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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
ACN COMMUNICATION SERVICES, INC. FOR) CASE NO. ACN-T-04-1
A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO PROVIDE LOCAL)
EXCHANGE TELECOMMUNICATIONS)
SERVICES.) COMMENTS OF THE
) COMMISSION STAFF
)**

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Weldon B. Stutzman, Deputy Attorney General, in response to Order No. 29427, the Notice of Petition and Notice of Modified Procedure in Case No. ACN-T-04-1 issued on February 19, 2004, and submits the following comments.

On January 8, 2004, ACN Communication Services, Inc. (ACN; Company) filed an Application for a Certificate of Public Convenience and Necessity to provide facilities-based and resold competitive local exchange and interexchange services within the State of Idaho. ACN is incorporated in the State of Michigan with headquarters located in Farmington Hills, Michigan. The Company has filed copies of its Certificate of Authority issued by the Idaho Secretary of State.

STAFF ANALYSIS

Staff has reviewed the information provided by ACN in its application and believes it satisfies the requirements of the Commission's Rule of Procedure 111, IDAPA 31.01.01.111, and Procedural Order No. 26665 issued November 7, 1996, which sets out the necessary information to be included with an application for a certificate.

The application indicated ACN intended to provide basic resold and facilities based local exchange services to both residential and business customers. The Company would initially provide services primarily via the unbundled network element platform (UNE-P). The application indicated the Company's primary market is residential customers, and that the Company would initially provide service in the area currently served by Qwest.

ACN is a telecommunications company that has been providing long distance services nationwide, including Idaho. The application indicated the Company was authorized to provide local exchange service in over 20 states and has more than 30,000 residential customers. The application included resumes of key individuals that indicated extensive experience in the telecommunications field. The application includes confidential financial information indicating the Company is in a relatively strong financial position, considering the downturn in the telecommunications industry. Staff is satisfied that the Company has the technical, managerial and financial strength to provide the services identified in the application.

The application as originally filed includes requests for variances from five separate Commission rules. However, these requests were based on an out-dated version of the rules, and some of the specific rules cited in the application have been eliminated. The remaining requests did not seem necessary, based on the current requirements of the rules and the reasons identified for requesting the variances in the application. After discussing these requests with Staff, the Company submitted a letter amending its application and withdrawing all of its requests for variances.

ACN specifically indicated in its application it will comply with all Commission rules. It has provided an illustrative tariff with its application that demonstrates an understanding of tariff requirements and processes.

STAFF RECOMMENDATION

Staff recommends that a Certificate of Public Convenience and Necessity to provide competitive local exchange service in Idaho be provided to ACN Communications Services, Inc.

Respectively submitted this 11th day of March 2004.



Weldon B. Stutzman
Deputy Attorney General

Technical Staff: Wayne Hart

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 11TH DAY OF MARCH 2004, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. ACN-T-04-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

DANIEL CROWLEY
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