

CABLE TELEVISION DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAI'I

In the Matter of)
)
SPECTRUM OCEANIC, LLC) **DECISION AND ORDER NO. 387**
)
Franchise Fees Paid by the Cable Operator.)
_____)

DECISION AND ORDER NO. 387

I. INTRODUCTION

Pursuant to Decision and Order (“**D&O**”) Nos. 174, 241, 346, 366, 368, 386 and other applicable orders and directives, Spectrum Oceanic, LLC (“**Spectrum**”)¹ is required to pay franchise fees in an amount equal to five percent (5%) of Spectrum’s annual gross revenues for its Cable Systems throughout the State of Hawai’i (“**State**”).

II. DISCUSSION

Under federal law, a franchising authority (i.e., Department of Commerce and Consumer Affairs (“**DCCA**”)) is authorized to assess franchise fees from cable operator(s) up to a maximum of five percent (5%) of a Cable System’s annual gross revenues. See, 47 United States Code § 542(b).

On November 15, 2024, DCCA issued D&O No. 386 renewing Spectrum’s Kaua’i County cable franchise and modifying the Annual Fee,² Annual Operating Fees (“**AOF**”), and Hawai’i Public Television Foundation, dba PBS Hawai’i (“**HPTF**”) distribution to account for changes related to the FCC Order on in-kind valuations.³

¹ By letter dated June 21, 2019, the Department of Commerce and Consumer Affairs (“**DCCA**”) was notified that on June 6, 2019, Oceanic Time Warner Cable LLC was renamed as Spectrum Oceanic, LLC.

² Under Hawai’i Administrative Rules (“**HAR**”) § 16-132-2(d), “income received from subscribers for cable services” means revenues derived from the supplying of regular subscriber service and includes installation fees, disconnect and reconnect fees, and fees for regular cable benefits.” The term does not include per-program or per-channel charges, leased channel revenues, advertising revenues and other income derived from the Cable System.

³ The FCC issued a Third Report and Order in its Implementation of Section 621(a)(1) of the Cable Communications Policy Act, MB Docket No. 05-311, FCC 19-80, 84 Fed. Reg. 44725 (August 27, 2019) (“**FCC Order**”), in which the FCC determined that the costs of noncash cable-related exactions, in-kind

Consistent with the prior D&Os, letter orders, and directives, by this D&O, DCCA directs Spectrum to pay the currently collected five percent (5%) of the annual gross revenues of its Cable Systems as set forth below.

III. ORDER

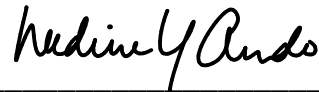
Based on the foregoing, DCCA hereby orders that:

- A. Spectrum shall pay five percent (5%) of its annual gross revenues for each of its Cable Systems in the State as franchise fees.
- B. On or about January 31, 2025, Spectrum shall make the following franchise fee payments for the Oahu, Maui County, and Hawai'i island Cable Systems:
 1. One percent (1%) of its annual gross revenues to HPTF;
 2. Annual AOF from Oahu, Maui County, and Hawai'i island in the amount of three percent (3%) of its annual gross revenues to the various public, educational, and governmental ("PEG") access organizations on Oahu, Maui County, and Hawai'i island, respectively (with the exception that the Oahu PEG designee's AOF are subject to a cap plus an inflationary differential each year); and
 3. One percent (1%) of its annual gross revenues to DCCA (which includes the one percent (1%) of the income received from Subscribers for Cable Services rendered during the preceding calendar year as required under HAR § 16-132-2 and adjusted in HAR §16-132-2(c)).
- C. On or about January 31, 2025, Spectrum shall make the following franchise fee payments for the Kaua'i County Cable System:
 1. One percent (1%) of the annual gross revenue, less one-third (1/3) of the Retained Amount, as defined in D&O No. 386, to HPTF;
 2. Annual AOF from Kaua'i County in the amount of three percent (3%) of its annual gross revenues, less one-third (1/3) of the Retained Amount, as defined in D&O No. 386, to the Kaua'i County PEG Access Organization; and

contributions, that cable operators provide under a cable franchise must be offset against the franchise fees, thereby impacting the distribution of franchise fees.

3. One percent (1%) of its annual gross revenues to DCCA (which includes the one percent (1%) of the income received from Subscribers for the Kaua'i County Cable Services rendered during the preceding calendar year as required under HAR § 16-132-2 and adjusted in HAR §16-132-2(c)), less one-third (1/3) of the Retained Amount, as defined in D&O No. 386.
- D. Spectrum shall provide copies of the payment checks and any supporting documents related to the above-mentioned payments to DCCA.
- E. Except as otherwise provided in this D&O, the remaining provisions of D&O Nos. 174, 241, 346, 366, 368, 386 and all other provisions of applicable D&Os, Letter Orders, and directives issued by DCCA shall continue to remain in full force and effect.

Dated: Honolulu, Hawai'i, January 6, 2025.



Nadine Y. Ando
Director of Commerce and
Consumer Affairs

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **DECISION AND ORDER NO. 387** was served upon the following person at the address shown below by mail, postage prepaid, on this 6th day of January, 2025.

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