



PUBLIC NOTICE

Federal Communications Commission
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Washington, D.C. 20554

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DA 17-812

Released: August 29, 2017

**APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF
HAWAIIAN TELCOM, INC., HAWAIIAN TELCOM SERVICES COMPANY, INC., AND
WAVECOM SOLUTIONS CORPORATION TO CINCINNATI BELL INC.**

PLEADING CYCLE ESTABLISHED

WC Docket No. 17-207

Comments/Petitions Due: September 28, 2017

Reply Comments/Oppositions to Petitions Due: October 13, 2017

By this Public Notice, the Wireline Competition Bureau, International Bureau, and Wireless Telecommunications Bureau (Bureaus) seek comment from interested parties on a series of applications filed by Cincinnati Bell Inc. (Cincinnati Bell), Hawaiian Telcom Holdco, Inc. (Holdco), Hawaiian Telcom, Inc. (HTI), Hawaiian Telcom Services Company, Inc. (HTSC), and Wavecom Solutions Corporation (Wavecom) (HTI, HTSC, and Wavecom, collectively, Licensees, and, together with Cincinnati Bell and Holdco, Applicants), pursuant to Sections 214 and 310(d) of the Communications Act of 1934, as amended (Act), Sections 63.03-04, 63.18, and 63.24 of the Commission's rules,¹ and the Cable Landing License Act of 1921,² requesting consent to transfer indirect control of Licensees to Cincinnati Bell.³

Holdco, a Delaware corporation, is a publicly traded company that, through its operating subsidiaries, provides communications services in Hawaii.⁴ Holdco is the indirect parent company of HTI, HTSC, and Wavecom.⁵ HTI is an incumbent local exchange carrier (LEC) providing voice and data

¹ 47 U.S.C. §§ 214, 310(d); 47 CFR §§ 63.03-04, 63.18, 63.24.

² 47 U.S.C. §§ 34-39; *see also* Exec. Ord. No. 10530, Sec. 5(a), reprinted as amended at 3 U.S.C. § 301 (delegating the President's authority under the Cable Landing License Act to the Commission).

³ Joint Application of Cincinnati Bell Inc. and Hawaiian Telcom Holdco, Inc. and Hawaiian Telcom, Inc., Hawaiian Telcom Services Company, Inc., and Wavecom Solutions Corporation for Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Transfer Indirect Control of Domestic and International Section 214 Authorization Holders to Cincinnati Bell, Inc., WC Docket No. 17-207 (filed Aug. 11, 2017) (Lead Application). Applicants filed a supplement on August 23, 2017. Letter from Catherine Wang, Counsel to Cincinnati Bell Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket 17-207 (filed Aug. 23, 2017) (Supplement Letter). The file numbers for the other applications are listed *infra* at 5.

⁴ Lead Application at 4.

⁵ Holdco's 100 percent interest in HTI and HTSC is held through an intermediate holding company, Hawaiian

(continued...)

services and also holds submarine cable landing licenses for interisland network facilities and various wireless licenses for fixed microwave and land mobile radio facilities.⁶ HTSC provides interstate and intrastate long distance, high speed Internet, video, wireless service, and other services and holds an ownership interest in the SEA-US fiber optic submarine cable system between the continental United States, Indonesia, Philippines, Guam, and Hawaii.⁷ Wavecom (formerly known as Pacific Lightnet, Inc.) provides competitive LEC services.⁸

Cincinnati Bell, a publicly traded Ohio corporation, along with its subsidiaries, provides high-speed data, video, and voice services to consumers and businesses over a fiber and legacy copper network.⁹ Cincinnati Bell's subsidiary, Cincinnati Bell Telephone Company LLC, operates as an incumbent LEC serving portions of Ohio, Kentucky, and Indiana.¹⁰ Beyond its incumbent LEC territory, Cincinnati Bell provides competitive LEC services in Ohio and video service in Ohio, Kentucky, and Indiana through its indirect subsidiary, Cincinnati Bell Extended Territories LLC. Cincinnati Bell also provides nationwide long distance, voice over Internet protocol, and competitive LEC service through its indirect subsidiary, Cincinnati Bell Any Distance Inc.¹¹ Applicants state that the following U.S. investment entities hold or control a 10 percent or greater ownership interest in Cincinnati Bell: BlackRock, Inc. (13.8 percent, indirectly, as the parent of BlackRock Fund Advisors), The Vanguard Group, Inc. (13.54 percent), and GAMCO Investors, Inc. (12.37 percent).¹²

Applicants state that, pursuant to the terms of the proposed Agreement and Plan of Merger between Cincinnati Bell, Twin Acquisition Corp. (Merger Sub), and Holdco, Merger Sub will merge with and into Holdco whereupon the separate existence of Merger Sub will cease, and Holdco will be the surviving corporation.¹³ Applicants further state that Cincinnati Bell will acquire all of the stock of Holdco and assume Holdco debt, in exchange for cash and Cincinnati Bell common stock.¹⁴ As a result of this proposed transaction, Holdco will be a direct, wholly owned subsidiary of Cincinnati Bell, and Cincinnati Bell will become the ultimate owner of HTI, HTSC, and Wavecom.

Applicants assert that the proposed transaction is in the public interest. They state that, together with HTI, Cincinnati Bell plans to expand the combined company's fiber network to both urban and non-

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Telcom Communications, Inc., a Delaware corporation. *Id.* at 5, n.10.

⁶ *Id.* at 5 and n.14.

⁷ *Id.* at 6 and n.15.

⁸ *Id.* at 5-6.

⁹ *Id.* at 2.

¹⁰ *Id.*

¹¹ *Id.* at 3.

¹² *Id.* at 11-12. Applicants provide a list of companies offering or providing telecommunications services in which BlackRock, Inc., The Vanguard Group, and GAMCO Investors, Inc. hold passive investment interests. Applicants state that Cincinnati Bell is not affiliated with any of the listed companies. *Id.* at 16-19.

¹³ *Id.* at 6.

¹⁴ *Id.*

urban areas in Hawaii.¹⁵ Applicants claim that the transaction will result in increased economies of scale and a financially stronger service provider.¹⁶ They affirm that HTI will “continue its progress in deploying broadband in census blocks where HTI receives Connect America Fund Phase II USF support from the FCC.”¹⁷ Finally, they note that Cincinnati Bell does not currently provide service in Hawaii and contend that the transaction will not adversely impact competition.¹⁸

GENERAL INFORMATION

The applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission’s rules and policies.

Interested parties may file comments and petitions **on or before September 28, 2017**, and reply comments or oppositions to petitions **on or before October 13, 2017**. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by paper. All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.

- Electronic Filers: Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. Paper 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 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. All 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 and Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty).

In addition, please provide one copy of each pleading to each of the following:

- (1) Jim Bird, Office of General Counsel, transactionteam@fcc.gov;

¹⁵ *Id.* at Exh. B (Public Interest Statement) at 2.

¹⁶ *Id.*

¹⁷ *Id.* at 3.

¹⁸ *Id.* at 5; Supplement Letter at 2.

- (2) Dennis Johnson, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- (3) David Krech, International Bureau, david.krech@fcc.gov;
- (4) Sumita Mukhoty, International Bureau, sumita.mukhoty@fcc.gov;
- (5) Jodi Cooper, International Bureau, jodi.cooper@fcc.gov;
- (6) Linda Ray, Wireless Telecommunications Bureau, linda.ray@fcc.gov;
- (7) Jeff Tobias, Wireless Telecommunications Bureau, jeff.tobias@fcc.gov.

The proceeding in this Notice shall be treated as a permit-but-disclose proceeding in accordance with the Commission's *ex parte* rules.¹⁹ 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 data or arguments already reflected in the presenter's written comments, memoranda, or other filings in the proceeding, then 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), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the Applications in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.²⁰ A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Dennis Johnson, Wireline Competition Bureau, (202) 418-0809; David Krech, International Bureau, (202) 418-7443; Sumita Mukhoty, International Bureau, (202) 418-7165; Jodi Cooper, International Bureau, (202) 418-2064; Linda Ray, Wireless Telecommunications Bureau, (202) 418-0257; Jeff Tobias, Wireless Telecommunications Bureau, (202) 418-1617.

¹⁹ 47 CFR § 1.1200 *et seq.*

²⁰ *See* 47 CFR § 1.45(c).

SECTION 214 AUTHORIZATIONS

A. International

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20170811-00138	Hawaiian Telcom, Inc.	ITC-214-20040630-00512 ²¹
ITC-T/C-20170811-00139	Hawaiian Telcom Services Company Inc.	ITC-214-20010503-00269
		ITC-214-20040630-00513

B. Domestic

The Applicants filed an application to transfer control of domestic Section 214 authority in connection with the proposed transaction. In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, the domestic transfer of control application is not subject to streamlined treatment.²²

CABLE LANDING LICENSES

<u>File Number</u>	<u>Licensee</u>	<u>License Number</u>
SCL-T/C-20170811-00019	Hawaiian Telcom, Inc.	SCL-LIC-19921015-00008
		SCL-LIC-19950627-00024
SCL-T/C-20170811-00020	Hawaiian Telcom Services Company Inc.	SCL-LIC-19950627-00024
		SCL-LIC-20150626-00016

SECTION 310(d) APPLICATIONS

<u>File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0007862711	Hawaiian Telcom, Inc.	KCG66
0007862629	Wavecom Solutions Corporation	WQQW578
0007867994	Hawaiian Telcom, Inc.	WQSW873

²¹ Wavecom provides international service under authority of the international Section 214 authorization held by HTI, ITC-214-20040630-00512, pursuant to Section 63.21(h), 47 CFR § 63.21(h).

²² 47 CFR § 63.03.