



NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR

STATE OF HAWAII
CABLE TELEVISION DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET
P.O. Box 541
HONOLULU, HAWAII 96809
(808) 586-2620
FAX (808) 586-2625

KEALI'I S. LOPEZ
DIRECTOR

DONN YABUSAKI
CABLE TELEVISION ADMINISTRATOR

June 12, 2012

Mr. Bob Barlow
President
Time Warner Entertainment Company, L.P.
200 Akamainui Street
Mililani, HI 96789-3999

Dear Mr. Barlow:

Pursuant to Letter Orders dated December 14, 2011 and December 28, 2011, the Department of Commerce and Consumer Affairs ("DCCA") directed Time Warner Entertainment Company, L.P. ("TWE") to pay fifty percent (50%) of the respective 2012 Access Operating Fees to the following public, educational, and governmental ("PEG") access organizations: Hoike: Kauai Community Television, Inc. ("Hoike"), Na Leo O Hawaii, Inc. ("Na Leo"), Olelo Community Television ("Olelo") and Akaku: Maui Community Television ("Akaku"). TWE was also to pay fifty percent (50%) of the respective 2012 capital fund payments to Hoike, Na Leo and Akaku.¹

TWE was also directed to deposit and maintain the balance of the 2012 Access Operating Fees and the balance of the 2012 capital fund payments for Hoike, Na Leo and Akaku in separate interest-bearing accounts in federally insured financial institutions pending further instruction from the Department. In addition, TWE was allowed to recover the reasonable costs of administering the bank accounts (including the tax impact of any interest earned) from the interest on the accounts. Any remaining interest earned on the bank accounts would then be prorated and disbursed among the PEG access organizations.

DCCA and each incumbent PEG access organization have agreed to an extension of their PEG access agreement for another six-month period from July 1, 2012 to December 31, 2012.

Accordingly, pursuant to Hawaii Revised Statutes section 440G-12; Sections 4.2(c), 12.8, and 12.9 of D&O No. 173, as amended;² Sections 4.2(c), 12.8, and 12.9 of D&O No. 174, as amended;³ Sections 4.2(b), 12.8, and 12.9 of D&O No. 185, as amended; Sections 4.2(c), 12.8, and 12.9 of D&O No. 241, as amended; and Sections 4.2(c), 11.8, and 11.9 of D&O No.

¹ The amount of TWE's capital fund payments to 'Olelo for 2012 is currently in arbitration, and DCCA will later direct TWE to make capital fund payments to 'Olelo once the arbitration proceeding is resolved.

² The franchise term for TWE's West Hawaii System was extended to September 5, 2012 by Letter Order dated May 29, 2012.

³ The franchise term for TWE's East Hawaii System was extended to September 5, 2012 by Letter Order dated May 29, 2012.

291, as amended; Section II.D of D&O No. 321; Sections II.A and II.B of D&O No. 335, Section II.C of D&O No. 345; and Sections IV.I and IV.J of D&O No. 346, DCCA hereby directs TWE to:

1. Pay the remaining fifty percent (50%) of the respective 2012 Access Operating Fees, subject to the provisions in this Letter Order, to Olelo, Na Leo, Hoike, and Akaku on or about July 1, 2012 and submit to the DCCA copies of all payment checks and calculation supporting documents.
2. By separate check, pay the remaining fifty percent (50%) of the respective 2012 capital fund payments, subject to the provisions in this Letter Order, to Na Leo, Hoike, and Akaku on or about July 1, 2012 and submit to the DCCA copies of all payment checks and calculation supporting documents. DCCA will later direct TWE to make capital fund payments to 'Olelo once the arbitration proceeding is resolved.
3. TWE shall maintain separate accounting records for the 2012 Access Operating Fees and capital fund payments attributable to each PEG access organization. Upon request from DCCA, TWE shall promptly provide DCCA with documentation of the bank accounts and accounting records regarding the 2012 Access Operating Fees and capital contributions.
4. TWE may recover reasonable costs of administering the bank accounts, including the tax impact of any interest earned, from the interest on the accounts.
5. Any interest earned on the bank accounts shall be prorated and disbursed at a later date. TWE shall maintain separate accounting records for any interest earned on the 2012 Access Operating Fees and for any interest earned on the capital contributions.

Thank you for your attention to and cooperation in this matter. Please call me if you have any questions. Thank you for your assistance and cooperation in this matter.

Sincerely,



DONN YABUSAKI
Cable Television Administrator

c: Keali'i Lopez, Director
Brian Kang, Esq.
Russell Saiki, TWE
J Robertson, Hoike
Roy Amemiya, Jr., Olelo
Donna Dunham, Na Leo
Jay April, Akaku
Marlon Wedemeyer (HENC)
Clyde Sakamoto, Chancellor (MENC)