

January 29, 2007

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

Re: Permitted Oral *Ex Parte* Presentation
Media Bureau Docket No. 03-82

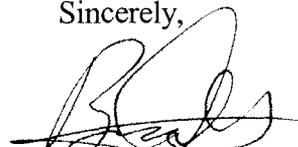
Dear Secretary Dortch:

On Wednesday, January 24, 2007, Clyde Sonobe, the Administrator for the Cable Television Division of the Hawaii Department of Commerce and Consumer Affairs met with Commissioner Michael J. Copps, and his Competition and Universal Service Legal Advisor, Scott M. Deutchman. Also in attendance at the meeting was Bruce A. Olcott of Squire Sanders & Dempsey, L.L.P., as counsel for the State of Hawaii (“the State”).

Sonobe articulated the State’s continued concern that direct broadcast satellite (“DBS”) service licensee, Directv, does not make its services readily accessible to consumers in Hawaii. The State noted that Directv’s major retailers, including Best Buy and Circuit City, still do not sell Directv’s service to new customers through its retail outlets in Hawaii. The State observed that, absent such retail distribution channels, it does not appear that Directv is making available to consumers in Hawaii DBS services that are comparable to the DBS services that are available on the mainland or competitive with the cable television services that exist in Hawaii.

The State’s positions on these issues are briefly summarized in the attached talking points, which were distributed during the meeting. The State also reiterated points that are summarized in the comments and reply comments that have been filed by the State in the above referenced proceeding. Please contact the undersigned if you have any questions.

Sincerely,



Bruce A. Olcott

Copy: Commissioner Michael J. Copps
Scott M. Deutchman, Legal Advisor

Meeting With FCC Commissioner Michael J. Copps
State of Hawaii, Department of Commerce and Consumer Affairs

January 24, 2007

Cable Television Franchising

- The Department is negotiating with Hawaiian Telcom Services Corporation (“HTSC”) for the grant of a competitive cable television franchise.
 - The State is prepared to grant a franchise to HTSC if it agrees to terms that are comparable to those that were accepted by the incumbent, including proportionate contributions to the State’s Institutional Network (“INET”).
 - The State is required to issue a decision on HTSC’s application within 120 days after it has been accepted for filing by the State.
 - HTSC has requested repeated extensions of this deadline, stating that it wants to delay issuance of its franchise until after the release of the FCC’s cable franchise order.

Section 254(g) Rate Integration and Geographic Averaging

- The Commission should deny the Petition for Forbearance of Core Communications, which seeks the elimination of Section 254(g) of the Communications Act. (WC Docket 06-100)
 - If the Commission does not deny the petition by April 2007, it will arguably be granted as a matter of law, eliminating an important and long standing protection for consumers in rural, remote, insular and other high cost areas.
 - Last year, the Senate Commerce Committee evidenced its continued support for Section 254(g) by including a provision in HR 5252, as reported to the full Senate, that strengthened the Section 254(g) requirements by making them applicable to any service, including information services, that can be used as “effective substitutes” for interexchange telecommunications services.
- The Commission should expand the reach of the rate integration and geographic averaging requirements to broadband information services that can be used as substitutes for interstate, interexchange services. The FCC is considering such action in CC Docket No. 02-33.
- The Commission should refrain from taking any action with respect to Section 254(g) as a part of its reform of the intercarrier compensation regime. (WC Docket 01-92)

Direct Broadcast Satellite Service

- The Commission should take addition steps to require operators of direct broadcast satellite (“DBS”) and direct-to-home (“DTH”) satellite services to provide multichannel video, audio and broadband Internet services to consumers in Alaska and Hawaii that are comparable to the services that are available in the rest of the United States.
 - Despite the Commission’s longstanding efforts, most providers of DBS and DTH services still do not provide services in Alaska and Hawaii that are comparable with the services on the Mainland or competitive with incumbent cable services in Hawaii.