

**CABLE ADVISORY COMMITTEE (“CAC”)  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
STATE OF HAWAII**

**MINUTES OF MEETING**

Date: December 1, 2016

Time: 1:30 p.m. – 3:30 p.m.

Place: Queen Liliuokalani Conference Room  
Department of Commerce & Consumer Affairs  
335 Merchant Street, 1<sup>st</sup> Floor  
Honolulu, HI 96813

CAC MEMBERS: Gerry Silva and Tim Bryan

OTHERS: Catherine P. Awakuni Colón, Director; Ji Sook Kim, CATV Administrator; Glen Chock, CATV Staff; Jamie Sheu, CATV Staff Attorney; and Kyle Kagihara, CATV Staff Attorney

AGENDA: The agenda for this meeting was filed with the Office of the Lieutenant Governor.

- I. Call to Order – The meeting was called to order at 1:35 p.m.
- II. Introduction of New CATV Staff – Jamie Sheu, CATV Staff Attorney.
- III. Minutes of October 6, 2015 Meeting – There were no questions about the minutes, which were then accepted by the CAC.
- IV. Update on Pending Matters
  - A. OTWC’s Maui and Kauai Franchise Renewals
    - 1. OTWC’s Renewal of Maui Cable Television Franchises – Extended to May 31, 2017

Director Awakuni Colón stated that the Cable Television Division (“CATV”) of the Department of Commerce and Consumer Affairs (“DCCA”) extended the renewals of Oceanic Time Warner Cable LLC’s (“OTWC”) Maui Cable Television Franchises until May 31, 2017. The extension will allow DCCA to continue discussions with OTWC/Charter and issue a Decision and Order. Gerry Silva asked if OTWC is moving toward one

franchise for Maui. CATV Administrator Kim responded that the consolidation of the franchise is pursuant to OTWC's application request.

2. OTWC's Renewal of Kauai Cable Television Franchise – Current franchise expiration date is December 31, 2016

Director Awakuni Colón stated that on November 18, 2016, DCCA sent a letter informing OTWC that the Ascertainment Proceedings was completed. This served as the triggering event for OTWC to submit its application for renewal for its Kauai Cable Franchise within 28 days from the date of the letter.

B. PEG Designations

Director Awakuni Colón stated that DCCA has had a few conversations with public, educational, and governmental ("PEG") access organizations about the PEG Designations. DCCA is looking to standardize the PEG Contracts and needs to consider the various conditions to the PEG Contracts. In particular, the issue of using franchise fees to purchase property needs to be resolved as part of the PEG Designations.

V. New Business

A. Charter/OTWC's Post-Transaction Progress Report and Presentation

Mark Brown, Charter Communications, Inc.'s ("Charter") Senior Vice President, Government Affairs, presented Charter's post-transaction progress report. Mr. Brown informed the CAC that the merger between Time Warner Cable, Inc. and Charter closed on May 18, 2016. Charter views OTWC as an established part of the local community and is excited about sharing its services and products with Hawaii customers. Mr. Brown assured the CAC that Charter is fulfilling its commitment to provide superior, reliable, and consistent services and customer support; and that Charter is on schedule with plans to integrate OTWC's offices and operations with Charter's procedures and operations. According to Mr. Brown, Charter's goal is to ensure that customers will experience improved products and services with minimal disruption and inconvenience.

Mr. Brown went on to describe how Charter looks post-transaction. As a result of the merger, Mr. Brown stated that Charter is now in 41 states and has 91,000 employees. Charter is also committed to creating 20,000 jobs, including jobs in Hawaii.

Mr. Brown stated that Charter will brand its service as "Spectrum." Charter plans on launching the Spectrum suite of products and pricing in Hawaii by the end of the second quarter of 2017. Mr. Brown believes that Spectrum's easy to understand packages and pricing for video, Internet, and voice will benefit customers because the products are high quality, offer value, and provides superior customer service.

Mr. Brown commented on Charter's low-income broadband service plan by stating that Charter has targeted May 2017 for its planned implementation, which is approximately two years ahead of schedule. Charter's low-income broadband service will be known as Spectrum Internet Assist and will deliver the fastest Internet speeds of 30/4 Mbps in the nation for a low-cost broadband program for \$14.99/month. Spectrum Internet Assist will be available to families with students who participate in the National School Lunch Program, and for seniors who are 65 and older who receive Supplemental Security Income program benefits.

Mr. Brown turned his attention to Charter's network expansion. Mr. Brown stated that Charter, through OTWC, plans to aggressively invest at least \$10 million to expand its network in Hawaii. According to Mr. Brown, Charter's expansion has already resulted in approximately 1,500 new home passings with over 26 new plant miles throughout the state. A question was asked about the locations of these new passings. Mr. Brown turned to Kiman Wong of OTWC to respond. Mr. Wong provided some general statements about the new passings and noted that new passings occurred on various islands including Oahu. For the Big Island, Mr. Wong stated that while there were less passings, there were more miles covered for the island. Upon Director Awakuni Colón request, OTWC/Charter agreed to provide detailed information regard the additional passings after conclusion of the meeting which will be transmitted to CAC members upon receipt.

Mr. Brown brought up Hawaii's high energy costs and stated that by May 2019, at least 90 percent of Charter's newly-deployed set-top boxes will meet the Energy Star 3.0 rating requirement. Going forward, Mr. Brown noted that Charter will only purchase Energy Star 3.0 compliant set top boxes to replace older boxes.

In regard to Charter's deployment of WiFi access points, Mr. Brown stated that Charter will deploy a minimum of 1,000 new public WiFi points in OTWC's franchise areas within the next four years. Mr. Brown stated that Charter is currently on schedule to meet its commitment, and looks forward to working with DCCA in deploying up to 100 of the required 1,000 WiFi access points in public parks, community centers, and other public

areas. Director Awakuni Colón added that DCCA would welcome any suggestions from CAC members as to locations for new WiFi access points.

A question regarding service in Hana, Maui was raised. With respect to Hana, Mr. Wong of OTWC reported that they just installed a number of WiFi access points in Hana at various public locations.

In regard to Charter's All-Digital Network Transition, Mr. Brown stated that Charter is on course to transition virtually all OTWC systems to all-digital by November 2018. In doing so, OTWC customers can expect expanded high definition ("HD") access, an enhanced channel guide, expanded Video-on-Demand ("VOD") access, enhanced parental control, and improved network security.

In closing, Mr. Brown stated that Charter is excited about its plans for Hawaii and that Charter is continuing to evaluate additional improvements to OTWC's product, services, and infrastructure. Charter is grateful to have the privilege of serving OTWC customers.

Following Charter's presentation, CAC members had questions for Mr. Brown. Tim Bryan asked if Charter would make a commitment to refrain from applying data caps or throttles to internet traffic. Mr. Brown responded that Charter would adhere to the conditions made to the Federal Communications Commission and DCCA during the merger. Furthermore, Mr. Brown stated due to changes in technology a 7-year non-cap on data was put in place.

#### B. Charter/OTWC's All-Digital Network Transition Plan

Director Awakuni Colón stated that Charter/OTWC submitted its All-Digital Network Transition Plan on November 16, 2016. DCCA has been reviewing the All-Digital Network Transition Plan and will meet with Charter in the coming months. After meeting with DCCA, Charter will meet with the PEG organizations to discuss the All-Digital Network Transition Plan.

#### C. Hawaiian Language RFP

Director Awakuni Colón stated that as part of an initiative to promote Hawaiian Language and culture, DCCA released a Request for Proposals ("RFP") for Hawaiian Language video content on May 20, 2016. The DCCA received several proposals in response to the RFP. After evaluating the proposals DCCA selected Makauila, Inc. ("Makauila") as

the successful offeror. DCCA and Makaula are currently in contract discussions.

Mr. Silva inquired about the specifics of the RFP and Director Awakuni Colón stated that the content of video programs will be either cultural, educational, or community oriented. There will be at least twelve videos and 51% of each video will be done in Hawaiian.

VI. Public Comment

- A. Gerry Silva – CAC Member. Mr. Silva asked if it is possible to get an update on the Hawaiian Telcom, Inc. buildout at the next CAC meeting.
- B. Jay April - Akakū - Maui Community Television ("Akakū"). Jay April, Akakū President and Chief Executive Officer ("CEO"), thanked the CAC members for their time and effort serving on the Committee. Mr. April went on to say that on a recent trip to Costco he purchased himself and Akakū new televisions. However, Mr. April was disappointed to discover that the Akakū signal did not look as good on his new television compared to other broadcast signals. Mr. April wants an HD signal for Akakū. Later Mr. April stated that he wants 4K HD television and parity with Oahu/commercial stations. Mr. April commented on OTWC's Renewal of Maui Cable Television Franchises that the Maui Franchise needs more teeth and that there should be *quid pro quo* if there is a consolidation of the franchises. Mr. April commented that Charter/OTWC needs to better publicize its low-income broadband internet program. Mr. April stated that the PEG Designations need a founder's plan, which was previously utilized. Mr. April also stated that he was upset about property and resource issues in the PEG Designation, and that there should be no micromanaging of the PEGs by DCCA. He mentioned a Hawaii Supreme Court case written by Justice Duffy regarding the Oahu PEG access organization which contained certain "facts" regarding PEG service in Hawaii. In short, with respect to this case, Mr. April stated, among other things, that services provided by PEGs in Hawaii are not owned or managed by the State and that PEGs should not be treated as government entities. Mr. April then noted that he does not want more PEG access channels and does not want VOD channels. Instead, Mr. April wants to create videos with smartphones. Mr. April closed by stating again that he wants 4K HD television.
- C. Sanford Inouye - `Ōlelo Community Media ("`Ōlelo"). Sanford Inouye, `Ōlelo President and CEO, stated that any issues can be overcome if the parties work toward a resolution that is mutually acceptable, and that

`Ōlelo looks forward to working with DCCA and the other PEG Organizations through the PEG Designation process.

VII. Announcements

Director Awakuni Colón stated that DCCA was looking for candidates to serve as CAC members to fill vacant positions, and requested everyone's assistance on this matter.

VIII. Adjournment – The meeting was adjourned at 3:05 p.m.

Taken and recorded by:

\_\_\_\_\_  
Kyle Kagihara

Date: \_\_\_\_\_