PUBLIC HEARING
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. 04-0410

Presentation of John E. Cole, Executive Director
Division of Consumer Advocacy

October 12, 2004, 6:00 P.M.
Maui Waena Intermediate School Cafeteria
795 Onehee Avenue, Kahului

Good evening Chairman Caliboso, and Commissioners Kimura and Kawelo. I am John Cole, the Executive Director of the Division of Consumer Advocacy. The Division represents the consumers of public utility services and I am here tonight to listen to their comments and concerns. Their opinions regarding the proposed sale of Verizon Hawaii to The Carlyle Group are important, and will assist both my Division and the Commission in their work. After all, only they can tell us how this transaction may affect them, their businesses, or their organizations.

The Consumer Advocate's role is to represent and protect the interests of all Hawaii's consumers of utility services by advocating for reliable utility services at reasonable costs. To do this, we are taking an independent and very critical look at the companies' request for Commission approval of the proposed sale. Our main objective will be to determine if the buyer is fit and able to provide reliable telecommunications services at fair rates. We will also look carefully at whether or not the companies can ensure a smooth transition without causing disruption or detriment to local ratepayers.

(Over)

After the Division completes its review, a Statement of Position will be filed with the Commission explaining the analysis conducted, our findings, conclusions, and our recommendations, along with the proper justifications. However, at this time, the Division has not yet completed its analysis and is not able to state its position on the merits of the proposed transaction.

Because the Public Utilities Commission will ultimately decide whether or not to allow the Companies to proceed with the proposed sale we encourage the public to express their opinions to the Commission regarding the Companies proposal, whatever they may be. I will be listening closely.

I would also like the public to feel free to contact my office at anytime to share their thoughts, concerns and questions regarding this or any other utility issue.

Thank you.

Contact Information for the Division of Consumer Advocacy:

Mail Post Office Box 541, Honolulu, Hawaii 96809

e-mail consumeradvocate@dcca.hawaii.gov.

phone 586-2800