

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

In the Matter of the Application)
of)
)
)
)
TIME WARNER ENTERTAINMENT)
COMPANY, L.P. dba Hawaiian Cablevision)
)
(Franchise Amendment))
_____)

DECISION AND ORDER NO. 245

In Decision and Order No. 174, the State approved the transfer of the cable franchise held by Daniels Communications Partners Limited Partnership for the Hawaiian Cablevision system to Time Warner Entertainment Company, L.P. ("TWE").

By Decision and Order No. 241 issued concurrently herewith, the State approved TWE's application for transfer and amendment of the cable franchise held by TCI of Hawaii. With the acquisition of TCI of Hawaii's systems serving the islands of Maui, Molokai, and Lanai, TWE will hold cable franchises covering the entire county of Maui.

Because of the geographical reach of TWE with respect to Maui County, it is in the public interest to extend the State's INET, and to provide additional capital funds for PEG access facilities and equipment. TWE agreed to interconnect to its system three (3) INET sites within the franchise area all at no cost or charge to the State or subscribers, and provide additional capital for PEG access facilities and equipment for the years 2000 through 2005. At the request of TWE, the franchise term for its Hawaiian Cablevision system will be extended for three additional years to December 31, 2013.¹

¹ TWE's 750 Mhz upgrade of its Lahaina System was completed prior to December 31, 1998. As such, by letter order issued January 19, 1999, the Director extended the franchise term to December 31, 2010 as provided in Decision and Order No. 174.

NOW, THEREFORE, it is hereby ordered that Decision and Order No. 174, regarding the cable franchise issued to Time Warner Entertainment Company, L.P. for the franchise and service area described therein, shall be amended as follows:

(1) Section 2.1 of Terms and Conditions of Decision and Order No. 174 relating to franchise term is amended by adding a new paragraph (c) to immediately follow paragraph (b), which shall read as follows:

(c) The term of the franchise is extended for an additional three (3) years from December 31, 2010 to December 31, 2013 unless terminated as provided in section 11 hereof or by applicable law.

(2) Section 4.5 of Terms and Conditions of Decision and Order No. 174, relating to facilities and equipment is amended by amending paragraphs (a) and (b) thereof in their entirety, and shall read as follows:

(a) For the years ending December 31, 1996 through December 31, 2005, TWE shall provide to the Director or Director's designee capital funds for public, educational, and governmental access facilities and equipment in accordance with the following schedule:

<u>Due Date</u>	<u>Amount</u>
December 31, 1995	\$10,000.00
December 31, 1996	\$40,000.00
December 31, 1997	\$24,000.00
December 31, 1998	\$40,000.00
December 31, 1999	\$35,665.00
December 31, 2000	\$45,000.00
December 31, 2001	\$40,000.00
December 31, 2002	\$30,000.00
December 31, 2003	\$45,000.00
December 31, 2004	\$22,000.00
December 31, 2005	\$16,900.00

(b) By April 30, 2004, TWE in consultation with the designated access entity or organization shall submit to the Director a schedule for the payment of capital for public, educational, and governmental access facilities and equipment for each year from December 31, 2006 through the remaining years of the franchise term. The Director may, in the Director's sole discretion, approve, deny, or modify the payment schedule.


(3) In addition to sites identified and obligations set forth in section 5.1 of Terms and Conditions of Decision and Order No. 174, TWE, within six months of a request by the Director, shall interconnect the MCC Lahaina Education Center to its cable system at no cost or charge to the State or subscribers, and shall interconnect all schools and libraries within the service area to its cable system and provide a cable drop and basic service to such schools and libraries all at no cost or charge to the State or subscribers.

TWE, at the request of the Director, shall install fiber optic lines, materials, and electronics for two-way broadband video, voice, and data capabilities, interconnecting network sites between its cable system and three (3) additional sites to be determined by the Director all at no cost or charge to the State or subscribers over the term of the franchise.

TWE shall maintain and repair the fiber optic lines up to the termination points of each site at no charge or cost, and shall replace any such fiber optic lines at TWE's actual cost of labor and materials which cost shall be borne solely by the connected agency, school or library.

Except as amended herein, the provisions of Decision and Order No. 174 and terms and conditions attached thereto and incorporated therein are hereby ratified and shall remain in full force and effect, and the terms and provisions set forth herein shall be effective as of the date hereof.

DATED: Honolulu, Hawaii, May 10, 1999.


KATHRYN S. MATAYOSHI
Director of Commerce and Consumer
Affairs

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing DECISION AND ORDER NO. 245 was served upon the following parties at the address shown below by mailing the same, postage prepaid, on this 10th day of May 1999.

JOHN T. KOMEIJI, ESQ.
BETH K. FUJIMOTO, ESQ.
Watanabe, Ing & Kawashima
First Hawaiian Center, 23rd Floor
999 Bishop Street
Honolulu, Hawaii 96813

FOR TIME WARNER ENTERTAINMENT COMPANY, L.P. dba
Hawaiian Cablevision

Patti K. Kodama

Patti K. Kodama
Secretary