

BEFORE THE
DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS
OF THE STATE OF HAWAII

In the Matter of the Application of)	DOCKET NO. 01-88-01
WESTERN COMMUNICATIONS, INC.)	DECISION AND ORDER
For transfer of the cable)	NO. 132;
franchises and systems of)	CERTIFICATE OF SERVICE
Cooke CableVision, Inc.)	
_____)	

DECISION AND ORDER NO. 132

On August 8, 1988, Western Communications, Inc. ("Western") and Cooke CableVision, Inc. ("Cooke") submitted an application to the Director of Commerce and Consumer Affairs ("Director") for approval of a transfer of cable television franchises and systems.

Pursuant to Decision and Order ("Order") No. 131, the Director approved the transfer of the cable franchises and systems of McCaw Cablevision, Limited Partnership, Maui County/Hawaii County ("McCaw LP") to Cooke and the transfer of the stock of McCaw Communications of Hawaii Kai, Inc. ("McCaw Hawaii Kai") to Cooke.

Order No. 131 provides that the approval of the transfers to Cooke shall become effective on the closing date of the Assets Exchange Agreement dated June 30, 1988, by and between Cooke and State TV Cable, which is a wholly-owned subsidiary of Western.

The service areas affected by these transfers include Hawaii Kai on the island of Oahu, Wailuku, Makawao and Hana on the

island of Maui, Kau on the island of Hawaii, and the islands of Lanai and Molokai.

Pursuant to Section 440G-7, Hawaii Revised Statutes, public hearings on the application were held at 10:00 a.m., August 11, 1988, at the State Office Building, 54 High Street, Wailuku, Maui; at 5:00 p.m., August 11, 1988, at the Naalehu Clubhouse, Naalehu, Hawaii; and at 7:00 p.m., August 12, 1988, at the Kamiloiki Elementary School, Hawaii Kai, Oahu. Notice of the hearings was published in the Honolulu Advertiser, the Maui News and the Hawaii Tribune-Herald on July 20, 1988 and July 27, 1988.

The Director, having reviewed the application and other related documents, has determined that Western meets the minimum requirements for a cable franchise. The Director considered, among other things, the content of the application, the public need for the proposed service, the ability of the applicant to offer safe, adequate, and reliable service at a reasonable cost to the subscribers, the suitability of the applicant, the financial responsibility of the applicant, the technical and operational ability of the applicant to perform efficiently the service for which authority is requested, and any objections arising from the public hearing or elsewhere.

NOW, THEREFORE, pursuant to Section 440G-10.1, Hawaii Revised Statutes, the Director hereby approves the request for a transfer of the cable franchises and systems held by Cooke CableVision, Inc. to Western Communications, Inc., and the transfer of the cable franchise and system of McCaw

Communications of Hawaii Kai, Inc. to Western Communications, Inc.; subject to the following terms and conditions:

1. Western shall not engage in any type of business activity in Hawaii which is not related to the operation of the cable systems without the prior written approval of the Director.

2. Western shall maintain, at its Hawaii offices, a complete set of books and records, including but not limited to invoices, subscriber records, bank statements, monthly profit-and-loss statements, and other documentation and records of customer accounts relating to the operation of its Hawaii cable systems.

3. No later than 30 days after the effective date of this Order, Western shall file with the Director a schedule of its rates of service and other information as required by the rules promulgated pursuant to Chapter 440G, Hawaii Revised Statutes. The terms and conditions of service shall be subject to approval by the Director.

4. This Order shall not be construed as exempting Western and any affiliated or controlling entities from any antitrust law.

5. This Order does not constitute an adjudication upon any antitrust issues which may be involved in this proceeding.

6. For consumer information purposes, Western shall in a manner and form to be approved by the Director publish the name, address, telephone number, and purpose of the Cable Television Division of the State of Hawaii Department of Commerce and

Consumer Affairs on its statements of account provided to subscribers and in any program guides.

7. In circumstances involving rate regulation, the Director reserves the right to disallow any increases in rates which are related to payment of debts incurred by Western or any of its controlling or affiliated entities for the acquisition of the cable franchises and systems owned and/or controlled by Cooke.

8. Western shall submit to the Director within 30 days a cost study and within 60 days the estimated construction schedules and surcharging plans for extending cable service to Pukalani and Kula 200, and shall within 120 days commence evaluation of all remaining communities in the service areas which are not yet served.

9. Western shall within 30 days of the effective date of this Order pay \$60,000 to the Director which shall be used for the operation of public, educational, and governmental access in the franchised areas.

10. Western shall within 120 days of the effective date of this Order file with the Director an informal application to renew the franchises which shall include detailed plans and schedules for system upgrades.

11. The Director reserves the right to modify this Order at any time prior to the closing date of the Assets Exchange Agreement.

12. This Order shall be effective on the closing date of the Assets Exchange Agreement.

13. All terms and conditions in Order Nos. 1, 13 (except condition 6), 19, 47 (except condition 7), 50, 100, 101, 110 (except conditions 3 and 6), 111, 112 (except conditions 1 and 5), 117, 124, and 131 which are not superseded or amended by this Order, shall remain in full force and effect.

DATED: Honolulu, Hawaii, this 25th day of August, 1988.



ROBERT A. ALM
Director of Commerce and
Consumer Affairs

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing DECISION AND ORDER NO. 132 in Docket No. 01-88-01 was served upon the following parties at the addresses shown by mailing the same, postage prepaid, on this 25th day of August, 1988.

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