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October 20, 2003

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: New Information; Extension Request; IB Docket No. 03-115

Dear Ms. Dortch:

The Office of the Governor of the Commonwealth of the Northern Mariana Islands ("Office of the Governor"), by its counsel, hereby requests that the Commission refrain from issuing its ruling in the above-matter for at least fourteen (14) days from the date of this letter to allow the possible submission of new information that could be vital to the Commission's public interest analysis.

Despite its limited resources, the Office of the Governor has been attempting to obtain background information on the operating record in the Philippines of the shareholders (Ricardo C. Delgado and Jose Ricardo Delgado) of Pacific Telecom Inc. ("PTI").[1] Due to the difficulty of obtaining official records from the National Telecommunications Commission ("NTC") and the Philippine government, this process is both time-consuming and difficult. The Office of the Governor is currently in the process of receiving numerous records from both the NTC and judicial authorities in the Philippines. While a small amount of information was received this past weekend, significant additional information is expected to be received this week. Based upon how the evidence has been characterized, it may underscore the Office of the Governor's

[1] The September 12, 2003 letter submitted by the Office of the Governor supplied an overview of Isla Communication's ("Islacom") serious local service failures in the Philippine market. *See* Letter from Thomas K. Crowe and Gregory E. Kunkle, Counsel for the Office of the Governor, to Marlene H. Dortch, Secretary, Federal Communications Commission, dated September 12, 2003. The Office of the Governor believes that Islacom's inadequate local service record is directly relevant in this proceeding and, based on the information supplied in both the September 12, 2003 letter and the instant letter, reiterates its request that the Commission direct the shareholders of PTI to produce all materials related to any Philippine National Telecommunications Commission proceeding regarding deficiencies, sanctions, or other enforcement matters pertaining to the operation of Islacom in the Philippines. *See* Letter from Thomas K. Crowe and Gregory E. Kunkle, Counsel for the Office of the Governor, to Marlene H. Dortch, Secretary, Federal Communications Commission, at 3 n. 11, dated September 12, 2003.

claim (already well-documented in this proceeding) that PTI and the Delgados are not qualified to operate the monopoly telephone system in the CNMI.

The points on which we shortly expect to receive additional information are as follows:

- Islacom, under the control of the principals of PTI, appears to have operated in the Philippines from March 29, 1998 to March 26, 1999 without proper licensing due to the NTC's refusal to renew Islacom's license for failure to provide service in a manner consistent with conditions of those licenses. Further information obtained by the Office of the Governor indicates that Islacom's license was temporarily extended by the NTC in March, 1999 for one year. This renewal may have been granted simply to facilitate transfer of the Delgados' controlling interest in Islacom to a Philippine competitor. The risk of placing control of the Commonwealth's telecommunications network into the hands of individuals whose company appears to have been driven from the Philippine market due to failures in the provision of local service cannot be overstated.

- On September 21, 1999, the NTC instituted an administrative hearing against Islacom (one of several instituted against the company) for failure to provide service according to the terms of Islacom's license. This proceeding is still pending over four years later. A copy of the certification from the NTC stating that the proceeding is still active is enclosed as Exhibit A. The Office of the Governor believes that specific details further illustrating the lack of technical qualification of PTI may be available in that proceeding.

- Citadel Holdings, Inc., a company on which the Joint Applicants originally attempted to base the financial qualification of PTI, may have changed its name to "Prospector Investment Holdings Corporation" in January 28, 2002, casting doubt on who the ultimate owners of PTI will be. Additional, preliminary information obtained by the Office of the Governor indicates that Citadel Holdings, Inc. appears to charge a ten percent "management fee" to all of its subsidiaries. If true, this will inevitably be passed along to CNMI ratepayers who have one of the lowest *per capita* income levels in the U.S.[2]

Given the fact that the Commission's decision in this matter will have significant ramifications for U.S. citizens in the CNMI as well as the CNMI economic infrastructure, it is crucial that the Commission receive all relevant information before deciding whether a grant of the proposed transaction would serve the public interest. The Office of the Governor believes

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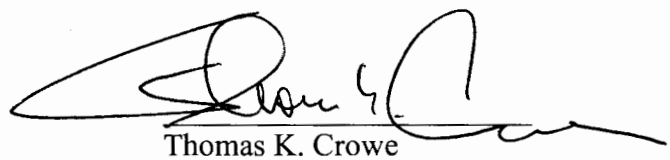
[2] *See* Petition of the Office of the Governor to Deny, or, In the Alternative, To Designate For Hearing at Exhibit B, IB Docket No. 03-115 (June 9, 2003).

that information it anticipates receiving this week may bear directly upon the Commission's public interest analysis. Thus, to the extent that the Commission may be about to issue its ruling in this proceeding, the Office of the Governor requests a short fourteen (14) day extension from the date of this letter to allow for the receipt and review of this information. By the end of this time period, the Office of the Governor expects to submit any additional relevant information it has received. Such a brief deferral should still allow the Commission Bureaus involved in this matter to issue a decision within the timeframe of the 180-day "internal clock" (unless staff concludes that any new evidence submitted by the Office of the Governor necessitates further investigation).

Please direct any questions to the undersigned.

Respectfully submitted,



Thomas K. Crowe
Gregory E. Kunkle,
Counsel for the Office of the Governor
of the Commonwealth of the Northern
Mariana Islands

Enclosure

cc: All Parties of Record

ATTACHMENT A

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS
NATIONAL TELECOMMUNICATIONS COMMISSION
BIR Road, East Triangle, Diliman, Quezon City

CERTIFICATION

To Whom It May Concern:

This is to certify that per record of this Commission, **ISLA COMMUNICATIONS INC.**, has a pending administrative case docketed under Case No. 99-080 filed on September 21, 1999.

This certification is issued for whatever legal purpose it may serve.

Issued this 8th day of October, 2003 at Quezon City, Philippines.

ARMI JANE ROA-BORJE
Commissioner