

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE

**FROM:** DOUG COOLEY

**DATE:** FEBRUARY 25, 2004

**RE:** CITIZENS TELECOMMUNICATIONS COMPANY OF IDAHO'S  
APPLICATION FOR BROADBAND EQUIPMENT TAX CREDIT;  
CASE NO. CTC-T-04-1.

### BACKGROUND

On February 17, 2004, the Commission received an Application from Citizens Telecommunications Company of Idaho to receive an investment tax credit for eligible broadband equipment pursuant to Order No. 28784 and *Idaho Code* § 63-3029I(4). To be eligible for the tax credit, the taxpayer must obtain from the Commission an Order confirming that installed equipment qualifies for the tax credit.

### DISCUSSION

Citizens stated that, during calendar year 2002 and 2003, it installed various components as part of its wireline Asymmetrical Digital Subscriber Line (ADSL) broadband network for the provision of high-speed Internet access to customers in McCall, New Meadows, Riggins, Cascade and Donnelly. Such components include splitters, line cards, access ports, and supporting software. Citizens also included in its Application such items as installation and labor as part of its investment cost. The Application is for approximately \$46,000 of broadband investment in 2002 and approximately \$417,000 in 2003. Citizens indicates in its Application that it offers network transmission rates of up to 1 megabits per second (Mbps) from a subscriber and up to 128 Mbps to a subscriber. The Company has been approved for previous broadband investment tax credits in Case No. CTZ-T-02-1.

**STAFF REVIEW**

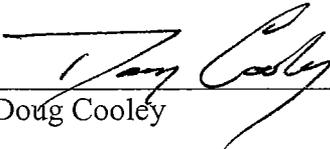
Staff has reviewed the list of proposed broadband equipment submitted by Citizens and believes the equipment is “necessary to the provision of broadband services and an integral part of a broadband network” according to *Idaho Code* § 63-3029I (3)(b)(i).

**STAFF RECOMMENDATION**

Staff recommends approval of the Company’s Application and further recommends that the Commission forward the approving Order and a copy of the Application to the Idaho Tax Commission.

**COMMISSION DECISION**

Should the Commission approve Citizens Telecommunications Company of Idaho’s Application for the broadband investment tax credit?

  
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Doug Cooley

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