

Hawaiian Telcom, Inc.

2021 Mid-Year Tariff Review Plan Filing

Transmittal No. 152

September 16, 2021

Description & Justification

Herein, Hawaiian Telcom, Inc. (“Hawaiian Telcom”) provides the Description and Justification for its midcourse access tariff filing, scheduled to become effective October 1, 2021.

1.0 INTRODUCTION

Hawaiian Telcom hereby submits its Tariff Review Plan (TRP) and the necessary data to support the rates it proposes in this filing in compliance with Sections 61.41 through 61.49 of the Commission’s Rules.

This filing reflects changes to the exogenous cost adjustments related to Telecommunications Relay Service (“TRS”), Federal Communications Commission (“FCC” or “Commission”) Regulatory Fees and North American Numbering Plan Administration (“NANPA”) obligations due to the Commission’s adoption of final 2021/2022 tariff year factors subsequent to this year’s annual access tariff filing. The total impact of the exogenous cost adjustments in this filing is a decrease of (\$175,575).

While this filing continues to reflect the exclusion of advanced services, it also reflects the exclusion of Special Access Services in compliance with the FCC’s *Business Data Services Order*¹ for those services that are no longer subject to Section 203 of the Communications Act.

¹ See *Report and Order, Business Data Services in an Internet Protocol Environment; Technology Transitions; Special Access for Price Cap Local Exchange Carriers; AT&T Petition for Rulemaking To Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access*, WC Docket Nos. 16-143, 05-25, GM Docket No. 13-5 and RM-10593; FCC 17-43 (Adopted April 20, 2017, and rel. April 28, 2017) (“BDS Order”)

1.1 COMPLIANCE WITH INDICES

In this filing, the Commission requires Hawaiian Telcom to compute the appropriate adjustments to the Price Cap Index (PCI) or Common Line / Marketing / Transport Interconnection Charge (CMT), as appropriate, for each Price Cap basket.² The proposed indices for the special access basket and its individual service bands are no longer relevant and are excluded from this filing in compliance with the FCC's *BDS Order*.

1.2 EXOGENOUS COST CHANGES

In this filing, Hawaiian Telcom proposes three exogenous cost adjustments.

The three adjustments are for:

1. Regulatory Fees
2. Telecommunications Relay Service
3. NANPA

Subsequent to Hawaiian Telcom's 2021 Annual Access Filing, the Commission released revised Regulatory Fees, TRS and NANPA factors. The new factors caused changes to Hawaiian Telcom's exogenous cost recovery calculations. The Price Cap portion of these exogenous costs are summarized in the Exogenous Cost Allocations Workpaper.

² See 47 C.F.R. §§ 61.43, 61.45

1.2.1 ALLOCATION OF EXOGENOUS COST CHANGES TO PRICE CAP BASKETS

The Price Cap Regulatory Fees, TRS, and NANPA amounts are allocated to the Common Line Basket based on the 2020 end user revenues reported in the 2021 499-A³. The allocation of the incremental exogenous cost changes to this Price Cap basket are shown on the Exogenous Cost Allocations Workpaper.

1.2.2 DEVELOPMENT OF REGULATORY FEE EXOGENOUS COSTS

On August 31, 2020, the Commission released its Report and Order and Notice of Proposed Rulemaking in the Matter of *Assessment and Collection of Regulatory Fees for Fiscal Year 2020*, FCC 20-120, MD Docket No. 20-105. This R&O and NPRM specified the Regulatory Fee factor of 0.00321. Hawaiian Telcom calculated the 2020 Regulatory Fee Exogenous adjustment by multiplying the 0.00321 factor by the 2020 End-User revenue from FCC Form 499A.

On August 26, 2021, the Commission released its Report and Order and Notice of Proposed Rulemaking in the Matter of *Assessment and Collection of Regulatory Fees for Fiscal Year 2021*, FCC 21-98, MD Docket No. 21-190. This R&O and NPRM specified the Regulatory Fee factor of 0.00400. Hawaiian Telcom calculated the 2021 Regulatory Fee Exogenous adjustment by multiplying the current 0.00400 factor by the 2020 End-User revenue from FCC Form 499A.

³ Hawaiian Telcom's 2021 Form 499-A Telecommunications Reporting Worksheet (Reporting Calendar Year 2020 Revenues), filed April 1, 2021.

The exogenous cost adjustment based on the 0.00321 factor was subtracted from the exogenous cost adjustment based on the 0.00400 factor. The resulting differential was included as the Regulatory Fee exogenous cost.

The Exogenous Cost Allocations Workpaper displays the calculation of the Regulatory Fee Obligation, as well as the amount allocated to Common Line services. The total Price Cap Regulatory Fees exogenous cost adjustment is an increase of \$17,581 in this filing, all of which is allocated to Common Line.

1.2.3 DEVELOPMENT OF TELECOMMUNICATIONS RELAY SERVICE (TRS) EXOGENOUS COSTS

On June 30, 2020, the Commission released its Order in the Matter of *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, DA 20-692. This Order defined and established two TRS factors: a Non-IP CTS factor of 0.01360 and an IP-CTS factor of 0.00962. The Order also specifies that the Non-IP-CTS factor should be applied to End-User revenues obtained from Interstate and International Telecommunications Services, while the IP-CTS factor should be applied to End-User revenues obtained from Intrastate, Interstate and International Telecommunications Services. Hawaiian Telcom calculated its TRS Exogenous adjustment by multiplying each factor to the specified 2020 End-User revenues from FCC Form 499A.

On June 30, 2021, the Commission released its Order in the Matter of *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, DA 21-779. This Order defined and established two

TRS factors: a Non-IP CTS factor of 0.01331 and a IP-CTS factor of 0.00831. The Order also specifies that the Non-IP-CTS factor should be applied to End-User revenues obtained from Interstate and International Telecommunications Services, while the IP-CTS factor should be applied to End-User revenues obtained from Intrastate, Interstate and International Telecommunications Services. Hawaiian Telcom calculated its TRS Exogenous adjustment by multiplying each factor to the specified 2020 End-User revenues from FCC Form 499A.

The exogenous cost adjustment based on the 0.01360 and 0.00962 factors were subtracted from the sum total exogenous cost adjustment based on the 0.01331 and 0.00831 factors. The resulting differential was annualized using a 12/9 adjustment factor.

The Exogenous Cost Allocations Workpaper shows the amount allocated to Common Line services. The total Price Cap TRS Fund exogenous cost adjustment is a decrease of (\$185,733) in this filing, all of which is allocated to Common Line.

1.2.4 DEVELOPMENT OF NORTH AMERICAN NUMBERING PLAN (NANP) ADMINISTRATION EXOGENOUS COSTS

On August 10, 2020, the Commission released Public Notice CC Docket 92-237, DA 20-856, *Wireline Competition Bureau Announces The Proposed North American Numbering Plan Administration Fund Size Estimate and Contribution Factor for October 2020 through September 2021*. This Public Notice proposed a NANPA factor of 0.0001267. Hawaiian Telcom calculated its NANPA Exogenous adjustment by multiplying the 0.0001267 factor by the 2020 End-User revenue from FCC Form 499A.

On August 9, 2021, the Commission released Public Notice CC Docket 92-237, DA 21-976, *Wireline Competition Bureau Announces The Proposed North American Numbering Plan Administration Fund Size Estimate and Contribution Factor for October 2021 through September 2022*. This Public Notice proposed a NANPA factor of 0.0000535. Hawaiian Telcom calculated its NANPA Exogenous adjustment by multiplying the 0.0000535 factor by the 2020 End-User revenue from FCC Form 499A.

The exogenous cost adjustment based on the 0.0001267 factor was subtracted from the exogenous cost adjustment based on the 0.0000535 factor. The resulting differential was included as the NANPA exogenous cost.

The Exogenous Cost Allocations Workpaper shows the amounts allocated to Common Line services. The total Price Cap NANPA exogenous cost adjustment is a decrease of (\$7,423) in this filing, all of which is allocated to Common Line.

1.3 RATEMAKING

Hawaiian Telcom is not changing its SLC rates. This represents no change in Common Line basket revenues and complies with the CMT limits imposed on Common Line Basket revenues.

1.4 WORKPAPERS AND TARIFF REVIEW PLAN

1.4.1 INTRODUCTION

Hawaiian Telcom has provided the necessary detail to support the calculation of the common line CMT and exogenous costs in its workpapers. The workpapers provided are shown in the Index in the next section.

1.4.2 INDEX

Tariff Review Plan Long Form (HTHI091621)

SUM-1	Price Out Summary
EXG-1	Exogenous Cost Changes
EXG-2	Net Exogenous Cost Shifts
RTE-1	Rate Detail
CAP-1	Calculation of EUCL Limit, PICC and CCL Rates
CAP-2	Manual Input of EUCL rates
CAP-3	Calculation of Minimum and Maximum End User Rates
CAP-4	Allocation of Pool Revenues to MLB PICC and MLB EUCL
CAP- 5	Verification of Recovered CMT Revenue
ANALYZER	TRP Analyzer

Workpapers and Exhibits

Figure 1	Single line Residence, Single Line Business, Non-Primary, Multi-line Business and PRI Proposed SLC Rates
Figure 2	CMT per line
HTHI091621A	Rate Detail File
WP_Revenue Summary	Revenue Summary
Exogenous Cost Allocations Workpaper	