

Honolulu, Hawaii

Feb 12, 2010

RE: H.B. No. 2902
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Legislative Management, to which was referred H.B. No. 2902, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EDUCATION GOVERNMENT TELEVISION,"

begs leave to report as follows:

The purpose of this bill is to statutorily specify the manner in which the State shall distribute revenues collected from cable operator franchise fees to support public, educational, or governmental (PEG) access facilities, services, or programming. Under this bill, the State would equally distribute these revenues to:

- (1) Accredited educational entities, institutions of higher education, and schools;
- (2) Governmental agencies; and
- (3) Public access organizations.

A Honolulu City Councilmember, the County of Hawaii Office of the County Clerk, six Kauai County Councilmembers, and several concerned individuals testified in support of this bill. A concerned individual supported this bill with amendments. The Department of Commerce and Consumer Affairs (DCCA), the State Representative from the 4th District, Akaku: Maui Community Television, Na Leo O Hawaii, All Believers Network, Hawaii

HB2902 HD2 HSCR LMG HMS 2010-1894



People's Fund, Community Alliance on Prisons, Hawaiian Islands Journal, The League of Women Voters of Hawaii, Amitabha Educational Center, Shaka Talk, Big Tree Productions, AfterDark CATV PRO, Hawaii Center for Independent Living, Olelo Community Media, Hawaii United Okinawa Association's Video Production Committee, and numerous individuals opposed this measure. A County of Maui Councilmember, the Association of Hawaiian Civic Clubs, TRH Ministries, and a concerned individual offered comments.

Currently, the Director of DCCA determines how franchise fees paid by cable operators to support PEG facilities and services are apportioned. However, your Committee finds that, especially during these difficult economic times, the amounts apportioned to support the broadcasting of governmental meetings and hearings are inadequate to meet the needs of the public. As a result, the Legislature as well as various county councils have found it necessary to set aside their own funding to contract for additional broadcasting of legislative events. For example, the Honolulu City Council annually budgets \$250,000 to broadcast its meetings, and the Legislature spends \$175,000 to broadcast its proceedings.

Your Committee supports efforts to enhance governmental agency and accredited educational entity programming by providing equal access to the hearing impaired and deaf community. At the same time, however, it is not your Committee's intent to reduce public access programming which provides a valuable service to the community.

Alternatives exist. Funding for improved broadcast and captioning of legislative proceedings may be available through better management of existing resources. For example, your Committee notes that Olelo Community Television maintains seven community media centers on Oahu. Such an extensive system incurs significant operating costs. Indeed, the Administrator of DCCA's Cable Television Division pointed out that while Olelo's desire to create community media centers is admirable, an organization cannot spend more than what it receives.

A second alternative is to identify new sources of funding.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting provisions that:



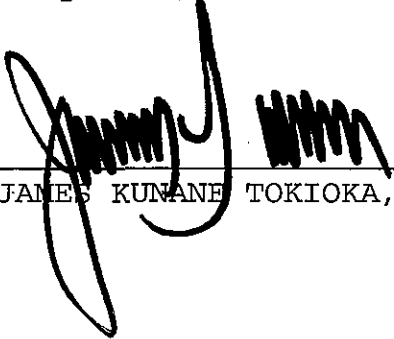
- (1) Direct the Auditor to review the basis and rationale of DCCA's current allocation of cable operator franchise fees to PEG access organizations, Hawaii Public Television Foundation, and DCCA's Cable Television Division;
- (2) Direct DCCA to contract for a financial review or audit of Olelo Community Television; and
- (3) Appropriate unspecified funds from DCCA's Compliance Resolution Fund for the financial review or audit.

The purpose of the Auditor's review is to:

- (1) Analyze the distribution of funds among the three entities; and
- (2) Determine whether DCCA should raise the cable operator franchise fee from 4.6 percent to five percent to provide additional funds for public access programming.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2902, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2902, H.D. 2, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Legislative
Management,



JAMES KUNANE TOKIOKA, Chair



