

osmoe@hawaiiantel.net 07/15/2014 10:39 AM To cabletv@dcca.hawaii.gov, cc bcc Subject OTWC transfer to Comcast

# Testimony regarding the tranfer of Oceanic TWC to Comcast

There is a big jump from Basic Service with 17 channels at \$16.04/month to Standard Service with 64 channels at \$64.74/month. Not everyone wants 64 channels but they might want more than 17 so a plan that offers 30 channels for \$30 might be more affordable to some people. Also, A low cost plan were people can pick the channels they want to receive would also be beneficial to those on a fixed income.

In regards to Internet pricing it seems to me that if the company has invested in equipment to provide 100Mbps speeds then they should price it so the greatest number of people will sign up for it. Instead it has a 8 tier pricing structure from 2Mbps to 100Mbps going for \$14.99 to \$107.99. This doesn't seem to be inline with the Governor's stated goal of having everyone connected to the potentialities offered by 100Mbps Internet access.

Thank you for the opportunity to provide testimony on this matter.

Sincerely,

Owen S. Moe

PO Box 656

Kekaha, HI 96752

July 15, 2014



Testimony

Cable Television Division Department of Commerce and Consumer Affairs P.O. Box 541 Honolulu, HI 9680

July 21, 2014

RE:

CABLE DIVISION COMMERCE AND CONSUMER AFFAIRS

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Oceanic Time Warner Cable LLC's Hawaii franchise area on the Federal Communications Commission Form 394 and State of Hawaii Application for Transfer of Cable Television Franchise by Time Warner Cable and Comcast Corporation for the <u>transfer of</u> control of Oceanic Time Warner Cable's Hawaii cable franchises, at the parent level, from Time Warner Communication to Comcast Corporation.

The Kauai Chamber of Commerce is in support of the transfer of the application.

On behalf of the Chamber, as President/CEO and, J Robertson, Chair-Elect, Board of Directors, and, Chair, Public Relations & Promotions Committee, we met with representatives of the companies to discuss the application regarding the impacts of the transfer of the application from Time Warner Communications to Comcast Corporation. During the course of the meeting, it was clear to us that both companies would work collaboratively in the best interest of our Kauai consumers and State of Hawaii in order to provide services that will ultimately benefit not only the public, but, also the business community. This is equally important as our island economy continues to strengthen in economic and workforce development due to the gradual business expansion of the economy, post-recession.

While there clearly will be issues both anticipated and unanticipated regarding any new business, whether brand new, merger, etc., we are confident that the public and private sectors will be best served given the success of Oceanic Time Warner Cable's history on Kauai and, in the state. This is especially true regarding the rural communities served on-island and, the added and improved cost-effective services that we have benefitted from as a result of the innovations of Oceanic Time Warner Cable LLC's Hawaii franchise in this very isolated, technologically oriented and, highly competitive business environment.

Please do not hesitate to contact me should you need additional information and assistance. Aloha.

Sincerely yours,

under

Randall Francisco U Kauai Chamber of Commerce

P.O. Box 1969, Lihu'e, HI 96766 • Ph: (808) 245-7363 • Fax: (808) 245-8815 email: info@kauaichamber.org • www.kauaichamber.org



"Scott Giarman" <sng@kauaiunitedway.org> 07/07/2014 03:06 PM

To <cabletv@dcca.hawaii.gov>, cc

bcc

Subject in support of Oceanic Time Warner cable

Aloha-

Oceanic Time-Warner Cable has been a major institution and a positive force for the community on Kauai for many years. Their interest in the well-being of the people of our island is demonstrable. I see it all the time in their outstanding support for our *whole* community via Kauai United Way, but also in the many, many other ways they find to contribute for the benefit of the people of our island.

Kauai Oceanic executives kindly brought their counterparts from Comcast to visit to talk about the ways they envision service to our community being enhanced by a merger. I was especially impressed with the thoughtful program Comcast executives explained to me about trying to make the Internet more accessible to low-income families. With a special program developed by Comcast, people may purchase a computer at a very low cost and receive Internet service at a greatly reduced price. This is possible using other than state-of-the-art hardware and lower speed Internet service. Such a service would be inappropriate for regular users ... but as an introduction to the Internet, it's a fantastic idea. It will allow people who couldn't afford the Internet the chance to try it out. And if it appeals to them – if they find ways to utilize what they find on the Internet – they may well decide to upgrade themselves to more modern equipment and utilize higher speeds. And that's a win-win for everyone!

In other circumstances, I might be concerned about a concentration of broadcast power in one company, but the reality is that satellite providers DirecTV and Dish Network – plus Hawaiian Telcom's own plans to enter the cable market – render concerns about monopoly moot. I urge you to use your best judgment in discerning what would be best for the people of Kauai when coming to your decision. I thank you for your time and consideration.

Scott N. Giarman Executive Director Kauai United Way (808) 245-2043 sng@kauaiunitedway.org

Check out our website at www.kauaiunitedway.org.



Use <u>Goodsearch</u> and <u>Goodshop</u> for all your Internet searches and purchases to help raise additional money for our Participating Agencies at no cost to you!

TO: Director of the Department of Commerce and Consumer Affairs DATE: July 8, 2014

SUBJECT: Testimony for the Transfer Application from OTWC to Com2944 JUL -8 P 2: 31

### Aloha!

A\_E\_P\_S\_\_\_

CABLE DIVISION COMMERCE AND CONSUMER AFFAIRS

I am pleased to submit this letter of support for the transfer of control of OTWC's Hawaii cable franchises to Comcast Corporation. I am currently a subscriber of OTWC's television service and of Hawaiian Telcom's telephone and internet services. I will continue to utilize both companies for my communication's need and am of the opinion that with such a consolidation, our service will only get better.

I do, however, encourage Comcast to retain their management and operations personnel, for the wonderful and gracious service they provide for the residents of Kauai.

I am a lifelong resident of this great island and have come to appreciate all of the numerous community benefits OTWC is providing for all of us. The following are just a few examples of how philantropic this company has been:

- OTWC has been one of the main sponsors at the Kauai County Farm Bureau Fair since 2003. Super Saturdays are dedicated to Oceanic TWC. Employees man a booth for 30+ hours to give away gifts to all who visit its booth.
- Since 2002, it continues to participate in the "Employee Giving Campaign" for the Kauai United Way (KUW) receiving distinctions as Top 15 Employee Groups, 100% Employee Participation, and Top 3 Per Capital Employee Group Contributors. OTWC is and has been a Bronze sponsor in KUW's major golf fund raiser since 2005. All monies raised supports 28 Agencies on Kauai.
- Every year at the Hotel & Lodging Association's Charity Walk OTWC mans an aid station and throughout the year its employees do mini-fund raisers to contribute to this cause.
- It participates in the Kauai Economic Development Board's sponsorship of the Robotics Competition annually by keeping time for the competition.
- It assists with both the setting up and removal of lights at the historical County building lawn as part of the Festival of Lights.
- OTWC participates annually in the March of Dimes walkathon around the Lydgate Park Kamalani Playground.
- OTWC is one of the sponsors for Kauai Hospice 4<sup>th</sup> of July Concert in the Sky, and
- Kauai Food Bank and Hawaii Food Bank continue to receive assistance from OTWC in collecting food and funds for their organizations.

Thank you for this opportunity to provide my input. I ask that you strongly consider allowing this transfer to occur.

Sincerely,

- MAD

Tom H. Shigemoto 4090 Puaole Street Lihue, Hawaii 96766 Ph. (808) 651-5273

Bernard P. Carvalho, Jr. Mayor



CABLE DIVISION COMMERCE AND Nacine KR Nakamasa Managing Director									
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**OFFICE OF THE MAYOR** 

County of Kaua'i, State of Hawai'i 4444 Rice Street, Suite 235, Lihu'e, Hawai'i 96766 TEL (808) 241-6300 FAX (808) 241-6877

July 7, 2014

Cable Television Division Department of Commerce and Consumer Affairs P.O. Box 541 Honolulu, HI 96809

To whom it may concern:

Please accept my testimony in support of the cable television transfer application which has been filed by Time Warner Cable and Comcast Corporation.

Oceanic Time Warner Cable (OTWC) has been a responsible partner in providing reliable, affordable and accessible cable television access for residents of Kaua'i. OTWC is also a generous supporter of numerous community events and charitable causes.

Recently, I had the opportunity to meet with representatives from Comcast Corporation, and I feel confident that, should the transfer be approved, they will continue to serve our community in a consistent and responsible manner.

Mahalo nui loa for your consideration.

Best regards,

Bernard P. Carvalho, Jr. Mayor, County of Kaua'i

Submitted Written Testimony of: CAE James Michael Ratcliffe COMME President, Board of Directors Ho'iki Kauai Community Television/VED:

Recd 7-14-20 STATE OF HAWAII CABLE TELEVISION DIVISION **COMMERCE & CONSUMER AFFAIRS** 7-116 DATE TIME

Good Day:

I thank you for the opportunity to say a few words about the application of Comcast to step into the shoes of Oceanic Time Warner as cable provider.

I have no illusions that if I were to stand up here today and say make the most outlandish allegations concerning the fitness or lack of fitness of Comcast to serve the people of Kauai it would be like throwing paper airplanes at a massive iceberg. The path is clearly set.

The fact is I have no such outlandish allegations to make. In the firmament of massive Cable Providers Comcast seems to be as responsive to the community needs as the others. There are even signs that they may be more amiable in some ways.

No today I step forward to respectfully remind the DCCA that in your negotiations please do not view the right of the people of Kauai to have their voices heard the living rooms of the community as some technical right that has no real place in negotiations other than a box to check.

All too often it is deemed absolutely OK to view Public Television as a necessary gesture toward public service ...and nothing more.

My family and I live in the condos at Puhi. There is a public park that was dedicated and given to the county as a part of the Shuller development. It is overgrown...the fence is broken....dangerous wood beams lie in the overgrown weeds....there is a rusted small child's climbing device on one side. It is altogether shabby and dismal...not a park at all but a weed covered lot in the midst of a housing development.

Please in your negotiations do not view Ho'iki as that shabby park....a gesture to free speech that is clearly given a second class citizenship in the realm of big money cable operations.

We simply ask that you give the station dedicated to the free speech of the people of Kauai the same treatment as our broadcast contemporaries. It is not OK to relegate us to the least accessible and viewed platforms. The free speech of Kauai deserves to be treated with the same respect as channels that are generating monies for corporate entities.

Comcast is getting the right to make a lot of money. The people of Kauai deserve to have the State demand a channel that honers the commitment demanded of the cable providers as a condition of their licenses. Free speech is not a technicality....it is and should be a center of your negotiations.

Thank you for the opportunity to be heard.

## COMCAST CORPORATION HERCE AND CONSUMER AFFAIRS Written Comments in Support of the Transfer Application Submitted by <u>Time Warner Cable and Comcast Corporation for the</u> <u>Indirect Transfer of Control of Oceanic Time Warner Cable LLC</u> <u>Submitted July 14, 2014</u> <u>Lagrage</u> <u>Kauai Franchise</u>

Recd 7-14-2014

### I. Introduction

Director Lopez, ladies and gentlemen, Aloha. My name is Johnnie Giles. I'm Executive Director of External Affairs for Comcast Corporation and Vice President of Government Affairs for Comcast Cable.

Thank you for this opportunity to appear before you and the people of Kauai to discuss the proposed transaction between Comcast and Time Warner Cable. The transaction will create a new world-class communications, media, and technology company, which will deliver real benefits to consumers, businesses, and public institutions in the State of Hawaii.

Through the transaction with Time Warner Cable, Comcast will significantly expand Oceanic Time Warner Cable's digital presence and investment in the State, making nextgeneration broadband, cable, and voice services available to thousands of Hawaii residents. As a recognized industry leader with the financial capabilities and technological expertise to provide high quality services, Comcast will deliver services that will improve the quality of life of Hawaii residents. We will also continue to work with the DCCA staff to help ensure that the transaction is seamless and that Hawaii customers receive better, more reliable services.

Tonight, I would like to briefly describe three items. First, since our company is new to the islands, I'd like to talk with you a bit about Comcast's history, and how we came to be among the country's largest video, voice and data providers. Second, I'd like to describe some of the significant benefits that the transaction will deliver to Hawaii residential customers and businesses. Although I recognize that the DCCA's regulatory jurisdiction is over cable television or video matters, my testimony will also cover other significant benefits that this transaction will bring to the people in the State – including faster and more reliable broadband and Comcast's binding commitment to an open Internet. Finally, I want to talk about Comcast's history of community participation, and what our company's philosophy of local investment will mean here in Hawaii.

### **II.** History, Products and Services, and Public Interest Commitments

#### A. History

Time Magazine reported once that Comcast must be the only major media company that owes its start to beltless pants. Ralph Roberts, our founder, was running a belt-and-suspenders business when he saw something alarming: an ad for slacks that didn't need a belt to stay up. He very quickly decided to sell that business, and, along with two partners, Julian Brodsky and Dan Aaron, bought a cable franchise in Tupelo, Mississippi, in 1963. That franchise served approximately 1,200 customers.

From there, Comcast grew rather slowly and methodically over the next several decades, reaching 1.2 million subscribers in 1986 and 4.3 million subscribers in 1995. This growth was largely through acquisitions—it's important to know that Comcast traditionally has taken the long view in its cable holdings, and has mostly been a buyer, not a seller, of cable companies. We buy and invest, and use our platform and scale to provide new and exciting products.

For example, in 1996, concurrent with the regulatory relief provided by the 1996 Telecommunications Act, Comcast launched its first broadband product—a watershed moment for the company. The following year, Bill Gates himself recognized the future of the cable platform for high speed Internet, and agreed to invest a billion dollars in Comcast.

And in 2002, Comcast completed its biggest merger to date—the 45 billion dollar merger with AT&T Broadband, combining systems to serve 21 million video customers in 28 states, including 3.3 million high speed data customers, and 1.3 million phone customers. It was that merger that created Comcast's West Division, and brought Comcast to the Western half of the mainland.

Today, under the leadership of our CEO Brian Roberts, Ralph Roberts' son, Comcast serves about 22 million residential and business customers with voice, video, data, homes security and other services. When the transaction is complete, we'll grow to approximately 29 million customers, and have the opportunity to provide service in several new states, including the State of Hawaii.

### **B.** Products and Services

### a. Residential Customers

What will the transaction mean for Hawaii cable subscribers? For residential customers, Comcast will invest heavily to upgrade Oceanic's Hawaii systems and transition them to alldigital channels more quickly than Oceanic could do on its own. Comcast has already transitioned the overwhelming majority of its mainland systems to all-digital, and has the expertise and financial resources to do it here in Hawaii. All-digital systems will allow Comcast to deliver next-generation advanced video and voice services, more programming choices, faster Internet speeds, and significantly improved network performance, reliability, and security.

More specifically, the proposed transaction will improve customer experiences for Oceanic video subscribers. Comcast enjoys positive relationships with programmers. Neither Comcast nor NBC Universal has been involved in a negotiation with a major cable network or major broadcaster that resulted in the loss of programming to consumers.

Comcast's revolutionary X1 operating platform is the next-generation of cable television, providing unmatched interactive TV functionality. Our live TV streaming feature allows X1 customers to stream practically their entire cable channel lineup, including must-carry stations and PEG channels, to computers and mobile devices throughout their homes.

Finally, our XFINITY On Demand product includes approximately 50,000 programming choices – more than double compared to Time Warner Cable – featuring most current TV shows and movies. These selections are accessible on multiple devices and over 80 percent are free of charge.

### b. Customer Service

Comcast recognizes that improving customer service is another critical issue, not only in Hawaii, but everywhere that the combined company will serve. Comcast has invested billions of dollars in network infrastructure, greatly improving service reliability and reducing trouble calls.

Comcast is also deploying innovative products and features to make it easier and more convenient for customers to interact with us.

- We offer one to two hour appointment windows, including evenings and weekends. 97% of service calls are within these scheduled appointment windows.
- We offer more self-installation options so customers can install and activate services without a service call. In 2013, more than four out of every ten customers used these options a 40% increase as compared to 2012.
- And we've made our billing practices more transparent, while providing better online and mobile options for customers to manage their accounts. More than one-third of our customers managed their accounts online in 2013, a 42% increase over 2012.

Although there is still progress to be made, these efforts are making a positive difference:

- Repeat service visits for installations and service appointments are down approximately 20% since 2010.
- Since 2010, Comcast has improved its J.D. Power Overall Satisfaction score by nearly 100 points as a video provider, and close to 80 points in High Speed Data – more than any other provider during the same period.
- In a recent report on Comcast's 2013 fourth quarter performance, well-regarded industry analyst Craig Moffett similarly noted that Comcast's customer service has "improved by light-years."

Comcast will bring this same commitment to improved customer service to consumers here in Hawaii.

### c. Business Customers

For business customers, the combination of Comcast and Time Warner Cable will create a stronger, more cost-efficient services provider for Hawaii businesses of all sizes, including businesses with locations in various parts of the State. This can help bring greater competition to a market still mostly dominated by entrenched telephone companies, and help drive small and medium business growth and economic development throughout the State.

Where Comcast has made inroads into business markets in our current areas, this new competition has forced entrenched telephone companies to lower their prices and improve their services. We believe this could significantly enhance competition for business services in Hawaii and ultimately redound to the benefit of consumers.

### d. Broadband Services

In addition to bringing improved performance and reliability for video and voice services, the transaction will significantly improve customer experiences for broadband services. In existing Comcast systems, we've increased Internet speeds 13 times in the last 12 years, offering residential broadband speeds of up to 105 Mbps downstream throughout most of the West Division.

Moreover, Comcast is the only ISP in the country that has agreed to be legally bound by the FCC's original Open Internet rules. Time Warner Cable is not currently bound by the Open Internet Rules. If the transaction is approved, Comcast will extend the protections afforded by the FCC's Open Internet Rules to all Time Warner Cable customers.

In short, approval of the transaction will bring improved, faster, more reliable Internet services to customers in Hawaii.

### II. Public Interest and Community Investment

The transaction offers other important public benefits too. For example, Comcast will extend its industry leading diversity programs and unique external Joint Diversity Advisory Council to the acquired Time Warner Cable systems, bringing greater diversity in governance, employment, suppliers, programming, and community investment.

Comcast also has a proven commitment to local communities and organizations. Since 2001, Comcast has invested over \$3.2 billion in cash and in-kind contributions supporting local non-profit organizations and other charitable partners. Beyond financial gifts, Comcast shares its greatest resource – its people – in giving back to local communities. In 2013 alone, as part of our annual "Comcast Cares Day" event, over 85,000 Comcast employees, families, friends, and

local partners contributed more than half a million hours to improve schools, parks, senior centers, and other vital local community sites.

And I have to mention our highly-acclaimed Internet Essentials program. Through Internet Essentials, Comcast has made important progress in closing the broadband adoption gap, with a special focus on school age children. Internet Essentials provides low-income households with low-cost broadband, the option to purchase an Internet-ready computer for just under \$150, and multiple options for accessing free digital literacy training in print, online, and in person. Comcast has already connected over 1.2 million low-income Americans to the Internet, more than any other program of its kind. The transaction will expand that program to low-income students and families throughout the current Oceanic Time Warner Cable footprint.

Finally, our Comcast Leaders and Achievers Scholarship Program is now in its 13<sup>th</sup> year. Funded through the Comcast Foundation, the program recognizes high school seniors from Comcast communities for their commitment to community service, academics and demonstrated leadership. To acknowledge these accomplishments, Leaders and Achievers are awarded onetime scholarships, with a base award of \$1,000. Since 2001, Comcast has awarded close to \$20 million in scholarships to nearly 20,000 students. More than 950 scholarships awarded last year benefitted students from diverse backgrounds.

In closing, I'd like to touch on a couple of final points. First, I want to mention PEG Access programming, because I understand that it is very important to communities here in Hawaii. Our Division works hard to maintain positive relationships with access centers and programmers in many of our major cities, including Denver, San Jose, St. Paul and Portland. The X1 Platform that I mentioned earlier supports local access channels in the same manner as any other channel on our system. Per our commitments in the NBC Universal purchase, we have

not migrated any PEG channels to digital delivery on any system that has not converted to alldigital distribution, and have not implemented changes in the method of delivery of PEG channels that resulted in a material degradation of signal quality or impairment of viewer reception. We will meet our franchise commitments regarding PEG channels and support in all of the communities we serve.

In addition, our company is very interested in ways that technology can enhance the distribution of access programming. For example, between February 2011 and January 2014, Comcast conducted VOD and online PEG trials in five pilot communities, including Fresno, California and Houston, Texas in the West Division. The VOD component of the pilot program consisted of dedicated content "folders" accessible to Comcast VOD customers in each of the pilot communities, while the online pilot program consisted of custom-built websites that were branded with the name and theme chosen by each pilot community. The websites serve as portals for the communities, traditional PEG programmers, and other partners to create and manage virtual "channels" where they can post video content, along with other local interest information.

The results showed strong support among content providers and consumers for the pilot platforms, particularly the websites. We would be very interested in sharing the results of our pilot programs with access managers and producers here in the islands.

Second, it's important to recognize that while the transaction promises many significant benefits for the people of Hawaii, it will have no adverse effect on competition. Because Oceanic, and in fact all of Time Warner Cable and Comcast serve separate and distinct geographic areas today, and do not compete for any services or customers, there will be no reduction in competition or consumer choice in any local market. Instead, as recent

announcements by AT&T, Google, and others demonstrate, the transaction will spur *increased* investment and competition in these markets.

#### IV. Conclusion

In closing, upon approval of this transaction, the people of Hawaii can expect to benefit

from:

- Next-generation video technologies with more programming choices at home and on the go; enhanced competition for advanced business services; and faster, more reliable, and more secure Internet services.
- A commitment to greater broadband adoption, diversity, and investment in local communities.
- Comcast's extension of the protections afforded by the FCC's Open Internet rules to Oceanic's customers.
- And a laser-like focus on improving customer service.

As Comcast's record from prior transactions demonstrates, we are a company that not only keeps – but often *over-delivers* on – our promises. Thank you.

Johnnie Giles Executive Director of External Affairs, Comcast Corporation Vice President of Government Affairs, Comcast Cable One Comcast Center Philadelphia, PA 19103-2838 Phone: (215) 286-8740 Email: Johnnie\_Giles@comcast.com