



NEIL ABERCROMBIE
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STATE OF HAWAII
OFFICE OF THE DIRECTOR
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VIA EMAIL & U.S. MAIL

January 8, 2014

Mr. Bob Barlow
President
Oceanic Time Warner Cable LLC
200 Akamainui Street
Mililani, HI 96789-3999

Dear Mr. Barlow:

Re: Letter Order — Payment of 2014 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, Oceanic Time Warner Cable LLC (“**OTWC**”)¹ is required to pay an annual Access Operating Fee (“**AOF**”) 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 on the neighbor islands. 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**”).

OTWC 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).

¹ By Decision and Order No. 356, DCCA granted Time Warner Entertainment Company, L.P.'s (“**TWE**”) request to transfer its Hawaii cable franchises to Oceanic Time Warner Cable LLC as part of an internal reorganization of parent Time Warner Cable. OTWC agreed to comply with the terms and conditions of TWE's Hawaii cable franchises and applicable State and federal law.

DCCA and each neighbor island PEG access organization subsequently agreed to extend its respective PEG access agreement for another six-month period from December 31, 2013 to June 30, 2014.

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; Sections 4.2(b), 12.8, and 12.9 of D&O No. 185, as amended;³ 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 OTWC to:

1. Pay fifty percent (50%) of the respective 2014 AOF, subject to the provisions in this Letter Order, to Na Leo, Hoike, and Akaku on or about January 31, 2014.
2. Maintain the remaining fifty percent (50%) balance of the 2014 AOF 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 2014 capital fund payments, subject to the provisions in this Letter Order, to Na Leo, Hoike, and Akaku on or about January 31, 2014.
4. Maintain the remaining fifty percent (50%) balance of the 2014 capital fund payments in an interest bearing account in any federally insured financial institution authorized in the State of Hawaii.
5. On or about January 31, 2014, OTWC shall submit to the Director copies of the 2014 AOF and Capital Fund Payments to the neighbor island PEG Access Organizations and any other supporting documentation. OTWC shall provide a sworn statement as to the accuracy and completeness of these reports.
6. OTWC shall maintain separate accounting records for the 2014 AOF and capital fund payments attributable to each neighbor island PEG access organization. Upon request from DCCA, OTWC shall promptly provide DCCA with documentation of the bank accounts and accounting records regarding the 2014 AOF and capital contributions.

² The franchise term for OTWC's West Hawaii System was extended to February 19, 2014 by Letter Order dated November 18, 2013.

³ The franchise term for OTWC's East Hawaii System was extended to February 19, 2014 by Letter Order dated November 18, 2013.

7. Upon further direction by the Director, OTWC shall disperse the remaining amounts of 2014 AOF and capital contributions in the bank accounts to the PEG access organizations or to the Director's designee.
8. OTWC may recover reasonable costs of administering the bank accounts, including the tax impact of any interest earned, from the interest on the accounts.
9. Any interest earned on the bank accounts shall be prorated and disbursed at a later date. OTWC shall maintain separate accounting records for any interest earned on the 2014 AOF 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,



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

c: Catherine Awakuni, CATV
Brian Kang, Esq.
Kurt Izawa, OTWC
J Robertson, Hoike
Baron Sekiya, Na Leo
Jay April, Akaku
Marlon Wedemeyer (HENC)
Clyde Sakamoto, Chancellor (Maui College)