

DECISION MEMORANDUM

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

FROM: CECELIA A. GASSNER

DATE: MARCH 27, 2006

**SUBJECT: CASE NO. DZ1-T-06-1, APPLICATION OF DIGITAL
COMMUNICATIONS A.K.A. DIGI-COMM FOR APPROVAL OF A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO
PROVIDE LOCAL SERVICE IN IDAHO**

On February 1, 2006, Larry Cromwell filed an Application for a Certificate of Public Convenience and Necessity with the Commission for his business, Digital Communication a.k.a. Digi-Comm ("Digi-Comm"). In the Application, Digi-Comm proposes to provide dial-up and high-speed Internet access, dial tone, long distance, multiple customer convenience services and digital streaming television on a retail basis to business and residential consumers. The Company anticipates also providing monitored security and mobile Internet services to its customers. On March 6, 2006, the Commission solicited comments regarding Digi-Comm's Application. *See* Order No. 29982. No comments were received other than those filed by Staff.

THE APPLICATION

The Application indicates that Digi-Comm will offer telecommunications services through its own facilities as well as resale and unbundled network element agreements with Qwest. Digi-Comm has been providing Internet services to Idaho customers for a number of years as Digi-Comm 256, LLC. Digi-Comm 256, LLC notified the Commission it was providing advance telecommunications services (high speed data lines) in 2004, and in 2005, notified the Commission of the change to sole proprietorship.

Digital Communications a.k.a. Digi-Comm is a sole proprietorship with a principal place of business in Emmett, Idaho. The Company has provided certain financial information and the appropriate contact information for its registered agent for service of process within

Idaho. According to the Application, the principals at Digi-Comm have considerable telecommunications experience, especially in data and advanced communications. Digi-Comm 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 COMMENTS

Staff has reviewed the information provided by Digi-Comm 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. Staff finds the Company has sufficient technical expertise to provide the services identified in the Application. The Application did not include significant financial information, which is not unusual for a new company. In its Application, the Company claimed it had a funding commitment for \$500,000, to finance initial activities. While Staff is concerned about the financial capability of the Company, the identified financial resources, plus the Company's existing base of data customers, should be sufficient for initial operations, and allow the Company to slowly grow. Staff does not recommend the imposition of any financial guarantees.

Staff believes that the Company possesses the requisite financial, managerial, and technical qualifications necessary to operate as a provider of telecommunications services. Therefore, Staff recommends Commission approval of the Application for a Certificate of Public Convenience and Necessity.

COMMISSION DECISION

Does the Commission wish to approve the Application of Digital Communications a.k.a. Digi-Comm and grant the Company a Certificate of Public Convenience and Necessity?



Cecelia A. Gassner

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