JAMES R. AIONA, JR.



RONALD BOYER
DEPUTY DIRECTOR

## STATE OF HAWAII CABLE TELEVISION DIVISION DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

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December 18, 2009

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

Dear Mr. Smith:

Re: <u>Letter Order – 6<sup>th</sup> Access Channel for the Oahu Cable Franchise</u>
Area

By Decision and Order ("**D&O**") No. 326 dated December 28, 2005, the Director of the Department of Commerce and Consumer Affairs ("**Department**") amended D&O No. 320 and directed Time Warner Entertainment Company, L.P. ("**TWE**") to designate and provide for activation an additional analog channel for public, educational, and governmental ("**PEG**") access purposes ("6<sup>th</sup> **Access Channel**") for a one-year period.

By subsequent letter orders,<sup>1</sup> the Department has directed TWE to continue the designation and activation of the 6<sup>th</sup> Access Channel until December 31, 2009.

On December 11, 2009, the State Procurement Office ("SPO") granted the Department a six-month extension of the procurement exemption for PEG access services contracts. The Department and Olelo Community Television ("Olelo") are in the process of executing Supplemental Agreement No. 17, that extends the existing contract between the parties to June 30, 2010.

The SPO granted the procurement exemption extension to ensure the continued provisions of PEG access services and to provide additional time to proceed with the Request for Proposals ("RFP") process and award of PEG access services contracts. It is projected that a RFP will be issued in due course, and in response to the RFP, bid proposals may reference the number of activated access channels that Offerors will need to provide PEG access services covered in the RFP, and may also include the use of digital channels as opposed to analog channels. Prior to making a final decision

Letter Orders dated January 9, 2007, July 27, 2007, December 5, 2007, June 30, 2008, December 31, 2008, and June 24, 2009.

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on the 6<sup>th</sup> Access Channel, the Department would like the opportunity to consider any relevant information on access channels that may be provided as part of the RFP process.

In addition, TWE submitted to the Department an Application for renewal of its Oahu franchise on July 21, 2009. The Department conducted a community needs ascertainment and financial and engineering reviews, and held a public hearing on the renewal Application. The Department is currently reviewing and considering the public input and discussing with TWE various components of the franchise which may affect the 6<sup>th</sup> Channel.

Accordingly, the Department <u>defers</u> its final decision on the 6<sup>th</sup> Channel at this time. The Department therefore directs TWE to continue the designation and activation of the 6<sup>th</sup> Access Channel for the Oahu cable franchise <u>until June 30, 2010</u>, unless otherwise ordered by the Director. Except as otherwise provided in this Letter Order, the remaining provisions of D&O No. 154 (including but not limited to section 5.2), as amended by D&O Nos. 156, 158, 243, 261, 320 and 326, shall continue to remain in full force and effect.

If you have any questions on the above, please contact Mr. Clyde Sonobe, the Cable Administrator, at (808) 586-2620. Thank you for your cooperation and assistance in this matter.

Very truly yours,

Lawrence M. Reifurth
Director of Commerce and
Consumer Affairs

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c: Kealii Lopez, Olelo Brian Kang, Esq. Clyde S. Sonobe, CATV