

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
WC Docket Numbers 01-92, 02-33 and 06-100

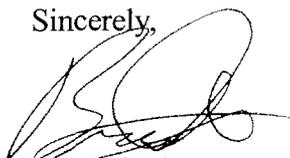
Dear Secretary Dortch:

On Wednesday, January 24, 2007, Clyde Sonobe 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 concern about a petition for forbearance that was filed by Core Communications, Inc. that seeks forbearance from, *inter alia*, the rate integration and geographic averaging requirements of Section 254(g) of the Communications Act. Sonobe and Olcott argued that the Commission should deny the petition. Sonobe and Olcott also urged the Commission to refrain from taking any action in its intercarrier compensation reform proceeding that could have an inappropriate impact on the Section 254(g) requirements. Finally, Sonobe and Olcott explained why it would be appropriate for the Commission to extend the reach of the rate integration and geographic averaging requirements to include broadband information services that can be used as substitutes for interstate, interexchange services.

The State's positions on these issues are 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 proceedings. 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.