

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

----- In the Matter of ----- )  
 )  
PUBLIC UTILITIES COMMISSION )  
 )  
Instituting a Proceeding on )  
Communications, Including an )  
Investigation of the )  
Communications Infrastructure )  
of the State of Hawaii. )  
\_\_\_\_\_ )

DOCKET NO. 7702

ORDER NO. 19446

Filed July 3, 2002  
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

DIV. OF CONSUMER AFFAIRS  
DEPT. OF COMMERCE AND  
CONSUMER AFFAIRS  
STATE OF HAWAII

2002 JUL -3 P 4:18

RECEIVED

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

----- In the Matter of ----- )	
PUBLIC UTILITIES COMMISSION )	Docket No. 7702
Instituting a Proceeding on )	Order No. 19446
Communications, Including an )	
Investigation of the )	
Communications Infrastructure )	
of the State of Hawaii. )	
_____ )	

ORDER

I.

A.

In Decision and Order No. 18265, filed on December 19, 2000, the commission, among other things, ordered VERIZON HAWAII INC. (Verizon Hawaii) to file reformulated maximum rates for access and attachment to its poles, ducts, conduits, and rights-of-way (pole and duct rates).<sup>1</sup> Pursuant to our decision and order, on January 18, 2001, Verizon Hawaii filed: (1) 1997, 1998, and 1999 maximum pole and duct rates based on Verizon Hawaii's automated reporting management information system (ARMIS) data for the previous year utilizing the

---

<sup>1</sup>Pursuant to Decision and Order No. 16775, filed on January 7, 1999, Verizon Hawaii initially filed its pole and duct rates on March 8, 1999, among other things, with various subsequent amendments and revisions thereafter (pre-2001 filings). Our determinations on Verizon Hawaii's pole and duct rates, in Decision and Order No. 18265, were made pursuant to, among other things, the Docket No. 7702 parties' opening and reply comments filed on September 27 and October 11, 1999, respectively.

Federal Communications Commission's (FCC's) cable television pole and duct rate formula (cable formula) (Compliance Item No. 1); (2) the basic parameters for the calculation of its 2000 through 2005 rates (Compliance Item No. 2)<sup>2</sup>; (3) its methodology for determining other applicable fees for pole and duct access (Compliance Item No. 3); and (4) the specific circumstances under which it would assess the whole duct rate versus the subduct rate (Compliance Item No. 4).

Due to certain input inconsistencies, on February 8, 2001, Verizon Hawaii re-filed its reformulated pole and duct rates and its other compliance items (compliance filing). On February 28, 2001, AT&T COMMUNICATIONS OF HAWAII, INC. (AT&T) and TIME WARNER TELECOM OF HAWAII, L.P., dba OCEANIC COMMUNICATIONS (Oceanic), filed separate comments regarding Verizon Hawaii's compliance filing. On April 30, 2001, pursuant to Order No. 18486, filed on April 16, 2001,<sup>3</sup> Verizon Hawaii filed comments on the issues raised on its compliance filing and also submitted revised pole and duct rates reflecting certain matters agreed-upon with AT&T and Oceanic.

Subsequently, due to informal inquiries from the other parties, Verizon Hawaii reviewed certain FCC requirements, and submitted additional comments and revised rates on March 5, 2002.

---

<sup>2</sup>At its own initiative, Verizon Hawaii also filed pole and duct rates for the years 2000 through 2005.

<sup>3</sup>This order granted Verizon Hawaii's motion for leave to file its comments (Motion), filed on March 28, 2001. On April 4, 2001, Oceanic filed a statement of no opposition to Verizon Hawaii's Motion and AT&T filed a letter informing us that it did not oppose Verizon Hawaii's request, among other things.

On April 26, 2002, AT&T and Oceanic (AT&T/Oceanic or Commenting Parties) filed joint comments regarding Verizon Hawaii's various pole and duct filings (Joint Comments). On June 14, 2002, Verizon Hawaii filed its reply to the Joint Comments (Reply).

B.

In the Joint Comments, along with their comments on Verizon Hawaii's various pole and duct rate filings, AT&T/Oceanic also provided a summary of the "disputed pole and duct rate issues" to assist the commission in our determination of these matters. The commission recognizes that some time has past since the submission of Verizon Hawaii's compliance filing and the various comments, and that the parties have continued their dialogue with regards to the pole and duct rate issues, which we encourage. Acknowledging the Commenting Parties' efforts, we find good cause to utilize their summary of disputed pole and duct rate issues as the basic parameters of our review. We will presume that other pole and duct rate issues mentioned in prior submitted filings not raised in the Joint Comments as disputed issues to: (1) have been resolved, and/or (2) have been rendered moot.

II.

A. Revised FCC Formulas

AT&T/Oceanic contends that while Verizon Hawaii, in its April 30, 2001 and March 5, 2002 submissions, incorporated some

of the FCC formula revisions adopted in FCC No. 00-116, CS Docket No. 97-98, released April 3, 2000 (FCC 00-116); and FCC No. 01-170, CS Docket Nos. 97-98 and 97-151 consolidated, released May 25, 2001 (FCC 01-170), it failed to implement others. AT&T/Oceanic states that while Verizon Hawaii incorporated the FCC's conduit unusable space determinations set forth in FCC 00-116 and FCC 01-170 for conduit rates beginning in 2001, which they conclude is appropriate, Verizon Hawaii failed to incorporate the presumption which would require it to assume five attachers per pole beginning 2001, as specified in FCC 01-170. Thus, AT&T/Oceanic recommends that the pole and duct rates for: (1) 2000 should be calculated based on the FCC formulas, as modified by FCC 00-116; and (2) the years beginning 2001 should be calculated based on the FCC formulas as modified by FCC 00-116 and FCC 01-170.

Upon review, we find the Commenting Parties' recommendation regarding the incorporation of the revisions of the FCC formulas in FCC 00-116 and FCC 01-170 to be generally appropriate and reasonable. In Decision and Order No. 16775, the commission adopted the approach taken by the FCC in FCC No. 98-20, CS Docket No. 97-151, February 6, 1998 (FCC 98-20) for determining rates for access and attachment to Verizon Hawaii's poles, ducts, conduits, and rights-of-way. Subsequently, the FCC released additional directives regarding pole and duct rates in FCC 00-116 and FCC 01-170. When adopting the use of FCC 98-20, we noted that 47 U.S.C. § 224(e)(2) and (3) and Hawaii Administrative Rules § 6-80-76 are

similarly worded, and that the FCC approach was reasonable. Thus, subsequent amendments to the FCC approach, specifically its formulas for the calculation of rates, absent extenuating factors and circumstances, should also be considered reasonable. The Commenting Parties' recommendation is based on the released dates of the FCC orders.<sup>4</sup> Accordingly, we conclude that absent specific commission directives otherwise, Verizon Hawaii's maximum pole and duct rates: (1) for 2000 should be calculated based on the FCC formulas, as modified by FCC 00-116;<sup>5</sup> and (2) beginning 2001 should be calculated based on the FCC formulas as modified by FCC 00-116 and FCC 01-170.

#### B. Tax Expense

In its Reply, Verizon Hawaii states that it used 1999 ARMIS tax expenses to calculate its 2000 rates and used 2000 ARMIS tax expenses to calculate its 2001 through 2005 rates (for conduits, only 2001 rates were calculated). In its initial comments, Oceanic argues, among other things, that Verizon Hawaii's tax expenses for 1995 through 1999 varied widely and that the tax expenses for any given year during the years

---

<sup>4</sup>We note that while Verizon Hawaii, in its Reply, basically addressed every issue raised in the Joint Comments, it was silent on the issue of revised FCC formulas.

<sup>5</sup>We note that this statement is basically for parity with AT&T/Oceanic's request on this issue and is not necessary since AT&T, Oceanic, and Verizon Hawaii have agreed on the rates for 2000 (Joint Comments at 9, Reply at Exhibit A (confidential), and section II.G.3 of this order).

1995 through 1999 would not be a fair representation of taxes paid during this time period. Oceanic recommends that the commission require Verizon Hawaii to calculate its pole and duct rates for the years 2001 through 2005 on the average of Verizon Hawaii's tax expenses. In the Joint Comments, AT&T/Oceanic reiterates Oceanic's initial concerns and specifically recommends that the commission calculate the maximum pole and duct rates based on a normalized tax expense of \$54,343,000, representing Verizon Hawaii's average taxes over the years 1996 through 1998.

With regards to this issue, Verizon Hawaii contends that the recommendation to use an average amount for tax expense when calculating the 2001 through 2005 rates is not based on any federal or state requirement, and insists that the commission should not accept this suggestion. Verizon Hawaii bolsters its stance by stating, among other things, that this suggestion is contrary to the commission's order to use the prior year's ARMIS data and warns that it is inappropriate to use an average of one expense item while using actual data for other cost items, among other things.

Upon review, we find AT&T/Oceanic's argument for the use of an average tax amount as opposed to actual cost data to be unpersuasive. With regards to this cost item, consistent with the commission's previous order regarding the calculation of rates, Verizon Hawaii used the prior year's ARMIS data. Additionally, in this instance, as Verizon Hawaii contends, the use of an average amount for a cost item would be inappropriate

when other cost items utilize actual costs. Thus, we conclude that the Commenting Parties' recommendation to use an average tax expense amount as opposed to actual costs for the calculation of 2001 through 2005 maximum pole and duct rates should not be adopted.

### C. Total vs. "Equivalent" Poles

In its calculation of pole attachment rates, Verizon Hawaii uses equivalent poles, which accounts for utility poles that are jointly owned with other utilities. The Commenting Parties recommend that the commission require Verizon Hawaii's pole attachment rates to be calculated on the basis of Verizon Hawaii's total poles instead of the number of equivalent poles. They contend that the use of equivalent poles would increase the per-pole costs since the pole-related costs would be allocated among fewer poles. Further, among other things, they argue that under an FCC formula adopted in FCC 00-116, Verizon Hawaii is required to use total poles rather than equivalent poles.

Verizon Hawaii disagrees and contends that it used equivalent poles in its pole rate calculation since the commission directed it to use ARMIS data, which changed from total poles to equivalent poles in 1997. Further, among other things, Verizon Hawaii states that pursuant to paragraph 83 of FCC 87-209 (released July 23, 1987) and FCC rule 1.1404(g)(1)(v), which requires the number of total poles be adjusted for poles



jointly owned with other utilities, its use of equivalent poles is in compliance with FCC rules.

Upon review, we find the Commenting Parties' arguments to be unpersuasive.<sup>6</sup> Based on our reading of the FCC rules, it appears that Verizon Hawaii did not violate FCC requirements when it adjusted its pole count to account for poles jointly owned with other utilities. Additionally, the commission did direct Verizon Hawaii to use ARMIS data. Thus, based on the record, the commission concludes that the Commenting Parties' recommendation regarding Verizon Hawaii's use of equivalent poles should not be adopted.

#### D. Number of Attachers--Poles

When calculating its pole attachment rates, Verizon Hawaii, in the past, assumed four attachers per pole (pre-2001 filings) then adjusted its assumption to reflect three attachers per pole in its 2001 filings. In the Joint Comments, AT&T/Oceanic recommends that: (1) four attachers should be assumed for pole attachment rates prior to and including the year 2000, consistent with Verizon Hawaii pre-2001 rate filings; and (2) five attachers should be assumed for pole attachment rates beginning the year 2001, citing FCC 01-170, whereby the FCC adopted a presumption of five attaching entities for the

---

<sup>6</sup>In its Joint Comments, rather than responding to Verizon Hawaii's claims, set forth in its April 30, 2001 filing, AT&T/Oceanic basically stood on Oceanic's initial comments, filed on February 28, 2001, and provided no additional justifications for their position.

calculation of pole attachment rates beginning 2001. Among other things, they contend that the assumption of fewer attachers significantly increases the pole attachment rate since the cost of the pole would be spread among fewer attachers.

Verizon Hawaii contends that it changed its assumption from four attachers to three upon further review of FCC 98-20. In its earlier count, Verizon Hawaii states that it mistakenly included the power company as an attacher. It excluded the power company in its present count since the power company does not provide telecommunications services. It noted that its decision to use three pole attachers is conservative since the commission in Decision and Order No. 16775 ordered Verizon Hawaii to revise its COSTMOD cost study to assume that its poles and conduits were shared, on average, with one other entity. Further, Verizon Hawaii contends that the presumptive average of five attaching entities adopted by the FCC through FCC 01-170 is applicable for urbanized areas (50,000 or higher population) and that three attaching entities are presumed for non-urbanized areas (under 50,000 population), and that under FCC 01-170 a different number of attaching entities could be used. Verizon Hawaii maintains that it filed supporting data to use three attachers on August 28, 1997.

Upon review of the record, we find Verizon Hawaii's arguments to be unpersuasive with regards to determining maximum pole attachment rates for the years 2001 and beyond. As Verizon Hawaii notes, the FCC, in FCC 01-170, adopted the presumptive average of five attaching entities for urbanized

areas (50,000 or higher in population) and the presumptive average of three attaching entities for non-urbanized areas (under 50,000 population).<sup>7</sup> In the order, the FCC provided utilities with the option of utilizing the presumptive averages (also considered to be default averages) or developing its own averages for the two types of areas, urbanized and non-urbanized.<sup>8</sup> The FCC further stated that if the utility opts to use its averages, the utility shall make available "its data, information[,] and methodology" used in developing its averages.<sup>9</sup> To rebut the FCC's presumptive averages, Verizon Hawaii would need to file a "statistically valid survey or actual data".<sup>10</sup> We find Verizon Hawaii's filed support data for its assumption of three-attachers to be inadequate. Among other things, the support data for Verizon Hawaii's three-attacher assumption was filed in 1997. The information filed is almost five years old. There is no assurance that the information filed in 1997 is now even applicable or valid. At this time, we find that Verizon Hawaii has failed to rebut the FCC's presumption.<sup>11</sup>

---

<sup>7</sup>FCC 01-170 at ¶ 72.

<sup>8</sup>FCC 01-170 at ¶ 66 and ¶ 67.

<sup>9</sup>FCC 01-170 at ¶ 67.

<sup>10</sup>FCC 01-170 at ¶ 70.

<sup>11</sup>Additionally, we note that Verizon Hawaii's contention based on the commission's determination in Decision and Order No. 16775 is inappropriate since the commission's determination was based on the record established at that time. Furthermore, Verizon Hawaii's explanation for decreasing its pole attachment assumption from four to three appears to be inconsistent with FCC 01-170. In that order, the FCC clarified

Thus, pursuant to FCC 01-170, we conclude that Verizon Hawaii should utilize the FCC's presumptive averages, set forth in FCC 01-170, when calculating its maximum pole attachment rates for the years 2001 and beyond. Specifically, for urbanized areas, Verizon Hawaii shall use the presumptive average of five attaching entities, and in non-urbanized areas, it shall use the presumptive average of three attaching entities.

With regards to maximum pole attachment rates for 1997 through 2000, we find the Commenting Parties' recommendation to require Verizon Hawaii to use four attachers to be moot. Pursuant to Decision and Order No. 18265, Verizon Hawaii's maximum pole rates for 1997 through 1999 should be based on the FCC's cable formula, while the 2000 rates should be based on the cable formula as modified by FCC 00-116 (modified formula). The determination of the number of attaching entities in both these cases is inapplicable since neither the cable formula nor the modified formula takes into account this item.<sup>12</sup>

#### E. Total Duct Feet

Mirroring the FCC's methodology, the commission had required a five-year phase-in of the unusable space formula for the calculation of Verizon Hawaii's rates for poles, ducts,

---

that attaching entities include entities that do not provide telecommunications services to the public, including "any electric or other utility" (FCC 01-170 at ¶ 59).

<sup>12</sup>We note the AT&T, Oceanic, and Verizon Hawaii have agreed on maximum pole rates for 2000 (Joint Comments at 9 and Reply at Exhibit A (confidential)).

conduits, and rights-of-way. However, the FCC, in FCC 00-116, amended the formula regarding duct and conduit rates. FCC 00-116 requires Verizon Hawaii to calculate duct and conduit rates for 2000 and the years thereafter on the basis of its total duct or conduit capacity, without any deduction for reserve or maintenance. Verizon Hawaii amended its duct/conduit rates to reflect the FCC amendments in its March 5, 2002 filing.

AT&T, Oceanic, and Verizon Hawaii agree that for duct and conduit rates no deduction for reserve or maintenance is applicable for 2000 rates and the years thereafter (Joint Comments at 7). For 1997 through 1999 duct and conduit rates, Verizon Hawaii deducted 25 per cent of the total duct in service for reserve and maintenance, in compliance with the commission's directive and FCC rules prior to the adoption of FCC 00-116.<sup>13</sup>

For clarification purposes, the commission specifies that Verizon Hawaii's duct and conduit rates, set forth in its compliance filing, as amended in its March 5, 2002 filing, correctly reflect the requirements of the FCC and the commission. Specifically, for duct and conduit rates for the years 1997, 1998, and 1999, Verizon Hawaii is allowed to deduct 25 per cent of total duct in service for reserve and maintenance, pursuant to Decision and Order No. 18265; and for the years 2000 and thereafter, no deduction for reserve or maintenance should be

---

<sup>13</sup>We note that AT&T/Oceanic, in their Joint Comments, did not dispute Verizon Hawaii's calculation of duct rates for 1997 through 1999 regarding this matter.

applied to Verizon Hawaii's calculation for duct and conduit rates, pursuant to FCC 00-116.

F. Number of Occupiers--Ducts

Due to the FCC's revision of the duct and conduit rate formula in FCC 00-116 and FCC 01-170, the number of duct occupiers is irrelevant for rates beginning 2001.<sup>14</sup> For rates prior to 2001, AT&T/Oceanic recommends that the commission require Verizon Hawaii to calculate its duct rates based on an assumption of three occupiers as opposed to two. It based its recommendation on the contention that Verizon Hawaii previously calculated its duct rates on an assumption of three occupiers (pre-2001 filings) then without justification calculated its rates based on two occupiers in its 2001 compliance filings.

Verizon Hawaii disagrees. It contends that it provided valid reasons for its assumption of two occupants for its calculation of duct rates. Additionally, among other things, it contends that the Commenting Parties' arguments regarding 2000 duct rates are unnecessary since, although their calculations resulted in differing rates, AT&T and Oceanic agreed to Verizon Hawaii's 2000 subduct rates.

Based on our review, we find it unnecessary to determine the number of duct occupiers that Verizon Hawaii should use in its calculations, at this time. First, we note that due to FCC 00-116 and FCC 01-170, the number of duct occupiers is

---

<sup>14</sup>Joint Comments at 8, and Reply at 7.

irrelevant for the calculation of duct rates for 2001 and the years beyond. Second, we find it unnecessary to address the 2000 maximum duct rate since the parties have agreed to this amount.<sup>15</sup> With regards to duct rates prior to 2000, we find the issue of the number of duct occupiers to be moot. Pursuant to Decision and Order No. 18265, Verizon Hawaii's maximum duct rates for 1997 through 1999 should be based on the FCC's cable formula. The determination of the number of duct occupiers is not applicable since it is not an item used in the calculation of the cable formula. Thus, we conclude that this issue is moot.

G. Other Pole and Duct Rate Issues

1. Compliance Item No. 1

Based on our review of Verizon Hawaii's maximum pole and duct rates for the years 1997 through 1999, we find them to be consistent with applicable FCC requirements, our directives as set forth in Decision and Order 18265, and our determinations as set forth above, as applicable. Thus, we conclude that Verizon Hawaii's maximum pole and duct rates for the years 1997 through 1999, as set forth in its submissions filed on June 14, 2002,<sup>16</sup> should be approved.

---

<sup>15</sup>Joint Comments at 9, and Reply at 7 and 8.

<sup>16</sup>We note that similar rates for these years were filed in Verizon Hawaii's April 30, 2001 and March 5, 2002 filings.

2. Compliance Item Nos. 3 and 4

We recognize that Compliance Item Nos. 3 and 4 have not been raised as issues or concerns. However, in the interest of clarity we find it appropriate to make a determination with regards to these compliance items. First, with regards to Compliance Item No. 3, Verizon Hawaii states that its methodology for determining other applicable fees for pole and duct access is to bill the attaching entity the actual costs incurred by establishing and assessing estimated upfront costs, which are later, upon completion of the project, trued-up to actual costs which are tracked through work orders. Second, concerning Compliance Item No. 4, Verizon Hawaii informs us that the subduct rate is used as the default rate when an attacher's cable requires less than one inch of duct space. Verizon Hawaii applies the full duct rate when the attacher's cable requires use of the full duct. In instances when the cable size requires more than one inch of subduct but less than the full duct and other parties can be accommodated within the remaining duct space, Verizon Hawaii states that it will calculate the rate based on the actual space utilized by the attacher.

Based on our review of Compliance Item Nos. 3 and 4, we find Verizon Hawaii's explanations with regards to these specific issues to be reasonable. Thus, we conclude that Compliance Item Nos. 3 and 4, as set forth in Verizon Hawaii's February 8, 2001 submissions, should be approved.



### 3. Rates in Agreement

The Commenting Parties and Verizon Hawaii agree on the maximum pole rate for 2000 and the maximum duct rates for 2000 and 2001.<sup>17</sup> These rates appear to be reasonable. In the interest of clarity, we find it appropriate and in the public interest to approve these maximum pole and duct rates for the specified years, as set forth above.

Based on the above, we conclude that the maximum pole and duct rates for 2000 and 2001, as specified above, should be approved.

### 4. Rates Through 2005--Generally

The parties disagree on Verizon Hawaii's treatment of duct rates for the years 2002 through 2005. In its April 30, 2001 filing, Verizon submitted duct rates for the years 2002 through 2005 along with rates for 2001. However, in its March 5, 2002 filing, while amending its duct rates to comply with FCC 00-116, Verizon Hawaii retracted its duct rate calculations for 2002 through 2005 and requested that it first be allowed to negotiate these rates with interested competitors. Verizon Hawaii states that it will compute duct rates each year using the previous year's ARMIS data should negotiations fail.

AT&T/Oceanic disagrees with Verizon Hawaii's recommendation and requests that the commission approve maximum

---

<sup>17</sup>Joint Comments at 9, and Reply at Exhibit A (confidential).

duct rates for the years 2002 through 2005, as set forth in their Joint Comments. They contend that Verizon Hawaii's recommendation to refrain from adopting duct rates for those years is inconsistent with Verizon Hawaii's stance regarding pole rates. Additionally, AT&T/Oceanic contend that Verizon Hawaii's recommendation regarding these duct rates will provide uncertainty regarding these matters and that it may be costly to resolve.

Upon review, we find that Verizon Hawaii's treatment of maximum duct rates for 2002 through 2005 to be appropriate and reasonable. Consistent with the FCC, the commission has encouraged the parties to establish rates through negotiation.<sup>18</sup> In Decision and Order No. 18265, the commission required Verizon Hawaii to file the basic parameters for the calculation of maximum rates for 2000 through 2005 as opposed to the rates themselves. In the interest of consistency with Decision and Order No. 18265, the calculation of maximum duct rates for the years 2002 through 2005 should be based on ARMIS data of the prior year, data that are, aside for the 2002 rate, not available. Accordingly, we conclude that Verizon Hawaii's proposal with regards to maximum duct rates for 2002 through 2005 does not violate the commission's requirements, and that the Commenting Parties' recommendation with regards to these rates should not be adopted.

---

<sup>18</sup>HAR 6-80-75.

Furthermore, based on the above, we find it appropriate to refrain from establishing maximum pole rates for the years 2002 through 2005, at this time. Among other things, similar to the establishment of maximum duct rates, Verizon Hawaii and interested parties should first be provided an opportunity to negotiate on these rates. Thus, we conclude that maximum pole rates for the years 2002 through 2005 should mirror the procedures for the establishment of maximum duct rates.

5. Rates--2001 through 2002

However, the commission recognizes that certainty with regards to rates for access and attachment to Verizon Hawaii's poles, ducts, conduits, and rights-of-way will provide competitors with some clarity regarding the cost of providing telecommunications services in Hawaii, and will be beneficial towards the growth of competition in this State. Additionally, we note that ARMIS data for the 2001 and 2002 rates are currently available. Thus, we find it reasonable and in the public interest to require Verizon Hawaii and interested parties to meet, negotiate, and attempt to stipulate on a maximum pole attachment rate for 2001 and maximum pole and duct access rates for 2002 based on available 2000 and 2001 ARMIS data, applicable FCC orders, and subject to applicable commission determinations as set forth in this and prior orders. Within 90 days from the date of this order, Verizon Hawaii and the interested parties shall file a stipulated maximum pole rate for the year 2001 and stipulated maximum pole and duct rates for the year 2002 with the

commission or shall provide the commission with a status report on their efforts.

### III.

Upon careful review and evaluation of the record including, but not limited to: (1) Verizon Hawaii's compliance filing submitted on February 8, 2001; (2) Oceanic's and AT&T's comments filed on February 28, 2001; (3) Verizon Hawaii's comments and submissions filed on April 30, 2001 and March 5, 2002; (4) Joint Comments filed on April 26, 2002; and (5) Verizon Hawaii's Reply filed on June 14, 2002, as applicable, we find that our determinations with regards to the various pole and duct issues, including specific rates for certain years, as set forth above, are just, reasonable, nondiscriminatory, and in the public interest. Thus, we conclude that the various rates and determinations with regards to access and attachment to Verizon Hawaii's poles, ducts, conduits, and rights-of-way, as specified in section II of this order, should be approved.

### IV.

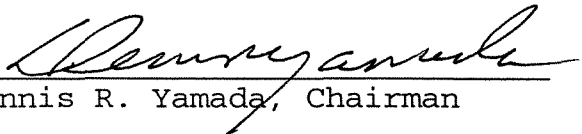
#### THE COMMISSION ORDERS:


1. The various rates and determinations with regards to access and attachment to Verizon Hawaii's poles, ducts, conduits, and rights-of-way, as specified in section II of this order, are approved.

2. Within 90 days from the date of this order, Verizon Hawaii and interested parties shall file a stipulation setting forth agreed-upon maximum: (1) pole rate for the year 2001, and (2) pole and duct rates for the year 2002, pursuant to the parameters set forth in Section II.G.5 of this order. If Verizon Hawaii and interested parties are not able to stipulate to these rates then a status report on their efforts shall be filed.

DONE at Honolulu, Hawaii this 3rd day of July, 2002.

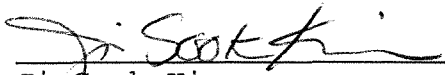
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Dennis R. Yamada, Chairman

By   
Wayne H. Kimura, Commissioner

By (EXCUSED)  
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

  
Ji Sook Kim  
Commission Counsel

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 19446 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

ALAN M. OSHIMA, ESQ.  
MICHAEL H. LAU, ESQ.  
OSHIMA, CHUN, FONG & CHUNG  
Davies Pacific Center, Suite 400  
841 Bishop Street  
Honolulu, HI 96813

TERRANCE A. SPANN, ESQ.  
GENERAL ATTORNEY  
OFFICE OF THE JUDGE ADVOCATE GENERAL  
DEPARTMENT OF THE ARMY  
LITIGATION CENTER  
901 North Stuart Street, Room 700  
Arlington, VA 22203-1837

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

LESLIE ALAN UEOKA, ESQ.  
VERIZON HAWAII INC.  
P. O. Box 2200  
Honolulu, HI 96841


(Certificate of Service - Continued)

LISA SUAN  
GOVERNMENT & REGULATORY AFFAIRS MANAGER  
PACIFIC LIGHTNET, INC.  
737 Bishop Street, Suite 1900  
Honolulu, HI 96813

EDWARD C. MURLEY  
VICE PRESIDENT  
REGULATORY AFFAIRS  
OCEANIC COMMUNICATIONS  
2669 Kili Hau Street  
Honolulu, HI 96819

J. DOUGLAS ING, ESQ.  
BETH K. FUJIMOTO, ESQ.  
WATANABE, ING & KAWASHIMA  
First Hawaiian Center, 23<sup>rd</sup> Floor  
999 Bishop Street  
Honolulu, HI 96813

STEPHEN H. KUKTA, ESQ.  
SPRINT COMMUNICATIONS COMPANY, L.P.  
100 Spear Street, Suite 930  
San Francisco, CA 94105

  
\_\_\_\_\_  
Catherine Sakato

DATED: July 3, 2002