

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

In the Matter of the Application of)	DOCKET NO. 07-88-01
))
DANIELS COMMUNICATIONS PARTNERS)	DECISION AND ORDER
LIMITED PARTNERSHIP AND AMERICAN)	NO. 134;
CABLE TV INVESTORS 4, LTD.)	CERTIFICATE OF SERVICE
))
For consent to transfer stock of))
DANIELS & ASSOCIATES, INC. to))
UNITED ARTISTS ENTERTAINMENT, INC.))
_____))

DECISION AND ORDER NO. 134

On June 20, 1988 Daniels Communications Partners Limited Partnership ("DCP") and American Cable TV Investors 4, Ltd. ("ACT 4") through their managing agent, Daniels & Associates, Inc. ("Daniels"), and United Artists Entertainment, Inc. ("UAE"), submitted an application to the Director of Commerce and Consumer Affairs ("Director") for consent to transfer the stock of Daniels & Associates, Inc. to United Artists Entertainment, Inc.

DCP has a cable television franchise for the Lahaina area on the island of Maui. ACT 4 holds cable television franchises for North and South Kona, and North and South Kohala on the island of Hawaii. ACT 4 and DCP are both limited partnerships. Daniels is the managing agent for both limited partnerships.

Pursuant to Section 440G-7, Hawaii Revised Statutes, a public hearing on the application was held at 10 a.m., August 9, 1988, at the Kailua-Kona Library, 75-138 Hualalai Road, Kailua-Kona, Hawaii. Notice of this hearing was published in the Honolulu Advertiser and Hawaii Tribune-Herald on July 15, 1988 and July 22, 1988. A public hearing was also held at 5 p.m.,

Tuesday, August 9, 1988, at the Lahaina Library, 680 Front Street, Lahaina, Maui. Notice of this hearing was published in the Honolulu Advertiser and Maui News on July 15, 1988 and July 22, 1988.

The Director, having reviewed the application and other related documents, has determined that UAE should be allowed to obtain the stock of Daniels. 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 transfer of the stock of Daniels & Associates, Inc. to United Artists Entertainment, Inc.; subject to the following terms and conditions:

1. For consumer information purposes, DCP and ACT 4 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.

2. 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 DCP, ACT 4, Daniels, UAE, Tele-Communications, Inc. ("TCI"), or any of their controlling, related or affiliated entities in connection with the purchase of the stock of Daniels by UAE.

3. This Decision and Order ("Order") shall not be construed as an approval of any improvement, construction or system rebuild which was not approved by the Director pursuant to Order Nos. 126 and 127. Order No. 126 approved the application of ACT 4 for a transfer of the cable television franchises of Sun Cablevision of Hawaii, Inc. Liquidating Trust and Kam Cablevision Co. Order No. 127 approved the application of DCP for a transfer of the cable television franchises of Hawaiian Cable Vision Company. The Director reserves all of his rights and remedies with respect to any technical specifications, general routes of the distribution system, and the schedule for construction or improvement of the cable systems which have not been approved by the Director.

4. This Order shall not be construed as exempting DCP, ACT 4, Daniels, UAE, TCI, or any of their related, controlling or affiliated 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. In order to promote educational access for ACT 4's service area, ACT 4 shall pay to the University of Hawaii at Hilo within 30 days and every 12 months thereafter until the end of

both of its franchises, the sum of \$20,000 to be used in West Hawaii for a part-time video technician, facilities and equipment. The technician, facilities and equipment shall be available for use without charge to the State Department of Education at reasonable times to be determined by the University of Hawaii at Hilo.

7. DCP shall pay to the Director within 30 days the sum of \$45,850 for public, educational and governmental access in West Maui. Thereafter, DCP shall pay to the Director for such purpose the sum of \$18,000 every 12 months until the end of its franchise.


8. In order to promote stability in local management and responsiveness to concerns of the Cable Television Division, the system managers for ACT 4 and DCP shall each brief the Cable Television Administrator at the Cable Television Division office in Honolulu, Hawaii. These briefings shall be once every three months for a period of one year, and thereafter at a frequency to be determined by the Cable Television Administrator. In addition, ACT 4 and DCP shall submit milestone reports on their progress with respect to annual implementation goals and timelines on the first day of each month for a period of six months, and thereafter at a frequency to be determined by the Cable Television Administrator.

9. DCP shall within 240 days file with the Director an informal application to renew its franchise which shall include detailed plans and schedules for system upgrades.

10. DCP and ACT 4 shall submit within 120 days estimated cost studies and within 180 days the estimated construction schedules and surcharging-subsidy plans to extend cable service to Kona Ocean View Estates, Kuakini Makai, Kilohana, Kona Heavens, Hualalai Colony/Kula Kai and any other unserved communities in their service areas.

11. All terms and conditions in Order Nos. 7, 31 (except condition 7), 64 (except 3 and 6), 68 (except conditions 5 and 10, and Exhibit B), 68A, 74, 105, 116, 126 (except condition 3) and 127 (except condition 3) and any other relevant Orders which are not superseded or amended by this Order, shall remain in full force and effect.

DATED: Honolulu, Hawaii, this 31st 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. 134 in Docket No. 07-88-01 was served upon the following parties at the address shown by mailing the same, postage prepaid, on this 31st day of August, 1988.

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