

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

**MINUTES OF MEETING**

Date: November 13, 2012  
Time: 10:00 a.m. – 12 noon  
Place: Na Leo 'O Hawai'i, Inc.  
91 Mohouli Street  
Hilo, Hawaii 96720

CAC MEMBERS Present: CAC members Beth Tokioka, and Gerald Silva.

OTHERS: Kealii Lopez, Director; Jo Ann Uchida-Takeuchi, Deputy Director; Donn Yabusaki, CATV Administrator; Lauren Wong and Glen Chock, CATV Staff.

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 10:08 a.m.
- II. Minutes of September 17, 2012 meeting – There were no questions or comments about the minutes, which were then accepted.
- III. UPDATE ON PENDING MATTERS
  - A. Oceanic Time Warner Cable's (OTWC) Renewal of its East Hawaii and West Hawaii Cable Franchises – Extended to December 7, 2012

Mr. Yabusaki informed CAC members that DCCA and OTWC continue to meet and discuss franchise terms. The term of the current franchise agreements were extended to December 7, 2012. DCCA has been working on a draft franchise agreement and later will forward a copy to OTWC for its review. Mr. Silva asked if there will be two separate franchises after the renewal and Mr. Yabusaki stated that DCCA is still considering OTWC's request to consolidate the two franchises in light of OTWC's FCC petition claiming effective competition in the Big Island franchises.
  - B. Designation of PEG access organizations:

Director Lopez acknowledged the DCCA's receipt of Hoike's and Na Leo's Applications for Designation as PEG access organizations. She also stated that while DCCA is reviewing and processing these applications, the existing PEG contracts will be extended until June 30, 2013. She also stated that Deputy Director Uchida-Takeuchi will continue to handle Olelo's

application/designation. Ms. Tokioka asked when Hoike's application will be considered and when would the public hearing be held. Ms. Wong replied that Ho'ike's application is currently being reviewed, and DCCA would probably be sending out information requests to the applicants. After receiving back Ho'ike's responses, DCCA would then review the information and determine if the Application is complete. Depending upon the responses provided by each PEG, public hearings on Ho'ike's application and also on Na Leo's application could be held as early as the first quarter of 2013. Mr. Silva asked if there is a time frame for someone to intervene. Director Lopez stated there was no specific time frame but an intervention request should be made prior to the public hearing.

C. Oceanic's Move of PEG Analog Channel 52 to Analog Channel 55:

Mr. Yabusaki explained that for Oceanic to reclaim needed bandwidth, it relocated in October 2012 its analog Channel 52 to analog Channel 55 for its Oahu and Hawaii cable systems and for Kauai to Channel 54. Oceanic is planning to move analog Channel 52 to analog Channel 55 on December 18, 2012 on Maui. CAC members did not have any questions on this agenda item.

D. TWE Digital Migration of Education Channels:

Mr. Yabusaki stated that the Director issued decisions and orders regarding the migration of PEG Education Channels on the neighbor islands. Oceanic raised some issues with these orders, and that DCCA and Oceanic are working to address these issues. Director Lopez requested Mr. Barlow to give a brief update to this situation. Mr. Barlow stated that the digital box distribution was going well. On Maui, Oceanic has been carrying the TEACH channel on both the analog and digital tiers and will end the analog format on December 18, 2012. Ms. Tokioka asked how many subscribers requested boxes on Kauai. Mr. Barlow did not have that specific number but did say across the state it was between 1200 to 1300 boxes. Director Lopez then requested Mr. Barlow to submit this information to DCCA for each franchise area.

E. Assignment/Transfer of Time Warner Entertainment Company LP's Hawaii Franchises to Oceanic Time Warner Cable LCC:

Mr. Yabusaki explained Oceanic's parent, TWC, went through an internal restructuring. This was basically a paper transfer and it did not impact any of Oceanic's operations. DCCA held public hearings in each franchise area on the transfer and that there was no opposition to the restructuring at these hearings. There were no questions from CAC members.

F. Oahu Cable Franchise-Deputy Director's Final Order Regarding the Amount of Capital Fund Payments for 2012 to 2014 for Government PEG Access

Programming Facilities and Equipment at the Hawaii State Capitol and C&C of Honolulu Administration:

Deputy Director Uchida-Takeuchi explained that this was a separate issue from the earlier Capital Funds Arbitration order. This order deals specifically with capital fund payments over three (3) years for government access programming facilities and equipment at the State Capitol and the C&C of Honolulu administration. There were no questions from CAC members.

G. KLEI-TV FCC Must Carry Decision:

Mr. Yabusaki briefly explained that KLEI, a Kona full power broadcast station, requested carriage of its programming on Oceanic's systems statewide and on Hawaiian Telcom's Oahu video system. The FCC ruled on OTWC's and Hawaiian Telcom's respective petitions and determined that both cable operators had to carry KLEI on their systems. Once KLEI provides the signal to its headend, within 60 days, a cable operator must carry the channel. Mr. Silva commented that the FCC ruling was an eye opener as it relates to Hawaii's Designated Market Area ("DMA") and extending the viewability rule.

IV. New Business

A. Hawaiian Telcom-franchise fee payments for year:

Ms. Wong reported that from January 2012 through August 31, 2012, Hawaiian Telcom paid Olelo approximately \$75,500 and PBS approximately \$25,000. There were no questions from the members.

B. FCC "Viewability" Rule Sunset:

Mr. Yabusaki described the viewability rule and noted that after December 12, 2012, Oceanic is not required to carry the "must carry" stations on its analog tier. Director Lopez indicated that OTWC could still carry analog channels or go all digital. Mr. Barlow stated that Oceanic did not have any immediate plans to eliminate its analog tier. If it did, digital boxes would be provided to subscribers with some conditions. Mr. Silva asked how many subscribers are analog and what would be the impact on the elderly. Mr. Barlow replied that over 60% of subscribers have a digital box, and if Oceanic goes to all digital, Oceanic would probably issue digital boxes (2) free for a certain length of time and after that, start charging a nominal fee. Director Lopez raised the concern brought up in Mr. Amemiya's written comments that Oieio's constituents were not able to obtain a free digital box to view migrated channel 49 from analog to the digital tier. Both Mr. Barlow and Ms. Wong replied that this concern would have to be investigated and discussed by staff and OTWC. Director Lopez requested that Oceanic provide data on how many subscribers had requested digital boxes.

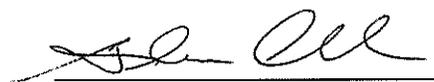
V. Public Comment

- A. Jay April, President and CEO of Akaku provided comments on the digital migration, capital arbitration between 'Ōlelo and Oceanic, and the importance of stability to PEG access organizations. Mr. April noted that the City of Portland had negotiated a very good franchise agreement with its cable operator, Comcast, but when asked, he did not have any specifics.
- B. Roy Amemiya, President and CEO of 'Ōlelo summarized his written testimony. DCCA recently denied 'Ōlelo's request to have OTWC activate a statewide digital channel for 'Ōlelo. Mr. Amemiya indicated that with Video-on-demand (VOD) channels a large number of viewers would not be able to see these channels and that live statewide events would be transmitted on VOD channels. However, he would be interested in VOD channels if live telecasts could be incorporated into them. At the present time HITS is used for live statewide programming, and HITS just increased the price of its after-hours services. Director Lopez requested that Mr. Amemiya give a presentation on how 'Ōlelo would utilize a statewide digital channel at the next CAC meeting and to provide CATV with a copy of the letter he referred to regarding UH increasing the HITS after-hours fees.
- C. J Robertson, Managing Director of Ho'ike, expressed that Kauai viewers were reluctant to drive and pick up free digital boxes at OTWC's customer office. Ms. Wong stated that viewers could telephone OTWC and have the digital boxes mailed to them. Mr. Robertson stated that many viewers would not ask the cable operator to mail them a digital box. Mr. Robertson thanked DCCA for getting out the contract extensions early.

VI. Announcements – None

VII. Adjournment --The meeting was adjourned at 11:10 a.m.

Taken and recorded by:

  
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Glen Chock  
Date: 12-11-12