

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** DONOVAN E. WALKER

**DATE:** DECEMBER 27, 2004

**SUBJECT:** APPLICATION OF COVAD COMMUNICATIONS COMPANY FOR A  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY, CASE  
NO. CVD-T-04-1

On October 19, 2004, Covad Communications Company filed an Application for a Certificate of Public Convenience and Necessity to provide basic resold and facilities-based local exchange services to both residential and business customers throughout Idaho. In the Notice of Application and Modified Procedure issued December 1, 2004, the Commission sought comments regarding Covad's Application. Order No. 29647. No comments were received other than those submitted by Commission Staff.

### THE APPLICATION

The Application requests authority for the Company to provide basic resold and facilities-based local exchange services to both residential and business customers throughout Idaho in all exchanges that are not exempt from competition. Should its Application be approved, Covad plans to commence offering service immediately upon the establishment of the appropriate and necessary network arrangements.

Covad is a California corporation authorized by the Idaho Secretary of State to transact business within the State of Idaho. Covad Communications Company is a wholly owned subsidiary of its parent corporation, Covad Communications Group, Inc., a telecommunications services business. The Application states that the parent company is a leading national broadband service provider of high-speed Internet and network access utilizing Digital Subscriber Line (DSL) technology, covering more than 45 million homes and businesses throughout the contiguous United States and reaching approximately 45 percent of all U.S.

homes and businesses. Covad plans to provide telecommunications services to residential and business customers in rural and urban areas throughout the State of Idaho.

### **STAFF COMMENTS**

In its evaluation of the Company's Application, Staff determined that Covad is incorporated in the State of California and headquartered in San Jose, California. Covad Communications Company is a wholly owned subsidiary of its parent corporation, Covad Communications Group, Inc., a telecommunications services business. Covad's sister company, DIECA Communications, Inc. is a certified telecommunications service provider authorized to operate in several states.

Covad obtained a Certificate of Authority to transact business as a foreign corporation from the Idaho Secretary of State on July 12, 2004. The Company has provided financial sheets for quarters ending December 31, 2002 and 2003 and the appropriate contact information for its registered agent for service of process within Idaho.

The services the Company intends to offer will be an adjunct to the long distance services that the Company has filed and requested authority to provide statewide. Covad plans to commence offering services immediately upon the establishment of the appropriate and necessary network arrangements. On November 11, 1999, the Commission approved and Interconnection Agreement between Qwest Corporation and Covad.

Staff has reviewed the Application submitted by Covad and believes the Company understands and agrees to comply with the Commission rules and requirements. Based on this review, the Company's filing fulfils the requirements of the Commission Rules and Procedural Order No. 26665. The Staff believes that the Company possesses the requisite financial, managerial, and technical qualifications necessary to operate as a provider of telecommunications services. Therefore, the Staff recommends approval of the Application for a Certificate of Public Convenience and Necessity.

### **COMMISSION DECISION**

Does the Commission wish to approve Covad Communications Company's Application for a Certificate of Public Convenience and Necessity?

  
Donovan E. Walker