

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of the Joint Application of)	
)	
Cincinnati Bell Inc. , Transferee)	
)	
and)	
)	WC Docket No. 17-207;
Hawaiian Telcom Holdco, Inc. , Transferor,)	IB File Nos. ITC-T/C-20170811-
and)	00138; and ITC-T/C-20170811-
Hawaiian Telcom, Inc. ,)	00139
Hawaiian Telcom Services Company, Inc. and)	
Wavecom Solutions Corporation , Licensees)	
)	
for authority pursuant to Section 214 of the)	
Communications Act of 1934, as amended,)	
to Transfer Indirect Control of Domestic and)	
International Section 214 Authorization Holders)	
to Cincinnati Bell Inc.)	
)	
)	

REPLY COMMENTS OF APPLICANTS

Cincinnati Bell Inc. (“Cincinnati Bell”), Hawaiian Telcom, Inc. (“HTI”), Hawaiian Telcom Services Company, Inc. (“HTSC”), Wavecom Solutions Corporation (“Wavecom”) and Hawaiian Telcom Holdco, Inc. (HT Holdco”) (collectively “Hawaiian Telcom” and with Cincinnati Bell, “Applicants”) hereby respectfully submit these Reply Comments pursuant to the Commission’s Public Notice.¹ In the absence of any Petitions to Deny or substantive comments raising merger-specific issues, the Applicants respectfully urge the Commission to approve the

¹ Public Notice, Applications Filed for the Transfer of Control of Hawaiian Telcom, Inc., Hawaiian Telcom Services Company, Inc., and Wavecom Solutions Corporation to Cincinnati Bell Inc., 32 FCC Rcd. 6715 (2017).

proposed Transaction as soon as practical.²

I. No Filed Comments Undermine the Determination that the Proposed Transaction Satisfies the Commission’s Public Interest Test

Under Sections 214(a) and 310(d) of the Communications Act, as amended, the Commission assesses whether the proposed transfer of indirect control of Commission licenses and authorizations is consistent with the public interest, convenience, and necessity based on: “whether the proposed Transaction complies with the specific provisions of the Act, other applicable statutes, and the Commission’s rules;” as well as “whether it could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes.”³ The Commission then weighs “any potential public interest harms of the proposed Transaction against any potential public interest benefits.”⁴

As the Applicants demonstrated in the Application, the proposed Transaction satisfies all four elements of the Commission’s test. No Petitions to Deny were filed and the single brief comment filed does not challenge the Applicants’ demonstration that the Transaction satisfies each prong of the Commission’s public interest test.

The lone brief comment filed raised issues that are not specific to the proposed holding company-level transaction between HT Holdco and Cincinnati Bell. The Commission has long

² The Applicants recognize that the department of Justice has submitted a request to the Commission that it defer action pending a team telecom national Security review. The Applicants merely urge the Commission to expeditiously grant its approval subsequent to DOJ’s completion of its review.

³ *Joint Application of Consolidated Communications Holdings, Inc., and FairPoint Communications, Inc., to Transfer Indirect Control of Authorization Holders to Consolidated Communications Holdings, Inc.*, Memorandum Opinion and Order, 32 FCC Rcd. 3820, 3822 ¶ 7 (Wireline Comp. Bur. 2017).

⁴ *Id.*

established that its “merger review is limited to consideration of merger-specific effects.”⁵ In the context of FCC merger reviews, an issue is “merger-specific” when it is “an outgrowth of the merger.”⁶ The issues regarding Hawaiian Telcom’s operation of submarine cables cannot reasonably be classified as “merger-specific.”

In the lone comment filed in this proceeding, Mr. Aaron Stene raises questions regarding the Applicants’ plans for certain submarine cables as they reach their end of life.⁷ While these questions are not germane to this proceeding because they are not “merger-specific” concerns, Applicants’ herein address a number of inaccurate assumptions and assertions contained in Mr. Stene’s brief comment.

By way of background, Hawaiian Telcom, through its operating subsidiaries, owns the Hawaii Interisland Cable System (HICS) and co-owns with Level 3 Communications the Hawaiian Interisland Fiber Network (HIFN). As the Joint Application states, the proposed Transaction will occur at the holding company level and will not involve any change or disruption of services. Hawaiian Telcom, including with respect to its submarine cable operations, will continue to be locally managed. In short, the proposed Transaction does not currently involve any specific plan to change Hawaiian Telecom’s management of its submarine cable operations.

Both of Hawaiian Telcom’s submarine cable systems were engineered for a minimum of

⁵ *Applications for the Consent to the Transfer of Control Licenses from Comcast Corporation and AT&T Corp, Transferors, to AT&T Comcast Corporation, Transferee*, Order, 17 FCC Rcd. 22633, 22637 ¶ 11 (2002). *See also Applications of AT&T Inc. and Centennial Communications Corporation for Consent to Transfer Control of Licenses, Authorizations, and Spectrum Leasing Arrangements*, 24 FCC Rcd. 13915, 13969 ¶ 133 (2009).

⁶ *Applications for the Consent to the Transfer of Control Licenses from Comcast Corporation and AT&T Corp, Transferors, to AT&T Comcast Corporation, Transferee*, Memorandum Opinion and Order, 17 FCC Rcd. 23246, 23249 ¶ 7 (2002).

⁷ Brief Comment of Aaron Stene, (filed Sept. 21, 2017).

25 years of life, as is standard practice in the industry. However, it is not unusual in telecommunication networks, including submarine cables, to have working systems operating effectively and efficiently well past their original useful life projections. Hawaiian Telcom's proactive maintenance, measuring, and monitoring of the interisland network further enhances the utility of its submarine cable systems beyond the standard predicted useful life.

Further, Hawaiian Telcom continually updates its Network Optimization plans, including for the interisland network, to ensure the network has sufficient and reliable capacity to meet its customers' ever-increasing bandwidth demands. Hawaiian Telcom has accordingly invested heavily in its interisland network and, in recent years, has upgraded the fiber terminals on both the HICS and HIFN systems. Such investment to improve Hawaiian Telcom's interisland cable networks will continue as long as customers' bandwidth requirements continue to grow at the pace they have grown over the past decade.

Hawaiian Telcom likewise does not anticipate capacity issues on its network as advances in telecommunications transport technology allows Hawaiian Telcom to upgrade the fiber electronics on the system to meet demand even in the unlikely event that demand materially exceeds projections. Hawaiian Telcom can also lease additional capacity from one or both of the other interisland cable systems, the Paniolo interisland fiber and the Southern Cross Cable Network. Further, submarine cables are not the only method of delivering robust high-capacity interisland bandwidth; Hawaiian Telcom could also serve such demand using interisland microwave transmission. In short, there are no existing or future issues with the capacity of Hawaiian Telcom's submarine cables, and certainly no issues that are specific to the transaction.

The combination with Cincinnati Bell will provide Hawaiian Telcom a stronger financial and operational foundation for the contemplated combined company, which will enhance future

planning and development for interisland submarine cables. The Commission should accordingly find that the proposed Transaction between Hawaiian Telcom and Cincinnati Bell is in the public interest and expeditiously approve the Application as soon as practical.

Respectfully submitted,

BY: HAWAIIAN TELCOM HOLDCO INC.

BY: CINCINNATI BELL INC.

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