

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
DIALAROUND ENTERPRISES INC.)
For a Certificate of Authority to)
Operate as a Reseller of Intrastate)
Telecommunications Services Within)
the State of Hawaii.)

DOCKET NO. 03-0122

DECISION AND ORDER NO. 20297

RECEIVED
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DIV. OF CONSUMER AFFAIRS
DEPT. OF COMMERCE
HONOLULU, HAWAII

Filed July 3, 2003
At 11:00 o'clock A .M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

K. Higashi

II.

Applicant is a Delaware corporation authorized to do business in the State as a foreign corporation. Its principal place of business is in Flushing, New York.

Applicant intends to provide intrastate telecommunications services as a reseller utilizing the existing network facilities of Global Crossing.² Other than Global Crossing, Applicant represents that it may also resell, in the future, telecommunications services of other telecommunications carriers certified to operate in Hawaii.

III.

Upon review of the application, the commission makes the following findings pursuant to Hawaii Administrative Rules ("HAR") § 6-80-18(a):

1. Applicant possesses sufficient technical, financial, and managerial resources and abilities to provide the proposed services;

²Upon review of the application, the commission assumes that "Global Crossing" refers to Global Crossing, Ltd. (nka, GC Acquisition, Limited) and its Hawaii-certified subsidiaries, Global Crossing North American Networks, Inc. (fka, Frontier Communications International, Inc.) ("GCNAN") and Global Crossing Telecommunications, Inc. (fka, Allnet Communications Services, dba Frontier Communications Services) ("GCTI").

By Decision and Order No. 19945, filed on December 31, 2002, in Docket No. 02-0351, the commission approved the transfer of control of Global Crossing, Ltd.'s Hawaii-certified subsidiaries to GC Acquisition, Limited. Our records indicate that these Hawaii-certified subsidiaries GCNAN and GCTI, only have authority to provide resold intrastate telecommunications services in Hawaii, and that neither of these subsidiaries, have facilities-based authority. See, Decision and Order No. 15202, filed on December 4, 1996, in Docket No. 96-0430; and Decision and Order No. 16146, filed on January 5, 1998, in Docket No. 97-0416.

2. Applicant is fit, willing, and able to properly perform the telecommunications services and to conform to the terms, conditions, and rules prescribed or adopted by the commission; and

3. Applicant's proposed telecommunications services are in the public interest.

Accordingly, the commission concludes that Applicant should be granted a COA to operate as a reseller of intrastate telecommunications services.

Based on the commission's review of the proposed tariff, as revised on June 10, 2003, we also conclude that Applicant should amend Section 2.4.2 (Original Page 18) to state, in relevant part, as follows: "Upon nonpayment of any sum owing to the Company that is not in dispute, or upon a violation of any of the provisions governing the furnishing of Service under this Tariff, the Company may, pursuant to HAR § 6-80-106, discontinue the furnishing of such Service upon prior written notification to the Customer."

Applicant requests that its books and records be kept at its principal place of business in Flushing, New York. This request is consistent with HAR § 6-80-136(a)(3), and, thus, the commission's approval is not necessary.

IV.

THE COMMISSION ORDERS:

1. Applicant is granted a COA to operate as a reseller of intrastate telecommunications services in the State.

2. As the holder of a COA, Applicant shall be subject to all applicable provisions of HRS chapter 269, HAR chapters 6-80 and 6-81, any other applicable State law and commission rules, and any orders that the commission may issue from time to time.

3. Applicant shall file its tariffs in accordance with HAR §§ 6-80-39 and 6-80-40. Applicant's tariffs shall comply with the provisions of HAR chapter 6-80. In the event of a conflict between any tariff provision and State law, State law shall prevail.

4. Applicant shall conform its initial tariff to the applicable provisions of HAR chapter 6-80 by, among other things, incorporating the tariff revision set forth in section III of this decision and order. An original and eight copies of the initial tariff, with the noted revision, shall be filed with the commission, and two additional copies shall be served on the Consumer Advocate. Applicant shall ensure that the appropriate effective date is reflected in its tariffs.

5. Within 30 days from the date of this decision and order, Applicant shall pay a public utility fee of \$60, pursuant to HRS § 269-30. The business check shall be made payable to the Hawaii Public Utilities Commission, and sent to the commission's office at 465 S. King Street #103, Honolulu, HI, 96813.

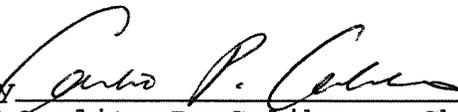
6. Within 30 days from the date of this decision and order, Applicant shall also pay a telecommunications relay service ("TRS") contribution of \$37.50, established pursuant to: (A) Act 50, of May 7, 2003 (to be codified at HRS § 269-16.6);

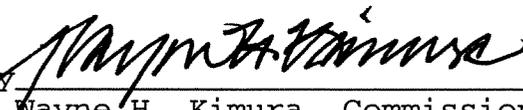
and (B) Order No. 20193, filed on May 23, 2003, in Docket No. 03-0058. (A copy of Order No. 20193 is attached hereto as Exhibit 1.) The business check shall be made payable to "Hawaii TRS", and sent to the Hawaii TRS Administrator, NECA Services, Inc., 80 S. Jefferson Road, Whippany, NJ 07981. Written proof of payment shall be sent to the commission.

7. In accordance with HAR § 6-80-39(b), Applicant will not offer, initiate, or provide any telecommunications services within the State, at wholesale or retail, until it complies with the requirements set forth in paragraphs 3 to 6, above.

DONE at Honolulu, Hawaii this 3rd day of July, 2003.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Kris N. Nakagawa
Commission Counsel
03-0122.ah

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

----- In the Matter of -----)
)
 PUBLIC UTILITIES COMMISSION)
)
 Instituting an Investigation)
 Into the Availability of)
 Experienced Providers of)
 Quality Telecommunications)
 Relay Services, Pursuant to)
 Section 16.6, Hawaii Revised)
 Statutes.)
 _____)

DOCKET NO. 03-0058

ORDER NO. 20193

Filed May 23, 2003
At 3:15 o'clock P.M.

Karen Hignel.
Chief Clerk of the Commission

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

----- In the Matter of -----)
)
 PUBLIC UTILITIES COMMISSION)
)
 Instituting an Investigation)
 Into the Availability of)
 Experienced Providers of)
 Quality Telecommunications)
 Relay Services, Pursuant to)
 Section 16.6, Hawaii Revised)
 Statutes.)
 _____)

Docket No. 03-0058

Order No. 20193

ORDER

I.

Hawaii Revised Statutes (HRS) § 269-16.6 requires the commission to investigate the availability of experienced providers of quality telecommunications relay services (TRS) and select the best qualified provider of such service. Thus, by Order No. 20067, filed on March 7, 2003, the commission instituted a proceeding to investigate the availability of quality TRS providers.¹ By that same order, the commission ordered Verizon Hawaii Inc. and the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs (Consumer Advocate) to be parties to the proceeding.

On March 10, 2003, the commission sent letters to Verizon Hawaii Inc., the Consumer Advocate, Sprint Communications

¹On February 24, 2003, the current provider of TRS, Verizon Hawaii Inc., provided its notice to terminate its provision of TRS in Hawaii in July 2003.

Co., LP (Sprint), AT&T, Hamilton Relay Service, MCI Global Relay, CSD, SBC Southwest, and Vista Information Technologies, seeking comments and suggestions on the commission's draft request for services (RFS) by March 27, 2003.

On March 27, 2003, Sprint and Verizon Hawaii Inc. filed their comments on the draft RFS. On March 31, 2003, Hamilton Telecommunications submitted its comments on the draft RFS (e-mailed to the commission on March 27, 2003). On April 1, 2003, the State of Hawaii Disability and Communication Access Board submitted its comments on the draft RFS.

By Order No. 20111, filed on April 4, 2003, the commission: (1) adopted and made part of the order the final RFS dated April 4, 2003; and (2) ordered the Consumer Advocate to designate a representative to be a member of the evaluation committee by April 23, 2003. On April 23, 2003, the Consumer Advocate designated Marcey Chang, Chief Engineer, as the Consumer Advocate's representative on the evaluation committee.

On April 7, 2003, the commission published, state-wide, its public notice for the Invitation of Bids, due on April 23, 2003. That same day, the commission also sent letters and copies of Order No. 20111 and the final RFS soliciting proposals for the provision of TRS in the State of Hawaii to Sprint, AT&T, Hamilton Relay Service, MCI Global Relay, CSD, SBC Southwest, and Vista Information Technologies.

On April 21, 2003, Hamilton Telephone Company, dba Hamilton Telecommunications (Hamilton), filed its proposal.

On April 23, 2003, Sprint filed its proposal. The commission's RFS evaluation committee² for TRS reviewed the proposals and issued its recommendation to the commission on April 29, 2003. By Decision and Order No. 20163, filed on April 30, 2003, the commission selected Sprint to be the exclusive provider of intrastate TRS within the State of Hawaii from July 1, 2003 to June 30, 2006.³

Thus, by this order, we are providing notice to all telecommunications carriers under our jurisdiction of, among other things, our selection of Sprint as the provider of TRS, the establishment of a new TRS fund, and the imposition of various requirements authorized by the recently-adopted Act 50, Session Laws of Hawaii 2003.

²The members of the evaluation committee are Kevin Katsura - Legal Counsel, Steven Iha - Chief Auditor, Lisa Kikuta - Researcher, Richard VanDrunen - Engineer, Janice Masuda - Engineer, and Marcey Chang - Chief Engineer for the Consumer Advocate.

³Decision and Order No. 20163 also: (1) made the contents of Sprint's proposal and the terms of the commission RFS binding on Sprint; (2) required Sprint to file a proposed transition timetable within 14 days of the Decision and Order and to update the commission bi-weekly of its progress in transitioning Hawaii TRS from Verizon Hawaii Inc. to Sprint, until the transition is fully complete; (3) required Sprint to submit to the commission all updates and information needed for the commission's TRS state certification renewal application required by the Federal Communications Commission; and (4) required Sprint to file a proposed tariff for commission review and approval describing the terms and conditions of its TRS.

III.

A.

Establishment of the TRS Fund

Pursuant to the final RFS adopted and made part of Order No. 20111, filed on April 4, 2003, the TRS service provider, Sprint, is required to maintain the TRS fund. The final RFS specifies, in part:

5.3.2 TRS Account or Fund. The service provider shall be required to maintain and account for all TRS revenues and expenditures in a separate account. Such accounting shall include separated interstate and intrastate revenues and expenditures in accordance with jurisdictional separation procedures and standards set forth in the Federal Communications Commission's regulations adopted pursuant to section 410 of the Communications Act of 1934, as amended. The service provider shall receive and deposit all payments from all carriers that are required to pay for TRS. The service provider shall provide the commission, at the end of each month, a statement or report of all deposits and withdrawals from this account, including beginning and ending balances. This report is due 15 days after the close of the previous month. Commission approval is required for any withdrawal from this account, as provided in section 4.5.

5.3.3 Contributions to the Fund. All telecommunications carriers operating or providing telecommunications service within the State shall contribute to the TRS fund. The commission shall annually, by order, set the amount of the contribution required to be made to the TRS fund by each telecommunications carrier, based upon one of two methods: 1) a surcharge upon each telephone subscriber line provided by each telecommunications carrier in Hawaii or 2) a percentage surcharge upon the gross

intrastate revenues of every telecommunications provider in Hawaii.

Each telecommunications carrier shall pay its contribution directly to the service provider at dates and intervals set by the commission. Any interest charges due to late payment shall be between the service provider and the telecommunications carrier. Any interest earned from contributions to the TRS fund shall become part of the fund and be used to support the provision of current and future TRS.

Any amounts remaining in the TRS fund at the end of the contract period shall remain in the fund. If a new provider is selected, this fund transfers fully to the new provider.

B.

Amount of Contribution

Pursuant to Act 50, Hawaii Session Laws 2003, promulgated on May 7, 2003 (Act 50), attached as Exhibit "A", the commission may require every telecommunications carrier providing intrastate telecommunications services in the State of Hawaii to contract with Sprint for the provision of telecommunications relay service. Accordingly, by this Order, we will require every aforesaid carrier to contract with Sprint for the provision of TRS, for the period beginning July 1, 2003 to June 30, 2006.

Act 50 further authorizes the commission to require every carrier providing intrastate telecommunications service to contribute to the TRS fund maintained by Sprint. In this respect, we will require every carrier to contribute to the TRS fund on the basis of gross operating revenues from the retail provision of intrastate telecommunications services during the

preceding calendar year. Contributions shall be made by every carrier providing intrastate telecommunications services including, but not limited to: (1) the incumbent telecommunications carrier; and (2) all carriers certified by or registered with the commission pursuant to HRS § 269-7.5(b) or Hawaii Administrative Rules (HAR) § 6-80-18(a) and (b). The commission, at this juncture, specifically excludes payphone providers from contributing to the TRS fund.⁴

Contributors' contribution to the TRS fund shall be the product of their gross operating revenues from the retail provision of intrastate telecommunications services during the preceding calendar year, which is subject to investigation by the commission, and a contribution factor determined annually by the commission.⁵ Each carrier must contribute at least \$37.50 per year. Carriers whose annual contributions total less than \$1,200 must pay the entire contribution at the beginning of the contribution period. Service providers whose contributions total \$1,200 or more may divide their contributions into equal monthly payments. Carriers shall complete and submit a TRS Reporting Worksheet, attached to this Order as Exhibit "B". The worksheet

⁴In the Fifth Report and Order, CC Docket No. 90-571, FCC 02-269, the Federal Communications Commission (FCC) requires carriers to continue to provide coin-sent paid local calls free to TRS users.

⁵The commission will adjust its contribution factor annually which will include, without limitations, future growth rates, revenue base, and uncollectible factor; although the commission intends to evaluate and set the contribution factor annually, the commission reserves the right to change the contribution factor at its discretion.

shall be certified to by an officer of the contributor and subject to verification by the commission at the discretion of the commission. This process is a self-reporting process. Each carrier is responsible for reporting and paying its contribution at the dates designated by the commission.

C.

Contribution Factor

The contribution factor for the period July 1, 2003 to June 30, 2004 is .00375. The .00375 represents, among other things, the estimated cost of the TRS service for the period July 1, 2003 to June 30, 2004 - including the projected growth in TRS minutes of use, an uncollectible allowance, and a reserve margin for the start up of the fund.

D.

Payment Remittance

Sprint has contracted with NECA Services, Inc. to administer the TRS fund. Contributions to the TRS fund shall be payable to "Hawaii TRS" and remitted to the Hawaii TRS Administrator at the following address:

Attn: Hawaii TRS Administrator
NECA Services, Inc.
80 S. Jefferson Road
Whippany, NJ 07981
Phone (973) 884-8011
Fax: (973) 599-6504

Telecommunications Carriers may contact NECA Services, Inc. to identify their preferred method of payment and for further information.

Annual contributions are due July 26th; carriers who owe contributions of \$1,200 or more may pay in twelve equal monthly installments, due on the 26th of each month.

E.

Surcharge to Customers

A telecommunications carrier contributing to the TRS fund may impose a surcharge on its customers, both residential and business, to recover the amount of its contribution. The carrier shall separately and clearly identify and explain on its customers' bills the surcharge assessed for the TRS fund. The surcharge shall not be imposed until at least thirty-days' written notice is provided to the commission.⁶ The notice must specify the amount of the proposed surcharge and the form in which the surcharge will be designated on customers' bills. The commission, as appropriate, may order modification in the amount of the surcharge or in the form of the designation on the customers' bills.

On its own motion, the commission also finds good cause to waive the 30-day tariff filing requirements of HRS

⁶The commission will waive the notice requirement for those carriers imposing surcharges on their July 2003 bills; however notice shall be provided at least simultaneously with the imposition of any surcharge.

§ 269-16(b)⁷ and HAR § 6-80-40 (b)⁸, for those carriers implementing a surcharge to its customers in the month of July 2003.⁹ The commission also recognizes that various telecommunications carriers, who elect to immediately incorporate the surcharges in their July 2003 billing cycles, may not be able to meet the 30-day filing requirements. Accordingly, any tariff filing relating to TRS, implemented in the month of July 2003, shall become effective upon its filing with the commission. However, the commission, as appropriate, may order modification in the amount of the surcharge.

⁷HRS § 269-16 (b) provides, in relevant part: "[n]o rate, fare, charge, classification, schedule, rule, or practice, shall be established, abandoned, modified, or departed from by any public utility, except after thirty days' notice as prescribed in section 269-12(b) to the commission and prior approval by the commission for any increases in rates, fares, or charges."

⁸HAR § 6-80-40(b) provides, in relevant part: "[a] telecommunications carrier shall file its tariff for any partially competitive service or noncompetitive service at least thirty days before the effective date of the proposed service."

⁹HRS § 269-16 provides, "The commission may, in its discretion and for good cause shown, allow any rate, fare, charge, classification, schedule, rule, or practice to be established, abandoned, modified, or departed from upon notice less than that provided for in section 269-12(b). HAR § 6-80-40(d) provides, "The commission may, in its discretion and for good cause shown, allow any tariff for a partially competitive or noncompetitive service to become effective before the expiration of the thirty-day period provided in subsection (b)."

IV.

THE COMMISSION ORDERS:

1. Every telecommunications carrier providing intrastate telecommunications service in the State of Hawaii shall contract with Sprint for the provision of telecommunications relay service, for the period beginning July 1, 2003 to June 30, 2006.

2. Every carrier providing intrastate telecommunications service in Hawaii shall contribute to the TRS fund on the basis of gross operating revenues from the retail provision of intrastate telecommunications services during the preceding calendar year, consistent with the terms of this order; the commission, at this juncture, specifically excludes payphone providers from contributing to the TRS fund.

3. Contributors' contribution to the TRS fund shall be the product of their gross operating revenues from the retail provision of intrastate telecommunications services during the preceding calendar year, which is subject to investigation by the commission, and a contribution factor determined annually by the commission, consistent with the terms of this order.¹⁰

4. The contribution factor for the period July 1, 2003 to June 30, 2004 is .00375.

5. The annual TRS funding period commences July 1 and ends June 30 of each year.

¹⁰Although the commission intends to evaluate and set the contribution factor annually, the commission reserves the right to change the contribution factor at its discretion.

6. Annual contributions are due July 26th; carriers who owe contributions of \$1,200 or more may pay in twelve equal monthly installments, due on the 26th of each month.

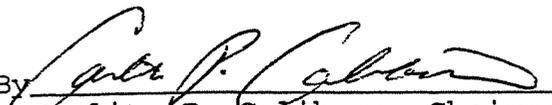
7. Contribution payments shall be made payable to "Hawaii TRS" and sent to the Hawaii TRS Administrator, consistent with the terms of this order.

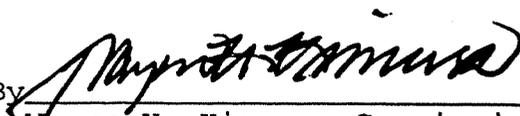
8. The commission waives the 30-day notice requirement of HRS § 269-16(b) and HAR § 6-80-40(b) for any TRS surcharge implemented in the month July 2003; however notice must still be provided at the time the surcharge is assessed, consistent with the terms of this order.

9. Any tariff filing relating to TRS, implemented in the month of July 2003, shall become effective upon its filing with the commission, consistent with the terms of this order.

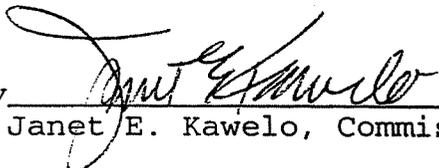
DONE at Honolulu, Hawaii this 23rd day of May, 2003.

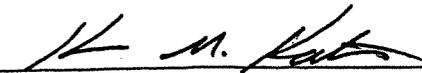
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
Wayne H. Kimura, Commissioner

APPROVED AS TO FORM:

By 
Janet E. Kawelo, Commissioner


Kevin M. Katsura
Commission Counsel

03-0058.ah

A BILL FOR AN ACT

RELATING TO TELECOMMUNICATIONS RELAY SERVICES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that telecommunications
2 relay services (TRS) provide individuals with hearing and speech
3 disabilities telephone transmission services that enable these
4 individuals to communicate by wire or radio with other
5 individuals in a manner that is functionally equivalent to
6 individuals without such disabilities.

7 The legislature further finds that the means to collect
8 moneys that are assessed to pay for TRS is important to the
9 provision and quality of TRS.

10 The purpose of this Act is to provide the state public
11 utilities commission with greater flexibility in administering
12 and providing intrastate telecommunications relay services in
13 the State.

14 SECTION 2. Section 269-16.6, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "§269-16.6 [Relay] Telecommunications relay services for
17 the deaf, [~~hearing-impaired, and speech-impaired.~~] persons with
18 hearing disabilities, and persons with speech disabilities.



1 communicate using wire or radio voice communication services.
2 "Telecommunications relay services" includes services that
3 enable two-way communication using text telephones or other
4 nonvoice terminal devices, speech-to-speech services, video
5 relay services, and non-English relay services."

6 SECTION 3. Section 269-16.7, Hawaii Revised Statutes, is
7 repealed.

8 [~~"5269-16.7 Telecommunications; expedition of ratemaking~~
9 ~~procedures. Whenever a public utility providing local exchange~~
10 ~~telecommunications services applies for approval of rates,~~
11 ~~charges, or fees in tariffs for specialized services for the~~
12 ~~deaf, hearing impaired or speech impaired, the commission shall~~
13 ~~expedite to the greatest extent possible any necessary~~
14 ~~ratemaking procedures. Further, the commission shall be~~
15 ~~authorized to approve interim surcharges imposed on all~~
16 ~~subscriber lines, in order to permit the recovery of those actual~~
17 ~~costs incurred from the time of commencement of the specialized~~
18 ~~services for the deaf, hearing impaired and speech impaired to~~
19 ~~the time of the next general rate increase."]~~

20 SECTION 4. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.

22 SECTION 5. This Act shall take effect upon its approval.

APPROVED BY THE
GOVERNOR ON

MAY 07 2005

DETAILS CONCERNING REVENUE ADJUSTMENT(S)

If revenue adjustment(s) are not explained here, amounts deducted will be disallowed and proposed assessments may be prepared against you.

Describe amounts deducted from Gross Revenues to obtain Gross Intrastate Retail Revenues (list):	Amount
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
TOTAL	

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20193 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

JOEL K. MATSUNAGA
VICE PRESIDENT-EXTERNAL AFFAIRS
VERIZON HAWAII INC.
P. O. Box 2200, A-17
Honolulu, HI 96841

MAGGIE SCHOOLAR
GOVERNMENT ACCOUNT EXECUTIVE
SPRINT COMMUNICATIONS
1321 Rutherford Lane, Suite 120
Austin, TX 78753



Karen Higashi

DATED: May 23, 2003

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 20297 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

TODD H. LOWE, PRESIDENT
VISIOLOGY, INC.
16061 Carmel Bay Drive
Northport, AL 35475



Karen Higashi

DATED: July 3, 2003