited because of the pending Request for Proposals (RFP) that could require ‘Ōlelo to compete for the contract that it has had since 1990 to provide Public, Educational and Governmental (PEG) Access services on O‘ahu. While ‘Ōlelo has always been very open about its operations, the current environment requires that it take care not to provide information that might reduce its competitive position within the RFP process.

### **MAJOR 2008 OPERATIONAL ACHIEVEMENTS**

#### **PROGRAMMING**

‘Ōlelo continued to operate six cable channels on Oceanic’s system to provide PEG Access services on O‘ahu. However, programming exceeds ‘Ōlelo’s ability to accommodate programming. There were substantial increases in the programming created by clients and cablecast on those channels in 2008. These, as well as other operational matters, are covered in more detail in the Executive Summary and Annual Report.

#### **COMMUNITY MEDIA CENTERS**

The year began and ended with ‘Ōlelo operating six community media centers (CMC) that provided services to the public, education and government at different locations on O‘ahu. A seventh center at Leilehua High School was nearly complete and opened in early January 2009, with an eighth center opening in February. Details will be provided in next year’s annual report.

### **ONGOING COMMUNITY-BUILDING PROJECTS**

#### **CAPITOL COMMENTARY 2008**

Capitol Commentary completed its tenth season at the Legislature in May 2008. This on-location, open-mic service, was made available at the State Capitol throughout the 2008 legislative session. The on-going service gave legislators and community members the opportunity to share their views on proposed or recently enacted legislation. From January to May, 154 speakers—including 62 legislators (83%) participated. Twenty-two programs, totaling 16.5 programming hours, were created.

Youth Capitol Commentary, a successful offshoot of Capitol Commentary, completed its fifth year in 2008. This program trains students across O‘ahu to videotape legislators from their districts on Opening Day. In 2008, 64 students from 15 schools were mentored by ‘Ōlelo staff. Youth Capitol Commentary is a continuing effort to provide students with a sense of engagement and insight into the legislative process using video production. All programs were

aired on FOCUS 49, made available on 'ŌleloNet, 'Ōlelo's Video-on-demand service, and distributed to Neighbor Island PEG Access stations throughout the session.

### **GIVING ALOHA**

Giving Aloha is an 'Ōlelo service that offers non-profits the opportunity to get their message out via 30-minute studio discussions, fully facilitated by 'Ōlelo staff. Giving Aloha programs air on OAHU, channel 52, and are made available on 'ŌleloNet. In 2008, 11 non-profit organizations taped studio shows. Organizations using the service were: the American Cancer Society, Aloha Medical Mission, INPEACE, Aloha Harvest, the Domestic Violence Action Center, Keiki O Ka Aina, Easter Seals, Livable Hawaii Kai Hui, the Salvation Army, Hawaii International Child, and the Oahu Land Trust.

### **YOUTH XCHANGE**

A record 459 videos were submitted by K-12 students statewide during 'Ōlelo's fifth annual Youth Xchange student video competition. This represented a 50 percent increase over last year's 306 entries. In addition, the number of participating schools rose to 70—a new record. All entries aired on 'Ōlelo's channels and were available on 'ŌleloNet, 'Ōlelo's Video-on-demand service. Listings were distributed to schools and posted on 'Ōlelo's website.

In November of 2008, Sony featured Youth Xchange winners in their Sony Expo at the Ala Moana Hotel. A stage and booth area was provided. Seven schools participated and their students appeared on stage to talk about their winning videos.

### **VOTE!2008**

Vote!2008 is a multi-faceted 'Ōlelo initiative held during election years to further 'Ōlelo's goal of increasing civic participation in the democratic process. In 2008, an advisory committee was again formed that included representatives from the Hawaii Institute of Public Affairs and The League of Women Voters. New partnerships were developed with media organizations, such as Hawaii Public Radio and the Honolulu Advertiser, with the common goal of providing the public with unbiased information about issues, the candidates, and their platforms.

In 2008, *Voter Viewpoint* consisted of 10 programs that covered the Constitutional Convention's purpose and process as well as how a Constitutional Convention might affect different issues such as the Environment and Native Hawaiian Affairs and Education. Voter Viewpoint also dealt with the economy, the two-party system and the Board of Education.

*Debate 2008* focused on the Rail issue as well as candidate debates from the Downtown, Windward and Leeward regions. These were taped in the studios of Hawaii Public Radio.

*Candidates in Focus* (CIF) provided the opportunity for all candidates for O'ahu or Statewide offices to tape a five-minute presentation that was aired on 'Ōlelo's channels throughout the primary and general election periods. CIF served 74 candidates, a decline from 2006 that can be attributed in part to the record number of uncontested races.

All VOTE!2008 programs were available on the channels and on 'ŌleloNet. The Vote!2008 initiative continued its tradition of service to candidates and voters by delving deeply into many major issues. It served 80 different candidates and created 33 programs totaling more than 25 program hours.

The Vote!2008 advertising campaign included exposure in the main news section of the Sunday edition of the Honolulu Advertiser. The campaign began on August 31<sup>st</sup> and continued with weekly insertions through October 26<sup>th</sup>.

The objective for the campaign was to create broad community interest in Vote! programming on channel 49. Eight four-color ads were produced featuring a different topical and humorous headline, with copy that promoted both the following week's programming highlights and 'Ōlelo's website to enable readers to view Vote! programming on ŌleloNet.

## **VOLUNTEER ACTIVITY/EXECUTIVE PRODUCTIONS**

Video production requires a considerable amount of work, as well as great dedication and the assistance of many volunteers. In 2008, dedicated volunteers provided 51,743 hours (an increase of 22 percent over 2007) of their time creating programs that aired on 'Ōlelo's channels.

Executive Productions (EP) are particularly dependent on volunteers. Through the EP program, not-for-profit organizations and community groups are able to request coverage of events that they want cablecast on 'Ōlelo's channels. 'Ōlelo staff worked hard to match those requests with capable and available volunteers. The resulting programming extends the impact of these events to the broader community. In 2008 there were a total of 110 Executive Productions, an increase of 15 percent from 2007.

## **OTHER ADMINISTRATIVE EFFORTS**

### **LEGISLATIVE MEASURES OF INTEREST**

Three measures were introduced during 2008 in the State Legislature and another in the City Council that had the potential to affect PEG Access. 'Ōlelo provided testimony on each.

**SB1789:** This bill would have allowed the director of the DCCA to designate PEG Access organizations pursuant to rules adopted under HRS chapter 91. 'Ōlelo testified in support of this bill because it was consistent with 'Ōlelo's position that procurement of PEG services using a competed contract is neither practicable nor advantageous to the State.

**SB2614:** This measure would have authorized and funded Internet archiving of legislative proceedings. 'Ōlelo testified in support of this measure because it supported additional citizen involvement in the legislative process.

**HCR358:** HCR358 HD1 created a task force to examine methods other than the procurement code process to oversee PEG Access organizations expenditures and ensure proper checks and balances. Although 'Ōlelo initially advocated the adoption of SB1789 instead of this measure, it participated fully when the task force was established. An 'Ōlelo Board member, Mr. Roy Amemiya, served on the task force and 'Ōlelo CEO provided background information about PEG Access in Hawaii and throughout the nation. At year's end, the task force's recommendations were being readied for submission to the 2009 Legislature.

**Council Resolution 08-206, FD1:** This resolution, submitted by Honolulu City Councilmember Nestor Garcia, urged that franchise fees be specifically set aside to support government

programming such as the production of City Council meetings for distribution on the cable system. While 'Ōlelo supports expanding Government Access programming, it is concerned that the financial implications are untenable. Two neighbor island PEGs receive revenue from their county councils for these services. This measure, as written, would have very adverse consequences for them because it would reduce revenue while requiring the same levels of service. In 'Ōlelo's case, this requirement—coupled with the effects of the Access fee cap—would force 'Ōlelo to choose between drastically reducing or eliminating existing services or diverting funds from its reserves to support the added services. The latter option would quickly drain its reserves and only defer drastic cuts for a few years.

#### **WORK RELATED TO OCEANIC'S OAHU FRANCHISE RENEWAL REQUEST**

A substantial amount of staff effort was expended to provide input to the DCCA's questionnaires related to Oceanic's franchise renewal application. This included contacting clients and encouraging them to attend public meetings on the franchise renewal process that were conducted by MuniCom, the DCCA's consultants. This resulted in a large turnout of over 200 people at McKinley High School on July 15. In addition, 'Ōlelo hosted other educational sessions on the franchise process with the assistance of Sue Buske, a nationally recognized consultant on cable franchising, to explain the process. 'Ōlelo also submitted detailed comments and recommendations with respect to the renewal application.

#### **WORK RELATED TO THE REQUEST FOR PROPOSALS**

Although the RFP was put on hold, 'Ōlelo continued to invest a significant amount of time and staff resources in preparing for and undergoing an external review by Merina and Company of the thousands of items in its inventory. Although the review was paid for by the DCCA, the preparation, conduct of the inventory and reporting of results consumed substantial amounts of time within the Finance and Engineering Departments, as well as staff time at all CMCs. These efforts duplicate the inventory done each fall and required under 'Ōlelo's contract with the DCCA. Resources would have been better used in support of the community. Additionally, it is appropriate to note that 'Ōlelo has yet to receive a written response from the State Procurement Policy Board (PPB) on a petition related to the RFP and filed with the PPB in 2006. The matter was again brought to the Board's attention in December 2008.

#### **WORK RELATED TO LIFTING THE CAP**

During 2008, 'Ōlelo's CEO met with the Director of the DCCA to ask that the cap on access operating fees paid to 'Ōlelo be lifted. 'Ōlelo is the only recipient of franchise fees in Hawaii that is subject to such a cap. No other PEG Access provider, nor PBS Hawaii, nor the DCCA itself have had their fees capped. The result has been that, since the cap was imposed, 'Ōlelo's funding has fallen well behind operational requirements while, at the same time, cable revenues have increased dramatically. In fact, since the cap was instituted, 'Ōlelo has only been able to provide the level of services required by the community because of additional revenue that it generates and by using funds from its reserves.