

**Testimony on H.C.R. No. 358
Requesting the DCCA to Establish a Task Force to Solicit Public Input
and Examine Methods other than the Public Procurement Code Process
to Oversee PEG Access Organizations' Expenditures and Ensure
Proper Checks and Balances
House Committee on Economic Development and Business Concerns**

**Keali'i Lopez, President and CEO of 'Ōlelo Community Television
March 25, 2008**

Representative Yamashita, Representative Wakai, Members of the House Committee on **Economic Development and Business Concerns**. Aloha. I'm Keali'i Lopez, president and CEO of 'Ōlelo Community Television, and I am here to testify regarding House Concurrent Resolution No. 358.

We appreciate that the proposed Resolution seeks identification of an alternative to the Procurement Code for the selection of public, educational and governmental (PEG) access services organizations. 'Ōlelo agrees that because of the unique and complex nature of PEG access services, the Procurement Code procedures should not be applied.

However, a Department of Commerce and Consumer Affairs (DCCA) task force is not the answer. Instead, we believe that Senate Bill 1789 reflects an effective approach. SB1789, SD2 would exempt PEG access services contracts from application of the Procurement Code. It would have the DCCA designate the PEG access services organizations pursuant to standards that will be established through Chapter 91 rulemaking procedures, and with advice from the Cable Advisory Committee. This approach provides the checks and balances sought by the proposed Resolution. 'Ōlelo plans to testify before the House Finance Committee tomorrow in support of the Bill.



In addition, the Resolution may be based on a misunderstanding of the DCCA's authority and role with respect to the procurement process. Almost two years ago, the DCCA recognized that application of the Procurement Code to the PEG access services contracts is not practical or advantageous to the State and, on that basis, applied for an exemption for the contracts. However, the State Procurement Office (SPO) denied the exemption request and has, since that time, insisted on proceeding with the competitive procurement process for new PEG access services contracts.

It is the SPO, and not the DCCA, which insists on the application of the Procurement Code. Therefore, the conclusions of any task force established by the DCCA would not change the existing requirement of application of the Procurement Code and would not have any binding effect on the SPO – which, we assume, will continue to move the procurement process forward before the Resolution's anticipated report could be prepared.

For these reasons, 'Ōlelo respectfully opposes the proposed Resolution and requests that instead, the House support Senate Bill 1789.

That concludes my testimony. Thank you for your time and attention.

