

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

In the Matter of

HAWAIIAN TELCOM, INC.

Petition for Waiver of Section 61.42(g) of
the Commission's Price Cap Rules for
Advanced Services Formerly Offered by
Verizon Hawaii, Inc.

WCB/Pricing File No. 07-12

REPLY COMMENTS OF HAWAIIAN TELCOM, INC.

Hawaiian Telcom, Inc. ("HTI") hereby offers the following reply comments to the comments filed by Pacific LightNet, Inc. ("Pacific LightNet") on HTI's petition for waiver in the above-captioned proceeding (the "Petition"). Pacific LightNet does not oppose the Petition and, indeed, its comments have little relevance in this proceeding. Accordingly, HTI requests that the Commission expeditiously grant the waiver requested in its Petition.

In its Petition, HTI demonstrated that the Commission should grant it a waiver for the 2007 tariff year of the price cap rules that otherwise could require it to reintegrate into price caps its advanced service offerings that HTI and its predecessor, Verizon Hawaii, Inc. ("Verizon Hawaii") have offered outside price caps since 2002. As explained in that petition, special circumstances justify a waiver in this matter, and a waiver would serve the public interest. Among the special circumstances and public interest factors HTI cited in its Petition were: (1) that reintegration of these services into price caps would place a unique burdens on HTI because it inherited these services from Verizon Hawaii, which had long offered them outside of price caps;¹ (2) that the

¹ HTI Petition at 5.

Commission's rules offer no clear guidance on how to reintegrate into price caps services that are not new, but that have previously been excluded from price caps;² (3) that HTI is continuing to evaluate its regulatory options for offering these services, including opportunities to seek Phase 1 and Phase 2 pricing flexibility;³ (4) that the exclusion of these services from price caps since 2002 has caused no harm to consumers;⁴ and (5) that reintegration of these services into price caps could create additional "headroom" in the affected baskets, permitting HTI to raise rates for other services within the same price cap basket or service category.⁵

In its comments, Pacific LightNet appears to concur with HTI's arguments, stating that "Pacific LightNet does not necessarily disagree with HTI that continuing the status quo of keeping advanced services out of price caps may be appropriate."⁶ In fact, Pacific LightNet makes no response to the points raised in HTI's Petition, and barely mentions the Petition in its comments at all.

Rather, Pacific LightNet dwells on the considerable challenges HTI has faced in creating an independent, full-service telecommunications carrier focused on Hawaii from a company that, for decades, operated as small subsidiary of Verizon (and, formerly, GTE). These challenges, and HTI's efforts to overcome them, are a matter of public record, and HTI is in the process of addressing them. That process, however, has no bearing on the merits of HTI's Petition in this proceeding.

² HTI Petition at 6.

³ HTI Petition at 5-6.

⁴ HTI Petition at 6.

⁵ HTI Petition at 7.

⁶ PLNI Comments at 1.

For the foregoing reasons, and as stated in the Petition, HTI urges the Commission expeditiously to grant its request for a waiver of Section 61.42(g) of the Commission's rules, 47 C.F.R. § 61.42(g) to permit it to continue to offer advanced services formerly offered by Verizon Hawaii outside of the Commission's system of price caps.

Respectfully submitted,



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April 30, 2007

CERTIFICATE OF SERVICE

I, Olivia D. Freeman, hereby certify that a copy of the foregoing Reply Comments of Hawaiian Telcom, Inc. in WCB/Pricing File No. 07-12 was served this 30th day of April, 2007, by electronic mail, upon the following:

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