

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
PARADISE MERGERSUB, INC., GTE)
CORPORATION, VERIZON HAWAII INC.)
BELL ATLANTIC COMMUNICATIONS, INC.)
AND VERIZON SELECT SERVICES INC.)
)
For Approval of a Merger)
Transaction and Related Matters.)
_____)

DOCKET NO. 04-0140

ORDER NO. 21860

Filed June 7, 2005
At 2:30 o'clock P.M.

Karen Higashi.
Chief Clerk of the Commission

RECEIVED
2005 JUN - 8 A 8:44
DIV OF CONSUMER ADVOCACY
DEPT OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

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

K. Higashi.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
PARADISE MERGERSUB, INC., GTE)
CORPORATION, VERIZON HAWAII INC.)
BELL ATLANTIC COMMUNICATIONS, INC.)
AND VERIZON SELECT SERVICES INC.)
For Approval of a Merger)
Transaction and Related Matters.)

Docket No. 04-0140

Order No. 21860

ORDER

Through this Order, the commission allows certain tariffs filed on April 29, 2005, to take effect as of May 2, 2005. Such tariffs are related to the merger transaction, which was the subject matter of this proceeding.

I. Background

By Decision and Order No. 21696, filed on March 16, 2005 ("D&O No. 21696"), the commission conditionally approved the merger transaction and other related matters described in the Application of PARADISE MERGERSUB, INC., now known as HAWAIIAN TELCOM COMMUNICATIONS, INC. ("HT Communications")¹; GTE CORPORATION; VERIZON HAWAII INC. ("Verizon Hawaii"), now known as HAWAIIAN TELCOM, INC. ("Hawaiian Telcom"); BELL ATLANTIC COMMUNICATIONS, INC., dba VERIZON LONG DISTANCE ("Verizon LD");

¹By letter dated and filed on March 3, 2005, HT Communications, through its attorney, advised the commission of its name change and the name changes of certain other affiliates referenced in the proceeding.

and VERIZON SELECT SERVICES ("VSS")(collectively, "Applicants"). The Application was filed on June 21, 2004.²

Hawaiian Telcom Services Company, Inc. ("HT Services"),³ filed its initial tariffs in accordance with D&O No. 21696 on April 29, 2005. HT Services received its certificate of authority to provide telecommunications services in the State of Hawaii on a resold basis in D&O No. 21696.

In a letter filed on April 29, 2005, Hawaiian Telcom confirms that all nineteen (19) of Verizon Hawaii's tariffs shall continue to be in effect upon the closing of the merger transaction. For clarification purposes, however, Hawaiian Telcom transmitted new tariff cover sheets for each of the nineteen (19) tariffs indicating that upon the closing of the merger transaction all references to "Verizon Hawaii Inc.", "GTE Hawaiian Telephone Company Incorporated", "Hawaiian Telephone Company", and "Hawaiian Tel" shall refer to and mean Hawaiian Telcom.

By letter dated and filed on May 2, 2005, HT Communications informed the commission that the merger transaction between the Applicants closed on May 2, 2005, and that the tariff filings of Hawaiian Telcom and HT Services

²Aside from Applicants, the "Parties and Participants" to this proceeding are: (1) the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS; (2) the UNITED STATES DEPARTMENT OF DEFENSE AND ALL OTHER FEDERAL EXECUTIVE AGENCIES; (3) PACIFIC LIGHTNET, INC.; (4) TIME WARNER TELECOM OF HAWAII, L.P., dba OCEANIC COMMUNICATIONS; (5) JEREMIAH C. GENOVIA; (6) CHARLES K. HEKEKIA, JR.; and (7) the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 1357.

³HT Services is a subsidiary of HT Communications and an affiliate of Hawaiian Telcom.

submitted on April 29, 2005, are to be effective as of May 2, 2005.

II. Tariff Filings

HT Services filed two (2) separate tariffs pursuant to ordering paragraphs 2(B) and 2(C) of D&O No. 21696.⁴ HT Services' Tariff No. 1 is based on Verizon LD's tariff while HT Services' Tariff No. 2 is based on the tariff of VSS.⁵ HT Services represents that the only changes made to the tariffs of Verizon LD and VSS were to: (1) reflect HT Services' name; (2) reflect the issue date of April 29, 2005, and effective date of May 2, 2005; (3) remove certain blank pages; (4) eliminate tariff pages pertaining to prepaid calling card services since HT Services will not be providing such services; and (5) reflect resulting repagination.

On its own accord, Hawaiian Telcom filed new tariff cover sheets to clarify that all prior references to

⁴Ordering paragraph 2(B) of D&O No. 21696 states that: "HT Services shall file its tariffs in accordance with HAR §§ 6-80-39 and 6-80-40. HT Services' 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." While ordering paragraph 2(C) of D&O No. 21696 states that: "HT Services shall conform its initial tariff to the applicable provisions of HAR chapter 6-80. An original and eight (8) copies of the initial tariff shall be filed with the commission, and two (2) additional copies shall be served on the Consumer Advocate. Applicant shall ensure that the appropriate issued and effective dates are reflected in its tariffs." See, D&O No. 21696 at 59.

⁵On May 10, 2005, HT Services filed replacement pages for pages 25 and 90 of Tariff No. 2. HT Services contends that the April 29, 2005, filings inadvertently did not reflect tariff revisions effective as of April 14, 2005, which were approved by the commission in Order No. 21731.

"Verizon Hawaii"; "GTE Hawaiian Telephone Company Incorporated" and various similar references shall refer to and mean Hawaiian Telcom as of the close of the merger transaction, May 2, 2005.

Upon review, we find that the filing of HT Services' tariffs complies with the requirements of D&O No. 21696 and that the filing of Hawaiian Telcom's new cover sheets for clarification purposes is reasonable. Accordingly, the commission will allow the tariff filings of HT Services and Hawaiian Telcom to take effect as of May 2, 2005, pursuant to Hawaii Administrative Rules ("HAR") § 6-80-40⁶ and on short notice, upon a finding of good cause shown, consistent with the requirements of HAR § 6-61-112,⁷ as applicable; provided however, that if there are any changes incorporated in the tariffs of HT Services and Hawaiian Telcom that are not specifically referenced in this Order, such changes are null, void, and of no effect. Our determinations set forth above are pursuant to and specifically based on HT Services' and Hawaiian Telcom's April 29, 2005 representations regarding their tariff filings.

⁶Among other things, HAR § 6-80-40 states that a tariff for a fully competitive service is effective upon its filing with the commission.

⁷HAR § 6-61-112 permits the commission, upon its discretion and for good cause shown, to allow any tariff additions and changes to become effective with less than the thirty (30) days filing notice required under HAR § 6-61-111.

III. Closure of Proceeding

The record of this docket indicates that: (1) all docket issues (aside from the tariff filings, dealt with above) raised by Applicants and the other Parties and Participants of this proceeding have been addressed through D&O No. 21696; and (2) the merger transaction by and between Applicants was consummated on May 2, 2005. Accordingly, we conclude that this docket should be closed unless otherwise ordered by the commission.

Our approval of the merger transaction, however, was conditional. Thus, we will continue to monitor Applicants' compliance with all regulatory conditions and requirements of D&O No. 21696 and the determinations set forth in this Order. We emphasize and reiterate ordering paragraph 8 of D&O No. 21696, which specifically states the following:

Applicants shall timely comply with all the regulatory conditions and other requirements set forth above, as applicable. Failure to timely comply with any of these regulatory conditions and requirements may constitute cause to void this Decision and Order, and may result in further regulatory action, as authorized by State law and commission rules and regulations.⁸

IV. Orders

THE COMMISSION ORDERS:

1. HT Services' tariffs filed on April 29, 2005, comply with ordering paragraph 2(B) and 2(C) of D&O No. 21696 and are effective as of May 2, 2005; provided that any changes

⁸See, D&O No. 21696 at 61.


incorporated in the new tariffs that are not specifically referenced in this Order, are null, void, and of no effect.

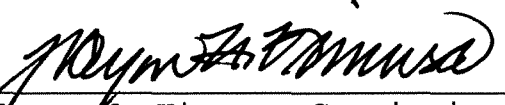
2. Hawaiian Telcom's tariff cover sheets filed on April 29, 2005, are incorporated into its tariffs and are allowed to be effective on short notice, as of May 2, 2005.

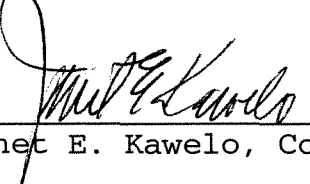
3. This docket is closed unless otherwise ordered by the commission.

DONE at Honolulu, Hawaii JUN - 7 2005.

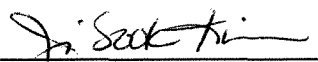
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Ji Sook Kim
Commission Counsel

04-0140.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 21860 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

WILLIAM E. KENNARD
HAWAIIAN TELCOM COMMUNICATIONS, INC.
(fka HAWAIIAN TELCOM MERGERSUB, INC. AND
PARADISE MERGERSUB, INC.)
c/o THE CARLYLE GROUP
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2505

JOEL K. MATSUNAGA
GTE CORPORATION
VERIZON HAWAII INC.
BELL ATLANTIC COMMUNICATIONS, INC.
VERIZON SELECT SERVICES INC.
P. O. Box 2200
Honolulu, HI 96841

KENT D. MORIHARA, ESQ.
MICHAEL H. LAU, ESQ.
ISHIKAWA MORIHARA LAU & FONG, LLP
Davies Pacific Center
841 Bishop Street, Suite 400
Honolulu, HI 96813

LESLIE ALAN UEOKA, ESQ.
BLANE T. YOKOTA, ESQ.
VERIZON CORPORATE SERVICES GROUP INC.
P. O. Box 2200
Honolulu, HI 96841

Certificate of Service

Page 2

STEPHEN S. MELNIKOFF, ESQ.
REGULATORY LAW OFFICE
OFFICE OF THE JUDGE ADVOCATE GENERAL
U.S. ARMY LITIGATION CENTER
901 N. Stuart Street, Suite 700
Arlington, VA 22203-1837

SCOT LONG
BUSINESS MANAGER, FINANCIAL SECRETARY
INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, LOCAL 1357
2305 S. Beretania Street, Room 206
Honolulu, HI 96826

J. DOUGLAS ING, ESQ
PAMELA J. LARSON, ESQ.
WATANABE ING KAWASHIMA & KOMEIJI LLP
First Hawaiian Center
999 Bishop Street, 23rd Floor
Honolulu, HI 96813

LAURA A. MAYHOOK, ESQ.
J. JEFFREY MAYHOOK, ESQ
MAYHOOK LAW, PLLC
34808 NE 14th Avenue
La Center, WA 98629

WILLIAM M. TAM
ALSTON HUNT FLOYD & ING
1001 Bishop Street, 18th Floor
Honolulu, HI 96813



Karen Higashi

DATED: JUN - 7 2005