Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

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| IN THE MATTER OF Fremont Telcom Co.Petition for Modification of Waiver Conditions Adopted by the Commission in Decision AAD 96-49, DA 96-1462 | )))))))) | AAD FILE NO.  97-56  |

COMMENTS OF THE

IDAHO PUBLIC UTILITIES COMMISSION

The Idaho Public Utilities Commission (IPUC) respectfully submits these comments in support of Fremont Telcom Company’s request that the Commission modify the conditions associated with granting Fremont’s study area waiver request in Decision 96-1462.  The IPUC believes that it is in the public interest to grant Fremont’s requested relief so that it might provide telecommunications services to its customers and discharge its universal service obligations.

BACKGROUND

In Order No. 26353 issued March 5, 1996, the IPUC approved the sale of three rural U S WEST Communications exchanges to Fremont.  Subquently, Fremont and U S WEST jointly petitioned to the Commission to grant a study area waiver.  The study area waiver was granted by the Accounting and Audits Division (AAD) on August 29, 1996. Fremont began providing telecommunication services to its customers on November 15, 1996.

Fremont serves approximately 5,200 customers in the Island Park, Ashton, and St. Anthony exchanges.  These three rural exchanges encompass approximately 937 square miles of terrain on the western side of the Continental Divide.  This calculates to approximately 5.55 customers per square mile.

As a new incumbent LEC, Fremont does not have any historical cost data upon which to base federal universal services funds (USF) distribution.  Fremont requestS that it be permitted to receive USF payments retroactively from January 1, 1997 based upon estimated costs to be trued-up when actual costs are known.  Fremont Petition at 2 (April 28, 1997).

FREMONT’S REQUEST IS CONSISTENT WITH THE PUBLIC INTEREST

Fremont provides services to its customers via central office remote switches.  The host for these remote switches is currently owned and operated by U S WEST.  This host also operates as a host switch for other U S WEST remote switches.  Although Freemont asserts that it will soon replace the  remote switches, these remotes are at 100% of line capacity.  This line exhaustion inhibits Fremont from serving new customers.

Fremont’s Petition also notes that it has identified 345 miles of buried air core cable approaching the end of its useful life.  The Company states that this cable must be replaced “to establish and maintain the minimum acceptable levels of quality service.”  Id. at 5.

In addition to these network concerns, Fremont has identified approximately 260 unserved subscribers in areas adjacent to its service territory.  Various units of county government as well as the local school district are also requesting service.  In particular, the Company anticipates installing a mile of cable to serve the new high school in St. Anthony.  Fremont also anticipates that the school district will request that each of its 15-20 schools be provided with sufficient telecommu­ni­ca­­tions facilities to permit educational access to the Internet.  It is clearly in the public interest to provide services to the unserved customers and to provide enhanced services to the schools.

CONCLUSION

The IPUC believes that there is good cause for granting Fremont its requested relief.  A modification of the waiver Decision will serve the public interest and promote universal service.

RESPECTFULLY submitted this   16th       day of May 1997.

IDAHO PUBLIC UTILITIES COMMISSION

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