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DIVISION OF CONSUMER ADVOCACY  
Department of Commerce and  
Consumer Affairs  
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2017 AUG 31 P 4: 25

PUBLIC UTILITIES  
COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

Joint Application of )  
)  
CINCINNATI BELL INC. )  
HAWAIIAN TELCOM, INC. )  
HAWAIIAN TELCOM SERVICES )  
COMPANY, INC. AND )  
WAVECOM SOLUTIONS CORPORATION )  
)  
for Approval (1) to Transfer Indirect Control )  
of Licensees to Cincinnati Bell Inc.; (2) for )  
*Pro Forma* Transfer of Control; (3) for )  
Licensees to Participate in Certain Financing )  
Arrangements and (4) to Modify and Extend )  
Certain Waivers. )

DOCKET NO. 2017-0208

**DIVISION OF CONSUMER ADVOCACY'S  
PRELIMINARY STATEMENT OF POSITION**

Pursuant to the Hawaii Public Utilities Commission's ("Commission") Rules of Practice and Procedure, Hawaii Administrative Rules ("HAR") § 6-61-62, the Division of Consumer Advocacy ("Consumer Advocate") informs the Commission that it has conducted a preliminary review of the application in which Hawaiian Telcom, Inc. ("HTI"), Hawaiian Telcom Services Company, Inc. ("HTSC"), Wavecom Solutions Corporation ("Wavecom"), and Cincinnati Bell Inc. ("Cincinnati Bell") request that the Commission:

1. Approve the proposed transfer of indirect control of HTI, HTSC, and Wavecom to Cincinnati Bell;

2. Authorize Cincinnati Bell to transfer the ownership of HTI and HTSC through the merger of intermediate holding companies as described in the application;
3. Approve and authorize HTI, HTSC, and Wavecom to participate in Cincinnati Bell's financing arrangements once the proposed merger and transfer of indirect control are completed pursuant to Hawaii Revised Statutes ("HRS") §§ 269-7(a), 269-17, and 269-19;
4. Modify the waivers granted to HTI and HTSC in Decision and Order ("D & O") No. 32193, filed on July 7, 2014 in Docket No. 2014-0033, and extend such waivers to Wavecom, in order to allow HTI, HTSC, and Wavecom, in the future, to expeditiously participate in new or modified financing arrangements under market conditions favorable to HTI, HTSC, and Wavecom without seeking prior approval from the Commission; and
5. Waive, pursuant to HRS § 269-16.9(e) and HAR § 6-80-135, any statutory provision or rule applicable to HTI, HTSC, Wavecom, or Cincinnati Bell to the extent that the Commission finds such waiver necessary to grant the approvals requested by HTI, HTSC, Wavecom, and Cincinnati Bell in the application.

The Consumer Advocate has reviewed the application and attached documentation offered in support of the requested relief and has questions and concerns regarding the proposed transactions referenced by HTI, HTSC, Wavecom, and Cincinnati Bell in the application, including, but not limited to:

- Whether Cincinnati Bell is fit, willing, and able to own and operate HTI, HTSC, and Wavecom within their respective service territories;
- Whether the proposed transfer of indirect control and merger of HTI, HTSC, and Wavecom to and into Cincinnati Bell is in the public interest;
- Whether the proposed financing arrangement referenced by HTI, HTSC, Wavecom, and Cincinnati Bell in the application negatively affects the ability of HTI, HTSC, Wavecom, and Cincinnati Bell to provide service to its customers in the State;
- Whether adequate safeguards have been put in place to protect HTI, HTSC, and Wavecom's customers from any business or financial risks associated with the operations of Cincinnati Bell and/or its affiliates in their respective lines of business;
- Whether it is reasonable for the Commission to approve extend the decision in D & O No. 32193 to HTI, HTSC, Wavecom, and Cincinnati Bell into the future after the proposed transfer of indirect control and merger are completed; and
- Whether, and to what extent, the proposed transfer of indirect control and merger of HTI, HTSC, and Wavecom to and into Cincinnati Bell will have an impact on the level of competition in telecommunications services in the State.

As a result of these questions and concerns, the Consumer Advocate is unable to presently state its position on the merits of the application and cannot offer its

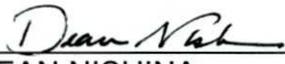
recommendation to the Commission regarding whether the application should be approved or denied at this time.

To aid in its assessment of this matter, the Consumer Advocate will be issuing information requests shortly.

The Consumer Advocate will participate in the above-captioned proceeding and will state its position upon completion of its investigation.

DATED: Honolulu, Hawaii, August 31, 2017.

Respectfully submitted,

By   
DEAN NISHINA  
Executive Director

DIVISION OF CONSUMER ADVOCACY

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **DIVISION OF CONSUMER ADVOCACY'S PRELIMINARY STATEMENT OF POSITION** was duly served upon the following parties, by personal service, hand delivery, and/or U.S. mail, postage prepaid, and properly addressed pursuant to HAR § 6-61-21(d).

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DATED: Honolulu, Hawaii, August 31, 2017.



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