

**CABLE ADVISORY COMMITTEE (“CAC”)  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
STATE OF HAWAII**

**MINUTES OF MEETING**

Date: Tuesday, September 15, 2020

Time: 5:00 p.m. – 5:43 p.m.

Place: Virtual Video CAC Meeting - Zoom Webinar

CAC MEMBERS: Timothy “Tim” O. Bryan, and Scott K. Wong

OTHERS: Catherine P. Awakuni Colón, Director; Ji Sook Kim, CATV Administrator; Glen Chock, CATV Program Specialist; Jeremy Aoyagi, CATV Research Analyst; Jamie Sheu, CATV Staff Attorney; and Kyle Kagihara, CATV Staff Attorney

AGENDA: The agenda for this meeting was filed with the Office of the Lieutenant Governor.

- I. Call to Order – The meeting was called to order at 5:00 p.m.
- II. Minutes of February 2, 2018 Meeting – There were no questions about the minutes, which were then accepted by the CAC.
- III. New Business
  - A. Red Fiber Parent LLC Merger Application
    1. Presentation by Red Fiber Parent LLC and Hawaiian Telcom Services Company, Inc. on the transfer of control application and additional information submitted to DCCA

Director Awakuni Colón began by outlining the transfer proceeding and welcomed Anton Moldan, Vice President for Red Fiber Parent LLC (“Red Fiber”), and Steven P. Golden, Vice President External Affairs for Hawaiian Telcom Services Company, Inc. (“Hawaiian Telcom”), to provide information on the proposed transfer.

Mr. Moldan shared information on Red Fiber, which is a subsidiary of Macquarie Infrastructure and Real Assets (“MIRA”) whose portfolio includes a range of companies that focus on communications and digital infrastructure assets. Mr. Moldan outlined the benefits of the proposed

transfer, highlighting the expanded services that Hawaiian Telcom customers will experience. In particular, 5G technology and expanded product services offerings were mentioned as improvements Red Fiber would like to bring to Hawaii. Additionally, Mr. Moldan pointed to existing partnerships with Google Wifi and YouTube TV as examples of the services that are offered. Furthermore, he stated that Hawaiian Telcom's local leadership will remain to ensure that its expertise will be used to provide exceptional service in Hawaii.

Next Mr. Moldan focused on the impacts of the proposed transfer, which he indicated would not affect the day-to-day operations of Hawaiian Telcom. Furthermore, Hawaiian Telcom's low-cost internet program, staffing numbers, and labor agreements would remain in place. As to the effects of the proposed transfer on customers, Mr. Moldan expressed that customers will not experience switches, cuts, or termination of services.

Mr. Golden echoed Mr. Moldan's comments by highlighting the expertise that will remain at Hawaiian Telcom after the proposed transfer. Mr. Golden also pointed out that Hawaiian Telcom will be able to utilize Red Fiber's experience to evaluate its practices to best meet the needs of Hawaii. Furthermore, MIRA can provide capital funding to enhance Hawaiian Telcom. Mr. Golden further noted the commitment by MIRA to invest in Hawaiian Telcom's Next-Generation Fiber Network, which would allow Hawaiian Telcom to expand into additional communities and provide more competitive cable TV and broadband offerings.

Mr. Golden went on to speak about how the COVID-19 pandemic has demonstrated how vital Hawaiian Telcom's services are to its customers. In particular, Hawaiian Telcom's services have allowed its customers to continue working and learning in light of Oahu's Stay at Home/Work from Home Orders.

## 2. Summary of the Public Hearing held in Hawaiian Telcom's Oahu Franchise area on September 10, 2020

Director Awakuni Colón provided a summary of the Public Hearing that was held on September 10, 2020 via the Zoom Webinar platform.

## 3. Questions/Comments by CAC Members

Director Awakuni Colón asked CAC Members if they had any follow-up questions for Mr. Moldan or Mr. Golden. CAC Member Tim Bryan asked if ecological considerations influence any of Red Fiber's practices. Mr. Moldan responded by stating that MIRA has sustainability practices in its

communications entities, such as the utilization of LED lights, which means less energy consumption, and recycling initiatives. Mr. Moldan also mention that he looks forward to collaborating with Hawaiian Telcom to offer more sustainable practices.

CAC Member Scott Wong asked both Mr. Moldan and Mr. Golden if they recalled any public comments that stood out during the Public Hearing. Mr. Moldan mentioned the partnership between Hawaiian Telcom and the PEG organization.

Mr. Wong turned his attention to the availability of reliable internet for schools, especially schools in remote areas, and commented that it was good to hear Hawaiian Telcom's commitment to providing internet, and he hopes to see remote areas receive fiber internet.

Mr. Golden added that Hawaiian Telcom provides fiber internet to Hawaii public schools and added that they hoped to connect the remaining seven schools that require a fiber connection by year's end.

Mr. Bryan asked for additional information on how Hawaiian Telcom plans to utilize YouTube TV. Mr. Golden stated that YouTube TV is an over-the-top service that can deliver programing to Neighbor Islands that do not have a Hawaiian Telcom cable franchise.

B. Hawaiian Telcom Services Company Inc.'s current cable network buildout and future plans

Mr. Golden explained that Hawaiian Telcom is working on its next generation fiber build out by finalizing strategic plans for maximum broadband deployment. Mr. Golden went on the remind CAC Members of Hawaiian Telcom's commitment of upgrading its network as a condition of the Cincinnati Bell – Hawaiian Telcom merger by stating that Hawaiian Telcom has been working toward reaching the \$20 million upgrade. It was reported that to date, the companies have upgraded over 50% of the required number of homes and are on track to invest at least \$20M by July 2022.

Mr. Golden stated that Hawaiian Telcom has accepted Connect America Fund Phase II auction support, which will lead to roughly 4,000 builds at gigabit speeds by 2025. Mr. Golden added that the 2017 – 2021 Oahu cable system buildout is ahead of previous projections. Mr. Golden closed his update by mentioning that Hawaiian Telcom has increased its service to multiple dwelling units on Oahu and that they were looking at new

technologies such as G.fast to enhance their existing service offerings in areas where it is difficult to convert buried underground facilities to fiber.

Director Awakuni Colón asked CAC Members if they had any follow-up questions for Mr. Golden. Mr. Bryan asked if Hawaiian Telcom has plans to offer cable service to the Neighbor Islands. Mr. Golden responded that while Hawaiian Telcom only has a cable franchise for Oahu, it has been looking into service to the Neighbor Islands. However, it is still under evaluation, but Hawaiian Telcom is looking to expand its network into remote areas.

#### IV. Public Comment

Director Awakuni Colón transitioned the meeting to allow attendees the opportunity to comment and explained the process by which comments would be received.

Naalehu Anthony asked how Red Fiber will benefit native culture. Moreover, he wanted to express the importance of embracing native Hawaiian culture. Mr. Anthony concluded his comments by asking if there was an update on the Federal Communication Commission's ("FCC") rule change regarding franchise fees.

Director Awakuni Colón stated that the coalition against the FCC's rule change is united and there has been an appeal filed. Director Awakuni Colón added that the motion for stay was not granted, however, the filing of briefs is underway, and the process could take until 2021. Director Awakuni Colón expressed some uncertainty regarding whether or not the rule change would be implemented.

Sanford Inouye, CEO and President of Olelo Community Media ("Olelo"), provided Olelo's background and history with Hawaiian Telcom. Mr. Inouye highlighted Olelo's partnership with Hawaiian Telcom, the two high definition channels it receives from Hawaiian Telcom, and the platform for free speech that is provided to the community through its relationship with Hawaiian Telcom.

Director Awakuni Colón asked Mr. Moldan and Mr. Golden if they had any closing statements. Mr. Moldan expressed his appreciation for the opportunity to share Red Fiber's vision to expand Hawaiian Telcom and increase demand in Hawaii. Mr. Golden thanked Director Awakuni Colón, the CAC Members, and the Cable Television Division for the opportunity and thanked those who provided comments.

Mr. Wong closed his statement by focusing on the importance of partnering with the native Hawaiian community that can enhance both parties, and thanked the PEG organizations for promoting these values.

Mr. Bryan thanked everyone for the opportunity to hear about the merger and ask questions.

V. Announcements

Director Awakuni Colón announced that there are open positions on the CAC that still need to be filled. The Kauai, Maui, and at-large CAC positions are vacant and asked the attendees and the public to please reach out if they are interested and provided the websites that have additional information on becoming a CAC Member.

Director Awakuni Colón closed the CAC Meeting by thanking the CAC Members for their time and advice on the matters presented, and again shared information on how to submit public comments.

VI. Adjournment – The meeting was adjourned at 5:43 p.m.

Taken and recorded by:

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Kyle Kagihara

Date: \_\_\_\_\_