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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE PETITION OF EDGE)
WIRELESS, LLC FOR DESIGNATION AS AN) CASE NO. EDG-T-07-01
ELIGIBLE TELECOMMUNICATIONS)
CARRIER UNDER 47 U.S.C. § 214(e)(2)) STAFF OBJECTION TO ITA'S
) MOTION FOR A STAFF
) INVESTIGATION**

COMES NOW the Staff of the Idaho Public Utilities Commission by and through its Attorney of Record Donald L. Howell II, Deputy Attorney General, and files this objection to the Idaho Telephone Association's Motion for a Staff Investigation.

BACKGROUND

In Order No. 30286 issued March 28, 2007, the Commission directed ITA and Edge Wireless to exchange information via discovery and allow ITA to review Edge's two-year build-out plan after executing a confidentiality agreement. The Order also directed Edge and ITA to inform the Commission no later than April 25 whether a hearing is necessary or if Edge's eligible telecommunications carrier (ETC) Application may continue to be considered under Modified Procedure. Order No. 30286 at 2.

In response to the Commission's Order, ITA filed a "Motion for a Staff Investigation." Although ITA did not request an evidentiary hearing in its Motion, it did request that "the Commission direct its Staff to conduct further investigations and issue a report to the Commission and Parties. . . ." ITA Motion at 2. ITA insists there were two discrepancies with Edge's ETC Application. First, ITA alleges that Edge does not or will not serve all the wire centers in those telephone service areas in which it is seeking ETC designation. *Id.* at 3. Without divulging confidential information, ITA asserts that Edge does not have facilities in

certain wire centers nor does Edge's two-year build-out plan reveal that these wire centers are scheduled for facilities in the next two years. *Id.* at p. 4 (confidential).

On May 1, 2007, Edge filed an errata correction to its Application to remove the "Stanley wire center from its proposed ETC area." Edge Errata at 1. Edge acknowledges that it inadvertently included the Stanley wire center in its proposed ETC area allegedly served by rural incumbent Custer Telephone. Because the Stanley wire center is in fact in Midvale Telephone's study area, including the Stanley wire center in Edge's ETC area "would require the Commission to redefine the Midvale study area to the wire center level." This was not the intent of Edge. Errata at 2. Consequently, Edge withdrew the Stanley wire center from its proposed ETC service area.

Second, ITA requests that the Commission direct its Staff to conduct an independent investigation to ensure that Edge's ETC Application does not result in "cream skimming."¹ ITA requested that the Staff determine:

- (1) If Edge in fact lacks facilities and the ability to provide service in the wire centers listed [in its initial Application],
- (2) Whether Edge is serving only the most profitable and least cost areas of those wire centers where it is serving only a portion of the area, and
- (3) Whether Edge's claimed network coverage is accurate.

ITA Motion at 6. ITA requested that the Staff issue a written report examining the three issues set out above.

STAFF OBJECTION

Staff objects to the Motion for two reasons. First, Staff insists that ITA has misconstrued the standard for granting ETC status. An ETC applicant is not required to demonstrate a pre-existing ability to serve an entire service area nor even an entire wire center before being granted an ETC designation. Rather, an ETC Applicant must demonstrate a commitment to fulfill all reasonable requests for service within the proposed service area. Staff believes that Edge satisfied this requirement when the Company stated its "commitment to serve

¹ The Commission defines rural cream skimming as occurring "when competitors seek to serve only the low-cost, high revenue customers in a rural telephone company's study area. This is a concern because Universal Service support is calculated based on a study area-wide average of a rural telephone company that serves customers in both high cost and low cost areas throughout its study area." Order No. 29541 at 16 (emphasis original).

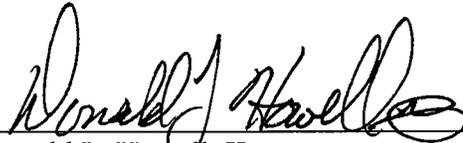
requesting customers.” Application at 14. As noted in Staff’s initial comments, we believe the Company avoids cream skimming by its commitment to serve entire wire centers. Staff Comments at 7.

Second, Staff does not believe it is a prudent use of Staff’s time to conduct an investigation into Edge’s “Network Coverage.” ETCs must file annual reports that include: (1) a two-year Network Improvement Plan and Progress Report; and (2) Unfulfilled Service Requests. These reports are used to determine how well an ETC company is performing based upon stated commitments in its ETC application and whether it will be approved for recertification by the Commission. For these reasons, Staff believes ITA’s request for a staff investigation is unwarranted.

PRAYER

Based upon the reasons set out above, Staff respectfully requests that ITA’s Motion be denied and that this proceeding be processed under Modified Procedure.

Respectfully submitted this 3d day of May 2007.



Donald L. Howell, II
Deputy Attorney General

bls/N:EDG-T-07-01_dh_Objection

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 3RD DAY OF MAY 2007, SERVED THE FOREGOING **STAFF OBJECTION TO ITA'S MOTION FOR A STAFF INVESTIGATION**, IN CASE NO. EDG-T-07-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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