



NEIL ABERCROMBIE
GOVERNOR

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LT. GOVERNOR

STATE OF HAWAII
CABLE TELEVISION DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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KEALI'I S. LOPEZ
DIRECTOR

DONN YABUSAKI
CABLE TELEVISION ADMINISTRATOR

December 14, 2011

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

Dear Mr. Barlow:

Re: Letter Order — Payment of 2012 Access Operating Fees and Capital Fund Payments to Hoike, Na Leo, and Akaku

In accordance with Decision and Order (“D&O”) Nos. 261 and 291, Time Warner Entertainment Company, L.P. (“TWE”) is required to pay an annual Access Operating Fee to public, educational, and governmental (“PEG”) access organizations that the Department of Commerce and Consumer Affairs (“DCCA”) contracted with to provide PEG access services to the public. There are currently three (3) PEG access organizations on the neighbor islands: Hoike - Kauai Community Television, Inc. (“Hoike”), Na Leo O Hawaii, Inc. (“Na Leo”), and Akaku: Maui Community Television (“Akaku”).

TWE is also required to make capital contributions to these PEG access organizations to acquire or purchase PEG access assets (i.e., facilities and equipment) pursuant to D&O No. 321 (Maui and Lahaina franchise areas), D&O No. 327 (Kauai County), and D&O No. 335 (County of Hawaii franchise areas).

DCCA and each neighbor island PEG access organization subsequently agreed to extend its respective PEG access agreement for another six-month period from January 1, 2012 to June 30, 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;¹ Sections 4.2(c), 12.8, and 12.9 of D&O No. 174, as

¹ The franchise term for TWE’s West Hawaii System was extended to March 1, 2012 by Letter Order dated December 14, 2011.

amended; Sections 4.2(b), 12.8, and 12.9 of D&O No. 185, as amended;² 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. 291, as amended; Section II.D of D&O No. 321; and Sections II.A and II.B of D&O No. 335, Section II.C of D&O No. 345, DCCA hereby directs TWE to:

1. Pay fifty percent (50%) of the respective 2012 Access Operating Fees, subject to the provisions in this Letter Order, to Na Leo, Hoike, and Akaku on or about January 31, 2012.
2. Maintain the remaining fifty (50%) balance of the 2012 Access Operating Fees in an interest bearing account in any federally insured financial institution authorized in the State of Hawaii.
3. By separate check, pay 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 January 31, 2012.
4. Maintain the remaining fifty (50%) balance of the 2012 capital fund payments in an interest bearing account in any federally insured financial institution authorized in the State of Hawaii.
5. TWE shall maintain separate accounting records for the 2012 Access Operating Fees and capital fund payments attributable to each neighbor island 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.
6. Upon further direction by the Director, TWE shall disperse the remaining amounts of 2012 Access Operating Fees and capital contributions in the bank accounts to the PEG access organizations or to the Director's designee.
7. TWE may recover reasonable costs of administering the bank accounts, including the tax impact of any interest earned, from the interest on the accounts.
8. 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.

² The franchise term for TWE's East Hawaii System was extended to March 1, 2012 by Letter Order dated December 14, 2011.

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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
Juergen Denecke, Na Leo
Donna Dunham, Na Leo
Jay April, Akaku
Marlon Wedemeyer (HENC)
Clyde Sakamoto, Chancellor (MENC)