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July 13, 2004

Mr. Juergen Denecke
Executive Director
Na Leo O Hawaii, Inc.
91 Mohouli Street
Hilo, Hawaii 96720

Ms. Kealii Lopez
President and CEO
Olelo – The Corporation for Community Television
1122 Mapunapuna Street
Honolulu, Hawaii 96819

Mr. Sean McLaughlin
General Manager
Akaku – Maui County
Community Television
333 Dairy Road, Suite 104-A
Kahului, Hawaii 96732

Mr. J. Robertson
Executive Director
Hoike – Kauai Community Television, Inc.
P.O. Box 1707
Lihue, Hawaii 96766

Dear Ms. Lopez and Messrs. Denecke, McLaughlin, and Robertson:

Re: Amendment to Paragraph 6, page 6 of the PEG Plan Regarding Issue #2: Governance – PEG Board Appointment Process 6

We recently received inquiries regarding the adoption of amended bylaws by the different PEG access entities to establish the process to elect a board member. Additionally, questions have arisen regarding the timing of the elections.

The Department of Commerce and Consumer Affairs ("DCCA") issued its "Plan for Public, Education, and Government ("PEG") Access" in January 2004 ("PEG Plan"). Pursuant to paragraph 6 on page 6 under "Issue #2: Governance – PEG Board Appointment Process," the PEG entities were required to amend their bylaws to establish an election process for one board position no later than June 30, 2004.

Because this is the first election of board members for the PEGs, unanticipated delays have occurred. For some of the PEG entities, election plans currently anticipate that elections will be completed in the third quarter of 2004. The Department believes

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that the PEGs have been making reasonable efforts to promptly implement the elections, and that accordingly, adjustments should be made to the PEG Plan to reflect the challenges that have been encountered. Based upon these considerations, the Department hereby amends paragraph 6 on page 6 of the PEG Plan to read as follows (new language is underscored; language to be deleted is stricken):

Currently, there are positions on each of the PEG entity boards which will need to be filled on June 30, 2004, and which are scheduled to be selected by the Director of DCCA. Under DCCA's plan, one ~~the first~~ of those positions on each board will be selected using this election process. The PEGs shall be required to amend their bylaws ~~subject to approval of DCCA~~ and to establish complete their election process prior to September 30, 2004 ~~that time~~.

Please note that the amended PEG Plan (1) allows the PEGs to proceed concurrently with the amendments to their by-laws and the election of a board member, and (2) eliminates the requirement that the bylaw amendments be approved by DCCA before the elections are conducted. This reflects the fact that the PEG access entities are responsible for determining the specific procedures needed to conduct their board elections in a fair, open, and impartial manner.

If you have any questions on the above, please do not hesitate to contact Mr. Clyde Sonobe, the Cable Television Administrator, at (808) 586-2620.

Very truly yours,



Mark E. Recktenwald
Director of Commerce and
Consumer Affairs

c: Department of the Attorney General