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July 24, 2002

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-A325
Washington, DC 20554

Re: Permitted Oral Ex Parte Presentation
FCC File No. SAT-PDR-20020425-00071 &
IB Docket No. 98-21

Dear Secretary Salas:

On Wednesday, July 24, 2002, Clyde Sonobe, Cable Administrator, Cable Television Division, Hawaii Department of Commerce & Consumer Affairs, met with Peter Tenhula, Senior Legal Advisor to Chairman Michael Powell. Also in attendance at the meeting were Herbert E. Marks and Bruce A. Olcott of Squire Sanders & Dempsey, L.L.P., as counsel for the State of Hawaii.

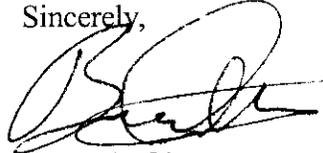
Sonobe expressed the State's appreciation for the Commission's decision to clarify and reinforce its geographic service requirements for DBS operators. The State indicated that its residents deserve access to DBS services that are comparable to the services available on the mainland and competitive with the offerings of monopolistic cable television providers. Sonobe indicated that the Commission's June 2002 order in IB Docket No. 98-21 should help in compelling DBS operators to provide comparable services to the State's residents. Sonobe further indicated that the State would monitor the situation and would inform the Commission if any lack of compliance is detected.

The State also expressed concern about a recent proposal by SES Americom to use a non-U.S. licensed satellite to provide DBS in the U.S. mainland, but possibility not to consumers in Alaska and Hawaii. Although the State welcomes new competition in the DBS industry, the State urged the Commission to refrain from authorizing SES Americom's service until the applicant develops a plan for providing DBS to consumers in all fifty States. The State also urged the Commission to refrain from granting SES Americom a waiver of its geographic service rules. The State indicated that compliance with the Commission's rules is important to ensure that consumers in Alaska and Hawaii remain fully integrated with the rest of the country through access to a full range of competitive telecommunications services.

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The attached relevant materials were distributed during the meeting. Please contact the undersigned if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bruce A. Olcott', written over a horizontal line.

Bruce A. Olcott

Copy: Peter Tenhula, Senior Legal Advisor
Christopher Murphy, Senior Legal Advisory, International Bureau
Sasha Fields, Senior Legal Advisor, International Bureau
JoAnn Lucanik, International Bureau
Rosalee Chiara, Media Bureau
Eloise Gore, Media Bureau
Jennifer Gilsonan, Chief, Policy Branch, Satellite Division
Selina Khan, Satellite Division, Policy Branch
Laura Sherman, Counsel for SES Americom

Competitive Telecommunications Services for the State of Hawaii

Clyde Sonobe, Cable Administrator, Cable Television Division,
Hawaii Department of Commerce & Consumer Affairs

July 2002

- The State of Hawaii thanks the Commission for its long history of efforts to ensure that the residents of Hawaii have access to the same competitive wireline and satellite-based telecommunications services that are available to consumers in the Mainland states.

Direct Broadcast Satellite Services

- In recognition that consumers in Hawaii and Alaska have been subject to discrimination by DBS licensees, the Commission adopted geographic service rules in 1995 mandating service to the States.
- DBS licensees resisted complying with the geographic service requirements. In order to compel compliance, the Commission adopted another order in June 2002 that strengthened and clarified its geographic service requirements.
 - The Commission clarified that DBS licensees must provide packages of services that are “reasonably comparable” to the services available in the rest of the United States.
 - The Commission strongly encouraged DBS operators to serve consumers in Alaska and Hawaii using comparable receive earth station antenna sizes.
 - The Commission also reaffirmed that non-U.S. licensed DBS operators must comply with the Commission’s geographic service requirements.
 - Finally, the Commission indicated that DBS providers would be subject to liability for failure to comply with its rules 60 days after the order’s Federal Register publication.
- Shortly after the Commission’s order was released, one provider announced that it is initiating local-into-local broadcast programming for Honolulu. Its overall approach is under review by the State.
- The State has not yet received indication, however, that the other provider is even trying to come into compliance with the rules.
- The State has also filed a petition to deny regarding a SES Americom proposal to use a Gibraltar license to provide DBS in the U.S. mainland, but apparently not to Hawaii and Alaska.
- The State intends to monitor the situation and submit inquiries to the DBS operators. If the State perceives a lack of compliance, it will bring this to the Commission’s attention.