



NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR

STATE OF HAWAII
CABLE TELEVISION DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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KEALI'I S. LOPEZ
DIRECTOR

GLEN CHOCK
ACTING CABLE TELEVISION
ADMINISTRATOR

VIA EMAIL & U.S. MAIL

September 2, 2011

Brian A. Kang, Esq.
Watanabe Ing LLP
First Hawaiian Center
999 Bishop Street, 23rd Floor
Honolulu, HI 96813

Re: **Application for Renewal of East Hawai'i and West Hawai'i Cable Television Franchises by Time Warner Entertainment Company, L.P.**

Dear Mr. Kang:

On July 20, 2011, Time Warner Entertainment Company, L.P. through its Hawaii Division, Oceanic Time Warner Cable ("**Applicant**") submitted a written consolidated application for renewal of its East Hawai'i and West Hawai'i franchises ("**Application**"). On August 2, 2011, Applicant submitted its Responses to the Department of Commerce and Consumer Affairs' ("**Department**") Request for Clarification of Application dated July 27, 2011.

The Department requires additional information in order to complete the processing of the Application under Chapter 440G, Hawaii Revised Statutes. Accordingly, please provide the information requested in the attached Department of Commerce and Consumer Affairs First Request For Supplemental Information on or before September 9, 2011.

As you are aware, the Department may request additional information throughout the Application process. The Department will make a decision on the Application once the requested information is received and considered.

Thank you for your cooperation and attention to this matter. If you have any questions, please feel free to call me.

Sincerely,

Glen Chock
Acting Cable Television Administrator

Enc.

cc: Everett Kaneshige, Deputy Director

APPLICATION FOR RENEWAL OF EAST HAWAII AND WEST
HAWAII CABLE TELEVISION FRANCHISES BY TIME WARNER
ENTERTAINMENT COMPANY, L.P. THROUGH ITS HAWAII
DIVISION, OCEANIC TIME WARNER CABLE

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
FIRST REQUEST FOR SUPPLEMENTAL INFORMATION (IR)

September 2, 2011

Each question should be answered separately, and copies of source documents should reference the question being answered. The certification provided by Time Warner Entertainment Company, L.P. through its Hawaii Division, Oceanic Time Warner Cable ("**Applicant**" or "**TWE**") in the Application concerning the accuracy of the information is also applicable to the Applicant's responses to these questions.

The Applicant shall answer each question fully and completely, and to the extent the question or any subpart thereof is not applicable, the Applicant should explain why it is not applicable. This is an ongoing request for information. If any of the requested documents are executed or finalized, or updated and amended after the date Applicant submits its response and during the franchise application process, then Applicant shall provide these documents immediately to the Department.

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1. Application. II. E. Technology Change and Hawaii Cable System Infrastructure (Pg. 8)
 - a. Is Applicant committed to upgrading and maintaining state of the art services for the East and West Hawaii franchises, on par with services available on Oahu?
 - b. Explain in detail how the transition to newer technology now and in the future may or may not affect the future of PEG access channels, including Applicant's specific plans and time table to migrate PEG analog channels to digital channels in the East and West Hawaii franchise areas.
 - c. It was recently reported that Time Warner Cable CEO Glenn Britt announced at an investors' conference call on July 28, 2011 that Time Warner Cable would cease analog cable television service within 5years and that it would supplement switched digital video ("**SDV**") with going all digital.

- i. How will TWE transition analog subscribers to all digital within 5 years in the East and West Hawai'i franchises?
- ii. Does TWE use SDV in its East and West Hawai'i franchises? If so, what does CEO Britt's recent announcement mean for SDV?

2. Application. II. F. Franchise Compliance Review (Pg. 11)

Applicant has from time to time missed deadlines for the submission of required reports to DCCA, and DCCA has to remind Applicant to submit timely reports. State the specific steps Applicant will take to ensure that all reports required by HRS, HARs, and Decision and Orders are submitted on a timely basis.

3. Application. IV. D. 2. b. Equitable Extension of Service policy (Pg. 41)

- a. Applicant has stated that its current policy for extension of service to underserved and underdeveloped areas will remain the same (i.e., extension of service to all areas where a minimum of 25 homes per mile of strand or conduit is developed). Provide either the number of homes, or the percentage of homes, on Hawai'i Island that are not served due to Applicant's 25 homes per mile line extension policy.
- b. The DCCA has received periodic inquiries from consumers concerning the high cost of construction fees to connect outlying residential subdivisions on Hawai'i Island to Applicant's cable system. What efforts, if any, is Applicant willing to offer to assist consumers in undeveloped and unserved areas/subdivisions to help pay for construction costs to connect up these residents?

4. Application. IV. I. Customer Service Operations (Pg. 49)

- a. Provide the specific process Applicant will follow regarding resolution of complaints and inquiries referred by the DCCA.
- b. Once a complaint escalates, state the procedures the Applicant will follow to resolve the issue and timeframe objectives for resolution.

5. Capital Fund Payments to Access Organization (TWE Response to DCCA Request for Clarification of Application, dated July 27, 2011, 3.b., page 2)

- a. Pursuant to an agreement on or about May 2002 between TWE and Na Leo 'O Hawai'i ("Na Leo"), the current PEG access organization in both the East and West Hawai'i franchises, TWE's

capital contributions to Na Leo were set at \$125,000 per year, and TWE has continued to pay this amount in accordance with a subsequent 2007 agreement with Na Leo. In its response to the Request for Clarification of Application, Applicant proposed that the capital fund payment be limited to a combined maximum payment of \$120,000. Please provide Applicant's specific reasons as to why the level of capital payments the designated access organization should be less than the current level of payments.

- b. Does Applicant believe that \$120,000 is a reasonable level to "meet specific community needs and interests taking into account the costs to do so." Please explain your answer.
 - c. In its Response on page 3, Applicant "notes that the cost of video equipment has substantially declined over the past several years, and is expected to continue to decline for the foreseeable future."
 - i. Does Applicant acknowledge that Na Leo, or the designated access organization, must replace analog equipment with digital equipment over the course of the next few years to keep up with TWE's migration from analog channels to digital channels?
 - ii. Is Applicant proposing that its capital fund payments to the designated access organization to go down in the foreseeable future because digital equipment costs are expected to decline?
6. The Community Ascertainment Report, October 20, 2010, noted that participants at the Kona forum would like a direct connection from Na Leo's Kona facility to TWE's Kona headend so that they could upload programs directly and be able to cablecast from Kona. State Applicant's position on TWE providing a direct connection at no cost from Na Leo's Kona facility to TWE's Kona headend.
- a. To what extent could such a connection be provided using TWE's existing infrastructure and what remaining portion would require new construction?
 - b. What would be TWE's anticipated actual costs of completing this new construction?"
7. Currently, TWE provides a connection between Na Leo's facility in Kona to its facility in Hilo. State Applicant's position on providing a high-speed connection between Na Leo's Hilo and Kona facilities, at no cost or reduced cost to Na Leo.

- a. To what extent could such a connection be provided using TWE's existing infrastructure and what remaining portion would require new construction?
 - b. What would be TWE's anticipated actual costs of completing this new construction?"
8. The Community Ascertainment Report also noted participant interest in TWE installing bi-directional connections from public libraries and other selected sites in Kona, Hilo, Ka'u and Waimea, for live cablecasting of community events and meetings. State Applicant's position on providing such connections at no cost to Na Leo or the State.
- a. To what extent could such a connection be provided using TWE's existing infrastructure and what remaining portion would require new construction?
 - b. What would be TWE's anticipated actual costs of completing this new construction?"

2011 SEP -8 A 11:43

A__E__P__S__

FILE_____

September 7, 2011

VIA HAND DELIVERY

Mr. Donn Yabusaki
Administrator
Cable Television Division
Department of Commerce & Consumer Affairs
King Kalakaua Building
335 Merchant Street, Room 101
Honolulu, Hawaii 96813

**Re: Application for Renewal of East Hawaii and West Hawaii
Cable Television Franchises by Time Warner Entertainment
Company, L.P. dba Oceanic Time Warner Cable
Department of Commerce and Consumer Affairs
First Request for Supplemental Information dated 09/02/11**

Dear Mr. Yabusaki:

On September 2, 2011, the Department of Commerce and Consumer Affairs served Applicant Time Warner Entertainment Company, L.P. dba Oceanic Time Warner Cable with a First Request for Supplemental Information in the above-referenced matter.

The Information Requests seek information from Oceanic regarding various areas, including the transition to digital technology, reporting, service extension policy, customer service operations, and capital funding. In its letter accompanying the requests, DCCA requested a response within four business days after service of the request, or September 9, 2011.

Given the scope and nature of the twenty information requests (including subparts), Oceanic is unable to gather the necessary information and prepare responses to the requests within the requested time frame. Accordingly, this is to respectfully request an extension of time to respond to the information requests up to, and including, September 26, 2011.

Mr. Donn Yabusaki
September 7, 2011
Page 2

Thank you for your attention to this matter, and please contact me with any questions.

Very truly yours,

WATANABE ING LLP

A handwritten signature in black ink, appearing to read "Brian A. Kang", written over the printed name below.

BRIAN A. KANG

cc: Mr. Glen Chock
Laureen Wong, Esq.
Oceanic Time Warner Cable



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KEALI'I S. LOPEZ
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DONN YABUSAKI
CABLE TELEVISION ADMINISTRATOR

VIA EMAIL & U.S. MAIL

September 8, 2011

Brian A. Kang, Esq.
Watanabe Ing LLP
First Hawaiian Center
999 Bishop Street, 23rd Floor
Honolulu, HI 96813

Re: **Application for Renewal of East Hawai'i and West Hawai'i Cable Television Franchises by Time Warner Entertainment Company, L.P.**

Dear Mr. Kang:

On September 8, 2011, the Department of Commerce and Consumer Affairs ("**Department**") received Time Warner Entertainment Company, L.P.'s ("**TWE**") request for an extension of time in which to respond to the Department's September 2, 2011 Information Requests ("**IRs**").

The Department grants TWE's request to extend the time to respond to the IRs to September 26, 2011, with the understanding that the extension will not unduly delay the renewal proceedings and that the Department and TWE will continue to discuss the terms of a franchise.

Thank you for your cooperation and attention to this matter. If you have any questions, please feel free to call me at 586-2620.

Sincerely,

DONN YABUSAKI
Cable Television Administrator

c: Everett Kaneshige, Deputy Director