

January 27, 2012

### VIA HAND DELIVERY

Corianne W. Lau, Esq.
Alston Hunt Floyd & Ing
American Savings Bank Tower
1001 Bishop Street, Floor 18
Honolulu, Hawaii 96813

Re:

Application to Provide PEG Access Services on Oahu by 'Olelo Community Media; Intervenor Time Warner Entertainment Company, L.P. dba Oceanic Time Warner Cable's Request for Information and Production of Documents to 'Olelo Community Media

Dear Ms. Lau:

Our understanding is that your office represents 'Olelo Community Media (""Olelo") in connection with 'Olelo's application to provide PEG access services on Oahu. Pursuant to Act 19, Session Laws of Hawaii (2011), the Department of Commerce and Consumer Affairs ("DCCA") Guidelines to Designate PEG Access Organizations Pursuant to Act 19 (SLH 2011) dated September 2, 2011, and the DCCA's letter dated January 20, 2012 granting Time Warner Entertainment Company, L.P. dba Oceanic Time Warner Cable's ("Oceanic") request to intervene, please find enclosed Oceanic's Request for Information and Production of Documents to 'Olelo. Pursuant to the DCCA's January 20, 2012 letter, 'Olelo's responses to the requests for information and production of documents are due on February 3, 2012.

Thank you for your attention to this matter.

Very truly yours,

WATANABE ING LLF

BRIAN A. KANG

#### Enclosure

cc: Department of Commerce and Consumer Affairs

(Everett Kaneshige, Deputy Director) (Via hand delivery; w/ Encl.)

Oceanic Time Warner Cable (w/ Encl.)

## IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS STATE OF HAWAII

## APPLICATION TO PROVIDE PEG ACCESS SERVICES ON OAHU BY 'OLELO COMMUNITY MEDIA

# INTERVENOR TIME WARNER ENTERTAINMENT COMPANY, L.P., DBA OCEANIC TIME WARNER CABLE'S REQUEST FOR INFORMATION AND PRODUCTION OF DOCUMENTS TO 'OLELO COMMUNITY MEDIA

### **JANUARY 27, 2012**

COMES NOW Intervenor Time Warner Entertainment Company, L.P. dba

Oceanic Time Warner Cable ("Oceanic"), and pursuant to Act 19, Session Laws of Hawaii

(2011), the Department of Commerce and Consumer Affairs ("DCCA") Guidelines to Designate

PEG Access Organizations Pursuant to Act 19 (SLH 2011) dated September 2, 2011, and the

DCCA's letter dated January 20, 2012 granting Oceanic's request to intervene, hereby requests
that Applicant 'Olelo Community Media ("'Olelo") answer the following Requests for

Information separately and fully in writing and provide the documents requested herein by

February 3, 2012.

When answering and responding to these Requests for Information, 'Olelo is requested to furnish all information known to 'Olelo, and any other person acting on 'Olelo's behalf. If 'Olelo cannot answer or respond in full after exercising due diligence to secure the information, please answer or respond, to the extent possible, specifying the reason or reasons for 'Olelo's inability to answer or respond to the remainder.

If any information is withheld under any grounds, state the nature of the privilege or other basis claimed and provide sufficient information to permit a full determination of whether the claim is valid.

If 'Olelo objects to any portion or subpart of a request for information or objects to providing certain information requested, state 'Olelo's objection and answer any unobjectionable portion(s) or subpart(s) of the request for information and/or supply the unobjectionable information requested.

These requests are to be considered as continuing and 'Olelo must provide, by way of supplementary answers, such additional information as 'Olelo or any other person(s) acting on 'Olelo's behalf may hereafter obtain which will supplement or otherwise modify any responses.

### **Requests for Information**

- 1. 'Olelo's 1998 contract with the DCCA provided in part that "Along with its strategic plan, 'Olelo shall submit a long-range plan which shall include, at a minimum, measurable objectives and schedules whereby operations and maintenance, repair, and replacement of equipment and facilities would no longer be solely or largely dependent upon Access Fees and the Facilities and Equipment Fund." Please describe in detail the long-range plan for self-sufficiency that 'Olelo was required to develop pursuant to its contract with the DCCA.
- 2. The 2011 Performance Audit of 'Olelo Community Television dba 'Olelo Community Media dated December 19, 2011 ("2011 'Olelo Audit") states on Pages 26-27 that 'Olelo, as of November 4, 2011, was not in compliance with its agreement with the DCCA prohibiting the commingling of 'Olelo's operating funds and capital funds. 'Olelo represented to the DCCA on November 11, 2011 that it would separate all of the operating funds and capital funds into their respective accounts by "year end." Please state why 'Olelo, as of November 4, 2011, was not in compliance with its contract with the DCCA prohibiting the commingling of 'Olelo's operating funds and capital funds, and please state whether 'Olelo has completed the separation of its operating funds and capital funds into their respective accounts.
- 3. Please state the amount of cash or marketable securities or other liquid assets held by 'Olelo as of December 31 for each of the years 2005 to 2011.
- 4. Please state the amount of 'Olelo's operating reserve as of December 31 for each of the years 2005 to 2011.
- 5. Please state the amount of 'Olelo's capital reserve as of December 31 for each of the years 2005 to 2011.

- 6. Please state and describe in detail separately the source and amount of all money obtained by 'Olelo for each of the years 2005 to 2011 (other than from the State of Hawaii or Oceanic). Please break down by source the amount from any source in excess of \$10,000. Please describe whether moneys were in the form of gifts or fees or were obtained from other sources.
- 7. Please state the source and amount of money that 'Olelo expects to receive from sources other than the State of Hawaii and Oceanic for each of the years 2012 to 2017.
- 8. Please state whether 'Olelo uses all of the interest and investment income earned from its restricted facilities and equipment fund for PEG capital purposes. If 'Olelo does not use all of the interest and investment income from its restricted facilities and equipment fund for PEG capital purposes, please describe in detail the amount of interest and investment income earned from restricted funds and used for other purposes for each of the years 2005 to 2011, and 'Olelo's reason(s) for doing so.
- 9. Please state the amount of money that 'Olelo has spent for equipment to stream its programming on the Internet for each of the years from 2005 to 2011. Please break down these amounts for each year between moneys spent for capital items and moneys spent for expenses.
- 10. Please state the amount of money that 'Olelo plans to spend for equipment to stream its programming on the Internet for each of the years from 2012 to 2017.
- 11. Please state the amount of money that 'Olelo plans to spend in operating expenses to stream its programming on the Internet for each of the years from 2012 to 2017.
- 12. Please state the date that 'Olelo acquired its building and leasehold interest at 1122 Mapunapuna Street, the total cost to acquire the building and leasehold interest, and the source (and amounts) of all funds used to acquire the building and leasehold interest.
- 13. Please identify all tenants that 'Olelo currently leases space to in its building at 1122 Mapunapuna Street, Honolulu, Hawaii 96819. For each tenant that 'Olelo leases space to within its building, please identify the location that each tenant occupies, the square footage of the leased space, and the lease terms (including, but not limited to, the lease rate and term of the lease).
- 14. Please state the amount of rental income from each tenant that 'Olelo has received for each of the years 2005 to 2011.
- 15. Please state whether 'Olelo, from 2005 to the present, has used capital funds received from Oceanic through the State of Hawaii to improve areas of 'Olelo's building that provide any direct or indirect benefit to any tenants in 'Olelo's building. If 'Olelo responds in the affirmative, please state the amount and the percentage of capital funds that have been used for the direct or indirect benefit of 'Olelo's tenants from 2005 to the present, and separately list all such expenditures.

- 16. Please state whether 'Olelo, from 2012 to 2017, plans to use capital funds received from Oceanic through the State of Hawaii to improve any areas of 'Olelo's building that directly or indirectly benefit any tenants in 'Olelo's building. If 'Olelo responds in the affirmative, please state the amount and the percentage of capital funds that 'Olelo plans to use for the direct or indirect benefit of 'Olelo's tenants from 2012 to 2017, and separately list all such planned expenditures.
- On Page 46 of 'Olelo's Application, 'Olelo states that "Unlike capital assets obtained by 'Olelo after 1998, 'Olelo retains all rights and title to capital assets accumulated by 'Olelo prior to the 1998 renegotiated agreement, even upon termination or expiration of the new agreement." Please identify each and every such capital asset currently held by 'Olelo. Please state whether 'Olelo's believes it will continue to own its own building at 1122 Mapunapuna Street (and all improvements) if it is not awarded the DCCA Contract, and the detailed basis for that position.
- Please state whether 'Olelo will consent to waiving or releasing its claim of confidentiality regarding documents and testimony that 'Olelo has marked "confidential" that were produced and introduced in the proceeding entitled In the Matter of the Arbitration of 'Olelo Community Media, Petitioner vs. Time Warner Entertainment Company, L.P. dba Oceanic Time Warner Cable, Respondent, CTV-2011-1, In the Office of the Administrative Hearings Department of Commerce and Consumer Affairs, State of Hawaii (for the determination of 'Olelo's PEG capital funding needs from 2012-2014), so that DCCA and the public may consider this information in connection with 'Olelo's application. If 'Olelo refuses to waive or release its claim of confidentiality, please describe in detail the reason(s) for 'Olelo's refusal.
- 19. Please state the total amount of PEG capital funding that 'Olelo requested from Oceanic at the commencement of the 'Olelo Capital Funding Proceeding.
- 20. Please state the total amount of PEG capital funding that 'Olelo requested from Oceanic at the close of the evidence of the 'Olelo Capital Funding Proceeding.
- 21. Please state the amount for each of the years between 2005 to 2011 that 'Olelo has spent on advertising.
- 22. Please state the amount of money that 'Olelo has received from Hawaiian Telcom to date pursuant to Hawaiian Telcom's franchise agreement with the State of Hawaii.
- 23. Please state the amount of money that 'Olelo is projecting to receive from Hawaiian Telcom from 2012 to 2017 pursuant to Hawaiian Telcom's franchise agreement with the State of Hawaii.
- 24. Please state the hours of State government programming that 'Olelo itself produced (as a percentage of the total programming broadcast on 'Olelo's channels) for 2011.
- 25. Please state the hours of City and County of Honolulu government programming that 'Olelo itself produced (as a percentage of the total programming broadcast on 'Olelo's channels) for 2011.

- 26. Please state the hours of educational programming that 'Olelo itself produced (as a percentage of the total programming broadcast on 'Olelo) for 2011.
- 27. Please state the hours of public access programming that 'Olelo itself produced (as a percentage of the total programming broadcast on 'Olelo) for 2011.
- 28. Please state why 'Olelo's proposal for increased funding and expansion of government programming should be included in a new contract with the DCCA in light of the requirement in Oceanic's franchise to provide digital state-wide government channels for the State of Hawaii and City and County of Honolulu, and Oceanic's franchise provides that the government entities shall bear the cost for any facilities and equipment to implement such channels.
- 29. Please state why 'Olelo proposal to continue to be involved in educational programming and receive funding for educational programming should be included in a new contract with the DCCA in light of the fact that the University of Hawaii and the Department of Education already operate and program Channels 55 and 356, and transmit their programming directly to Oceanic's facilities for broadcasting.

### **Requests for Production of Documents**

- 1. All documents referred to in 'Olelo's responses to the requests for information or support 'Olelo's responses to the requests for information above.
- 2. All discovery produced by 'Olelo, evidence introduced by 'Olelo, and documents filed by 'Olelo in the proceeding entitled In the Matter of the Arbitration of 'Olelo Community Media, Petitioner vs. Time Warner Entertainment Company, L.P. dba Oceanic Time Warner Cable, Respondent, CTV-2011-1, In the Office of the Administrative Hearings Department of Commerce and Consumer Affairs, State of Hawaii, that 'Olelo has designated as "Confidential" in that proceeding.
- 3. All 'Olelo operating budgets (in the most detailed form kept by 'Olelo in its files and including, but not limited to, the "very detailed annual operating budgets" referred to on P. 23 of the 2011 'Olelo Audit) for each of the years 2005 to 2017.
- 4. All 'Olelo capital budgets (in the most detailed form kept by 'Olelo in its files) for each of the years 2005 to 2017.
- 5. All budget to actual results reports for each of the years 2005 to 2011, including, but not limited to, the "budget to actual results [reports] for fiscal years 2006 through 2010" referred to on P. 23 of the 2011 'Olelo Audit.
- 6. The October 2010 financial projection for operating (for fiscal years ending December 31, 2011 through 2015) and capital expenses (for fiscal years ending December 31, 2011 through 2018) referred to on P. 23 of the 2011 'Olelo Audit.
- 7. The "strategic plan" referred to on P. 23 of the 2011 'Olelo Audit.

- 8. All purchasing transaction registers or similar documents (in the most detailed form kept by 'Olelo in its files) describing all actual operating and capital expenditures made by 'Olelo for each of the years 2005 to the present.
- 9. All 'Olelo records (including, but not limited to surveys) describing or documenting viewership of 'Olelo's channels from 2005 to 2010.
- 10. All documents from 2005 to the present that relate or refer to any plans or efforts by 'Olelo to raise funds from sources other than Oceanic or the State of Hawaii.
- 11. All documents relating to referring to the long-range plan for self-sufficiency that was required to be developed by 'Olelo pursuant to its 1998 contract with the DCCA.

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