
HOUSE CONCURRENT RESOLUTION

REQUESTING A FINANCIAL AND MANAGEMENT AUDIT OF HAWAII'S PUBLIC,
EDUCATIONAL, AND GOVERNMENTAL ACCESS ORGANIZATIONS.

1 WHEREAS, Title 47, Section 531 of the United States Code
2 authorizes local franchising authorities to require cable
3 operators to set aside channels for public, educational, or
4 governmental (PEG) use; and
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6 WHEREAS, section 440G-8.2(f), Hawaii Revised Statutes
7 (HRS), requires cable operators to designate at least three
8 channels for PEG use; and
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10 WHEREAS, the requirement of PEG access necessitated the
11 creation of PEG access organizations across the state to
12 administer these channels; and
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14 WHEREAS, when PEG access organizations were created, they
15 contracted with the State to:
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- 17 (1) Manage the PEG channels;
18
19 (2) Provide facilities and equipment for the production of
20 PEG programming;
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22 (3) Train governmental, educational, and community
23 organizations and the general public to use the
24 facilities and equipment;
25
26 (4) Market and promote the organization and the channels;
27 and
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29 (5) Provide support services to PEG users in exchange for
30 the access fees and equipment and facilities funds
31 paid by the cable companies in the respective
32 counties;



H.C.R. NO. 55

1 and

2
3 WHEREAS, PEG channels are therefore funded by a portion of
4 franchise fees paid by cable companies; and

5
6 WHEREAS, Hawaii's four PEG access organizations, Olelo
7 Community Television; Akaku: Maui Community Television; Ho'ike:
8 Kauai Community Television; and Na Leo o Hawaii, provide
9 equipment and infrastructure for PEG access in all four counties
10 pursuant to their contracts with the Department of Commerce and
11 Consumer Affairs; and

12
13 WHEREAS, millions of dollars have been spent by the PEG
14 access organizations' boards since their establishment; and

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16 WHEREAS, a financial and management audit would assure the
17 State and the public that these funds are being spent
18 appropriately; and

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20 WHEREAS, section 23-5(a), HRS, authorizes the state Auditor
21 to examine and inspect all accounts, books, records, files,
22 papers, and documents, and all financial affairs of every
23 covered department, office agency, and political subdivision;
24 and

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26 WHEREAS, under section 23-1, HRS, the State Auditor's
27 jurisdiction includes quasi-public institutions supported in
28 whole or in part by, or that handle, state or public funds; now,
29 therefore,

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31 BE IT RESOLVED by the House of Representatives of the
32 Twenty-fifth Legislature of the State of Hawaii, Regular Session
33 of 2010, the Senate concurring, that the Auditor is requested to
34 perform a financial and management audit of Hawaii's four PEG
35 access organizations; and

36
37 BE IT FURTHER RESOLVED that the Auditor submit its findings
38 and recommendations to the Legislature at least twenty days
39 prior to the convening of the 2011 Regular Session; and

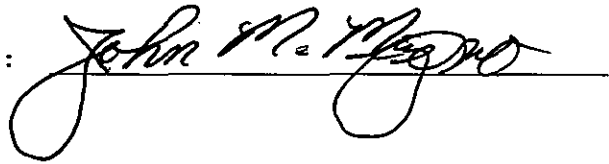


H.C.R. NO. 55

1 BE IT FURTHER RESOLVED that certified copies of this
2 Concurrent Resolution be transmitted to the Auditor; the
3 Director of Commerce and Consumer Affairs; and the executive
4 directors of Olelo Community Television, Akaku; Maui Community
5 Television, Ho'ike; Kauai Community Television, and Na Leo o
6 Hawaii.

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OFFERED BY:



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