

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

In the Matter of)	
)	
HAWAIIAN TELCOM, INC.)	WC Docket No. 08-4
)	
Petition for Waiver of Sections 54.309 and)	
54.313(d)(vi) of the Commission's Rules)	

**COMMENTS OF
THE WESTERN TELECOMMUNICATIONS ALLIANCE
AND
THE ORGANIZATION FOR THE PROMOTION AND ADVANCEMENT
OF SMALL TELECOMMUNICATIONS COMPANIES**

The Western Telecommunications Alliance (“WTA”) and the Organization for the Promotion and Advancement of Small Telecommunications Companies (“OPASTCO”) hereby comment upon Hawaiian Telcom, Inc.’s (“HTI’s”) petition for waiver of Section 54.309 of the Rules to allow HTI to receive high-cost model support by averaging its line costs on a wire center-by-wire center basis rather than on a statewide basis. These comments are filed in response to the Commission’s Public Notice (*Comment Sought on Hawaiian Telcom, Inc.’s Petition for Waiver of High-Cost Universal Service Support Rules*), WC Docket No. 08-4, DA 08-131, released January 18, 2008.

WTA and OPASTCO are aware of the difficulties and costs of serving insular areas such as Hawaii. At the same time, HTI is the nation’s tenth largest incumbent local exchange carrier (“ILEC”), serves the nation’s 46th largest city,¹ and appears to possess substantial resources and access to capital. WTA and OPASTCO believe that the Commission needs to carefully consider the impacts upon Universal Service Fund (“USF”) size and growth of permitting non-rural carriers like HTI to calculate their USF costs and support on a wire center basis. Rather than

¹ According to the U.S. Census Bureau, Honolulu had an estimated 2006 population of 377,357, and ranked 46th on the list of the 50 largest U.S. cities in 2006.

dealing with such questions and their associated USF impacts in a piecemeal fashion via the waiver process, WTA and OPASTCO suggest that the Commission consider and resolve them in a more deliberate and comprehensive fashion during its recently instituted rulemaking proceedings (WC Docket No. 05-337 and CC Docket No. 96-45) regarding long-term reform of high-cost universal service support.²

WTA and OPASTCO

WTA is a trade association that represents approximately 250 rural ILECs operating in the states west of the Mississippi River, including Hawaii.

OPASTCO is a national trade association representing over 520 small ILECs serving rural areas of the United States. Its members, which include both commercial companies and cooperatives, together serve more than 3.5 million customers.

Careful Consideration of Wire Center Calculations Is Necessary

As the Commission is well aware, the skyrocketing growth of portable USF support for wireless competitive eligible telecommunications carriers (“CETCs”) has placed major strains on the USF program during recent years. A second source of substantial potential USF growth is support to non-rural carriers, if the relevant costs and support for such larger carriers are calculated on a wire center basis rather than averaged on an existing study area basis.

In the pending long-term USF rulemakings, the Commission will have the opportunity to consider the most effective and efficient ways to encourage investment and service quality improvements in rural areas served by non-rural carriers. Among other things, the Commission will be able to consider AT&T Corporation’s broadband pilot program, and the targeted wire

² Notice of Proposed Rulemaking (*High Cost Universal Service Support and Federal-State Joint Board on Universal Service*), WC Docket No. 05-337 and CC Docket No. 96-45, FCC 08-22, released January 29, 2008 (“*Joint Board Recommended Decision NPRM*”); Notice of Proposed Rulemaking (*High Cost Universal Service Support and Federal-State Joint Board on Universal Service*), WC Docket No. 05-337 and CC Docket No. 96-45, FCC 08-4, released January 29, 2008 (“*Identical Support Rule NPRM*”); Notice of Proposed Rulemaking (*High Cost Universal Service Support and Federal-State Joint Board on Universal Service*), WC Docket No. 05-337 and CC Docket No. 96-45, FCC 08-5, released January 29, 2008 (“*Reverse Auction NPRM*”).

center support proposals of Qwest Corporation and Embarq. During the rulemakings, the Commission will have the opportunity to analyze the costs and benefits of such programs, as well as to determine how such support will be controlled and funded. Finally, the rulemakings will better enable the Commission to evaluate and adopt effective accountability and reporting requirements to ensure that the increased USF dollars will be used for the intended purposes.

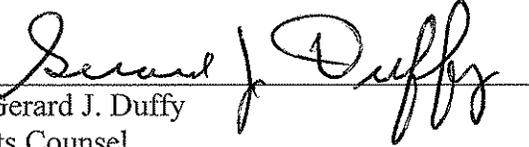
As the Commission has seen happen with portable wireless CETC support, individual carrier designations and waivers have the potential to result in rapid and uncontrolled USF growth. Calculation of USF support for non-rural carriers on a wire center basis may ultimately be determined to be viable on a limited or ubiquitous basis. However, the wire center alternative should be carefully examined and compared with other options within the context of the current rulemaking activity, and should not be implemented precipitously on a waiver basis.

Therefore, WTA and OPASTCO request that the Commission deny HTI's waiver petition, and deal with wire center issues in the pending long-term USF reform rulemakings.

Respectfully submitted,

**THE WESTERN
TELECOMMUNICATIONS ALLIANCE**

By

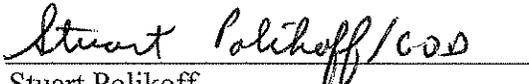

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**THE ORGANIZATION FOR THE
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