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REDACTED – FOR PUBLIC INSPECTION

26 December 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—**Request for Confidential Treatment Under Protective Order***

Dear Ms. Dortch:

Through its counsel, l'Office des postes et télécommunications de Polynésie française ("OPT") hereby submits the attached *ex parte* notice. The notice contains Confidential Information subject to the Protective Order[1] in the above-referenced proceeding.

Pursuant to the procedures set forth in the Protective Order, two copies of the filing in redacted form (the "Redacted Filing") are being filed with the Office of the Secretary. The Redacted Filing is also being filed electronically through the Commission's Electronic Comment Filing System. In addition, one copy of the filing containing Confidential Information is being delivered to the Office of the Secretary and two copies are being delivered to Jodie May of the Wireline Competition Bureau's Competition Policy Division.

* * *

[1] *In the Matter of Wavecom Solutions Corporation, Transferor, and Hawaiian Telecom, Inc., Transferee*, Protective Order, WC Docket No. 12-206, DA 12-1533 (rel. Sept. 25, 2012).

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

Respectfully submitted,

Kent D. Bressie
Counsel to Office des postes et télécommunications de Polynésie française

Attachment

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

Dear Ms. Dortch:

Through its counsel, l'Office des postes et télécommunications de Polynésie française ("OPT") hereby provides the Commission with additional information about the already-exorbitant charges levied by Wavecom Solutions Corporation ("Wavecom") for IP connectivity in Hawaii and the comparative expense of OPT's existing IP connectivity to California, all of which underscore the risks that the purchase of Wavecom by Hawaiian Telcom, Inc. ("HT") (the "Proposed Transaction") poses to competition in the relevant markets identified by OPT: intrastate transport/backhaul in Hawaii and post-construction cable station access and landing services.

For **[BEGIN CONFIDENTIAL TREATMENT]** **[END CONFIDENTIAL TREATMENT]** IP connectivity (transport + Internet backbone connection) between Kawaihae and Los Angeles, OPT pays Southern Cross **[BEGIN CONFIDENTIAL TREATMENT]**

[END CONFIDENTIAL TREATMENT] in Los Angeles. OPT also paid Wavecom a non-recurring charge of **[BEGIN CONFIDENTIAL TREATMENT**

[END CONFIDENTIAL TREATMENT]. ***OPT therefore pays*** **[BEGIN CONFIDENTIAL TREATMENT]** **[END CONFIDENTIAL**

TREATMENT] ***per Gbps per month for this IP connectivity to Los Angeles.*** Even including the charge assessed by Wavecom, the per-month, per-Gbps cost to OPT for IP connectivity to Los Angeles is **[BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT]**.

By contrast, for **[BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT]** IP connectivity at Wavecom's Kawaihae cable station (including transport between Kawaihae and Honolulu and a re-sold Internet backbone connection, as Wavecom is not itself a backbone provider), OPT pays Wavecom **[BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT]** plus an initial, non-recurring charge of **[BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT]**. ***Even excluding the substantial initial non-recurring charge levied by Wavecom, OPT therefore pays*** **[BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT]** ***per Gbps per month for this IP connectivity to Honolulu. The IP connectivity offered by Wavecom is therefore*** **[BEGIN CONFIDENTIAL TREATMENT] [END CONFIDENTIAL TREATMENT]** ***times as expensive as the California IP connectivity purchased by OPT, even though Wavecom provides IP connectivity on a route that is less than one-fifteenth the distance.***

To ensure that no competitor could underprice it, ***Wavecom sought to impose on any third party seeking to connect to OPT in Wavecom's Kawaihae cable station a monthly recurring charge of $28,000 and an initial non-recurring charge of $125,000***.[1] Wavecom's anticompetitive interconnection and collocation charges themselves exceed the total cost of OPT's IP connectivity to Los Angeles, even before adding in the third party's underlying charges for transport and an Internet backbone connection.

Due to Wavecom's exorbitant charges for its own services and the charges that it levies on OPT to take traffic out of Wavecom's Kawaihae cable station or that it has sought to levy on third parties as a condition of interconnecting to OPT and collocating equipment in Wavecom's Kawaihae cable station, OPT has been unable to secure 10 Gbps IP connectivity to Honolulu—ensuring fully diverse IP connectivity in Honolulu and Los Angeles in order to minimize the risk of an outage—on reasonable terms and conditions.[2]

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[1] OPT Comments in Support of Conditional Approval, WC Docket No. 12-206, at Attachment B ¶ 6 (filed Sept. 4, 2012) ("OPT Comments").

[2] *Id.* at 4; *see also* Letter from Kent D. Bressie, Counsel for OPT, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 12-206, at 10-11 (filed Oct. 8, 2012, corrected Oct. 16, 2012); Letter from Kent D. Bressie, Counsel for OPT, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 12-206, at 4 (filed Dec. 5) ("OPT's Dec. 5 *Ex Parte*").

Post-consummation, the combined HT-Wavecom would exercise even greater power in the relevant markets, with HT-Wavecom controlling 75 percent of the marketed capacity on the Big Island-Oahu route and controlling both Wavecom's Kawaihae cable station (where OPT's Honotua system lands) and HT's Kawaihae cable station (which OPT's Los Angeles-bound traffic transits). Moreover, as OPT has noted previously,[3] competition in intrastate transport/backhaul market matters only if OPT is able to arrange connectivity beyond Wavecom's Kawaihae cable station. Wavecom, however, has sought to price competitors out of the market by quoting exorbitant and secret charges for physical interconnection and collocation necessary to reach OPT in Wavecom's Kawaihae cable station.[4] HT would have an economic incentive to continue such actions, **[BEGIN CONFIDENTIAL TREATMENT]**.[5]

[END CONFIDENTIAL TREATMENT]

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[3] Letter from Kent D. Bressie, Counsel for OPT, to FCC Secretary Marlene H. Dortch, WC Docket No. 12-206, at 2 (filed Dec. 19, 2012).

[4] OPT Comments at 5; OPT's Dec. 5 *Ex Parte* at 6 (noting Wavecom's threat to sue any third party disclosing Wavecom's pricing to OPT).

[5] **[BEGIN CONFIDENTIAL TREATMENT]**

[END CONFIDENTIAL TREATMENT] Letter from Gregory J. Vogt, Counsel for HT, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 12-206, at Appendix C (filed Nov. 29, 2012)

For all of the foregoing reasons, the Commission should consent to the Proposed Transaction subject to the competitive safeguards sought by OPT.

Respectfully submitted,

Kent D. Bressie
Madeleine V. Findley
Danielle J. Piñeres
Counsel to l'Office des postes et télécommunications de Polynésie française

cc: Jim Bird
Bill Dever
Lisa Gelb
David Krech
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