

**REDACTED – FOR PUBLIC INSPECTION**

19 November 2012

**VIA HAND DELIVERY**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

*Re: Wavecom Solutions Corporation, Transferor, and Hawaiian Telcom, Inc.,  
Transferee; Application for Consent to Transfer Control, WC Docket No.  
12-206—Ex Parte Response to Request for Additional Information*

Dear Ms. Dortch:

Through its counsel, l'Office des postes et télécommunications de Polynésie française (“OPT”) hereby responds to the Commission’s request for additional information in the above-referenced proceeding. On Thursday 1 November 2012, Jodie May of the Wireline Competition Bureau contacted Kent Bressie by telephone to request that OPT file additional information on the record in the above-referenced proceeding. This letter responds to that request.

The Commission requested by phone the following information: (1) an estimate of the costs involved for moving an installed undersea cable system to an alternative cable station; and (2) a summary of the costs of OPT’s existing landing and other commercial arrangements with Wavecom Solutions Corporation (“Wavecom”). Because this information includes details of the confidential business relationship and contract between Wavecom and OPT, and other competitively sensitive data, OPT believes that this information constitutes Confidential Information as defined in the Protective Order entered in this proceeding.<sup>1</sup> OPT is filing this information subject to the Protective Order’s procedures.

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<sup>1</sup> *Applications Filed for the Transfer of Control of Wavecom Solutions Corp. to Hawaiian Telcom, Inc.*, Protective Order, WC Docket No. 12-206, DA 12-1533 (rel. Sept. 25, 2012) (“*Protective Order*”).

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**1. Summary of Estimated Costs and Timeframes to Execute Alternative Landing Arrangements**

The costs of moving an installed undersea cable system to an alternative landing depend on the particular system and its circumstances, so OPT provides an estimate specific to the circumstances of Honotua’s landing on the Big Island of Hawaii. OPT estimates that the total costs associated with alternative landing arrangements for Honotua on the Big Island of Hawaii would total approximately [BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT] and would take approximately [BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT] to execute. This amount includes [BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT] to build and equip a new cable station, including the following cost elements:

- labor and equipment costs for the design and construction of a new building, and
- equipment costs for new power feed equipment (“PFE”) and submarine line terminating equipment (“SLTE”), as the existing landing at Wavecom’s Kawaihae cable station would need to remain operational until the cutover to the new cable station—otherwise Honotua would remain out of service for many months while the equipment was moved and reinstalled in the new cable station.

The total figure of [BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT] also includes the following cost elements:

- equipment and labor costs for the design and construction of new conduits from the beach manhole to the new cable station;
- equipment and labor costs for installation (including splicing into the existing cable) of fiber-optic cable connecting Honotua from the beach manhole to the new cable station;
- labor and other costs for the removal and disposal (following the cutover to the new cable station) of existing cable connecting into Wavecom’s Kawaihae cable station and existing PFE and SLTE in Wavecom’s Kawaihae cable station;
- attorney and consultant fees for preparing applications and environmental studies necessary to obtain new federal, state, and local permits (including modification of the cable landing license issued by the Commission) and for negotiation of leases and/or rights of way for conduits connecting the beach manhole to the new cable station;

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- the sunk costs (excluding continuing operating costs) of more than [BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT] associated with the existing landing arrangements with Wavecom; and
- satellite circuit costs for back-up capacity (of admittedly inferior quality and insufficient quantity).

These estimates do *not* include the following cost elements, which are unknown at this time:

- the lease or purchase of real property on which to site the new cable station building;
- personnel to operate, maintain, and secure the cable station;
- potential service interruptions in French Polynesia due to construction-related outages on Honotua or service degradation while relying on satellite capacity, including potential refunds or service credits to customers (OPT is required to refund one month's fees to each OPT customer for service disruptions exceeding seven days); and
- damage to OPT's business reputation.

These costs are unknown at this time, as OPT has never seriously considered—much less priced out—the complete set of costs for alternative landing arrangements, given that the known costs alone would render such arrangements prohibitively expensive.<sup>2</sup>

OPT has provided estimates assuming construction of a new cable station, as there are no viable alternatives with existing cable-station facilities on the Big Island of Hawaii, apart from those owned by Wavecom or Hawaiian Telcom, Inc. (“HT”). tw telecom does not own or operate a full-service cable station in connection with its half-interest in the Hawaiian Islands Fiber Network (“HIFN”), but instead operates only a point of presence. (The principal PFE for HIFN is located in Wavecom’s Kawaihae cable station.)<sup>3</sup> As OPT has noted elsewhere, the

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<sup>2</sup> Letter from Kent D. Bressie, Counsel for OPT, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 12-206, at 2-3 (filed Nov. 2, 2012) (“OPT November 2 *Ex Parte*”).

<sup>3</sup> See OPT Comments in Support of Conditional Approval, WC Docket No. 12-206, at 7-8 (filed Sept. 4, 2012) (noting that HIFN lands at the Wavecom Cable Station at Spencer Beach, Kawaihae); OPT November 2 *Ex Parte* at 6 n.17 (noting that tw telecom lands its

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commercial future of the Paniolo Cable System remains in doubt, making it a risky choice for long-term landing arrangements.<sup>4</sup> Paniolo's cable station on the Big Island is also distant from the beach manhole used by OPT.<sup>5</sup>

**2. Summary of OPT's Costs for Existing Landing and Other Commercial Arrangements with Wavecom**

OPT has paid Wavecom more than [BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT] in non-recurring costs over the course of their contractual relationship. This includes payments to finance building and systems upgrades in Wavecom's Kawaihae cable station—improvements from which Wavecom continues to benefit.

OPT also pays Wavecom roughly [BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT] each month, more than [BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT] of which represents the cost for Wavecom's provision of month-to-month Internet backhaul from Kawaihae to Honolulu. OPT continues to pay for this expensive month-to-month service in order to obtain the diversity of connection to the Internet backbone that it needs and that Wavecom prevents OPT from procuring from a third-party provider. [BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT]

[END CONFIDENTIAL TREATMENT] More detailed figures are set forth in the attached spreadsheet. See Attachment A.

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fibers comprising its half-interest in HIFN at a facility separate from Wavecom's Kawaihae cable station); *GST Telecom Hawaii, Inc. and Time Warner Telecom of Hawaii, L.P.*, Modification of Cable Landing License, File No. SCL-MOD-20001025-00036, 16 FCC Rcd. 869, 870 ¶ 2 (Int'l Bur. 2001) (modifying the submarine cable landing license to add Time Warner Telecom of Hawaii, L.P. as joint licensee on HIFN without modifying existing cable landing locations).

<sup>4</sup> See OPT Response to the Joint Reply Filed by Wavecom and HT, WC Docket No. 12-206, at 8-9 (filed October 8, 2012, corrected Oct. 16, 2012).

<sup>5</sup> *Paniolo Cable, Inc. Application for License to Land and Operate a High Capacity Fiber Optic Cable System Extending Among the Hawaiian Islands of Kauai, Oahu, Molokai, Maui and Hawaii*, File No. SCL-LIC-20070223-00003, at 3, 12 (filed Feb. 23, 2007) (noting the locations of the beach joint, beach manhole, and cable station).

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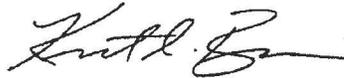
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Pursuant to the Protective Order, one copy of this filing containing Confidential Information (the “Confidential Filing”) and two copies of the filing in redacted form (the “Redacted Confidential Filing”) are being provided to the Secretary’s Office.<sup>6</sup> Two copies of the Confidential Filing are also being delivered to Jodie May, Competition Policy Division, Wireline Competition Bureau. The redacted filing will also be filed electronically.

Should you have any questions, please contact Kent Bressie by telephone at +1 202 730 1337 or by e-mail at kbressie@wiltshiregrannis.com.

Respectfully submitted,



Kent Bressie  
Madeleine Findley  
Danielle Piñeres

*Counsel for l’Office des postes et télécommunications de  
Polynésie française*

Attachments

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<sup>6</sup> Protective Order at ¶ 4.

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**LIST OF ATTACHMENTS**

**Attachment A:        Spreadsheet Summarizing OPT’s Financial  
                                 Relationship with Wavecom**

**Attachment B:        Declaration of Patrick Ellacott**

## ATTACHMENT A

[REDACTED—FOR PUBLIC INSPECTION]

# ATTACHMENT B



**DECLARATION OF PATRICK ELLACOTT**

I, Patrick Ellacott, declare under penalty of perjury as follows:

1. I am currently employed as Directeur, Pôle production des infrastructures de télécommunications, for l'Office des postes et télécommunications de Polynésie française ("OPT"). In my position, I manage and oversee the telecommunications infrastructure division of OPT, including the Honotua Cable System.
2. I am authorized to make this declaration on behalf of OPT.
3. The statements in the foregoing letter and attachment are true and correct to the best of my knowledge, information, and belief

I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in black ink, appearing to be 'P. Ellacott', written over a horizontal line.

**Patrick Ellacott**  
Directeur du Pôle production des  
infrastructures de télécommunications  
Office des postes et télécommunications de  
Polynésie française  
98701 Arue – Tahiti  
Polynésie française

Executed on November 16<sup>th</sup>, 2012.