

February 24, 2006

RE: NOTICE OF FCC ACTION REGARDING UNBUNDLED NETWORK ELEMENTS

In its Order on Remand in WC Docket No. 04-313 and CC Docket No. 01-338, released on February 4, 2005 (the “TRO Remand Order”), the Federal Communications Commission promulgated regulations governing the availability of certain unbundled network elements under Section 251(c)(3) of the Communications Act of 1934 (the “Act”). These regulations took effect on March 11, 2005.

As set forth in the TRO Remand Order, the FCC’s regulations provide that:

- (i) Competitive Local Exchange Carriers (“CLECs”) are not impaired without unbundled access to DS0 Mass Market Local Circuit Switching¹ UNE Platform combinations comprised of Mass Market Local Circuit Switching and UNE Loops, or Shared Transport, Call-Related Databases, or Signaling Networks used in connection with DS0 Mass Market Local Circuit Switching;
- (ii) CLECs are not impaired without unbundled access to DS1 Loops at any building location that is served by a Wire Center with at least 60,000 Business Lines and four Fiber-Based Collocators, and in no event may any CLEC obtain more than ten DS1 Loops at any building location where DS1 Loops remain available on an unbundled basis;
- (iii) CLECs are not impaired without unbundled access to DS3 Loops at any building location that is served by a Wire Center with at least 38,000 Business Lines and four Fiber-Based Collocators, and in no event may any CLEC obtain more than one DS3 Loop at any building location where DS3 Loops remain available on an unbundled basis;
- (iv) CLECs are not impaired without unbundled access to Dark Fiber Loops;
- (v) CLECs are not impaired without unbundled access to Dedicated DS1 Transport between any pair of Hawaiian Telcom, Inc. (Hawaiian Telcom) Wire Centers that each serve at least 38,000 Business Lines or four Fiber-Based Collocators, and in no event may any CLEC obtain more than ten unbundled Dedicated DS1 Transport circuits on any Route where Dedicated DS1 Transport remains available on an unbundled basis;

¹ Capitalized terms not defined herein shall have the meaning ascribed to them in the TRO Remand Order.

- (vi) CLECs are not impaired without unbundled access to Dedicated DS3 Transport between any pair of Hawaiian Telcom Wire Centers that each serve at least 24,000 Business Lines or three Fiber-Based Collocators, and in no event may any CLEC obtain more than twelve unbundled Dedicated DS3 Transport circuits on any Route where Dedicated DS3 Transport remains available on an unbundled basis; and
- (vii) CLECs are not impaired without unbundled access to Dark Fiber Transport between any pair of Hawaiian Telcom Wire Centers that each serve at least 24,000 Business Lines or three Fiber-Based Collocators.²

With respect to each of the network elements listed above (the “Discontinued Facilities”), the FCC’s implementing regulations also establish a mandatory transition plan to facilitate the transition from unbundling under Section 251(c)(3) of the Act to alternative arrangements. Under this transition plan, as of March 11, 2005, ILECs were not required to allow CLECs to add new facilities or arrangements under Section 251(c)(3) of the Act if such facilities or arrangements were for Discontinued Facilities, as defined herein.

In addition, with respect to the embedded base of Discontinued Facilities, the FCC’s implementing regulations establish a twelve month transition period (eighteen months in the case of Dark Fiber Loops and Dark Fiber Transport), beginning on March 11, 2005.

In accordance with the foregoing, Hawaiian Telcom hereby provides formal notice that CLECs may not submit orders for completion on or after April 1, 2006, if such orders are for new facilities or arrangements that are Discontinued Facilities, as defined above. In addition, CLECs must complete the migration of all Discontinued Facilities formerly obtained from Hawaiian Telcom to alternative facilities or arrangements: e.g., through self-provisioning, or by replacement arrangement from Hawaiian Telcom, by December 31, 2006.

With respect to full implementation of the FCC’s findings of no impairment, this letter shall also serve as formal notice under your interconnection agreement, to the extent such notice is required, of Hawaiian Telcom’s intention to implement the FCC’s no impairment findings with respect to the Discontinued Facilities listed above no later than April 1, 2006.

² The FCC also determined that: (i) CLECs are not impaired without access to Entrance Facilities, and that no transition plan is required with respect to Entrance Facilities; and (ii) a requesting carrier may not access unbundled network elements for the exclusive provision of Mobile Wireless Services or Interexchange Services. Hawaiian Telcom will issue separate industry notices relating to these determinations in the near future.

Finally, please note that some interconnection agreements may already lack any requirement for Hawaiian Telcom to provide unbundled access to certain Discontinued Facilities. This notice is not intended to create any new obligation (transitional or otherwise) for Hawaiian Telcom to provide unbundled access to a facility that Hawaiian Telcom was not already required to unbundle under your interconnection agreement.