

## ORAL TESTIMONY

I \_\_\_\_\_ am speaking on behalf of the Hana Broadband Committee, a sub-committee of the Hana Business Council, of Hana, Maui. In addition to my statement the Hana Broadband Committee is submitting to the Department of Commerce and Consumer Affairs (DCCA) a much larger in depth document. Copies can be provided for any interested party.

The Hana Broadband Committee in principal opposes the transfer of Oceanic Time Warner Cable's franchise to Comcast Corporation on the grounds that competition is the cornerstone of free enterprise capitalism and combining the largest, of the top four cable-companies, is counter to that ideal. However we also recognize that Oceanic currently has no cable-company competitors in Hawaii and therefore, regardless of the outcome, it is imperative that the DCCA insist that Oceanic, a monopolist, be held to a strongly written agreement that protects the consumer and provides for better and equal service.

We understand that the management of Oceanic seeks to create profit for their investors and that the DCCA is charged with regulating cable operators in order to best serve the public good, to protect consumers, and to ensure that local needs and interests are met. From this perspective, the Hana Business Council wishes to support and inform the DCCA in their efforts to ensure that residents and businesses of East Maui are well served.

In 2001 a hybrid fiber-coaxial distribution plant was built. The existing last mile coaxial cable was not replaced at that time, and many of those date back to the late 1970's. In 2002 internet became available using "Wave" internet service. While this was an improvement, the system was not well maintained. The older cables were not being upgraded, and the microwave dish facility was beginning to suffer corrosion from exposure to the salt air. During the last months of 2011, Hana's private and business consumers suffered through a series of TV and broadband outages that lasted for several days, caused much frustration and lost revenue to struggling businesses. The microwave dish was by now in total disrepair and outages were becoming frequent and long. Hana Business Council was told that Oceanic was doing the best they can, but current microwave dish technology did not allow for improvement in service. By this time the "Hana Youth Center" was dropped from the Office of Hawaiian Affairs on line Hawaiian culture educational program because they could not meet the connectivity requirements.

After much complaining, efforts to upgrade the system began. New equipment and a larger broadband dish was installed at the airport. In February 2013, the old "Wave" broadband was switched over to "Time Warner Cable Internet" and replacement modems were distributed. Again there were several outages but capacity and dependability, eventually improved. Much of the old last mile cable has not been serviced and the system is still inadequate and inferior compared to the rest of the island. The broadband needs of Hana School were not being met and in May of 2013 service was so deficient that the fiber INET link for the school and library was switched over to the University of Hawaii microwave dish.

During the previous franchise period Hana subscribers paid a higher rate than other communities while receiving service which was far less reliable. Customer service was limited to one day a week which is intolerable for both customers and businesses. Internet subscribers in Hana still complain that they cannot reliably stream HD movies, nor make quality video calls and internet and video service is frequently lost altogether. Television subscribers, as well, complain about the quality of their service. Customers often lose HD picture quality and many Smart TV features are not usable with the current Oceanic cable service. Our committee took a survey in March of this year and found many customers dissatisfied with both past and current TV and Internet customer service.

## ISSUES:

From our investigations we have found serious technical issues that need to be addressed, and with respect are formally requesting an independent audit be conducted to review both the technical and management practices of Oceanic. This would allow for a complete record of the cable system serving East Maui with particular focus on the technical specifications for TV and broadband customer service that is actually provided to the residents of East Maui. We feel that if Oceanic's franchise is transferred to Comcast, that all parties should have knowledge as to the condition of the physical and technical assets being transferred.

## NON-COMPLIANCE:

If Oceanic's franchise is to be transferred to Comcast assurances that issues of non-compliance to the franchise agreement be addressed and rectified.

1. I-Net Connections - The fiber end to end for community anchors including dedicated INET links to County, State and community-based organizations that support public safety, public health, public education, public media, public works, economic development and civic engagement in East Maui are out of compliance. Currently Hana School has to rely on the University of Hawaii microwave link for quality connectivity and reliability.
2. Technical Performance of Cable TV System – Per our technical system analysis, as submitted, outages and signal loss are out of compliance.
3. Customer Service Requirements (FCC Customer Service Standards) - Terms & Conditions #241, Section 9.4, are not being met. Customer service is available only one day a week on Wednesday, and at times repairs are not completed and are passed to the following week. Per “Decision & Order #241, Section IV”, an exception was made for Molokai and Lanai. No such exception was made for Hana, therefore Hana should have the same service as Central Maui which is to comply with the “FCC Customer Service Standards”.
4. Service Rates - Terms & Conditions #241, Section 9.4, are not being met. FCC “Customer Service Standards” states that “prices and options of programming services and conditions of subscription to programming and other services” must be provided at installation of service and annually to all subscribers. As bundled with television or purchased separately Oceanic billed Hana customers for their “Standard Internet Plan”. This plan was advertised at up to 15Mbps download, yet the company, by its own admission, had capped the download speed at 10Mbps. The customers were never informed that they were being charged for a plan that wasn't being provided. The “National Broadband Map” lists Hana, as advertised by Oceanic, at between 10-25 Mbps download and 768kbps-1.5Mbps upload. The FCC would conclude from this that Hana is being well served. This false advertising violates consumer protections for east Maui residents and for other communities relegated to second class service.

## RECOMMENDED REQUIREMENTS FOR TRANSFER:

With particular reference to the Hana District and broader East Maui, we make the following submission of requirements before the transfer of Oceanic's franchise to Comcast is accepted by the DCCA.

Because our private and business community is dependent on fast and reliable television and internet access, we feel strongly the DCCA require, as conditions of a franchise transfer, that Hana residents, businesses and community anchor institutions be provided with equivalent quality, speed, functionality, and price of service for unrestricted (ie. open & unmetered) internet access as is available in the City of Honolulu. Also that FCC technical and customer service standards, as intended, be implemented and enforced, and where service is available or to be made available, that these services be extended to all of East Maui.