April 3, 2012

Mr. Donn Yabusaki  
Cable Television Administrator  
Department of Commerce and Consumer Affairs  
P.O. Box 541  
Honolulu, Hawaii 96809

Dear Mr. Yabusaki:

The Hawaii Educational Networking Consortium wishes to submit the following statement regarding the ‘Olelo Community Media Application to Provide PEG Services on Oahu.

As you are aware, in December 1998 an agreement was forged between ‘Olelo: (then) Community Television, the University of Hawaii, the Hawaii State Department of Education and the Hawaii Association of Independent Schools to provide for channel oversight as well as regular planning and support of Educational Access (EA) services on Oahu. This agreement also assigned 25% of the Oahu PEG revenues to accredited education to be managed by the Hawaii Educational Networking Consortium (HENC).

HENC is a collaborative relationship established in December 1993 among the University of Hawaii, Hawaii State Department of Education, the East-West Center and the Hawaii Association of Independent Schools. Collectively these member entities have a combined user-base of over 370,000 students, adult learners, faculty, and staff within the State of Hawaii. These member entities currently provide more than 16,000 hours of Educational Access (EA) cable programming each year distributed on Oahu via Oceanic Channel 355 and 356 (QAM 46.55 and 46.56).

Over the course of the last 14 years ‘Olelo and accredited education have established a working rapport--after many years of having a less than pleasant relationship. Entering into this Oahu PEG selection process it was our hope that EA could maintain our current agreement and offer a good and positive relationship with whomever was selected as the Oahu PEG provider.

That being said, the biggest hurdle that we see foresee with the ‘Olelo application is stated on page 49. It says:

‘Olelo currently provides 25% of its PEG access operation funding directly to HENC for use in creating educational programming and other related purposes. ‘Olelo proposes’ this same 25% be earmarked for education, but that, subject to DCCA’s Agreement and in consultation with HENC, a portion of those funds be designated for use by ‘Olelo for education-related programs.
Educational Access recognized at the time of the 1998 agreement the important nature of ‘Olelo’s education of the speakers or "producers" as a key aspect of any PEG provider and an important factor to continued free speech. Acknowledging this, the current Oahu model suggests that EA continues to “anted up" annually by leaving eight percent of their seemingly rightful fees (Public = 1/3; Educational = 1/3; and, Governmental = 1/3) with ‘Olelo on Oahu for its use in educational matters (i.e. 33-25=8%).

The following table defines what Educational Access sees as its current annual contribution to ‘Olelo’s education efforts:

<table>
<thead>
<tr>
<th>Oahu PEG Provider</th>
<th>2012 Approx. Total Annual PEG Revenues</th>
<th>33% of Oahu PEG Revenue</th>
<th>25% of Oahu PEG Revenue to HENC</th>
<th>Educational Access Annual Contribution to ‘Olelo’s Education Efforts (8%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Olelo</td>
<td>$4,887,000</td>
<td>1,612,000</td>
<td>1,221,000</td>
<td>$391,000 *</td>
</tr>
</tbody>
</table>

* Using this example, a quick calculation of the total funds that Educational Access has left on the table towards ‘Olelo’s education efforts (during the entire period of the current agreement) would total more than $4,600,000.

This is not to say the EA’s contribution should constitute everything that should be expended on education. This approach only clarifies and defines EA’s annual contribution for education of Oahu citizens. We firmly believe that both P and G have a continued responsibility to educate their constituencies from ‘Olelo’s remaining $3,566,000+ of annual operating revenues for 2012.

Case in point, in its application ‘Olelo states that it works with educational partners and sites and among its named efforts is their Youth Capitol Commentary program. While HENC feels this is an excellent venture, it should seemingly fall under the Governmental services of PEG not Educational Access outreach. Accordingly, because ‘Olelo chooses to use schools facilities to train their Public constituencies it does not automatically make this an example of an Educational Access cost, expense or endeavor.

Finally, HENC believes that any funding scenario for any PEG service provider should decree that 25% of Oahu PEG proceeds should be directly funded to accredited education as stated in the current contractual practice. It is our hope that by continuing the current practice we can avoid opening any old wounds--just as they are beginning to heal.

Thank you for the opportunity to provide this input. If you have additional questions relating to these comments please contact me.

Sincerely,

Marlon J. Wedemeyer
Program Director
Hawaii Educational Networking Consortium