

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

In the Matter of

Connect America Fund

WC Docket No. 10-90

A National Broadband Plan for Our Future

GN Docket No. 09-51

Establishing Just and Reasonable Rates for Local
Exchange Carriers

WC Docket No. 07-135

High-Cost Universal Service Support

WC Docket No. 05-337

Developing an Unified Intercarrier Compensation
Regime

CC Docket No. 01-92

Federal-State Joint Board on Universal Service

CC Docket No. 96-45

Lifeline and Link-Up

WC Docket No. 03-109

To: The Commission

**COMMENTS OF
THE STATE OF HAWAII**

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SUMMARY

As the Commission's *Public Notice* appears to acknowledge, numerous special conditions and unique challenges exist in Hawaii and other very remote and/or insular areas that require a special approach to support the development of broadband for consumers.¹ One partial solution to these conditions is the creation of a Tribal Broadband Fund, the coverage of which would include the Hawaiian Home Lands ("HHL"). The creation of a Tribal Broadband Fund, however, is only the first step toward a comprehensive solution for Hawaii.

The HHL communities are spread throughout the Hawaiian Islands and often surrounded by non-HHL communities that also face compelling needs for broadband infrastructure. The Commission should therefore address these broader needs by establishing a special Connect America Fund ("CAF") to provide targeted support to extremely remote and insular areas of the United States such as Hawaii and the Pacific Territories.

The *USF/ICC NPRM* recognized this approach, seeking comment on whether the Commission "should reserve a defined amount of funds in the CAF for insular areas."² The record in this proceeding, including detailed comments submitted by the various carriers providing services in Hawaii, clearly demonstrates a compelling need and strong support for the Commission to establish an Insular CAF fund. Such an approach would also address the statutory requirement to ensure that consumers in insular areas have access to reasonably comparable broadband services.

¹ See *Public Notice, Further Inquiry into Certain Issues in the Universal Service-Intercarrier Compensation Transformation Proceeding*, DA 11-1348 (Aug. 3, 2011) ("*Public Notice*").

² See *In the Matter of Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up*, Notice of Proposed Rulemaking, FCC 11-13, ¶ 305 (rel. Feb 9, 2011) ("*USF/ICC NPRM*").

In creating the CAF, the Commission should also consider its goals for broadband service availability to be a starting point, rather than a final accomplishment. To this end, the State has launched the Hawaii Broadband Initiative, which calls for statewide access to affordable ultra high-speed broadband by 2018 with a target connection speed of one gigabit per second, significantly higher than the 4 Mbps downstream (actual) and 1 Mbps upstream (actual) that are tentatively identified in the *USF/ICC NPRM* as the threshold service requirement for carriers receiving CAF support. In order to support the long term requirements of consumers for high speed broadband service, the Commission should use its CAF resources to support the construction of fixed broadband infrastructure, rather than fund short term measures to make available less robust broadband capabilities to extremely high cost areas of the country.

The Commission should also eliminate its use of study areas to determine eligibility for CAF broadband support. The State strongly supports the replacement of the study area mechanism with an approach that focuses on the costs of providing broadband services to consumers in discrete locations, such as wire centers. The use of a more detailed approach would enable the provision of additional assistance to carriers serving extremely high cost areas of Hawaii without averaging those costs with the relatively lower costs of serving Hawaii's major urban center on Oahu.

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The State of Hawaii (the “State”),³ by its attorneys and pursuant to Section 1.415 of the Federal Communications Commission’s (“FCC” or “Commission”) rules, 47 C.F.R. § 1.415, hereby submits the following comments in response to the Commission’s *Public Notice* seeking comment on additional issues, including aspects of proposals submitted to the Commission by the State Members of the Federal-State Universal Service Joint Board (“State Members”), the Joint Rural Associations (“RLEC Plan”), and six major carriers (“ABC Plan”).⁴

³ These Comments are submitted by the State of Hawaii acting through its Department of Commerce and Consumer Affairs.

⁴ See Public Notice, *Further Inquiry into Certain Issues in the Universal Service-Intercarrier Compensation Transformation Proceeding*, DA 11-1348 (Aug. 3, 2011) (“*Public Notice*”).

The *Public Notice* also requests comment on the proposal of General Communication, Inc. (“GCI”) for a tailored approach to reforming the Universal Service Fund (“USF”) and Intercarrier Compensation (“ICC”) system to address the unique challenges and market in Alaska.⁵ The *Public Notice* asks specifically whether the GCI Proposal, or a similar approach, would be warranted for Hawaii, Tribal Lands, the U.S. Territories, or other particular areas.⁶

The State has reviewed the detailed elements of the GCI Proposal and suggests that, as GCI indicated, the applicability of its proposal may be limited to the unique conditions of Alaska. The State nevertheless concurs with GCI in noting that the various coalition reform plans that have been presented to the Commission do not seem to take into account the unique challenges of providing broadband to noncontiguous and/or insular areas such as Alaska, Hawaii, and the U.S. Territories.⁷

The State therefore makes the following recommendations regarding steps that should be taken to ensure that the Commission’s USF and ICC reform efforts respond adequately to the important needs of consumers in Hawaii. In providing these comments, the State anticipates that individual carriers providing service in Hawaii will offer to the Commission their own recommendations for USF/ICC reform reflecting their particular situations and the needs of their customers in Hawaii. The State seeks herein to reinforce many of the recommendations of its individual carriers and to provide general recommendations that the State believes are applicable to all consumers in Hawaii.

⁵ *See id.* At 9 (*citing* Letter from Christopher Nierman, GCI, to Marlene H. Dortch, FCC, WC Docket No. 10-90 et al. (filed Aug. 1, 2011) (“GCI Proposal”).

⁶ *See id.*

⁷ *See GCI Proposal* at 2.

I. THE COMMISSION SHOULD VIEW ITS PROPOSED BROADBAND SERVICE THRESHOLD AS A STARTING POINT, RATHER THAN AN END GOAL

On August 23, 2011, Hawaii Governor Neil Abercrombie announced the creation of the Hawaii Broadband Initiative as a critical component of the State’s economic development efforts.⁸ The Hawaii Broadband Initiative builds on the final report and recommendations of the Hawaii Broadband Task Force, which completed its work in December 2008.⁹ The State’s Broadband Initiative also benefits from the broadband mapping project that was coordinated in Hawaii by this office using funding from the American Recovery and Reinvestment Act (“ARRA”).¹⁰

The Hawaii Broadband Initiative calls for affordable ultra high-speed broadband availability statewide by 2018 with a target connection speed of one gigabit per second, which is significantly higher than the 4 Mbps downstream (actual) and 1 Mbps upstream (actual) that are tentatively identified in the *USF/ICC NPRM* as the threshold service requirement for carriers receiving support under the proposed Connect America Fund (“CAF”).¹¹ With the assistance of

⁸ See News Release, *State Launches Broadband Initiative As Critical Component Of Economic Development Strategy*, August 23, 2011, available at: <http://hawaii.gov/gov/newsroom/press-releases/state-launches-broadband-initiative-as-critical-component-of-economic-development-strategy> (“*Broadband Initiative News Release*”).

⁹ See Hawaii Broadband Taskforce Report (Dec. 2008), available at: <http://www.hbtf.org/files/Hawaii%20Broadband%20TaskForce%20Final%20Report.pdf> (“*Hawaii Broadband Taskforce Report*”).

¹⁰ See *Hawaii Broadband Map*, available at: <http://www.hibroadbandmap.org>.

¹¹ See *In the Matter of Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up*, Notice of Proposed Rulemaking, FCC 11-13, Appendix A, at 238 (rel. Feb 9, 2011) (“*USF/ICC NPRM*”) (proposing to include the data transfer thresholds in a new Section 54.1009(a)(1) of the Commission’s rules).

ARRA funding, the State is already deploying one gigabit per second capabilities at all public schools, libraries, colleges and universities in the State.¹²

The State is therefore concerned that the Commission's goals for broadband development in the United States fall short significantly of the technical capabilities that are already being deployed in major cities in the United States and ubiquitously in other countries. A number of parties raised this same concern with the Commission in the context of its development of the National Broadband Plan.¹³

Another distinguishing characteristic of the State's anticipated Broadband Initiative is its focus on facilitating the construction of backbone and middle mile infrastructure in the State that can support the long term broadband requirements of consumers, rather than expending significant resources promoting what are, at best, interim approaches and short term solutions. The State's focus on long term infrastructure development is particularly appropriate given that, as explained in subsequent sections of these comments, certain of the Commission's short term solutions for extremely high cost areas, such as the use of satellites, currently will not work for most consumers in Hawaii and U.S. Territories in the Pacific.

As an initial matter, however, the State focuses herein on those aspects of the CAF and the various coalition plans that suggest modifications and improvements to USF that would benefit consumers in Hawaii and correct longstanding inadequacies in the current program.

¹² See *Broadband Initiative News Release* at 1.

¹³ See *USF/ICC NPRM*, ¶ 111 (noting arguments that a 4 Mbps/1 Mbps definition "would create a permanent rural/urban digital divide, would be obsolete by the time funding is disbursed, and would halt the deployment of fiber optic facilities and other long-term broadband solutions").

II. USF SUPPORT SHOULD BE DISTRIBUTED BASED ON THE NEEDS OF WIRE CENTERS, RATHER THAN STUDY AREAS, PARTICULARLY IN THOSE COMMUNITIES THAT ARE BY FAR THE MOST EXPENSIVE TO SERVE

The *USF/ICC NPRM* acknowledges the need to reform or replace the existing use of study areas to determine eligibility for CAF broadband support.¹⁴ The State strongly supports the replacement of the study area mechanism with a new approach that focuses with greater detail on the costs of providing broadband services to consumers in discrete locations, such as wire centers.¹⁵ The use of a wire center mechanism has long been advocated by the State’s incumbent local exchange carrier (“LEC”), Hawaiian Telecom, Inc. (“Hawaiian Telcom”), as a more accurate and effective approach to distribute USF support in Hawaii.¹⁶

The *USF/ICC NPRM* requests comment on whether it may be sufficient to simply reform the existing study area approach by requiring CAF recipients to disaggregate the support they receive between high cost and low cost communities with existing study areas.¹⁷ Such an approach, however, would do nothing to resolve the significant inequities that the study area approach imposes on consumers in Hawaii.

As the record in this proceeding clearly demonstrates, it is extraordinarily difficult and expensive to provide communications services in Hawaii, with engineering challenges that are arguably unsurpassed anywhere in the United States. The various submissions of Hawaiian

¹⁴ See *id.*, ¶ 384.

¹⁵ See *id.*, ¶ 373.

¹⁶ See, e.g., *Petition of Hawaiian Telcom, Inc. for Waiver of Sections 54.309 and 54.313(d)(vi) of the Commission’s Rules*, WT Docket Nos. 08-4 and 6-10 (Dec. 31, 2007) (seeking a waiver of the study area approach in order to secure USF support on a wire center basis); *Reply Comments of Hawaiian Telcom, Inc.*, WT Docket Nos. 10-90, et al., at 2, 7-8 (May 23, 2011) (“*Hawaiian Telcom Reply Comments*”).

¹⁷ See *USF/ICC NPRM*, ¶ 375.

Telcom and Sandwich Isles Communications, Inc. provide ample evidence and detail regarding these special challenges and the high costs of providing such service and the State does not need to repeat them here.¹⁸

Despite the tremendous costs of providing service in Hawaii, however, the State's incumbent LEC receives almost no high-cost USF support. This is because the entire State is designated as a single study area, with the vast majority of consumers situated in a single relatively dense community, Honolulu and adjacent areas on the island of Oahu, with the remaining consumers spread out over more than a half a dozen mountainous islands, often separated by more than 100 miles of deepwater ocean.

When the use of study areas was first adopted, the approach of averaging costs across the entire service area of an incumbent LEC (the origin of most study areas) may have made sense given the then-correct assumption that the incumbent LEC was likely to serve nearly all consumers in that study area. Today, however, consumers in the Honolulu area have other competitive options to purchase communications services eroding the customer base of the incumbent LEC and leaving the incumbent with a disproportionately greater percentage of extremely high-cost outlying rural consumers to serve.¹⁹

¹⁸ See, e.g., *Comments of Hawaiian Telcom, Inc.*, WT Docket Nos. 10-90, et al. (April 18, 2011) (Appendix: Background on the Unique Challenges of Bringing Broadband to Hawaii) ("*Hawaiian Telcom Comments*"); *Comments of Sandwich Isles Communications, Inc. and Mescalero Apache Telecom, Inc.*, WT Docket Nos. 10-90, et al., at 5-11 (July 12, 2011) ("*Sandwich Isles Comments*").

¹⁹ See *Comments by State Members of the Federal State Joint Board on Universal Service*, WT Docket Nos. 10-90, et al., at 31-32 (May 2, 2011) (arguing that this trend is the same nationwide) ("*State Member Comments*").

The solution to this problem is to target CAF broadband support on a far more granular basis in Hawaii. The Commission apparently recognized this fact when it previously granted Sandwich Isles a waiver of the study area boundary freeze in 2005.²⁰

As the Commission's *Public Notice* acknowledges, the use of wire centers to identify consumers that should be eligible for high-cost support was advocated as an interim measure by Windstream, Frontier and CenturyLink.²¹ The State Members of the Federal State Joint Board on Universal Service also support a more targeted approach to distributing CAF support, although possibly not based on a wire center model.²² Time Warner Cable Inc., which operates each of the major cable television systems in Hawaii, has also expressed support for revising the study area approach.²³

In considering the use of a wire center approach, the Commission's *Public Notice* seeks comment on whether carriers receiving CAF broadband support should be prohibited from using funds in areas that are served by an unsubsidized facilities-based broadband provider.²⁴ The State believes the Commission should exercise caution in attempting to implement such a prohibition in order to ensure that the existence of unsubsidized services in one area does not foreclose the use of CAF support to bring broadband services to consumers in a nearby area.

²⁰ *Sandwich Isles Communications, Inc., Petition for Waiver of the Definition of "Study Area" Contained in Part 36, Appendix-Glossary and Sections 36.611 and 69.2(hh) of the Commission's Rules, Order*, 20 FCC Rcd 8999 (WCB 2005).

²¹ *See Public Notice* at 10, n.37.

²² *See State Member Comments* at 31-33.

²³ *See Opening Comments and Reply Comments on Section XV of Time Warner Cable Inc., WT Docket Nos. 10-90, et al., at 29* (April 18, 2011).

²⁴ *See Public Notice* at 10.

The potential pitfalls of such an approach are heightened if census blocks are employed to determine whether an unsubsidized facilities-based broadband provider serves consumers in a particular area.²⁵ Census blocks in Hawaii often straddle developed and extremely remote areas, sometimes including beachfront hotels and inaccessible mountainous communities in the same census block. As a result, it was the State’s experience in developing its Broadband Map that at least a handful of consumers are served by at least one unsubsidized facilities-based broadband provider in most census blocks. At the same time, other consumers in those same census blocks do not have access to any facilities-based broadband providers, particularly those providing fixed services.²⁶

The Commission should therefore avoid generalizations, even on a small census block basis, that could foreclose the provision of CAF broadband support to help consumers in extremely high-cost areas based on the availability of unsubsidized services to consumers in adjacent locations. The need for caution on this issue is particularly important in Hawaii and in the Pacific Territories where alternative technologies such as satellite cannot be employed effectively to serve consumers in extremely high cost communities.

²⁵ The difficulties of using census blocks was also identified by the State Member of the Federal State Joint Board on Universal Service, which noted that “census block boundaries often do not match well to existing exchange boundaries in which a new entrant might wish to serve.” *See State Member Comments* at 86.

²⁶ *See, e.g., Hawaii Broadband Taskforce Report*, Appendix B at 53-55 (showing existing broadband availability in Hawaii along some shorelines with only limited extensions inland).

III. THE COMMISSION CANNOT RELY ON SATELLITE OR OTHER ALTERNATIVE TECHNOLOGIES TO PROVIDE BROADBAND TO VERY HIGH COST AREAS IN HAWAII AND THE PACIFIC TERRITORIES

The Commission's *Public Notice* observes that the ABC Plan would rely on satellite broadband to serve extremely high-cost areas.²⁷ This is consistent with the proposals of some providers of direct-to-home ("DTH") satellite broadband services to issue vouchers to consumers in the highest-cost areas to purchase broadband services from satellite operators or other broadband providers using alternative technologies.²⁸

There are several shortcomings with such an approach that would make it unworkable in Hawaii and in the Pacific Territories. First, as a general matter, satellite broadband is unlikely to achieve the data transmission rates that the State believes will be necessary to remain competitive with the rest of the United States and with other countries. Second, geostationary satellite services include significant signal latency, which may be manageable with respect to most DTH satellite data services such as Internet, but is no longer considered acceptable for residential and business voice services such as plain old telephony.

Third, the use of broadband satellite services would be particularly difficult in Hawaii and the Pacific Territories because the various providers of DTH broadband satellite services have chosen to either exclude Hawaii and the Pacific Territories from the coverage area of their satellites, or provide such services using such lower power levels that consumers are forced to employ larger (in excess of one meter) and more expensive transmit/receive antennas to receive

²⁷ See *Public Notice* at 8 (citing ABC Plan, Attach.1 at 4).

²⁸ See *id.* (citing various parties).

such services.²⁹ Fourth, the mountainous nature of the Hawaiian Islands precludes many consumers in the State from receiving satellite services because they cannot achieve the necessary south-face look angles due to terrain and often dense foliage. The State raised many of these concerns in its Reply Comments that were filed in response to the *USF/ICC NPRM*³⁰ and, to the State's knowledge, they have not been addressed by any other party to the proceeding.

The State is also concerned about proposals to employ alternative technologies, such as wireless and fixed microwave, to provide broadband to extremely high-cost communities in Hawaii. As with satellite, these services are limited in the transmission data rates that can be made available to consumers. In addition, microwave networks are highly susceptible to attenuation and outages resulting from rain, high winds and dense foliage. The difficulties of employing microwave solutions in Hawaii are discussed by Hawaiian Telcom in its comments.³¹

Finally, alternative technologies such as wireless broadband services can address only the potentially high costs of providing "last mile" links to consumers. Wireless broadband services cannot address the absence of middle mile broadband infrastructure because all wireless services

²⁹ For instance, WildBlue Communications, Inc. ("WildBlue") currently provides broadband Internet satellite service to all regions of the United States (including in portions of Alaska), except for Hawaii. *See KaStar Satellite Communications Corp.*, 13 FCC Rcd 1366 (1977). WildBlue reportedly plans to rectify this omission next year. *See* Frequently Asked Questions, available at <http://www.wildblue.com/aboutWildblue/qaq.jsp>. Spacenet, Inc. claims that it does provide broadband Internet satellite services to the State, but the services are more expensive than services to the Mainland, and Hawaii customers are required to use larger transmit/receive antennas. Hughes Network Systems, LLC similarly provides broadband Internet satellite services to the State, but at higher rates for Hawaii consumers. This situation was discussed further in Hawaii's reply comments in this proceeding. *See Reply Comments on the State of Hawaii*, WT Docket Nos. 10-90, et al. (May 23, 2011) ("*Hawaii Reply Comments*").

³⁰ *See Hawaii Reply Comments* at 7-8.

³¹ *See Hawaiian Telcom Comments*, Appendix 1.

require backhaul capabilities to link wireless base stations to backbone networks. Unfortunately, the construction and maintenance of middle mile broadband capabilities is one of the historical challenges facing Hawaii.³² The Commission should therefore focus CAF resources on supporting middle mile development efforts.

IV. A DESIGNATED CAF FUND, OR SPECIAL ACCESS TO CAF FUNDING, SHOULD BE MADE AVAILABLE TO TRIBAL LANDS AND INSULAR AREAS SUCH AS HAWAII

The Commission's *Public Notice* requests comment on whether "any special circumstances exist in the states of Alaska and Hawaii, or Territories and Tribal lands generally, or other areas," that warrant a different approach.³³ Although the Commission raised this question in the context of interim measures to provide CAF support for price cap carriers,³⁴ the State believes that this question is relevant to nearly every aspect of this proceeding.

As discussed above and in the State's Reply Comments, there are numerous special considerations and challenges that exist that compel the use of a unique approach in Hawaii. Many of these same conditions exist in the Pacific Territories. To address these conditions, one of Hawaii's carriers, Sandwich Isles, has advocated the creation of a Tribal Broadband Fund, the coverage of which would include the Hawaiian Home Lands ("HHL").

The State strongly supports the creation of a Tribal Broadband Fund and the use of that fund to continue the development of broadband communications infrastructure in the HHL communities and to link those communities to backbone infrastructure through fiber and undersea cable. The creation of a Tribal Broadband Fund, however, is only the first step toward

³² See *supra* note 22.

³³ See *Public Notice* at 10.

³⁴ See *id.*

a comprehensive solution. As illustrated in the maps that were provided by Sandwich Isles as an attachment to its comments,³⁵ the HHL communities are spread throughout the Hawaiian Islands and often surrounded by non-HHL communities that also face compelling needs for communications infrastructure to support broadband and other communications services. In order to serve the needs of non-HHL rural and remote communities, the Commission should create a special CAF fund for insular areas of the United States and use that fund to address the compelling needs for broadband infrastructure in Hawaii, the Pacific Territories and other insular areas.³⁶

The *USF/ICC NPRM* recognized this approach, seeking comment on whether the Commission “should reserve a defined amount of funds in the CAF for insular areas.”³⁷ The record in this proceeding clearly demonstrates a compelling need and industry-wide support for the Commission to implement an Insular CAF fund. Such an approach would also address the statutory mandate for the Commission to ensure that

Consumers in all regions of the Nation, including low-income consumers and those in rural, *insular*, and high cost areas, should have access to telecommunications and information services . . . that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.³⁸

In recommending the creation of an Insular CAF fund, the State is aware that the Commission concluded in an order released last year that Section 254(b)(3) did not mandate the

³⁵ See *Sandwich Isles Comments*, Exhibit 1 (providing maps of HHL properties in relation to the major Hawaiian Islands).

³⁶ Hawaiian Telcom has also expressed support for the creation of an Insular CAF fund in order to serve the unique needs of consumers in Hawaii. See *Hawaiian Telcom Reply Comments* at 2-4.

³⁷ *USF/ICC NPRM*, ¶ 305 (*emphasis added*).

³⁸ See 47 U.S.C. § 254(b)(3).

creation of a special USF fund to serve the significant and unique needs of insular areas.³⁹ That order, however, was premised primarily on a perception of diminishing needs for broadband support in one insular area, Puerto Rico,⁴⁰ and the Commission’s desire to craft a comprehensive approach to USF reform, rather than employ incremental measures.⁴¹

A compelling need for broadband support continues to exist in Hawaii and in the Pacific Territories, each of which are by far the most insular portions of the United States.⁴² Hawaii is located about 2500 miles from the Mainland and the Pacific Territories are significantly more distant. Hawaii’s population is spread across not one, but six major and several smaller islands, and carriers operating in the State must contend with extremely adverse and challenging conditions. Therefore, the Commission should take advantage of the comprehensive exercise that has been initiated by this proceeding to specifically address the needs of consumers in insular areas such as Hawaii through the creation of a designated fund for CAF support in insular communities.

V. CONCLUSION

The State strongly supports the creation of a Tribal Broadband Fund, the coverage of which would include the HHL, and also strongly supports the creation of a special CAF to

³⁹ See *High-Cost Universal Service Support Federal-State Joint Board on Universal Service Lifeline and Link-Up*, Order and Notice of Proposed Rulemaking, FCC 10-57 (April 16, 2010).

⁴⁰ See *id.*, ¶ 1 (concluding that “dramatic increases in telephone subscribership in Puerto Rico over the last several years make it unnecessary to adopt a new high-cost support mechanism for non-rural insular carriers”).

⁴¹ See *id.*, ¶ 2 (indicating that “[w]e believe that the public would be best served by our focusing on comprehensive universal service reform, rather than developing a new non-rural insular high-cost support mechanism within the existing legacy universal service system”).

⁴² As the State explained in its Reply Comments, the State clearly falls within Congress’ intended definition of an insular area. See *Hawaii Reply Comments* at 4-7.

provide targeted support to extremely remote and insular areas of the United States such as Hawaii and the Pacific Territories. The record in this proceeding clearly establishes a particular need for such a fund to assist consumers in extremely remote and insular areas of the United States and also to serve the statutory requirement to ensure that consumers in insular areas have access to reasonably comparable broadband services.

The Commission should also focus its CAF broadband support on the construction of fixed infrastructure that can support the long term requirements for high speed broadband services in extremely high cost remote and insular areas of the United States, rather than allocating significant funds to short term solutions involving less robust capabilities. Finally, the State supports the replacement of the study area mechanism with an approach that focuses on the costs of providing broadband services to consumers in discrete locations, such as wire centers.

Respectfully submitted,

THE STATE OF HAWAII

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