

Order No. 50

DATED: Honolulu, Hawaii, November 16, 1976.



Wayne Minami
Director

located in the offices of the Hawaii Land Group, Incorporated at 614 Kilauea Avenue, Hilo, Hawaii.

Applicant is a corporation duly organized under the laws of the State of Hawaii on January 23, 1974 and began the transaction of business on the same day.

Applicant controls no other companies, either cable communications or otherwise, directly or indirectly. It is, itself, however, presently a subsidiary of the Hawaii Land Group.

The Hawaii Land Group, organized under the laws of the State of Delaware in March of 1969 as the Hawaii Land Corporation, is a mini-conglomerate of companies primarily involved in land development and real estate. Among its subsidiaries are: Sandwich Islands Construction Corp.; Hawaii Planters, Incorporated; Aina Hale Realtors, Limited; Central Pacific Airmotive, Incorporated; Keaukaha Development Corporation; Hale Street Hilo Corporation; 27th Street Oakland Corporation and the West Hawaii Cable Vision, Limited.

West Hawaii Cable Vision, Limited, the last named above-mentioned subsidiary of the Hawaii Land Group, was authorized by the Director of Regulatory Agencies on September 14, 1973 to provide cable communications services to the districts of North Kona, South Kona, South Kohala (Census Tract Numbers 213, 214, 215, 216, and 217) of the State of Hawaii. This system, with headends located in Kamuela, Kailua-Kona, and Captain Cook, provides cable communication services to approximately 1,830 households in the Kona and Kohala Districts.

Maui Cable Vision, Limited's shareholders are as follows:

Hawaii Land Group, Incorporated	51%
Cable Dynamics, Incorporated	34%
Officers and Directors and Other Investors	15%

The shareholders of the Hawaii Land Group, Incorporated are:

James P. Wohl - Hilo, Hawaii	60%
Byron M. Fox - Hilo, Hawaii	10%
Michael A. Brenesell - Hilo, Hawaii	4%
Leonard A. Nagata - Hilo, Hawaii	3%
D. L. Alexandre - New Jersey	1-3%
Charles E. Brown - Connecticut	1-3%
Robert Castellini - Ohio	1-3%
Deak & Company	1-3%
John M. Fox - Massachusetts	1-3%
Mrs. Peter H. Freylinghuysen - New Jersey	1-3%
Francis Harrington, Sr. - Massachusetts	1-3%
James H. Harrington - Massachusetts	1-3%
R. A. Hart - Connecticut	1-3%
Sven Hsia - New York	1-3%
John Kean, Jr. - New Jersey	1-3%
William S. Little - New Jersey	1-3%
Screven Lorillard - New Jersey	1-3%
J. G. Martin - Connecticut	1-3%
Roderick McRae - New Jersey	1-3%
J. D. Pitney - New Jersey	1-3%
William Rawls - Massachusetts	1-3%
Henry Shea - Massachusetts	1-3%
Louis Walker - Connecticut	1-3%
Mrs. Mary K. Weiss - New Jersey	1-3%
Thomas D. Welch, Jr. - Hawaii	1-3%
Stephen Willson - New York	1-3%

The shareholders of Cable Dynamics, Incorporated are:

Joe Hale of California	65.8%
John Dolan of California	19.4%
Joe Van Loan of California	3.8%
Robert Hammett of California	1.8%
Lawrence Templeton of California	1.8%
Edward Edison of California	1.8%
	<u>94.4%*</u>

* The remaining 5.6% is held in less than 1% increments.

FINANCIAL RESOURCES

Applicants, Camp, Incorporated and Maui Cable Vision, Limited, have both demonstrated by their experience with Hawaii island cable communications systems a capacity to secure institutional financing for cable systems. The means, methods, combinations and cost for such financing,

however, has been and will continue to be different for both applicants.

Camp, Incorporated, in the financing of the construction of its Ka'u, Hawaii system, utilized a combination of financing from the Bank of Hawaii and the Small Business Administration. It has indicated its intention to utilize a combination of sources for its proposed Maui system. It has received a contingent commitment from Hui Lokahi (a community development corporation) for a portion of the financing necessary for its proposed Maui system. The commitments are contingent upon approval by the Bank of Hawaii of its application for a loan for the remaining funds necessary for the proposed system.

Maui Cable Vision, Limited, for its West Hawaii Cable Vision system, has relied solely on loans from the First Hawaiian Bank to finance the construction of its system and has indicated its intention to utilize similar loans to construct its proposed Maui system. It has submitted to the Director of Regulatory Agencies a letter from the Hawaii island vice president of First Hawaiian Bank indicating that First Hawaiian will favorably entertain an application for a loan by Maui Cable Vision, Limited.

SERVICE AREA AND SCHEDULE OF CONSTRUCTION

Applicants have represented that given a certain sufficiency of revenue per plant mile that both would be willing and able to provide cable communication service to all potential subscribers on the island of Maui, except for Lahaina.

Camp, Incorporated has represented that it would, without conditions, provide cable services to potential subscribers in the following communities:

Hana	Makena
Kahului	Pukalani
Kihei	Waikapu
Maalaea	Wailea
Makawao	Wailuku

Maui Cable Vision, Limited has represented that it would, without conditions, provide cable services to potential subscribers in the following communities:

Haiku	Makena
Hamakuapoko	Paia (Lower)
Hana	Paia (Upper)
Kahului	Pukalani
Kihei	Puunene
Kokomo	Spreckelsville
Kula	Wailea
Makawao	Wailuku

Camp, Incorporated has represented that it will provide cable services to other communities and subscribers desiring cable services, provided that such construction shall be a natural extension of the existing system, under the following conditions:

1. Whenever, in a three month period, the average number of cable subscribers per constructed plant mile exceeds thirty-five, Camp, Incorporated will construct one incremental mile of cable plant to an area possessing a minimum of twenty single family residences per mile.

2. Whenever the company receives a request from a minimum of twenty (20) single family residences per mile, the company shall construct an increment of one mile at no additional cost to the subscribers.

3. Whenever the company receives a request from less than twenty (20) single family residences per mile, the company shall construct an increment with no additional

installation charges, provided an additional fee of \$8.00 per month for each subscriber less than twenty (20) is divided between all subscribers.

Maui Cable Vision, Limited has represented that it will provide cable service to all other communities and subscribers desiring cable services under the following conditions:

1. The company will automatically construct within areas having an average of thirty (30) or more subscribers per continuous strand mile. Any trunk cable required to connect any group to the closest boundary of the basic rate area should be included in the density calculation.

2. Saturation at a lesser rate will be subject to an aid-to-construction charge negotiation between the company and the affected subscribers and approved by the Director of Regulatory Agencies.

Upon consideration of the above, together with the technical data provided by the applicants, the Director finds:

1. Camp, Incorporated's plan for service is based upon completed "walk-outs" and the strand mapping essential to the evaluation, design and construction of the proposed service area. Maui Cable Vision, Limited has completed "walk-outs" but not the strand mapping essential for the determination of the actual requirements of the proposed system.

2. A comparison of the plans for extension of cable services to communities other than those listed by each company reveals a commitment by Camp, Incorporated to extend service to any area with a minimum of twenty single

family residences per mile regardless of profitability potential. Maui Cable Vision on the other hand commits its expansion to areas possessing thirty potential cable subscribers thus insuring that expansion will be only to areas with a break-even or profitable potential.

RATES, CHARGES AND TERMS OF SERVICE

The following are rates and charges proposed by Camp, Incorporated:

Initial residential outlet	\$20.00 installation 8.00 per month
Extra residential outlet	\$10.00 installation 1.00 per month
Relocation or reconnection	\$10.00
Transfer	\$ 5.00

Camp, Incorporated will provide cable services to those communities not mentioned in the service area section with less than twenty subscribers per mile upon request, providing that the said subscribers pay a monthly rate, the aggregate of which shall be equal to the revenue generated per mile in areas with a minimum of twenty subscribers per mile.

The following are rates and charges proposed by Maui Cable Vision, Limited:

Residential outlet	\$27.50 installation 8.00 per month
--------------------	--

Maui Cable Vision, Limited has not submitted proposed rates for the following:

1. Extra outlets;
2. Relocation of outlets;
3. Reconnection charges;
4. Transfer of service charges; and
5. Special facilities charges.

Upon consideration of the above, the Director finds:

1. Complete information relating to the rates and charges for the provision of specific services is essential to an informal decision by the Director. An incomplete tariff or one which leaves certain charges to negotiation results frequently in controversy and delays relating to the services rendered.

2. The tariff proposal of Camp, Incorporated represents an adequate disclosure of the terms, conditions and cost for the various services proposed by the applicant.

3. The tariff proposal of Maui Cable Vision, Limited with its omission of many charges, and its reliance upon negotiations for extension of service in the less populated areas, does not provide an adequate disclosure of the terms, conditions and cost for the various services it proposes.

RELIABILITY OF TECHNICAL INFORMATION

Camp, Incorporated has represented to the Director that it has:

1. Completed all "walk-outs" and "strand mapping" of the proposed system necessary for its design and construction.

2. Completed field propagation studies essential for the design and construction of the interisland microwave system necessary for providing "direct feed" television transmission to its subscribers.

3. Received quotations of cost and prices from prospective equipment suppliers and manufacturers of cable distribution and microwave equipment.

Maui Cable Vision, Limited has represented to the Director that it has completed the "walk-outs" necessary for estimating the requirements of the proposed system.

Upon consideration of the above representations, the Director finds that:

1. Effective and efficient planning, financial forecasting and evaluation of proposals for cable communications is dependent upon factual knowledge of the requirements and constraints of the proposed system. Minimum effort in obtaining necessary information results in project requirements being subject to considerable revision and change following the completion of activities necessary for accurate design and construction of the system.

2. Camp, Incorporated has completed all activities necessary for accurate information prerequisite to the design and construction of its proposed system.

3. Maui Cable Vision, Limited has yet to begin "strand mapping" which is essential to the determination of the actual requirements of its proposed system.

FACILITIES AND SYSTEM

The system proposed by Camp, Incorporated will include:

1. A twenty-eight forward and three reverse channel capacity for providing cable communication services.

2. An interisland microwave system providing "direct feed" transmission of television signals to its subscribers.

3. An intra-island microwave system consisting of six microwave links for local signal transmission.

The system proposed by Maui Cable Vision, Limited will include:

1. A twenty forward and four reverse channel capacity for providing cable communications services.
2. "Off-the-air" reception of television signals from Haleakala for retransmission of the signals to its subscribers.
3. An intra-island microwave system consisting of three microwave links for local signal transmission.

Upon consideration of the representations of the applicants, the Director finds that Camp, Incorporated's proposals would more adequately meet the needs of the communities and people in the proposed permit area for the following reasons:

1. Direct feed transmission of television signals from Honolulu would result in "television studio quality" signals which are not subject to normal terrestrial interference and variations.
2. Direct feed transmission of television signals from Honolulu would mean uninterrupted programming after midnight for Maui television viewers.
3. The larger number of intra-island microwave links will mean shorter distribution trunk lines and less amplifiers to serve larger areas resulting in a decrease in signal degradation found in extended distribution facilities.
4. The larger number of microwave links creates a potential for specialized programming to serve specific community concerns and interests.

GENERAL ROUTES OF WIRES, CABLES AND CONDUITS

Camp, Incorporated will utilize an intra-island multichannel local distribution microwave system. It will consist of six receive sites in Makawao, Waiohuli Beach, Paia, Wailuku, Hana, and Red Hill. The first five of these sites will serve as headend sites and transmit television signals directly to cable distribution facilities. (The sixth site, Red Hill, will provide "direct feed" signals to the island of Hawaii.)

Camp proposes to utilize the above in the following manner:

<u>Microwave Receiver Sites</u>	<u>Communities Served</u>
Makawao	Makawao and Pukalani
Waiohuli Beach	Kihei and Wailea
Paia	Haiku, Paia, and Spreckelsville
Wailuku	Wailuku and Kahului
Hana	Hana and Red Hill

Maui Cable Vision, Limited will utilize a three-receive-site intra-island multichannel local distribution microwave system. The three receive sites, Pukalani, Wailuku, and Kihei, will provide baseband type signals to the headend equipment located at each site for processing and eventual insertion into the cable system.

The Applicant proposes to utilize the above in the following manner:

<u>Microwave Receiver Sites</u>	<u>Communities Served</u>
Pukalani	Pukalani, Makawao, Pauwela, and Haiku
Wailuku	Wailuku, Kahului, Spreckelsville, and Paia
Kihei	Kihei and Wailea

Upon consideration of the above, together with the technical data provided by the Applicants, the Director finds:

1. The design of a cable system with its specification of signal distribution equipment, cable lines and amplifiers determines, in large measure, the uniform quality of signals received by the subscriber, as well as the cost efficiency of the cable system. Long cable distribution lines with excessive number of amplifiers results in progressive degradation of signal quality with distance from the beginning of the system. Long cable distribution lines past areas with no subscribers mean facilities for which revenue is not effectively generated, resulting in higher cost to all subscribers of the cable system.

2. Camp, Incorporated, with its shorter distribution lines will provide subscribers signal quality with less degradation than possible with the longer system proposed by Maui Cable Vision, Limited.

3. Camp, Incorporated's distribution system will minimize extension of facilities past unpopulated areas with no subscribers.

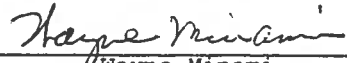
4. Camp, Incorporated's five headends will have two more potential origination sites for specialized community programming than the three proposed by Maui Cable Vision, Limited.

* * * * *

Upon consideration of the foregoing and with the concern that cable services be afforded most expeditiously and comprehensively to all citizens in the areas mentioned

above, the Director of Regulatory Agencies finds that Camp, Incorporated's application, proposals and the submissions in support thereunto would best serve the general welfare of the people of the State of Hawaii.

DATED: Honolulu, Hawaii, this 15th day of July, 1976.



Wayne Minami
Director

CERTIFICATE OF SERVICE

I hereby certify that a copy hereof was served upon the following by mailing the same, postage prepaid, on November 17, 1976:

Camp, Incorporated
1977 Kaohu Street
Wailuku, Maui 96793

Sandra Y. E. Yonesaki
Sandra Y. E. Yonesaki