

Honolulu, Hawaii

FEB 15 2013

RE: S.B. No. 1235
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1235 entitled:

"A BILL FOR AN ACT RELATING TO CABLE TELEVISION,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Department of Commerce and Consumer Affairs to allocate the revenues derived from cable franchise fees to specific entities by specified percentages.

Your Committee received testimony in support of this measure from 'Aha Pūnana Leo, Inc.; Ka Haka 'Ula Ke'elikōlani, Hawaiian Language College at the University of Hawai'i at Hilo; Makauila, Inc.; Ke Kula Niihau O Kekaha Learning Center PCS; Kamehameha Schools; World Indigenous Television Broadcasters Network; Māori Television; Aboriginal Peoples Television Network; Norwegian Broadcasting Corporation Sápmi; MG ALBA; and numerous individuals. Your Committee received testimony in opposition to this measure from the Cable Television Division of the Department of Commerce and Consumer Affairs; University of Hawai'i; Honolulu City Council; Maui County Council; Kaua'i Chamber of Commerce; 'Ōlelo Community Media; Hawai'i Association of Independent Schools; Hawaii Educational Networking Consortium; Ho'ike: Kauai Community Television; Viet-Nam Today Vision; Community Alliance on Prisons; Valley Isle Marine Center; Life of the Land; and numerous individuals. Your Committee received comments on this measure



from the Department of Education, Office of Hawaiian Affairs, and Akakū: Maui Community Television.

Your Committee finds that the cable franchise fee is intended to provide funding for the non-commercial production and broadcast of video by public, education institutions, and government agencies. This measure would allocate the revenues collected from the cable franchise fees to increase the production and distribution of Hawaiian language broadcast media.

Your Committee has heard the concerns that the mandatory distributions in this measure would severally reduce the State's ability to provide for and support the State's institutional network, the State's broadband objectives, and the ability of the Department of Commerce and Consumer Affairs to advocate and protect consumers' interests in state and federal proceedings. The mandatory distributions in this measure would also reduce funding for other public, education, and government access programs across the State.

Your Committee notes that the testimony received in opposition to this measure was not opposed to the increased production and distribution of Hawaiian language content on television. Rather, the concerns raised in opposition were in regard to the financial consequences for other public, education, and government access programs. Your Committee understands these concerns. Your Committee also wishes to emphasize the importance of the Hawaiian language revitalization movement. The continued production and distribution of high-quality multimedia content is necessary and important, but your Committee finds that additional guidance is needed to determine the most appropriate way to provide long-term sustainable funding for a cable channel dedicated to Hawaiian language and perspective. Therefore, amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Director of Commerce and Consumer Affairs to work with various interested stakeholders and assess the best method to ensure dedicated funding for the development of a Hawaiian television channel and consider the potential funding source to be included in the revenues derived from the cable television franchise fees collected pursuant to chapter 440G, Hawaii Revised Statutes;



- (2) Requiring the Director of Commerce and Consumer Affairs to report findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (3) Removing language that would have required the Department of Commerce and Consumer Affairs to allocate revenues derived from cable franchise fees to specific entities by specified percentages;
- (4) Inserting a blank appropriation amount to provide funding for a grant pursuant to chapter 42F, Hawaii Revised Statutes, to 'Oiwi TV for the production and distribution of Hawaiian language content on cable television;
- (5) Amending the purpose section for consistency;
- (6) Changing the effective date to July 1, 2013; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

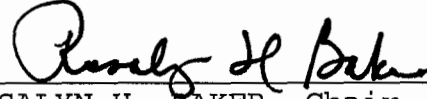
Your Committee notes that the appropriation to 'Oiwi TV is estimated to be between \$250,000 and \$500,000 out of the Cable Television Division of the Department of Commerce and Consumer Affairs.

Your Committee also notes that the Office of Hawaiian Affairs is an interested stakeholder for purposes of this amended measure. Your Committee therefore respectfully requests your Committee on Ways and Means to consider the possibility of the Office of Hawaiian Affairs providing matching funds to 'Oiwi TV for the production and distribution of Hawaiian language content on cable television.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1235, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,

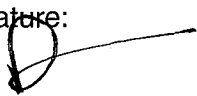


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1235	CPN, WAM	2/14/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
GALUTERIA, Brickwood (VC)	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
TANIGUCHI, Brian T.				✓
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	5			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes