



NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR

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

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

VIA EMAIL & U.S. MAIL

December 21, 2012

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

Dear Mr. Mukai:

Re: Letter Order -- Payment of 2013 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: Olelo Community Media ("Olelo").

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

DCCA and Olelo have agreed to extend the PEG access agreement for another six-month period from January 1, 2013 to June 30, 2013.

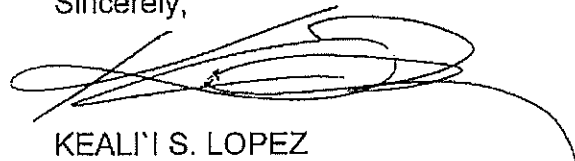
Pursuant to Hawaii Revised Statutes section 440G-12 and Sections IV.I. and IV.J. of Decision and Order No. 352, DCCA hereby directs HTSC to:

1. At the end of each month, after a lag period of two (2) months, HTSC shall continue to pay Olelo 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 2013), pending further order of the Director.
2. By separate check, HTSC shall pay fifty percent (50%) of the respective

- 2013 capital fund payments, subject to the provisions in this Letter Order, to Olelo on or about January 31, 2013.
3. On or about January 31, 2013, HTSC shall submit to the Director copies of the 2013 Capital Fund Payments and any other supporting information requested by the Director. HTSC shall provide a sworn statement as to the accuracy and completeness of these reports.
 4. HTSC shall maintain the remaining fifty (50%) balance of the 2013 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 2013 capital fund payments attributable to Olelo. Upon request from DCCA, HTSC shall promptly provide DCCA with documentation of the separate liability account records for the 2013 capital contributions.
 6. Upon further direction by the Director, HTSC shall disburse the remaining amounts of 2013 capital contributions in its concentration account to Olelo 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 2013 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: Donn Yabusaki, CATV
Roy Amemiya, 'Olelo
Marlon Wedemeyer (HENC)