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August 2, 2010

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

Re: Sandwich Isles Communications, Inc. Petition for Declaratory Ruling
WC Docket No. 09-133

Dear Ms. Dortch:

Sandwich Isles Communications, Inc. ("SIC") submits this letter in response to the *ex parte* notice letters filed by the National Exchange Carrier Association ("NECA") on June 18 and July 28, 2010.¹ NECA's contentions in this proceeding are nothing more than a smokescreen to obfuscate the willful refusal of NECA to follow applicable orders of the Commission. NECA has refused to comply with the Commission's orders while sharing counsel with Hawaiian Telcom, Inc. ("HTI") a competing carrier that has doggedly pursued appeals in an attempt to overturn the Commission's orders. Neither NECA nor HTI has sought, or been granted, a stay of the applicable Commission orders and, accordingly, NECA has no basis to ignore the Commission's orders. NECA should be directed to immediately comply with the Commission's orders and include the Paniolo Cable lease costs in the NECA pool.

¹ See Letter from Joe Douglas, Vice President Government Relations, NECA, to Marlene Dortch, Secretary, FCC (June 18, 2010)("NECA June 18 Letter"); see also Letter from Gregory Vogt, Counsel to NECA, to Marlene Dortch, Secretary, FCC (July 28, 2010)("NECA July 28 Letter").

I. NECA Has Shown No Basis to Refuse to Comply with the Commission's Prior Orders with Regard to SIC's Participation in the NECA Pool

NECA argues that it is not obligated to comply with the Commission's prior orders because the orders did not approve "an identified level of a specific plant investment."² This contention fails to provide any reasonable basis for NECA to ignore the Commission's orders. The Commission's prior orders make it abundantly clear that the Commission was well-aware that the cost of launching a new telephone company to provide service to unserved areas would require both high cost loop support and participation in the NECA pool in order for the new service to be affordable by its intended subscribers.

A. The 1998 Order

SIC originally sought and obtained a waiver of the definition of incumbent local exchange carrier ("incumbent LEC") in order for SIC to receive high cost loop support and participate in the NECA pool, which were only available to incumbent LEC's.³ In the *1998 Order* the Commission recognized that, "Sandwich Isles is a new telephone company seeking to provide telephone exchange service to rural customers in a previously unserved area."⁴ The Commission further noted that SIC requested a waiver because failure to obtain high cost loop support for the new service would render the service unaffordable to residents of the Hawaiian Homelands ("HHL"):

Sandwich Isles argues that application of the Commission's rules in this instance would be contrary to the public interest because it would deny high cost loop support to a new company proposing to provide initial service to a rural area. Sandwich Isles states that failure to grant a waiver would result in substantial increases in local rates. Sandwich Isles also asserts that increased local rates would discourage subscription to local telephone service and

² NECA June 18 Letter at 2.

³ *In the Matter of Sandwich Isles Communications*, 13 FCC Rcd 2407 (Feb. 3, 1998)("1998 Order") at para. 1.

⁴ *1998 Order* at para. 5.

jeopardize the future availability of service, a result antithetic to the goals of universal service policies.⁵

The Commission noted that in prior cases it had determined that a waiver is only appropriate in "special circumstances."⁶ The Commission explained that special circumstances are present where a carrier proposes to serve unserved areas and service would not be affordable without high cost loop support:

We permitted immediate access to high cost support because the carriers were offering to serve previously unserved areas which would have likely remained without service if these carriers were unable to provide service. In these proceedings, we found compelling reasons to permit immediate high cost loop support for new carriers providing service to unserved areas.⁷

In accordance with prior case law, the Commission held that SIC met the "special circumstances" test and was entitled to the requested waiver:

Sandwich Isles' circumstances are sufficiently similar to warrant the same treatment as Border to Border and South Park. Because Sandwich Isles will provide service to previously unserved areas, we find that the special circumstances warranting the grant of a waiver of the Commission's rules are present and that it is in the public interest to grant Sandwich Isles' request for a waiver of Section 36.611 of the Commission's rules.⁸

For the same reasons that the Commission found that SIC is entitled to high cost loop support, the Commission further determined that SIC is entitled to include its costs in the NECA pool:

We also find it reasonable that Sandwich Isles participate in NECA pools and tariffs. Participation in NECA will allow Sandwich Isles to avoid the costs of filing and maintaining its own company-specific interstate tariffs.

⁵ *1998 Order* at para. 7.

⁶ *1998 Order* at para. 10.

⁷ *Id.*

⁸ *1998 Order* at para. 11.

The cost of preparing company-specific tariffs could be excessive for a company with relatively few customers. In addition, because Sandwich Isles plans to make large capital investments to initiate service, its company-specific rates would likely be extremely high. Therefore, it is in the public interest to permit Sandwich Isles and its potential customers to benefit from both the cost savings and lower rates available through NECA participation.⁹

The above language could hardly be more clear that the Commission fully understood that SIC was about to make "large capital investments" and that SIC needed to obtain both high cost loop support and participation in the NECA pool in order to defray the cost of the "large capital investments" so that service to new residents of the HHL would be affordable.¹⁰ Thus, NECA's argument that the Commission order did not direct NECA to include in the pool "an identified level of a specific plant investment" unjustifiably seeks to avoid a Commission order that expressly recognized and approved that SIC would make "large capital investments."

HTI (formerly GTE and Verizon) appealed the *1998 Order* to the Commission and obtained an order on review that required SIC to apply for a waiver of the study area freeze in addition to the waiver of the definition of incumbent LEC previously obtained by SIC because the unserved areas to be served by SIC were within the study area of HTI.¹¹ The grant of the HTI application for review caused the U.S. Rural Utilities Service ("RUS") to suspend its approval of the RUS loan that included what became the Paniolo Cable solely because RUS could no longer rely upon SIC receiving sufficient support and not because RUS changed its determination that the loans were appropriate and necessary. Thus, NECA's contention that RUS withdrew its approval of the loan that included what became the Paniolo Cable is disingenuous.

⁹ *1998 Order* at para. 13 (emphasis added).

¹⁰ In addition to the above language, the Commission devotes two full paragraphs to a discussion of the waivers necessary for SIC to participate in the NECA pool. *See 1998 Order* at paras. 14 and 15 (discussing the requirement that a participant be a telephone company and an incumbent LEC).

¹¹ *In the Matter of GTE Hawaiian Telephone Company*, 19 FCC Rcd 22268 (Oct. 29, 2004).

B. The 2005 Order

In the *2005 Order* the Commission granted SIC waivers of the study area freeze and the definition of incumbent LEC for the express purpose of permitting SIC to continue to obtain high cost loop support and participate in the NECA pool: "These waivers will permit Sandwich Isles to continue being treated as an incumbent LEC for purposes of receiving universal service support and participating in the [NECA] tariffs and pools."¹² The Commission explained that in granting such waivers the Commission "may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. Waiver of the Commission's rules is therefore appropriate only if special circumstances warrant a deviation from the general rule, and such deviation will serve the public interest."¹³ Thus, the Commission included "considerations of hardship [and] equity" and concluded that the test of "special circumstances" was met in the case of the need to initiate new service via a fiber optic network on and among the Hawaiian Islands to previously unserved or under-served HHL areas.

Given that the Commission expressly considered and ruled on the equitable considerations and special circumstances in the *2005 Order*, the position of NECA is simply unjustified. NECA concedes that the Commission applies "equitable considerations" to the "specific facts of the case before the regulator."¹⁴ The *PSV Cable Order* is simply one example of the Commission applying equitable considerations to the facts of a specific case. The Commission has already done so with regard to SIC and the NECA pool in the *1998 Order* and *2005 Order*. NECA's continued willful refusal to comply with the *2005 Order* is unwarranted.

C. Additional Details of the 2005 Order

The *2005 Order* expressly held that the "special circumstances" justifying the grant of the waivers include the fact that SIC is "investing large amounts of capital" in order to launch a new service. The Commission's order expressly contemplated that SIC would obtain "cost recovery through participation in NECA access tariffs and pools." The

¹² *In the Matter of Sandwich Isles Communications*, 20 FCC Rcd 8999 (May 16, 2005)("2005 Order") at para. 1.

¹³ *2005 Order* at para. 8.

¹⁴ NECA July 28 Letter at 1.

Commission further noted that SIC was applying for an additional "multimillion dollar broadband loan." Thus, the *2005 Order* states:

With respect to special circumstances, Sandwich Isles states that it has been steadily investing large amounts of capital to construct state-of-the-art facilities to provide service on the Hawaiian home lands in reliance on the now-reversed Bureau order since 1998. As a result of the combination of \$166 million in capital funding from the Rural Utilities (RUS), and cost recovery through participation in NECA access tariffs and pools, and universal service support, Sandwich Isles states that it has been able to extend service to over 4,000 new lots and almost 1,200 access lines in 20 new communities, and expects to expand service to an additional 14 communities during 2005. Sandwich Isles recently submitted a multimillion dollar broadband loan application to RUS for new construction that "includes additional switching facilities to serve new [Hawaiian home lands] subdivisions; deploy additional [asymmetric digital subscriber line] ADSL equipment, and comply with the [Communications Assistance for Law Enforcement Act of 1994] CALEA requirements; local outside distribution facilities estimated to pass another 2,500 lots; completion of the terrestrial underground fiber transport network; and a network operations and switching center complex."¹⁵

In the face of the Commission's recitation of "the large amounts of capital" being invested by SIC and the specific recitation of the existing \$166 million loan and the application for an additional "multimillion dollar loan," NECA continues to seek to avoid compliance with the *2005 Order* on the grounds that the order does not specifically itemize the cost of the Paniolo Cable.¹⁶ Such avoidance defies the language of the Commission's order because the *2005 Order* expressly contemplates construction of an intrastate network linking the HHL on the various Hawaiian Islands:

¹⁵ *2005 Order* at para. 11 (emphasis added).

¹⁶ NECA July 28 Letter at 1.

Construction of backbone infrastructure began in earnest in 2000, with RUS approval of funding for a comprehensive network design that will connect all of the Hawaiian home lands on [the] Hawaiian Islands.¹⁷

The Commission clearly understood that connecting all of the HHL on the Hawaiian Islands would require an undersea cable system. Furthermore, the Commission fully understood and expected that SIC would construct its network, and not simply lease capacity from other carriers:

There is ample evidence to show that granting Sandwich Isles a study area waiver would serve the public interest. Sandwich Isles has demonstrated a commitment to build facilities and extend service throughout the Hawaiian home lands as the Department of Hawaiian home lands develops the area.¹⁸

There is no evidence that the Commission expected SIC to lease capacity on existing undersea cables or to build its network in partnership with any other carriers. On the other hand, now that SIC has enabled the Paniolo Cable to be built, third parties have expressed interest in leasing capacity on the Paniolo Cable. Unfortunately, the current position of NECA tends to discourage such interest to the extent that NECA's position creates uncertainty.

The *2005 Order* expressly directed inclusion of the "large capital investments" made by SIC into the NECA pool in order for the cost of service on the HHL to be affordable:

In addition, because Sandwich Isles has made large capital investments to provide service, its company-specific rates have the potential to be extremely high over the long term. Therefore, it is in the public interest to permit Sandwich Isles and its customers to benefit from the cost savings and lower rates available through NECA participation.¹⁹

It was entirely sufficient for the Commission to direct NECA to include in the NECA pool the "large capital investments" made by SIC. NECA's contention that the Commission's orders can be ignored by NECA unless the Commission itemizes for NECA a

¹⁷ *2005 Order* at para. 19 (emphasis added).

¹⁸ *2005 Order* at para. 22 (emphasis added).

¹⁹ *2005 Order* at para. 28 (emphasis added).

"level of specific plant investment" is simply at odds with the facts of this case.²⁰ A good faith reading of the Commission orders makes it clear that the Commission recognized that construction of a new network to serve the HHL would involve a "large capital investment" and that subscribers would only be able to afford the service in the event that SIC obtained both high cost loop support and inclusion in the NECA pool. As a result, the NECA decision directly defies the Commission's orders and NECA should be directed to immediately comply.

II. The PSV Cable Order and Comsat Case Support Inclusion of the Paniolo Cable Lease Costs in the NECA Pool.

The *PSV Cable Order* and the *Comsat* case further demonstrate that the Paniolo Cable lease costs should be included in the NECA pool.

A. The PSV Cable Order

In the *PSV Cable Order* the Commission indicated that it sought, "establishment of a cost-based rate structure ...which strikes an equitable balance among the interests of LEC's, end users and interexchange carriers."²¹ In seeking to strike this equitable balance, the Commission noted that, "The Communications Act, however, does not require perfection, it demands only that a particular rate structure be 'just and reasonable.'"²²

The Commission found that polyethylene shielded video (PSV) cable had been "installed in order to meet the immediate or anticipated needs of video service users."²³ Subsequently, the LEC's found that excess capacity existed due to "the demise or relocation of sport stadiums and television operating centers, and to customer selection of alternative transmission facilities."²⁴ Similarly, here, SIC anticipated that the Hawaiian Homes Commission would award additional homeland sites at a faster pace than the one that has occurred due to various circumstances having nothing to do with SIC.

²⁰ NECA June 18 Letter at 2.

²¹ *Investigation of Special Access Tariffs*, 1986 WL 291617 (Jan. 1, 1986) ("PSV Cable Order") at para. 6.

²² *PSV Cable Order* at para. 24.

²³ *PSV Cable Order* at para. 28.

²⁴ *Id.*

Faced with the changed circumstances in the *PSV Cable Order*, the Commission noted that, "The used and useful standard is the tool we employ to balance equitably the interests of carriers and ratepayers."²⁵ The Commission explained that, "the used and useful standard protects ratepayers while permitting carriers sufficient latitude to make investment decisions without undue regulatory interference."²⁶ The Commission determined to limit the disallowance of PSV cable costs based on equitable considerations, including the Commission's understanding that network operations justify the construction of reserve capacity:

In line with our practice of taking into account equitable considerations in the "used and useful" decision-making process, we believe this prior benefit justifies limiting the disallowance to less than the total amount of PSV investment in question. We believe the disallowance also should be limited to some degree because, in accordance with our understanding of network operations, a certain amount of excess cable not physically in use is actually serving as a reserve.²⁷

The *PSV Cable Order* underscores that NECA lacks any basis to ignore the Commission's prior orders with respect to inclusion of SIC costs in the NECA pool because NECA is incorrect that SIC must demonstrate that all of the capacity on the Paniolo Cable is being used to meet demand in the "immediate future."²⁸

Reserve capacity, by its nature, is not capacity that is being used to meet "immediate demand." Rather, reserve capacity is excess capacity that is constructed to provide back-up capacity in the event of a failure or loss of service on the capacity that is currently in use. The *PSV Cable Order* holds that the Commission's equitable balancing test must take into account the public interest benefits of reserve capacity and not just capacity that is being used to meet demand in the "immediate future."

Put another way, *NECA has no basis to make a judgment that capacity on the Paniolo Cable is not or will not be used to meet demand in the immediate future*. NECA

²⁵ *PSV Cable Order* at para. 36.

²⁶ *Id.*

²⁷ *PSV Cable Order* at para. 41.

²⁸ NECA July 28 Letter at 1.

bases its contention solely on a calculation of the number of homes currently served by SIC and a projection of the expected build-out timeline for additional lots on the HHL. NECA ignores the probability that a service outage on one of the other undersea cables could result in a demand for capacity on the Paniolo Cable in the "immediate future."²⁹ There is simply no way to predict exactly what the undersea cable capacity demand will be in the "immediate future." But the *PSV Cable Order* holds that, "the Communications Act does not require perfection, it demands only that a particular rate structure be 'just and reasonable.'"³⁰ The Commission must reasonably anticipate that undersea cable outages are likely to occur, that the limited capacity on the other two Hawaiian undersea cables may result in a loss of critical services and the construction of the capacity on the Paniolo Cable serves the public interest and that inclusion of SIC's costs in the NECA pool is just and reasonable.

B. The Comsat Case

SIC reasonably determined that construction of an inter-island undersea cable was necessary and that SIC could not reasonably rely upon leasing capacity on the two existing cables due to the limitations of those aging cables. Once SIC determined that construction of a new undersea cable was necessary, it also was entirely reasonable for SIC to design an undersea cable with sufficient capacity to meet not only the immediate needs of SIC but also the reasonable needs of SIC and HHL for the future, including a reasonable amount of back-up, reserve capacity. To the extent that NECA's comments could be interpreted to challenge the inclusion of reserve capacity in the NECA pool, the *Comsat* case further underscores that reserve capacity is appropriately included in the NECA pool.³¹

In *Comsat* the Commission considered the inclusion of various costs in the rate base of Comsat under the used and useful standard.³² The Commission noted that "the overall

²⁹ Indeed, the Paniolo Cable recently provided such restoration capacity for the TW Telecom-Wavecom Solutions undersea cable that serves Hawaii. See Sandwich Isles Communications, Inc. Supplement to the Record: Hawaiian Undersea Cable Service Interruption Supports Inclusion of the Paniolo Cable Lease Costs in the NECA Pool, WC Docket No. 09-133 (July 30 2010).

³⁰ *PSV Cable Order* at para. 24.

³¹ *In the Matter of Communications Satellite Corporation*, 56 FCC2d 1101 (Dec. 4, 1975) ("Comsat").

³² *Comsat* at para. 79.

fill ratio for the [Comsat] system is approximately 50%.³³ The Commission further noted that Comsat included in its rate base not only working satellites, but also satellites held in reserve as spares, including both in-orbit and on-ground spares.³⁴ In applying the used and useful standard, the Commission decided that it was reasonable to include the cost of spare satellites and thereby held that reserve capacity is used and useful:

Comsat has also included its share of the net investment cost of satellites used as on-ground or in-orbit spares. Comsat states such costs have been included because spare satellites provide customers with greater assurance of continuity of service in the event of a malfunction of on-line equipment. We accept on-ground and in-orbit spares which we have authorized pursuant to Titles II and III of the Communications Act as proper for rate base inclusion.³⁵

Undersea cables, like satellites, are difficult and time consuming to place in service as SIC has explained in this proceeding. The notion of including sufficient capacity to cover reasonably expected contingencies in the Hawaiian intrastate undersea cable network is no different than Comsat including the cost of spare satellites in its rate base.

NECA fails to acknowledge or discuss this aspect of the *Comsat* case.³⁶ Instead, NECA focuses on a different part of the *Comsat* decision that disallowed the capital costs of the Comsat laboratories after 1975, but continued to allow the operating expenses of the laboratories after 1975, based upon Comsat being an innovator prior to 1976.³⁷ The discussion of the Comsat laboratories is irrelevant to the SIC case as SIC is not seeking to recover any laboratory capital costs. ***The relevant portion of the Comsat case is the holding that reserve satellites are properly included in the rate base.*** The holding with regard to spare satellites directly rebuts NECA's assertions that additional capacity on the Paniolo Cable does not qualify as capacity that will be in use in the "immediate future." The notion of a

³³ *Comsat* at note 26.

³⁴ *Comsat* at paras. 81, 92-94.

³⁵ *Comsat* at para. 94.

³⁶ NECA July 28 Letter at 1.

³⁷ *Comsat* at paras. 110-112.

spare is that it could be used in the immediate future in the event of a failure of the primary service, which could occur at any time.

Moreover, even if NECA were correct that SIC should be required to show that SIC is an innovator, the facts illustrate that SIC easily qualifies as an innovator. Lack of objectivity on the part of NECA is underscored by its refusal to acknowledge that SIC is an innovator in accordance with the holding in *Comsat*. In granting the study area waiver to SIC, the Commission recognized the long history of lack of service and under-service to the HHL for one hundred years. SIC clearly is an innovator in launching such service. The innovator status of SIC should be a significant factor in assessing the reasonableness of SIC's costs because SIC is uniquely positioned as a new carrier constructing a new network, and not simply a carrier adding incremental capacity to a legacy network. Indeed, the fact that SIC was willing to build out a network when no other company would do so was the very reason why the Commission determined that SIC should be granted a study area waiver and be included in the NECA pool.

SIC also is an innovator in several other respects. SIC constructed its undersea cable using new technology not available when the HTI cable was constructed. Indeed, HTI has alleged in filings before the Commission that HTI's undersea cable was constructed with outdated technology, *e.g.*, dispersion shifted fiber that is no longer used in the industry, which hampers the ability to upgrade its system.³⁸ In addition, SIC constructed its undersea cable at different landing points and using different methods (for example, boring beneath rather than dragging cable over sensitive terrain features). SIC is constructing an innovative broadband network for the future. NECA could have but refused to acknowledge these innovations by SIC.

III. The Equities and the Totality of the Circumstances Support Granting the Requested Relief

The equities and the totality of the circumstances presented in this case strongly favor the requested relief in the form of an order directing NECA to comply with the Commission's prior orders and immediately include the Paniolo Cable lease costs in the

³⁸ Comments of Sandwich Isles Communications, Inc., WC Docket No. 09-133 (Aug. 28, 2009), Exhibit 3 at 3 (citing Petition of Hawaiian Telcom, Inc. for Waiver of Sections 54.309 and 54.313(d)(vi) of the Commission Rules, WC Docket No. 08-4 (Dec. 31, 2007)).

NECA pool. The HHL residents have long suffered a lack of service or under-service. SIC constructed a new network to serve the HHL in reliance upon prior decisions of the Commission and RUS. SIC has shown in this proceeding that construction of a 48-fiber undersea cable: a) is consistent with construction of SIC's 48-fiber terrestrial network, the costs of which have not been challenged by NECA; b) is consistent with the construction of advanced fiber networks by numerous carriers whose network upgrades have been praised by NECA³⁹; and c) did not add significantly to the cost that would have been incurred to construct an undersea cable with minimal capacity.⁴⁰

NECA has offered nothing to rebut the extensive showing of SIC in this case. NECA fails to allege, much less show, that NECA applies an "immediate use" standard to other carriers whose costs are accepted into the NECA pool. NECA vaguely asserts that, "NECA routinely evaluates cost information submitted by member companies and challenges cost figures which do not appear to comply with FCC rules."⁴¹ This vague statement dodges the question of whether NECA applies an "immediate use" standard in an evenhanded fashion or is treating SIC in a discriminatory fashion.

It strains credulity for NECA to suggest that all of the 48-fiber installations, much less all of the 96-fiber installations, on the U.S. mainland praised by NECA in its comments consist solely of capacity that is being put to "immediate use." The more likely scenario is that much of the capacity lauded by NECA is in fact being held in reserve for future use. And it is also likely that reserve capacity is being constructed by other carriers in accordance with normal and routine network operations, and that carriers do not construct new capacity in tiny increments only as needed for "immediate use."

In addition, there are other important facts that should be considered as part of the "specific facts of the case before the regulator" in order to reach an "equitable decision," to quote NECA's July 28 Letter. We note that:

³⁹ See Comments of NECA on NBP Public Notice #19, GN Docket Nos. 09-47, 09-51, 09-137 (Dec. 7, 2009) at 2.

⁴⁰ The cost of including additional fibers does not add significantly to the total cost and, in fact, lowers the cost of the associated electronic equipment.

⁴¹ NECA June 18 Letter at 4.

1. The Paniolo Cable, as built, did not materially differ in any way from the cable planned by SIC and approved by RUS in 2000.

2. SIC is not asking for any alteration to, or waiver of, the NECA accounting rules as applied to SIC's request for inclusion in the NECA pool. Additionally, SIC is not asking NECA to disregard any of the FCC rules applicable to SIC's request.

As NECA correctly notes in its June 18 Letter, the so-called *Safeguards Order* allows NECA to evaluate cost information submitted by member companies and challenge cost figures that do not appear to comply with Commission rules. The *Safeguards Order* states that NECA should enforce four types of FCC rules when processing cost submissions, specifically those relating to: a) accounting, b) cost allocation, c) jurisdictional separations, and d) access charges.⁴² However, the fact remains that NECA, in attempting to deny SIC's request for inclusion in the NECA pool, is acting outside the scope of its authority in attempting to impose a fifth rule on SIC— namely, a "used and useful" requirement.

Rather than requesting special treatment, SIC is simply asking NECA to place SIC's costs in the pool and let the normal rules apply in due course. And, because SIC's cost figures comply with the four types of FCC rules set forth above, NECA is required to place all of SIC's requested amounts in the pool and fund such amounts accordingly.

3. Recent events, including the interruption of service on the Wavecom undersea cable, show that SIC is willing and able to resell excess capacity on the Paniolo Cable. Although the primary purpose of the cable is facilitating SIC's provision of service to HHL residents, SIC will endeavor to utilize excess cable capacity by reselling such capacity at commercially reasonable rates to other entities, such as other telecommunications companies and the state and federal government, so as to enhance the overall telecommunications infrastructure within the State of Hawaii and minimize drain on the NECA pool.

⁴² *Safeguards to Improve the Administration of the Interstate Access Tariff and Revenue Distribution Process*, CC Docket No. 93-6, Report and Order to Show Cause, 10 FCC Rcd 6243 (Mar. 8, 1995) at para. 40.

Should additional information be necessary in connection with this matter, please do not hesitate to contact the undersigned.

Sincerely yours,

/s/ Dana Frix

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