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CATHERINE P. AWAKUNI COLÓN
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VIA E-MAIL & U.S. MAIL

November 4, 2022

Steven P. Golden
Vice President, External Affairs
Hawaiian Telcom Services Company, Inc.
1177 Bishop Street
Honolulu, Hawai'i 96813

Re: Letter Order – HTSC's Request to Modify Decision & Order No. 352

Dear Mr. Golden:

In Decision and Order (“**D&O**”) No. 352, issued on June 24, 2011, Hawaiian Telcom Services Company, Inc. (“**HTSC**”) was granted a non-exclusive cable television franchise for the island of Oahu subject to certain terms, conditions, and requirements. On October 18, 2022, HTSC submitted a letter to the Department of Commerce and Consumer Affairs (“**DCCA**”) requesting a modification to D&O No. 352 (“**HTSC's Request Letter**”)¹ by deleting the last sentence of Section IV.B., Paragraph 2, that states, “A subscription to HTSC's Internet access service shall not be a prerequisite for consumers to subscribe to HTSC's Cable Service.”²

¹ Pursuant to D&O No. 352, Section IX.E.2. at 65,

HTSC may, at any time, request the Director to modify any of the terms, conditions, and requirements of this Decision and Order during the term of this Cable Franchise. The Director shall have the sole discretion to consider HTSC's request and issue a modification of this Decision and Order. The Director shall take into account any appropriate factor(s) provided under applicable Law as may be amended and ensure that the terms and conditions upon which Cable Service is provided are fair to both the public and HTSC. . . .

² D&O No. 352 at 22.

According to HTSC, due to the termination of technical support for the platform currently used by HTSC to provide cable television service, HTSC must transition to a new system.³ After evaluations of alternative systems, “HTSC selected a platform that many other mid-size video service providers have transitioned to due to positive user experience and robust features.”⁴ Under this new app based platform, HTSC’s “Cable Service customers will be required to subscribe to HTSC’s Internet service so that HTSC can perform in-home validation checks prior to delivering programming content in compliance with the Company’s programming agreements which allow access to content only when a customer is in-home.”⁵ However, to ensure that stand-alone cable service subscribers at the time of HTSC’s platform transition will not be harmed by the requested amendment to D&O No. 352, “HTSC will deliver Internet service at a speed tier adequate to support their Cable Service, at no incremental charge, on a grandfathered basis provided no adds, moves or changes are made to their Cable Service or Internet service.”⁶

In regard to franchise fees and gross revenues relating to cable television service, HTSC notes that “HTSC will continue to bundle Cable Service with home Internet service and/or phone service and the method of calculating the gross revenue on which Franchise Fees are paid will remain unchanged based on the definition of gross revenues in Section I.A.33 of Decision and Order No. 352.”⁷

Based on the information, assertions and commitments provided by HTSC, the DCCA Director (“**Director**”) hereby conditionally approves, subject to the enumerated provisions below, HTSC’s request to modify the terms of Section IV.B., Paragraph 2, of D&O No. 352 with the deletion of the sentence, “A subscription to HTSC’s Internet access service shall not be a prerequisite for consumers to subscribe to HTSC’s Cable Service.” DCCA approval of HTSC’s request is subject to the following:

1. HTSC will deliver Internet service at a speed tier adequate to support their Cable Service, at no incremental charge, on a grandfathered basis to all HTSC cable television subscribers that do not subscribe to HTSC’s Internet service at the time HTSC transitions to its new platform. For these customers, at the time HTSC transitions to its new platform, as well as during any requested alternations to their cable television plans that would eliminate or impact their “grandfathered status,” HTSC must give full and expressed notice that any changes to their cable television plans will require them to also now subscribe to HTSC’s Internet service. HTSC must also obtain the

³ See HTSC’s Request Letter at 1. “Technical support for the current platform used by HTSC to provide Cable Service is anticipated to end in mid-2024.”

⁴ HTSC’s Request Letter at 1.

⁵ Id.

⁶ HTSC’s Request Letter at 2.

⁷ Id.

impacted subscriber's express consent and/or acknowledgement that they have been informed that the requested alterations to their cable television plan will impact their "grandfathered status" prior to moving forward with the changes to the subscriber's plan.

2. HTSC's proposal/commitment to continue the method of calculating gross revenues and franchise fees as set forth in D&O No. 352, expressed in HTSC's Request Letter, shall be reviewed and evaluated periodically by DCCA. If after review, DCCA determines this calculation method is no longer appropriate, reasonable, or verifiable, the Director shall have the sole discretion to revise HTSC's commitment related to these issues and/or the changes approved herein may be rescinded.

The remaining portions of Section IV.B., Paragraph 2, as amended, and all other terms, conditions, and requirements of D&O No. 352 shall remain in full force and effect.

If you have any questions on the above, please do not hesitate to contact Ji Sook "Lisa" Kim, Cable Television Administrator, at (808) 586-2620.

Sincerely,

A handwritten signature in black ink, reading "Catherine P. Awakuni Colón". The signature is fluid and cursive, with the first name "Catherine" being more prominent.

CATHERINE P. AWAKUNI COLÓN
Director