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LT. GOVERNOR

STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON  
CONSUMER PROTECTION AND COMMERCE

TWENTY-SEVENTH LEGISLATURE  
Regular Session of 2014

Date: Monday, March 10, 2014  
Time: 2:00 p.m.

TESTIMONY ON S.B. NO. 2048, S.D. 1 – RELATING TO CABLE TELEVISION  
SYSTEMS.

TO THE HONORABLE ANGUS L.K. MCKELVEY, CHAIR, AND MEMBERS OF THE  
COMMITTEE:

My name is Catherine Awakuni, and I am the Cable Television Administrator at the Department of Commerce and Consumer Affairs (the “**Department**”). I am testifying in support of S.B. No. 2048, S.D. 1.

Act 19, Session Laws of Hawai`i 2011, authorizes the Director of Commerce and Consumer Affairs to designate public, educational and governmental (“**PEG**”) access organizations without going through the public procurement process and requirements.

The Department supports S.B. No. 2048, S.D. 1 which amends Act 19 (codified as HRS § 440G-8.3) by deleting the sunset provision of the act, and removing the requirement that the Department conduct annual management and financial audits of designated PEG access organizations. The removal of the requirement that the Department conduct annual management and financial audits of the PEGs will provide the Department with flexibility to regulate the PEG access organizations. The Department intends to include as a requirement periodic management and financial reviews in the contracts with the designated PEG access organizations to ensure sufficient oversight and transparency.

Thank you for the opportunity to provide testimony on S.B. No. 2048, S.D. 1.

**COMMITTEE ON CONSUMER PROTECTION AND COMMERCE (CPC)**

*Representative Angus McKelvey, Chairman*

*Representative Derek Kawakami, Vice Chairman*

March 10, 2014

2:00 pm

Conference Room 325

**TESTIMONY IN SUPPORT OF SB2048 SD1**

My name is **Jay April**, I am a Maui resident and President and CEO of Akaku: Maui Community Television.

In September of 2013 Akakū: Maui County Community Television presented to the Department of Commerce and Consumer Affairs its Application for Designation as the PEG Access Organization for Maui County. We applaud the Governor and State Legislature for protecting PEG access by statute and this legislation before you, should it be passed into law, will help stabilize community anchor communications and provide accountability to consumers and to the state. It will also avoid another divisive, acrimonious and needlessly expensive procurement process such as the one that failed so miserably under the previous Administration.

Historically, Hawai'i is known for protecting and preserving its public lands, and for more than twenty years, the State has safeguarded public electronic spectrum on cable as well. This has resulted in the establishment of successful PEG Access Channels on cable systems in each county, where anyone can come and talk story.

Akakū, despite its tiny budget and geographical challenge of serving some of the most remote and rural areas on earth, has become a national leader in PEG innovation. We currently enjoy widespread support from virtually all sectors of our Maui Nui community including education and government. We have demonstrated leadership as a community anchor institution in bringing advanced mobile journalism and media literacy skills to our youth and have received widespread recognition for deploying new cellular bonding technology to transmit "live" video from remote locations for air on our channels. We can truly say with confidence that Akakū continues to be one of the best fully local independent community television organizations in the United States.

Today, these laudable programs, what is left of public media in general, and Hawai'i's local franchising authority itself, DCCA, are challenged by the immense legal and monopoly power of the incumbent cable and dominant wire line broadband provider, Oceanic Time Warner Cable. We are now at the crossroads of cable and broadband convergence, but due to gridlock in Washington, and the lobbying resources expended by the cable industry at the federal level, telecommunications reform is years away. DCCA has a unique opportunity right now to take decisive action to balance this incumbent cable monopoly influence with regulatory action in line with the founding principles of public access media in Hawai'i. Today's DCCA can make sure that there is significant public benefit for Maui Nui in exchange for Oceanic Time Warner Cable's use of our

public rights of way and make the Governor's Hawai'i Broadband Initiative a reality for others in the nation to emulate.

We see this PEG designation process as a first step toward a public media renaissance in which Akakū and Hawai'i's PEGs, with the guidance of DCCA, are recognized as true community anchor institutions that can integrate broadband literacy programs and new media technology into our curricula; promote mobile journalism training and access to media across all platforms and devices; support live and local citizen reporting from the cameras we all carry in our pockets and establish a Hawaii C-SPAN and a statewide PEG network. We envision nothing less than an ***Integrated Community Media Framework for 21st Century Hawai'i, serving all residents of Hawai'i, with full participation from neighbor islands including the most remote areas of Hana, Moloka'i and Lana'i.***

Akakū has included in our Application for Designation, a draft PEG Access Organization Agreement and important franchise renewal terms that impact the ability of the PEG Access Organization to serve the community, as well as terms that are essential for Maui County's future.

With your support, we are excited and upbeat about our future and look forward to working with Director Keali'i Lopez, the Department and our Cable Administrator, Catherine P. Awakuni in helping to keep our PEG stations on Maui and in Hawaii the very best for a very long time.

Mahalo Nui Loa and thank you for allowing you to make this testimony before you today.

Jay April  
President and CEO  
Akakū: Maui Community Television



March 10, 2014

The Honorable Representative Angus L.K. McKelvey  
Chair  
Committee on Consumer Protection and Commerce  
415 S. Beretania Street, Room 320  
Honolulu, HI 96813

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Roy K. Amemiya, Jr.  
President/CEO

Dear Chair McKelvey, Vice Chair Kawakami and Members of the CPC Committee;

**Subject: In support of SB 2048, SD1 Relating to Cable Television Systems**

My name is Roy Amemiya, CEO and President of 'Ōlelo Community Media, the PEG Access Provider for O`ahu. We support SB 2048, SD1 and urge you to advance the bill unamended. The bill has a proper effective date of June 29, 2014.

This bill is important because when Act 19 was passed in 2011, it contemplated that each of the four counties would complete the PEG designation process prior to the repeal date of June 30, 2014. To date, none of the designations have been completed and 'Ōlelo is unsure whether the designation process can be completed by that date. This bill eliminates the repeal date.

In earlier testimony on companion bill HB 2004, 'Ōlelo requested that the requirement that DCCA conduct annual management and financial audits be curtailed. These audits are costly to both the DCCA and the PEGs. SB 2048, SD1 would eliminate mandatory audits, but please note that DCCA would still retain the authority and discretion to have periodic audits conducted. Presently, 'Ōlelo has its financials audited each year by a reputable local CPA firm.

For the above reasons, we respectfully request that the Committee pass this measure out unamended. Thank you for the opportunity to address you today.

Roy K. Amemiya, Jr.  
CEO and President  
'Ōlelo Community Media

**COMMITTEE ON CONSUMER PROTECTION AND COMMERCE (CPC)**

*Representative Angus McKelvey, Chairman*  
*Representative Derek Kawakami, Vice Chairman*

March 10, 2014  
2:00 pm  
Conference Room 325

**TESTIMONY IN SUPPORT OF SB2048 SD1**

My name is Suki Halevi. I am a resident of Maui County and the Director of Development at Akakū: Maui Community Television, and I am submitting this testimony individually.

I strongly support SB2048. DCCA is the appropriate State agency to act as the local franchising authority, working with cable providers to obtain the best possible services for the communities of Hawai'i and designating experienced community-based non-profit organizations to act as the public, educational and governmental (PEG) access organizations for each county in the State.

State law requires DCCA to protect the public interest in the cable franchise process, which includes terms pertaining to the designated PEG access organizations, and DCCA is the appropriate agency to do this. Some years ago, there was a divisive attempt to destabilize this process by moving PEG designation from DCCA to the procurement office. I respectfully request that the legislature set this matter to rest by adopting SB 2048. As stated in the Committee Report, "[t]he State's efforts to safeguard the public electronic spectrum on cable has enabled the establishment of successful public, educational, and governmental access channels on cable systems in each county. This measure will permanently allow the Director to designate an access organization to oversee public, educational, and governmental channels and will also ensure that the Cable Advisory Committee continues to be able to advise the Director and access organizations on certain matters."

SB 2048 also amends Section 440G to eliminate the requirement that DCCA conduct annual management and financial audits of the designated PEG access organizations, in addition to providing annual independently audited financial statements. As the Committee found, this requirement should be repealed because it is a "duplicative expense for the Department and an unnecessary use of subscribers' fees."

For these reasons, I strongly support SB2048 SD1, with one change. In subsection (a) of the statute as amended, after the words, "The director may designate an access organization" please add the words "in each county".

Thank you for your consideration and for taking these steps to safeguard and advance the public interest in the PEG access organization designation process.

Respectfully submitted,  
Suki Halevi

**kawakami3-Benigno**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 08, 2014 2:08 PM  
**To:** CPCtestimony  
**Cc:** pohaimm@gmail.com  
**Subject:** \*Submitted testimony for SB2048 on Mar 10, 2014 14:00PM\*

**SB2048**

Submitted on: 3/8/2014

Testimony for CPC on Mar 10, 2014 14:00PM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
C.R.P. Montague-Mullins	Individual	Support	No

Comments:

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## kawakami3-Benigno

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 07, 2014 12:55 PM  
**To:** CPCtestimony  
**Cc:** mmmmahalo2000@aol.com  
**Subject:** Submitted testimony for SB2048 on Mar 10, 2014 14:00PM

### **SB2048**

Submitted on: 3/7/2014

Testimony for CPC on Mar 10, 2014 14:00PM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Mike Moran	Individual	Support	No

Comments: Please follow the good lead on out Senators & move this measure on in support of our community television. On Maui Akaku is out community voice, the voice of the people. I strongly support this measure. Mahalo Mike Moran Kihei

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**kawakami3-Benigno**

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**To:** CPCtestimony  
**Cc:** ddunham@naleo.tv  
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**SB2048**

Submitted on: 3/8/2014

Testimony for CPC on Mar 10, 2014 14:00PM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Donna Dunham	Individual	Support	No

Comments:

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**kawakami3-Benigno**

**LATE**

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**Sent:** Sunday, March 09, 2014 4:15 PM  
**To:** CPCtestimony  
**Cc:** blueflame3@rocketmail.com  
**Subject:** Submitted testimony for SB2048 on Mar 10, 2014 14:00PM

**SB2048**

Submitted on: 3/9/2014

Testimony for CPC on Mar 10, 2014 14:00PM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alberto Rojas	VALLEY ISLE SUNSET ROTARY, CHARTER MEMEBER	Support	No

Comments: I hereby support SD1 without any changes! & it should eliminate the management and financial audits, which are a continued hindrance to the day-to-day operation of supplying valuable access to MEDIA on MAUI!

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