

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

In the Matter of)	
)	
HAWAIIAN TELCOM, INC.)	WCB/Pricing File No. 06-19
)	
Petition for a Waiver of Sections 61.42(g), 61.38,)	
And 61.49 of the Commission's Price Cap Rules)	
for Advanced Services Formerly Offered by)	
Verizon Hawaii, Inc.)	

COMMENTS OF PACIFIC LIGHTNET, INC.
RELATING TO THE PETITION OF HAWAIIAN TELCOM INC.
FOR WAIVER OF THE PRICE CAP RULES

Pacific LightNet, Inc. (Pacific LightNet) submits these brief comments in response to Hawaiian Telcom, Inc.'s (Hawaiian Telcom or HTI) April 11, 2006 Petition for Waiver of the Price Cap Rules (Petition). A Hawaii-based competitive local exchange carrier serving customers on Oahu, Maui, Kauai, the Big Island, Molokai and Lanai through its own submarine cable and land-based fiber network, Pacific LightNet offers a full range of integrated telecommunications products and services, including local dial tone, high-speed Internet access, dedicated and switched long distance, collocation, special access and enhanced data services, and VoIP services.

Pacific LightNet does not necessarily oppose or support Hawaiian Telcom's Petition. Rather, Pacific LightNet believes that an argument Hawaiian Telcom raises at page six in its Petition warrants further clarification. That is, Hawaiian Telcom asserts that "keeping advanced services out of price cap regulation would eliminate any possibility that future rate reductions could create 'headroom' that HTI could use to raise rates for other services." In approving the merger transaction which resulted in the Carlyle Group's acquisition of Verizon Hawaii from Verizon Communications, however, the Hawaii Public Utilities Commission (HPUC) imposed

several substantive conditions, including a prohibition (absent “compelling financial need”) that HTI not submit an application for a general utility rate increase prior to 2009.¹

While this general prohibition on Hawaii Telcom rate increases included an exception for proposed tariff changes for regulated services that are “revenue neutral,” the HPUC’s “Revenue Neutral Requirement” arose from a 2003 Verizon Hawaii request for certain changes to its local directory assistance call rates and allowances. Significantly, in approving Verizon Hawaii’s proposed changes, the HPUC noted that “[w]hile we believe that the distinct facts, circumstances, and issues of this case merit a deviation from our traditional views against single-issue ratemaking, no one should construe our decision on this matter as setting precedent or policy for similar or any other matters.”²

Thus, in light of the restrictions on Hawaiian Telcom’s ability to increase rates, both generally and individually, Pacific LightNet respectfully requests that the Commission discount, as it deems appropriate, Hawaiian Telcom’s purported public interest argument that its Petition should be granted as a means of preventing it from raising rates on other services.

Respectfully Submitted,

/s/
J. Jeffrey Mayhook
Laura A. Mayhook
Mayhook Law, PLLC
34808 NE 14th Avenue
La Center, WA 98629
Tel: (360) 263-4340
Fax: (360) 263-4343

Attorneys for Pacific LightNet, Inc.
jeffrey@mayhooklaw.com

April 24, 2006

¹ See, the HPUC’s March 16, 2005 Decision and Order No. 216964 in Docket 04-0140 at p. 29.

² See, the HPUC’s November 4, 2003 Decision and Order No. 20620 in Docket 03-0034 at p. 11, fn. 8.

CERTIFICATE OF SERVICE

I, Jeffrey Mayhook, do hereby certify that on April 24, 2006, a copy of the foregoing Comments of Pacific LightNet, Inc. Relating to the Petition of Hawaiian Telcom Inc. For Waiver of the Price Cap Rules, as electronically filed with the Federal Communications Commission in WCB/Pricing file No. 06-19, was served by electronic mail upon the following parties as follows:

For FCC:

Best Copy and Printing, Inc.
fcc@bcpweb.com

Lynne Hewitt Engledow
lynne.engledow@fcc.gov

For Hawaiian Telcom:

Karen Brinkmann
Latham & Watkins, LLP
karen.brinkmann@lw.com