

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

In the Matter of the Application of)	DOCKET NO. 14-88-01
JONES SPACELINK OF HAWAII, INC. )	DECISION AND ORDER
For transfer of the cable )	NO. 133;
franchises and systems of )	CERTIFICATE OF SERVICE
Comtec, Inc. )	
_____ )	

DECISION AND ORDER NO. 133

On June 7, 1988 Jones Spacelink of Hawaii, Inc. ("Jones") and Comtec, Inc. ("Comtec") submitted an application to the Director of Commerce and Consumer Affairs ("Director") for approval of a transfer of cable franchises and systems. Comtec has been issued cable franchises for South Hilo, Puna, Volcano, and Honokaa on the island of Hawaii.

Pursuant to Section 440G-7, Hawaii Revised Statutes, a public hearing on the application was held at 10:00 a.m., July 29, 1988, in the State Building, 75 Aupuni Street, Hilo, Hawaii. Notice of the hearing was published in the Honolulu Advertiser and the Hawaii Tribune Herald on July 8, 1988 and July 15, 1988.

The Director, having reviewed the application and other related documents, has determined that Jones 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 Comtec, Inc. to Jones Spacelink of Hawaii, Inc.; subject to the following terms and conditions:

1. Jones 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. Jones 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 television systems.

3. No later than 30 days after the Closing under the Stock Acquisition by Merger Agreement dated October 13, 1987, by and between Jones Spacelink, Ltd., and The Realty Investment Company, Limited (hereinafter referred to as the "Closing"), Jones 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. In circumstances involving rate regulation, the Director reserves his right to disallow any increases in rates which are related to payment of debts incurred by Jones or any affiliated or controlling entities for the acquisition of the cable systems owned by Comtec.

5. For consumer information purposes, Jones 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.

6. This Decision and Order ("Order") shall not be construed as exempting Jones and any affiliated or controlling entities from any antitrust law.

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

8. Jones shall initiate the employee training program described in its application within 180 days of the Closing and include within its quarterly report the results of this training program.

9. Jones shall include in its annual report required by the rules promulgated pursuant to Chapter 440G, Hawaii Revised Statutes, its annual budget and a statement of its objectives for the next year.

10. Jones shall implement the operational and management/marketing timelines which are attached hereto as Exhibits 1 and 2.

11. Jones shall submit to the Director within 30 days after the Closing a cost study and within 60 days after the Closing the estimated construction schedules and surcharging plans for extending cable service to Mauna Loa Estates and North Mountain View, and shall within 60 days after the Closing commence evaluation of all remaining communities in the service areas which are not yet served.

12. In order to promote access development for the service areas, Spacelink shall within 30 days after the Closing pay to the University of Hawaii at Hilo \$20,000 which shall be used as follows: \$15,000 for a 1/2 position for one year for a video production technician and \$5,000 for video production equipment, provided that the equipment and technician will be available for use without charge to the State Department of Education at reasonable times to be determined by the University of Hawaii. If renewal is not completed within 12 months after the Closing, then Spacelink shall continue to pay to the University of Hawaii \$20,000 every 12 months for educational access.

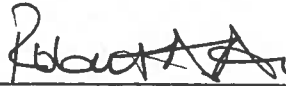
13. Jones shall within 180 days after the Closing file with the Director an informal application to renew the franchises which shall include detailed plans and schedules for system upgrades.

14. Jones shall within 180 days after the Closing appoint an advisory board composed of residents in the service areas to

provide community input on programming, consumer service and other cable-related matters of concern to the community.

15. All terms and conditions in Order Nos. 14 (except condition 6), 67, 118, 121 and 128 which are not superseded or amended by this Order, shall remain in full force and effect.

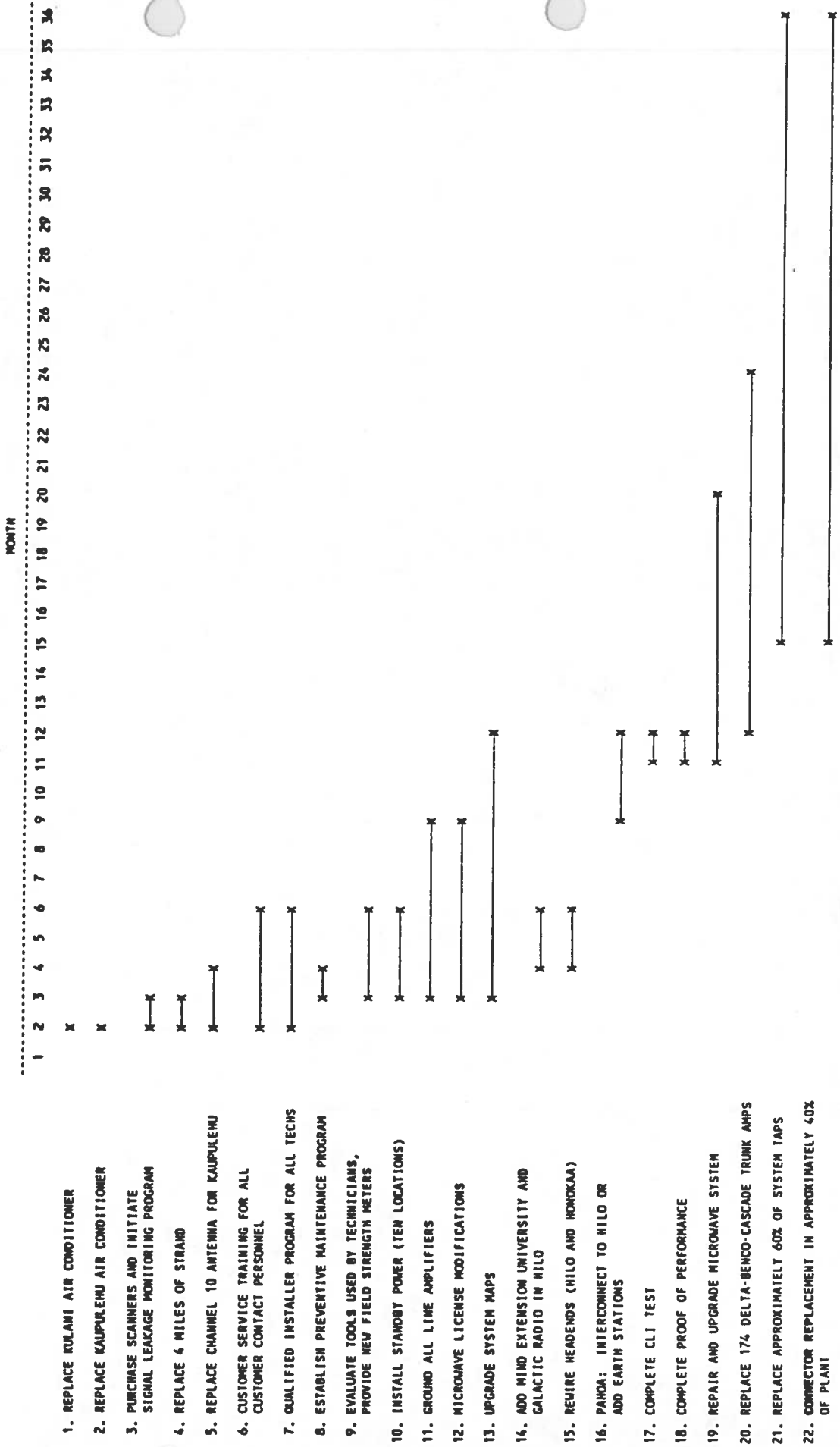
DATED: Honolulu, Hawaii, this 29<sup>th</sup> day of August, 1988.



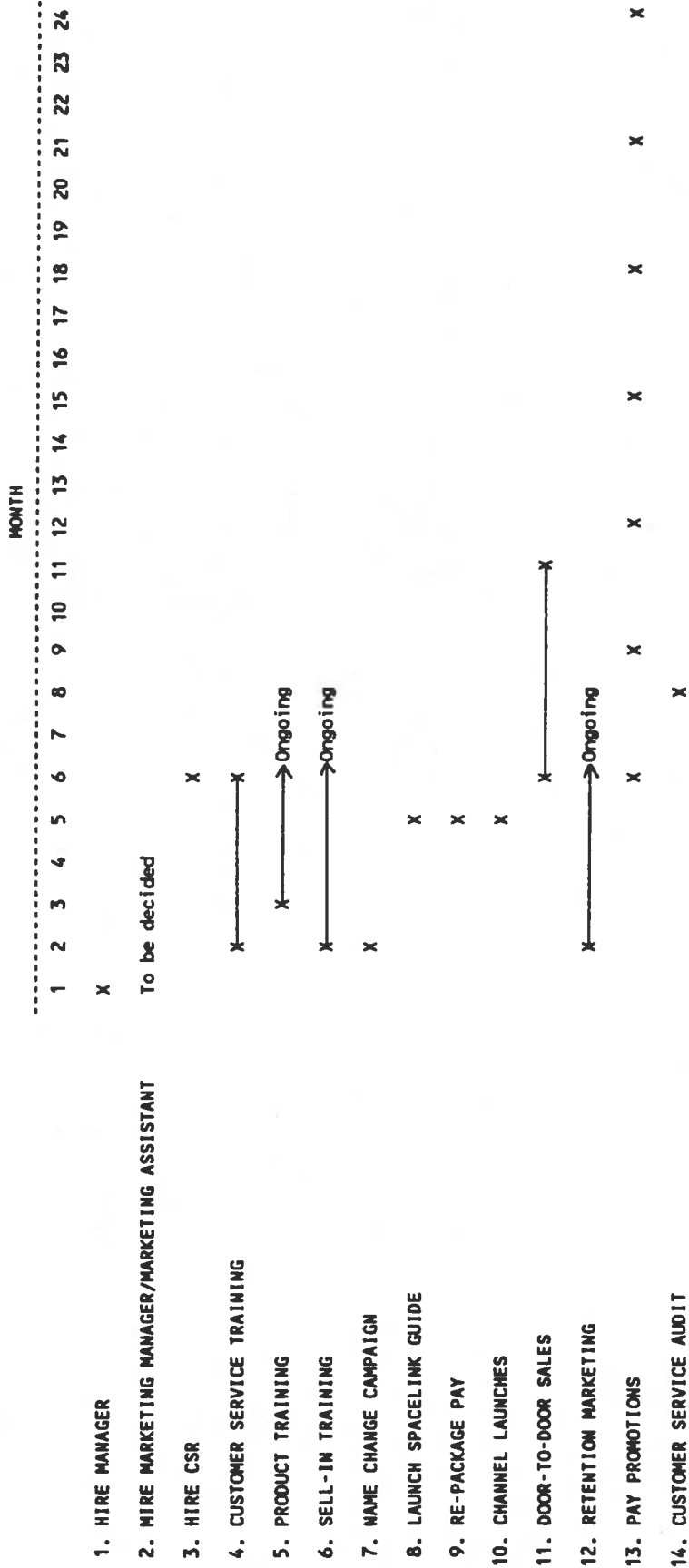
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ROBERT A. ALM  
Director of Commerce and  
Consumer Affairs

# OPERATIONAL TIME LINE



MANAGEMENT/MARKETING TIMELINE



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing DECISION AND ORDER NO. 133 in Docket No. 14-88-01 was served upon the following by mailing the same, postage prepaid, on this 29<sup>th</sup> day of August, 1988:

STEVEN M. NAGATA, ESQ.  
Carlsmith, Wichman, Case, Mukai and Ichiki  
Pacific Tower, Suite 2200  
1001 Bishop Street  
P.O. Box 656  
Honolulu, Hawaii 96809

Attorney for Jones Spacelink of Hawaii, Inc.

H. MICHAEL D'OLIER, ESQ.  
Goodsill, Anderson, Quinn & Stifel  
1600 Bancorp Tower  
130 Merchant Street  
Honolulu, Hawaii 96813

Attorney for Comtec, Inc.

Gregory K. Tanaka