



Federal Communications Commission
Washington, D.C. 20554

November 2, 2018

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: WC Docket Nos. 10-90, 16-405; CC Docket No. 96-45; EB File No. EB-IHD-00019603,
NAL/Acct. No. 201732080004.

Dear Ms. Dortch:

In order to ensure proper administration of the universal service fund high-cost program and compliance with the Commission's rules, on December 5, 2016, the Commission released several related orders concerning Sandwich Isles Communications, Inc. (SIC), including the *SIC Improper Payments Order*.¹ Following an investigative proceeding of SIC's receipt of universal service fund support conducted by the Universal Service Administrative Company (USAC Investigative Proceeding), the Commission concluded in the *SIC Improper Payments Order* that SIC violated the Commission's regulatory cost accounting rules and requirements that resulted in the improper receipt of high-cost universal service support. SIC filed a petition seeking reconsideration² of the *SIC Improper Payments Order*.

In this letter, the Bureau incorporates by reference information received directly and indirectly from SIC as part of the USAC Investigative Proceeding and the *SIC Improper Payments Order* it may consider as part of SIC's Petition for Reconsideration. The information incorporated by reference specifically includes the items listed in the attachment to this correspondence. The Bureau is mindful of the sensitive nature of this information, including SIC's proprietary and confidential information in the Commission's possession, and submits this information pursuant to the protective order issued March 13, 2017, to prevent the improper disclosure and use of competitively sensitive information.³ Accordingly, please enter the items listed in the attachment into the Record.

Respectfully submitted,

Kris Monteith
Chief
Wireline Competition Bureau

¹ *Sandwich Isles Communications, Inc.*, Order, 31 FCC Rcd 12999 (2016) (*SIC Improper Payments Order*).

² Petition for Reconsideration of *Sandwich Isles Communications, Inc.*, WC Docket No. 10-90 (filed Jan. 4, 2017).

³ *Sandwich Isles Communications, Inc. et al.*, WC Docket Nos. 10-90 et al., Order, DA 17-241 (WCB 2017) (Protective Order).

ATTACHMENT

1. Inquiries from Universal Service Administrative Company (USAC) to Sandwich Isles Communications, Inc. (SIC), Audit Inquiries Record Nos. 1-396 (Aug. 20, 2015 - Dec. 30, 2015) (USAC Investigation, Audit Inquiry);
2. Responses to USAC Investigation, Audit Inquiries Nos. 1-396 from SIC to USAC (Aug. 24, 2015 - Jan. 5, 2016);
3. Inquiry from USAC to SIC, Additional Inquiries and Requests – Breanne Hee-Kahalewai (Mar. 17, 2016) (Additional Inquiries and Requests – BHK);
4. Response to Additional Inquiries and Requests – BHK from SIC to USAC (Apr. 18, 2016);
5. Response to Reporting Inquiries from SIC to USAC (Mar. 21, 2016);
6. Response to Item 1 from SIC to USAC (Apr. 11, 2016);
7. Response to Items 2 – 4 from SIC to USAC (Apr. 15, 2016);
8. Letter from Karen Majcher, Vice President, USAC High-cost Program, to Abby Tawarahara, Controller, SIC (Aug. 7, 2015);
9. Draft Audit Report from Wayne M. Scott, Vice President, Internal Audit Division, USAC, to Abby Tawarahara, Controller, SIC (Feb. 5, 2016);
10. Letter from James A. Barnett, Jr., Venable, Counsel to SIC, to Wayne M. Scott, Vice President, Internal Audit Division, USAC (Feb. 25, 2016);
11. E-mail from Emily Powell, USAC-IAD, to Janeen Olds, President and CEO, SIC (March 31, 2016);
12. E-mail from Jamie Barnett, Esq., Venable LLP, Counsel to SIC, to Romanda Williams, et al., Federal Communications Commission, Attach. (June 23, 2017);
13. E-mail from Jamie Barnett, Esq., Venable LLP, Counsel to SIC, to Michele Ellison et al., Federal Communications Commission (Aug. 3, 2017);
14. E-mail from Jamie Barnett, Esq., Venable LLP, Counsel to SIC, to Jim Bird, Federal Communications Commission (Sept. 28, 2017); and
15. E-mail from Jamie Barnett, Esq., Venable LLP, Counsel to SIC, to Jim Bird, Federal Communications Commission (Oct. 17, 2017).