DECISION MEMORANDUM

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

FROM: **NEIL PRICE**

DATE: **SEPTEMBER 10, 2007**

SUBJECT: **APPLICATION OF ELTOPIA COMMUNICATIONS LLC FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY; CASE NO. ECL-T-07-01**

On June 6, 2007, Eltopia Communications LLC ("Eltopia") filed an Application for a Certificate of Public Convenience and Necessity to provide basic local telephone exchange service throughout the State of Idaho pursuant to Commission Order No. 26665. Eltopia states that it has adopted the terms of the Interconnection Agreement between Northwest Telephone, Inc. and Verizon Northwest Inc. and that Verizon filed the Adoption Agreement in 2007. Application at 5.

THE APPLICATION

Eltopia is a Washington corporation and lists its principal place of business as Eltopia, Washington. *Id.* at 2. The Company is registered with the Idaho Secretary of State as a limited liability company and lists Registered Agent Solutions, Inc., 5481 Kendall Street, Boise, Idaho, 83706, as its Idaho registered agent. *Id.*

Eltopia stated that it has provided wholesale communications services within the State of Washington since 2006 and that the Company specializes in offering "a variety of services built on TDM to IP conversion," including dial-up Internet, Fax over IP and Voice over IP, to regional Internet service providers. *Id.* Initially, the Company intends to offer the same services in Idaho and later expand to offer Voice over IP services to retail and business customers. *Id.*

Eltopia claims that its service territory within Idaho will initially include northern Idaho, including Boundary, Bonner, Kootenai, Benewah and Shoshone counties. *Id.* at 4. Its services will "coincide with that of Verizon Northwest Inc.'s Coeur d'Alene tandem," with the exception of its

Voice over IP services which "do not have a defined 'Service Territory' as they are largely interstate services in nature." *Id.* Thus, the Company asserts that it cannot accurately state whom it will compete with in regards to its Voice over IP services. *Id.*

STAFF COMMENTS

Staff reviewed the information provided by Eltopia's Application and determined that it satisfied the requirements outlined in Commission Rule of Procedure 111, IDAPA 31.01.01.111, and Procedural Order No. 26665, setting forth the necessary information to be included with an application for a certificate.

Staff states that Eltopia will offer telecommunications services using its own switch, and a combination of its own facilities and those of the underlying carrier, Verizon. Staff also mentioned the Company revealed that it will primarily provide high-speed data services and conversion to IP services that do not require certification. However, Staff noted that because Eltopia's service has the capability to provide both voice and data services over the same trunk, the Company is seeking a Certificate so that it has the flexibility to configure its service according to its customer's specifications.

Staff declared that it is satisfied that the Company has the technical, managerial and financial strength to provide the services identified in its Application and believes that the Company will comply with all Commission rules, as it stated in its Application. The Company has provided an illustrative tariff with its Application that demonstrates an understanding of tariff requirements and processes. The Company will not require advance deposits by its customers and therefore did not submit an executed copy of an escrow account.

Based upon the foregoing review, Staff recommends that the Commission approve Eltopia's Application for a Certificate of Public Convenience and Necessity.

COMMISSION DECISION

Does the Commission wish to approve the Application of Eltopia Communications LLC for a Certificate of Public Convenience and Necessity to provide basic local telephone exchange service throughout the State of Idaho?

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Neil Price

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