



December 7, 2001

VIA E-MAIL

Bryan Tramont
Senior Legal Advisor
Office of Commissioner Abernathy
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20054

Re: IB Docket No. 98-21 -- DBS Rule Making

Dear Bryan:

Thank you for meeting with us regarding the geographic service provisions of the currently pending Part 100 DBS proceeding. We wanted to respond to your question regarding the comparative costs of cable television service in Hawaii, along with the cable penetration rate in the State. As we mentioned, these statistics are important because they demonstrate that the State's residents have a significant interest in multi-channel video programming, and they deserve access to competitive alternatives.

According to the Hawaii Department of Commerce & Consumer Affairs, Cable Television Division, the cable penetration rate for the State in 1997 was 88%, significantly above the national average of 68.2% for 1997.¹ At the same time, the average monthly cable rate in Hawaii was \$0.69 per channel, well above the 1997 national average for non-competitive cable systems of \$0.63 per channel.²

Although our office does not have more recent comparative statistics available, we have no reason to believe that the trend in Hawaii towards relatively high subscriber costs and cable penetration rates has altered since the statistics were compiled. Based on this information, it can safely be assumed that access to multichannel video programming is important to the State's residents and the need for alternative providers that are truly competitive with cable is substantial.

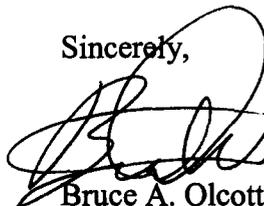
¹ See *Fourth Annual Video Delivery Competition Report*, FCC 97-423, ¶ 15 (Jan. 13, 1998).

² See *id.*, Appendix B, at B-16.

Bryan Tramont
December 7, 2001
Page 2

Thank you for your attention to this matter. Please let us know if you have any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce A. Olcott", written in a cursive style.

Bruce A. Olcott

BOA/boa

Cc: FCC Secretary (filed electronically)