

Time Warner Cable/Comcast Corporation Transaction
Application for Transfer of Control of Cable Television Franchises
Held By Oceanic Time Warner Cable LLC

Second Set of Information Requests

These supplemental or additional information requests (“**IRs**”) are being issued pursuant to Hawaii Administrative Rules (“**HAR**”) § 16-133-12. Each response should be made separately, and copies of source documents should specifically reference the IR being answered. The certification provided by Time Warner Cable Inc. (“**TWC**”) and Comcast Corporation (“**Comcast**”) (collectively, “**Applicants**”, as applicable) in the State of Hawaii Application for Transfer of Cable Television Franchise (*i.e.*, the State Application) concerning the accuracy of the information is also applicable to Applicants’ responses to these IRs.

Each of the responses should be as complete and detailed as possible, and to the extent that an IR or any subpart thereof may not be applicable, Applicants must state why the IR or subpart is not applicable. In addition, for any IR that requires follow-up, the required information must be submitted immediately upon receipt of that information.

1. The quality of customer service provided by Comcast is, based on national polls, perceived to be very poor, and was most recently highlighted by a recording of a conversation between a Comcast customer service retention agent and a customer who was calling to cancel Comcast service that was posted on the Internet during mid-July 2014. This recording was mentioned by various commentators during the July 14 - 18, 2014 public hearings held by the Department of Commerce and Consumer Affairs (“**DCCA**”) as an example of Comcast’s poor customer service. Comcast Chief Operating Officer Dave Watson is reported to have confirmed that the agent was doing what he had been trained to do.

Additionally, DCCA has periodically received calls from Hawai`i consumers about delays in reaching an Oceanic Time Warner Cable LLC (“**Oceanic**”) customer care representative or scheduling an in-home repair visits. DCCA also received calls from irate customers regarding incorrect billing issues, many caused by incorrect information from inexperienced customer service representatives.

- (a) Please explain the actions and provide specific details that Comcast is taking to train its customer service personnel and to change its customer service policies to provide significantly improved service to its subscribers?
- (b) Has Oceanic established objective customer service quality metrics, such as average call center hold time or average length of time to resolve service outages?

- (i) If Oceanic has such metrics, please provide a copy the metrics and any internal reports generated during the last three (3) years measuring whether Oceanic is meeting those metrics in each franchise area.
 - (ii) If Oceanic does not have such metrics, please describe the process that Oceanic uses to assess the quality of customer service and remedy any shortcomings.
- (c) Are there any specific plans to improve customer service for each of the Hawai'i franchise areas? If yes, please describe each plan and elaborate as to the specific focus of each plan (*i.e.* what is management trying to correct or improve upon)?
- (d) Customers have complained to the DCCA about the quality and durability of the digital boxes and/or DVR boxes provided by Oceanic. Subscribers specifically complain that they are provided refurbished boxes that breakdown within a few months. Does Comcast have any plans to address this complaint and if yes, what are the plans?
2. In its May 23, 2014 Response to First Set of Information Requests, Response 8, Applicants stated that "The change of control of the franchisee will not affect the obligations of the franchisee under the franchise agreements. Specifically, nothing in the Transaction impacts the customer service offices in each of the cable franchise areas." Please explain this statement in the context of the questions below:
- (a) If the proposed transaction is approved and effectuated, will Comcast continue to maintain the existing customer service centers that are currently located in each of the Hawai'i franchise areas and maintain the current level of staffing in each of the call centers with trained customer service representatives?
 - (b) If the proposed transaction is approved and effectuated, will Hawai'i subscriber service calls be handled in State through the existing call centers or routed outside of the State? What is the process for routing Hawai'i subscriber service calls to a customer service representative outside of the State?
 - (c) Which types of service calls will be handled in State, if any, and which types of calls will be routed outside of the State. Identify the specific locations that the Hawai'i service calls will be routed to and handled.

3. Under HAR § 16-131-59, a cable operator is required to: (1) schedule or acknowledge subscriber requests for repair or maintenance service within twenty-four (24) hours (excluding weekends and holidays); and (2) verify and complete the repair or maintenance service within forty-eight (48) hours (excluding weekends and holidays) after a subscriber request for repair or maintenance has been acknowledged or scheduled. See HAR § 16-131-59 (a) and (b).

During the public hearing held by DCCA in Wailuku, Maui on July 15, 2014, concern was raised that Oceanic currently sends technicians to address repair and maintenance service concerns in Hana, Maui approximately only one (1) day a week and, if not completed on that day, service concerns may not be addressed until the following week.

- (a) Please state the existing franchisee's repair and maintenance service practices in each franchise area. If the proposed transaction is approved and effectuated, what efforts will Comcast undertake to have the franchisee comply with HAR § 16-131-59 for each Hawai'i cable franchise?
 - (b) Please state the existing repair and maintenance service practices for Hana, Maui. If the proposed transaction is approved and effectuated, what efforts will Comcast undertake to have the franchisee comply with HAR § 16-131-59 for Hana subscribers?
4. With respect to cable digital boxes and/DVR boxes, will Comcast make available energy consumption ratings on the various boxes offered to consumers so that subscribers will be able to make informed decisions on their household energy usage regarding the selection of cable boxes and/or DVR boxes?
 - (a) Will Comcast offer energy efficient or energy star rated cable boxes and/or DVR boxes to Hawai'i subscribers?
 - (b) If Hawai'i subscribers are offered energy efficient or energy star rated cable boxes and/or DVR boxes, will Applicants charge a higher monthly rental fee for energy efficient cable boxes and/or DVR boxes, in comparison to regular "traditional" cable boxes and/or DVR boxes?
 5. Oceanic currently assesses a monthly rental fee to Hawai'i subscribers for the use of cable modems provided by Oceanic. If the proposed transaction is approved and effectuated, what will be the policy regarding charges for cable modems?

- (a) If Applicants plan to continue with the monthly rental fee for cable modems, what will be the average fee for cable modems that Applicants expect to charge immediately following the transfer? What is the length of time that Applicants expect to keep this rate?
 - (b) Will Hawai'i subscribers' who have already purchased compatible modems be permitted to use their own equipment? Please specify any restrictions to be imposed and the reasons therefore.
6. In other jurisdictions, has Comcast received complaints about the quality and durability of its digital boxes and/or DVR boxes?
 - (a) If yes, please specify the approximate number of complaints and summarize each of the most common types of complaint during the last three (3) years.
 - (b) After the transaction is completed, what efforts will Comcast undertake in Hawai'i to minimize complaints regarding its digital boxes and/or DVR boxes?
7. In its May 23, 2014 Response to First Set of Information Requests, Response 1, Applicants claim that the savings and other efficiencies arising out of the transaction are not attributable to individual systems and state overall benefits to Applicants if the transaction is approved. During the two (2) months since Applicants filed their Response on May 23, 2014, Comcast representatives attended the July public hearings in each of the Hawai'i franchises, and have made efforts to become acquainted with each of the Hawai'i franchises, local non-profit and Public, Educational, and Governmental ("PEG") Access organizations, governmental officials, and education administrators.
 - (a) At this point in the process, given Comcast's greater familiarity with the various franchise areas, describe in detail how subscribers in each franchise area will benefit from the purported "efficiencies" and "cost savings" after the transaction is completed.
8. During the July public hearings, many commentators expressed concerns that their rates for cable and broadband service will increase after the Comcast merger is completed.
 - (a) Will Comcast commit to Hawai'i cable subscribers that cable service rates be reduced and/or maintained at current levels? If yes, then please specify length of time period Comcast will not raise or maintain subscriber rates at current levels?

- (b) If Comcast is unable to make any commitments to Hawai'i cable subscribers that their rates will not be increasing after the merger, please explain why not.
 - (c) What commitments is Comcast prepared to make with respect to rates for cable service in the State, if the proposed transaction is approved and effectuated?
 - (d) What commitments is Comcast prepared to make with respect to broadband rates in the State, if the proposed transaction is approved and effectuated?
 - (e) On average, how do rates for cable and broadband service currently charged to Hawai'i subscribers compare with prices charged for such service on the mainland United States? At minimum, for cable service, provide comparison rates for basic and premium services, and for broadband service, provide comparison rates based on speeds that Oceanic currently provides. To the extent that rates for cable and broadband service charged to Hawai'i subscribers are higher than prices charged for such services on the mainland United States, please provide an explanation of the justification for this practice.
 - (f) If the proposed transaction is approved and effectuated, how will rates for cable and broadband service charged to Hawai'i subscribers compare with prices charged for such services on the mainland United States? Will Comcast commit that rates for cable and broadband service charged to Hawai'i subscribers will be no higher than prices charged for such services on the mainland United States? To the extent that rates for cable and broadband service charged to Hawai'i subscribers will be higher than prices charged for such services on the mainland United States, please provide an explanation of the justification for this practice.
9. Comcast advertises that it provides cable service via a fully digital format, and has mentioned its intent to transition services in the State to all digital format as well. In Hawai'i, the number of analog service subscribers has decreased each year, although there are many subscribers still receiving only analog service. Thus, a conversion to an all-digital format will have a significant impact on analog only cable customers in the State.
- (a) What are Comcast's plans (including, but not limited to, timeframes, benchmarks, and expectations) for the conversion of the Hawai'i cable systems to an all-digital format?

- (b) How much notice does Comcast anticipate will be given to subscribers of a pending transition? What type or form of notice will be provided to subscribers?
 - (c) What type of digital converter boxes will be offered to analog service subscribers? Does Comcast anticipate that the digital converter boxes will be offered at no-charge to subscribers? If not, what would the charge be? How long will the offer last?
 - (d) Upon transition to all digital service, will Hawai'i subscribers face a price increase for cable service? If there will be an increase in the price for cable service, on average, what will the price increase be?
10. Comcast has committed to extending its broadband adoption program known as Internet Essentials to the State of Hawai'i. On August 4, 2014, Comcast announced modifications to the Internet Essentials program.
- (a) State the current parameters of the program and specify the Internet speeds (download and upload) that is offered in the program.
 - (b) State the eligibility requirements for program qualification.
 - (c) Would Comcast commit to increasing the reach of the program in Hawai'i to include individuals and families that participate in other federal or State support programs similar to carriers that participate in the Federal Communications Commission's ("FCC") Lifeline program. For instance, would Comcast commit (as a local wireless carrier in the State has done) to provide discounted wireless telephone service to individuals that participate in the National School Lunch—Free Lunch Program and other various programs including Medicaid, Supplemental Nutrition Assistance Program, Supplemental Security Income, Low-income Home Energy Assistance Program, Federal Public Housing Assistance or Section 8, and Temporary Assistance for Needy Families program.
 - (d) Would Comcast commit to allowing current subscribers of Comcast Internet service (Oceanic service in Hawai'i) to also participate in the program if they satisfy all other program requirements?
11. Recent national articles have described instances in certain Comcast markets (such as Houston, Texas) where Comcast uses its customers Internet cable modems as Wi-Fi hotspots available for other Comcast subscriber. Comcast has publically stated that the Wi-Fi connections are separate from the customer's home network and that anyone accessing the Internet through the hotspots

cannot get access to devices, accessories, data, and services in the subscriber's home network.

- (a) If the transaction is approved and effectuated, will Comcast implement such Wi-Fi hotspots in Hawai'i?
 - (b) If such an undertaking is implemented in Hawai'i, how will customers be notified in advance? Will subscriber consent be required before a subscriber's cable modem is included in the Wi-Fi hotspot program?
 - (c) Will Comcast commit to require specific customer consent before hotspot participation is implemented and effectuated? Will Comcast provide customers who participate in the Wi-Fi hotspot program a discount in their broadband rates or upgrades in speeds without cost, or some other type of incentive to participate?
 - (d) Have Comcast Wi-Fi hotspots, as described above, been legally challenged in any court of law? If yes, please provide details regarding the challenge(s).
 - (e) Although Comcast appears to indicate that its Wi-Fi hotspots using its customers' cable modems do not compromise the security of devices, services, and data in a subscriber's private home network, please provide detailed technical documentation regarding the security aspects of the program.
 - (f) Will a Comcast cable modem Wi-Fi box draw more electrical power than the other cable modem boxes? What is the power usage rates of the Comcast cable modem Wi-Fi boxes? Based upon the average electrical charges in each franchise area, how much will a Comcast subscriber be paying per year for electrical power to operate her cable modem Wi-Fi box that is utilized by others accessing their hotspots?
12. Currently, Oceanic offers a stand-alone Internet service at a rate of \$14.99. Will Comcast commit to maintain this stand-alone rate for Internet service after the merger is completed? If so, for how long a period is Comcast prepared to commit? If not, what is the maximum rate to which Comcast is prepared to commit during the first three (3) years after the transfer is effectuated, if approved?
13. During the public hearings held by DCCA during July 14 - 18, 2014 and various public written comments received by the DCCA, testifiers expressed strong concern regarding the continued support of and access to public access broadcasts via the local PEG channels.

- (a) If the transaction is approved and effectuated, will Comcast commit to broadcast PEG channels using full analog transmission on the basic tier, and repeat the transmission on standard digital and high definition formats?
 - (b) Will Comcast commit to working towards broadcasting PEG channels in the same technical quality that is similar to local broadcast stations in Hawai`i?
 - (c) Will Comcast commit to place PEG channels in a continuous and sequential manner, to the extent possible, and at the lower tier of the channel placement?
14. Will Comcast commit to provide increased coverage of Hawai`i State Legislative proceedings for subscribers in each of the Hawai`i franchise systems? Please specify the specific actions that Comcast is prepared to take.
 - (a) The Hawaii State Legislature currently has a Statewide VOD channel dedicated to State Government content and proceedings. Would Comcast be agreeable to provide infrastructure that would allow a subscriber in any of the current Oceanic franchise areas to be able to pick and choose any of the live hearings or proceedings being conducted at the Hawai`i State Capitol?
15. Oral testifiers during the public hearings made mention of the need for symmetry between download and upload speeds in broadband service. Is Comcast prepared to commit to provide affordable broadband offering with symmetrical upload and download speeds. Please describe any specific service Comcast proposes to offer, including the speed and price.
16. As a condition of the Comcast, General Electric Company, and NBC Universal, Inc., transfer proceeding approved by the FCC in January 2011, Comcast is required to abide by the FCC's Open Internet (also known as Net Neutrality) rules that were in place at that time. However, the requirement for Net Neutrality under the FCC's order only extends to 2018. Will Comcast commit to extending compliance with the Net Neutrality rules beyond 2018 in Hawai`i? Please describe any specific commitment that Comcast is prepared to make.
17. In their "Oral Testimony" read by Senator Kalani English during the public hearing held by DCCA in Wailuku, Maui on July 15, 2014 and filed as a written testimony, the Hana Broadband Committee raise concerns regarding alleged non-compliance with federal and franchise requirements. Specifically, they note Oceanic's non-compliance regarding: (1) institutional network connections of

anchor institutions; (2) technical performance of the cable television system serving Hana; (3) certain customer service requirements; and (4) service rate issues. The written "Oral Testimony" submitted by the Hana Broadband Committee can be found at the CATV website at http://cca.hawaii.gov/catv/files/2014/04/Comcast_Oceanic-HBC-Oral-Testimony-on-OTWC-Transfer-to-Comcast.pdf

State Applicants' response to the concerns of the Hana Broadband Committee. To the extent the Applicants dispute these allegations, please provide the basis on which you do so. To the extent the Applicants do not dispute the allegations, please describe the corrective action that has or will be taken. Please be as detailed as possible.

18. Data caps or the use of Internet usage-based pricing have become a major concern for many individuals. Comcast has been quoted in the media as saying that it could mandate a monthly data cap on all customers in the next five (5) years.
 - (a) Will Comcast implement data caps or Internet usage-based pricing in Hawai'i?
 - (b) If and when such a pricing mechanism is implemented in Hawai'i, will Comcast voluntarily commit to providing the DCCA and public a least six (6) months' notice regarding the change in the pricing structure? Will Comcast voluntarily commit that any such pricing mechanism will not unduly harm the Hawai'i public and that the pricing structure will be consist or in alignment with the price structure set for broadband service on the mainland United States?

19. Hawaiian Telcom has filed comments alleging that various practices by Oceanic have impeded competition in the multichannel video services market.
 - (a) What is Oceanic's business justification for requiring Hawaiian Telcom to offer its regional sports program in its basic tier, barring Hawaiian Telcom from providing this programming to commercial customers, and preventing Hawaiian Telcom from selling local advertising in connection with this programming?
 - (b) What is Oceanic's business justification for not permitting Hawaiian Telcom to purchase, on commercially reasonable terms, Hawai'i high school sports programming that it produces?
 - (c) Does Comcast intend to continue the practices described in subparagraph (a) and (b)?

- (d) Will Comcast commit to allow competing providers of multichannel video programming services in Hawai'i to purchase content produced by Comcast and its affiliates at reasonable and non-discrimination prices, terms, and conditions?
 - (e) Please list all video programming produced by non-affiliated entities for which Oceanic or Comcast currently has the exclusive United States distribution rights.
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