

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: NEIL PRICE
DEPUTY ATTORNEY GENERAL

DATE: OCTOBER 29, 2009

SUBJECT: APPLICATION OF ALEC, INC. FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY; CASE NO. ALE-T-09-01

On June 12, 2009, ALEC Telecom, Inc. (“ALEC” or “Company”) filed an Application for a Certificate of Public Convenience and Necessity pursuant to *Idaho Code* §§ 61-526 through -528, IDAPA 31.01.01.111 and Commission Order No. 26665 to provide local exchange telecommunications services within the State of Idaho.

Subsequently, Commission Staff consulted with representatives of the Company regarding its Application and the submission of revised tariff pages. On September 29, 2009, the Commission issued a Notice of Application and Notice of Modified Procedure. *See* Order No. 30907. Thereafter, the Commission received written comments submitted by Staff within the established 21-day comment period.

THE APPLICATION

ALEC is a Kentucky corporation and lists its principal place of business as Lexington, Kentucky. Application at 2-3. ALEC is registered with the Idaho Secretary of State as a foreign limited liability company and has contracted with National Registered Agents, Inc., 1423 Tyrell Lane, Boise, Idaho 83706, as its Idaho registered agent for service. *Id.* at 3. Currently, ALEC is certificated, registered or otherwise authorized to provide interexchange and local exchange telecommunications services in the following states: Alabama, California, Florida, Georgia, Kansas, Kentucky, Mississippi, Nebraska, Nevada, North Carolina, Ohio, South Carolina, Tennessee, Texas and Washington. *Id.* at 1.

ALEC proposes to “provide facilities-based and resold local exchange and interexchange services to the extent the network and transmission facilities of its facilities-based competitive suppliers permit.” *Id.* at 2. ALEC will offer “wholesale switching and interconnection services to other telephone service providers and similarly-positioned wholesale business customers.” *Id.* at 4.

ALEC requests authority to provide its services to customers “throughout the entire state of Idaho, or to the extent the facilities of its underlying carriers permit.” *Id.* at 1-2. The Company anticipates that it will compete with current Idaho ILECs Qwest North, Qwest South and Verizon Northwest. *Id.* at 4. The Company “does not anticipate installing physical plant at this time” and states that it intends to “collocate switching, signaling systems and other equipment of ILEC and non-ILEC collocation facilities. . . .” *Id.* at 2. Applicant has not yet finalized the location of its facilities in Idaho. *Id.*

In its filing, ALEC has included a copy of its initial tariff and price sheets. *Id.* at 5, Exhibit 3. The Company has “reviewed all of the Commission’s rules and agrees to comply with them.” *Id.*, Exhibit 4. ALEC states that it has initiated negotiations for network interconnection with Verizon Northwest Inc. *Id.* at 6. The Company does not anticipate that it will require advanced payments or deposits from its customers. *Id.*

STAFF COMMENTS

Staff reviewed ALEC’s Application and determined that the Company has complied with the requirements of Procedural Order No. 26665 and IDAPA 31.01.01.111 (Commission Procedural Rule 111). Staff believes that ALEC possesses the requisite financial, managerial, and technical qualifications necessary to operate as a telecommunications provider within the state of Idaho. *See* Staff Comments at 2.

Based upon its review, Staff recommends that the Company be granted a CPCN subject to the following conditions: (1) compliance with the Number Pool Administrator and Order No. 30425 mandating number resource utilization forecast (NRUF) reporting; (2) contribution to the Idaho Universal Service Fund, Idaho Telecommunications Relay System (TRS), Idaho Telephone Assistance Program (ITSAP) and any future reporting requirements deemed appropriate for competitive telecommunication providers; (3) filing a final and complete price list with the Commission containing all of its rates, terms and conditions; and (4) an agreement from the Company to relinquish its certificate and any telephone numbers if, within

one year of the issuance of a CPCN, the Company is not offering local exchange telecommunications services in Idaho. *Id.* at 3.

COMMISSION DECISION

Does the Commission wish to approve ALEC Telecom, Inc.'s Application for a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services within the state of Idaho?



Neil Price
Deputy Attorney General

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