

STAND. COM. REP. NO. 2382

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 1789
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Tourism and Government Operations, to which was referred S.B. No. 1789 entitled:

"A BILL FOR AN ACT RELATING TO CABLE TELEVISION SYSTEMS,"

begs leave to report as follows:

The purpose of this measure is to allow the Director of Commerce and Consumer Affairs to designate an access organization to oversee the development, operation, supervision, management, production, or broadcasting of programs for any cable franchise operators; provided, among other things, that the designation decision is exempt from the requirements of chapter 103D, Hawaii Revised Statutes, the Hawaii Procurement Code.

This measure also requires the Director of Commerce and Consumer Affairs to seek the advice of the Cable Advisory Committee on any decision designating, modifying, or rescinding a designation of an access organization or the requirements therefor.

Your Committee received testimony in support of this measure from the Olelo Community Media Center at Wai'anae, Olelo Community Television, Communities in Schools-Hi, Na Koa Ikaika o Ka Lahui Hawaii, one State House Representative; and eighty-eight individuals. Testimony in opposition to this measure was received from the State Procurement Office; Animal Advocate, Inc.; and one individual. Comments were received from the Department of Accounting and General Services; Department of Commerce and



Consumer Affairs; Communities in School of Hawai'i Project; and five individuals.

The intent of this measure is to allow community television to develop and respond to the needs of the many diverse communities in the State. For example, testimony indicated that the people of the Wai'anae coast have benefited from Olelo's wisdom and efforts in making public education and government programs (PEG) more accessible by placing a media center in Waianae as well as in five other communities and with more planned. Olelo also provides a variety of community oriented and government proceedings programs.

Testimony indicated that the most substantial provision of this measure is the procurement exemption for the award of an access organization designation. Your Committee finds that while an open bid process promotes the public interest generally, in this instance of selecting a PEG organization, open competition would be detrimental to the public. Much of the quality of PEG depends upon the perception and sensitivity of the provider to the needs and wants of the community. The unquantifiable intangibles of social impact would be negated in an open competition bid process, resulting in rural districts being adversely affected.

Your Committee has amended this measure by:

- (1) Clarifying that the measure applies to an access organization to oversee public education and government channels;
- (2) Changing the effective date to July 1, 2050, to continue discussion; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1789, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.



Respectfully submitted on
behalf of the members of the
Committee on Tourism and
Government Operations,

Clarence K Nishihara
CLARENCE K. NISHIHARA, Chair



