



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 17-168

Released: February 14, 2017

WIRELINE COMPETITION BUREAU SEEKS COMMENT ON INITIATING PROCEEDINGS TO REVOKE SANDWICH ISLES COMMUNICATIONS, INC.'S COMMISSION AUTHORIZATIONS

WC Docket No. 16-405

Comment Date: March 16, 2017

Reply Comment Date: March 31, 2017

With this Notice, the Wireline Competition Bureau (Bureau) seeks comment on why the Commission should not initiate proceedings to revoke the Commission authorizations granted to Sandwich Isles Communications, Inc. (Sandwich Isles). On December 5, 2016, the Commission released a Notice of Apparent Liability for Forfeiture regarding Sandwich Isles.¹ In the *Sandwich Isles NAL*, the Commission found that Sandwich Isles apparently violated Section 220 of the Communications Act of 1934, as amended (the Act),² by failing to maintain its accounts, records, and memoranda as prescribed by the Commission, and that it apparently violated Sections 69.601(c) and 69.605(a) of the Commission's Rules³ by submitting and falsely certifying inaccurate data contained in cost studies from 2002 to 2013 that were used to calculate federal high-cost support.⁴

In light of Sandwich Isles' egregious misconduct and the demonstrated harm to the Universal Service Fund from its apparent violations, the Commission ordered Sandwich Isles to submit a report, within 60 days of the release of the *NAL*, "explaining why the Commission should not initiate proceedings against [Sandwich Isles] to revoke its Commission authorizations, including but not limited to, its Section 214 authorizations."⁵ The Commission emphasized that it remains committed to maintaining service to all customers on the Hawaiian Home Lands and that it will coordinate with the

¹ *Sandwich Isles Communications, Inc., Waimana Enterprises, Inc., Albert S.N. Hee*, Notice of Apparent Liability for Forfeiture and Order, File No. EB-IHD-15-00019603, 31 FCC Rcd 12947 (2016) (*Sandwich Isles NAL* or *NAL*).

² 47 U.S.C. § 220.

³ 47 CFR §§ 69.601(c), 69.605(a).

⁴ See generally *Sandwich Isles NAL*. In a companion order, the Commission concluded that Sandwich Isles improperly received payments of more than \$27 million from the federal high-cost program. See *Sandwich Isles Communications, Inc.*, Order, 31 FCC Rcd 12999, paras. 2, 57 (2016).

⁵ *Sandwich Isles NAL* at para. 84. Sandwich Isles submitted its response on February 3, 2017. See Sandwich Isles Communications, Inc.'s Comments and Response to Notice of Apparent Liability and Forfeiture Order, WC Dkt. No. 10-90, at 15-21 (filed Feb. 3, 2017).

Hawaii Public Utilities Commission (HPUC) to ensure continued service.⁶ The Commission also directed the Bureau to seek comment from the HPUC, the Department of Hawaiian Home Lands (DHHL), and other interested stakeholders on this matter.⁷

The HPUC, DHHL, and other interested stakeholders may file comments on or before **March 16, 2017** and reply comments on or before **March 31, 2017**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS), or by filing paper copies.

- Electronic filers: Comments may be filed electronically using the Internet by accessing the ECFS: <https://www.fcc.gov/ecfs/>
- Paper filers: Parties who choose to file by paper must file an original and one copy of each filing. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
 - All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
 - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
 - U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (TTY).

The proceeding this notice initiates shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.⁸ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (*e.g.*, .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

⁶ *Sandwich Isles NAL* at para. 84.

⁷ *Id.*

⁸ 47 CFR §§ 1.1200 *et seq.*

For further information, please contact Sherwin Siy, Competition Policy Division, Wireline Competition Bureau, at (202) 418-2783 or via email at Sherwin.Siy@fcc.gov.

- FCC -