

STAND. COM. REP. NO. 316

Honolulu, Hawaii
Feb 16, 2011

RE: H.B. No. 550

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Legislative Management, to which was referred H.B. No. 550 entitled:

"A BILL FOR AN ACT RELATING TO TELEVISION,"

begs leave to report as follows:

The purpose of this bill is to enhance the efficient provision of public access programming which provides a valuable community service by:

- (1) Directing the Auditor to review the basis and rationale of the Department of Commerce and Consumer Affairs' (DCCA) current allocation of cable operator franchise fees to public, education, and government (PEG) access organizations, the Hawaii Public Television Foundation, and DCCA's Cable Television Division and submit a report to the Legislature;
- (2) Directing the Auditor to contract for a performance review or audit of Olelo Community Television; and
- (3) Appropriating unspecified funds from DCCA's Compliance Resolution Fund for the contracted performance review or audit.

DCCA testified in support of the intent of this bill. Olelo Community Media provided comments.

HB550 HSCR LMG HMS 2011-2189

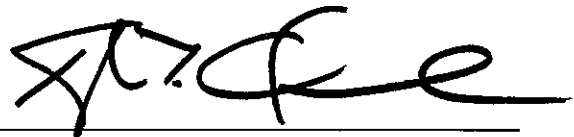


Public access programming provides a valuable service to the community. Although the Director of DCCA determines how franchise fees paid by cable operators to support PEG facilities and services are apportioned, questions have been raised as to whether the amounts apportioned to support the broadcasting of governmental meetings and hearings are inadequate to meet the needs of the public. An analysis of the allocation of cable operator franchise fees will help address this issue.

Your Committee notes that while PEGs, including Olelo, are required to file annual performance reports with DCCA, obtaining additional information regarding finances, performance, and whether the resources provided to Olelo are being used as effectively and efficiently as possible will be helpful. It is not the intent of your Committee to single-out Olelo in any way by requesting this audit. Furthermore, your Committee notes its request to the Auditor to provide the Committee with figures regarding the costs of expanding the audit to include all neighbor island PEGs as well.

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. 550 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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



KYLE T. YAMASHITA, Chair



