

BEFORE THE DIRECTOR OF REGULATORY AGENCIES
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
PACIFIC NETWORK, INCORPORATED)
)
for a Cable Television (CATV) Permit.)
_____)

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O R D E R

The Director of Regulatory Agencies, after finding that the application of PACIFIC NETWORK, INCORPORATED conforms with the requirements set forth in Section 440G-6, Hawaii Revised Statutes (Hawaii Cable Television Systems Law), and further finding that both the present operations and the planned and potential expansion of the applicant and other cable television companies are such that the granting of this application would serve the general welfare of the people of the State of Hawaii, hereby, subject to the conditions contained herein, grants authority to PACIFIC NETWORK, INCORPORATED to construct and operate for a period of twenty years a cable system to provide cable communications service to the following areas within the State of Hawaii:

Census Tract Nos.: 5 and 6

Bounded by:

West boundary of U.S. Coast Guard Reservation, westerly along Diamond Head Road, northerly along west boundary of Diamond Head State Monument, south and west boundary of park, west and north boundary of Diamond Head State Monument, west boundary of Fort Ruger Military Reservation.

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Easterly along north boundary of Fort Ruger Military Reservation, northerly along Makapuu Avenue, easterly along Kilauea Avenue, southerly along 18th Avenue, easterly along Puu Panini Avenue, Panini Loop, Puu Panini Avenue, northerly along Kilauea Avenue, southerly along Hunakai Street, northerly along Onaha Street, southerly along Iiwi Street, northerly along Kolohala Street, southerly along Koloa Street, northerly along Kahala Avenue, southerly along Pueo Street extended.

Pacific Ocean.

The above authorization to provide cable television service to a portion of the Waialae Kahala-Diamond Head community of the City and County of Honolulu is subject to the following conditions:

1. The permittee shall complete construction of distribution and origination facilities and begin service to:

a. All potential subscribers desiring service within the above designated area, within twenty-four (24) months of the award of this permit.

b. All applicants for service subsequent to the above-mentioned period, within six (6) months of their application for service.

c. All potential subscribers within an existing service area of the permittee (for which a permit was awarded prior to the 31st day of January, 1971), within one year of the award of this permit.

2. The permittee shall provide all schools within reasonable distance of distribution lines with a minimum of one free drop and shall provide all necessary tools, equipment and labor to provide for its installation. Any dispute as to this provision shall be resolved by the Director of Regulatory Agencies.

3. None of the permittee's equipment and facilities shall be utilized for any form of cablecasting without the prior written approval of the Director of Regulatory Agencies.

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4. The permittee shall reserve a minimum of one channel for educational or community use and shall make it available at no cost to public and non-profit educational institutions and community organizations; provided that such institutions or organizations shall have developed and submitted utilization plans for its use to the Director of Regulatory Agencies.

5. The permittee shall:

a. Acquire and possess within thirty-six (36) months of the award of this permit, its own distribution and origination systems and maintain the same, subject to the inspection and approval of the Director of Regulatory Agencies.

b. Utilize a "direct feed" reception of the television signal for retransmission over the cable distribution system.

c. Provide a signal at the subscriber terminal of at least 0 dbmv (1,000 microvolts referred to 75 ohms) and it shall be maintained within:

(1) 4 db of the visual signal on either adjacent cable television channel.

(2) 10 db of the visual signal level on any other cable television channel.

(3) Signal-to-noise ratio not less than 40 db.

6. All officers, directors and employees of the permittee shall be residents of the State of Hawaii; except that not more than two directors need not be residents of the State of Hawaii if they represent interest involved in the formation of the permittee corporation and do not constitute more than one-fifth of the total membership of the said board of directors. Any change in directorship shall be reported to the Director of Regulatory Agencies within ten (10) days thereof.

7. The permittee shall:

a. Upon award of this permit, and annually each year thereafter, file a list of all shareholders and undisclosed principals holding five or more percent of the corporation's shares, noting the kind of shares held and the amount held thereof. The permittee shall also list its interest and the amount thereof in any other corporation, partnership, or business.

b. Notify and secure the prior written approval of the Director of Regulatory Agencies for all reorganizations, acquisitions, or transfers of the cumulative amount of five percent (5%) or more of its stock by any single individual, group of individuals, corporations and/or undisclosed principals.

c. Secure prior written approval of the Director of Regulatory Agencies before selling, exchanging, or transferring assets with an original acquisition or present market value, whichever is greater, in excess of the sum of five thousand dollars (\$5,000) to any individual, group of individuals, or corporation (including parent or holding companies), other than for the payment of legitimate costs incurred in operating the cable television system. Any dispute as to this provision shall be resolved by the Director of Regulatory Agencies.

d. Secure the prior written approval of the Director of Regulatory Agencies before engaging in any type or form of business activity other than allowed in this permit.

e. Maintain a current file with the Director of Regulatory Agencies, of the name(s) of a responsible managing employee(s) who shall have the power to act for the permittee in providing effective cable television service.

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8. The permittee hereby agrees that all of the foregoing conditions shall apply to any and all cable television service areas and permits awarded prior to, or subsequent to, the 31st day of January, 1971.

Any or all of the foregoing conditions may be modified or waived by the Director of Regulatory Agencies upon the permittee showing good cause and when it is in the best interest of the people of the State of Hawaii.

Compliance with the herein stated provisions does not waive compliance by the permittee of existing and future Federal and State statutes and regulations governing cable television. A violation of the herein stated conditions or the above regulations will give rise to an immediate basis for revocation or suspension of the permit, subject to a formal hearing pursuant to Chapter 91, Hawaii Revised Statutes (the Hawaii Administrative Procedures Act), and the rules and regulations for Cable Television Systems.

Notwithstanding any provision herein stated, the Director of Regulatory Agencies shall have the power to do all things which are necessary or convenient to enforce the provisions and future amendments of Chapter 440G, Hawaii Revised Statutes (the Hawaii Cable Television Systems Law).

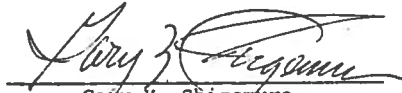
DATED: Honolulu, Hawaii, August 12, 1971.

APPROVED:

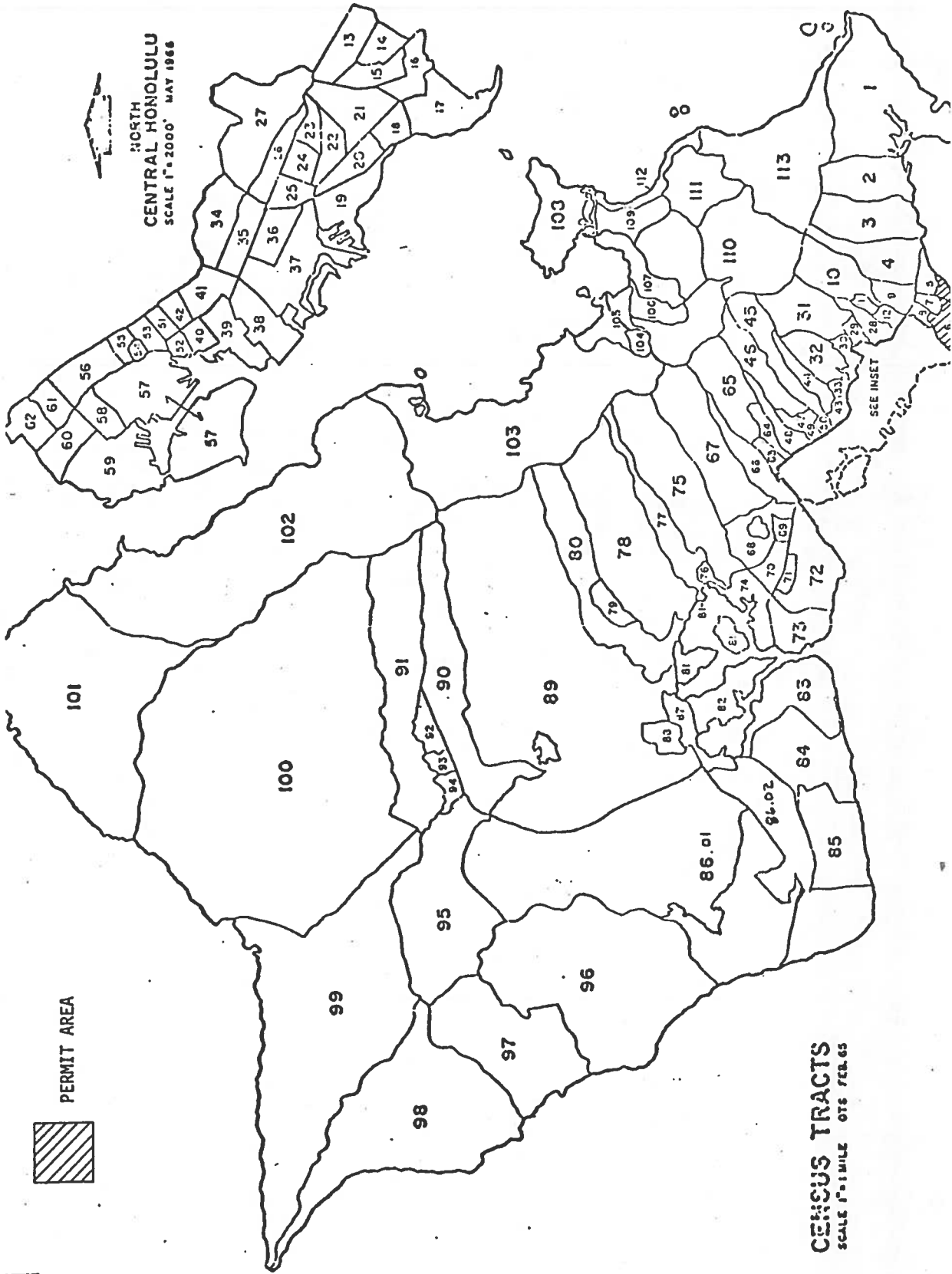


Edwin H. Honda
Director of Regulatory Agencies

APPROVED AS TO FORM:



Gary Y. Shigemura
Deputy Attorney General



PERMIT AREA



NORTH
CENTRAL HONOLULU
SCALE 1" = 2000' MAY 1966

CENSUS TRACTS
SCALE 1" = 1 MILE OCT. 1965