



NEIL ABERCROMBIE  
GOVERNOR

SHAN S. TSUTSUI  
LT. GOVERNOR

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

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KEALI'I S. LOPEZ  
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DEPUTY DIRECTOR

VIA EMAIL & U.S. MAIL

January 8, 2014

Francis K. Mukai, Esq.  
Vice President & Associate General Counsel  
Hawaiian Telcom Services Company, Inc.  
P.O. Box 2200  
Honolulu, HI 96841

Dear Mr. Mukai:

Re: Letter Order -- Payment of 2014 Access Operating Fees and Capital Fund Payments to 'Ölelo

In accordance with Decision and Order ("D&O") No. 352, Hawaiian Telcom Services Company, Inc. ("HTSC") is required to pay an annual Access Operating Fee ("AOF") to a public, educational, and governmental ("PEG") access organization that the Department of Commerce and Consumer Affairs ("DCCA") contracts with to provide PEG access services to the public on Oahu. There is currently one (1) PEG access organization on Oahu: 'Ölelo Community Media ("Ölelo").

HTSC is also required to make capital contributions to 'Ölelo to acquire or purchase PEG access assets (i.e., facilities and equipment) pursuant to D&O No. 352.

DCCA and Ölelo have agreed to extend the PEG access agreement for another six-month period from December 31, 2013 to June 30, 2014.

Pursuant to Hawaii Revised Statutes section 440G-12 and Sections IV.I. and IV.J. of Decision and Order No. 352, DCCA hereby directs HTSC to:

1. At the end of each month, after a lag period of two (2) months, HTSC shall continue to pay 'Ölelo AOF based upon its Gross Revenues from its Cable Service collected during one (1) month (i.e., the March AOF payment is based upon the Gross Revenues HTSC collected for January 2014), pending further order of the Director.
2. By separate check, HTSC shall pay fifty percent (50%) of the respective

2014 capital fund payments, subject to the provisions in this Letter Order, to 'Ōlelo on or about January 31, 2014.

3. On or about January 31, 2014, HTSC shall submit to the Director copies of the 2014 Capital Fund Payments and any other supporting documentation. HTSC shall provide a sworn statement as to the accuracy and completeness of these reports.
4. HTSC shall maintain the remaining fifty percent (50%) balance of the 2014 capital fund payments in its non-interest bearing concentration account with federally insured financial institution authorized in the State of Hawaii.
5. For tracking purposes, HTSC shall maintain separate liability account records for the 2014 capital fund payments attributable to 'Ōlelo. Upon request from DCCA, HTSC shall promptly provide DCCA with documentation of the separate liability account records for the 2014 capital contributions.
6. Upon further direction by the Director, HTSC shall disburse the remaining amounts of 2014 capital contributions in its concentration account to 'Ōlelo or to the Director's designee.
7. HTSC may recover reasonable costs of administering the separate liability account records.
8. Upon payment of the remaining capital fund balance held in its concentration account, interest shall be prorated and imputed based on the prevailing interest rate paid on savings accounts by financial institution. HTSC shall maintain separate accounting records for any imputed interest on the 2014 capital contributions.

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

Sincerely,



KEALI'I S. LOPEZ  
Director  
Department of Commerce and  
Consumer Affairs

c: Catherine Awakuni, CATV  
Roy Amemiya, 'Ōlelo  
Marlon Wedemeyer (HENC)