

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
JEAN JEWELL  
RANDY LOBB  
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LYNN ANDERSON  
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RON LAW  
TONYA CLARK  
GENE FADNESS  
WORKING FILE

**FROM:** DOUG COOLEY

**DATE:** MARCH 4, 2002

**RE:** FARMERS MUTUAL TELEPHONE COMPANY'S APPLICATION FOR BROADBAND EQUIPMENT TAX CREDIT.

### BACKGROUND

On December 21, 2001, the Commission received an Application from Farmers Mutual Telephone Company to receive an investment tax credit for eligible broadband equipment pursuant to Order No. 28784 and *Idaho Code* § 63-3029I(4). To be eligible for the tax credit, the taxpayer must apply for and obtain from the Commission an order confirming that installed equipment qualifies for the tax credit.

### DISCUSSION

Farmers Mutual stated that, during calendar year 2001, it installed a Digital Subscriber Line Access Multiplexer (DSLAM), line splitters, line filters, an Ethernet switch, a signal router and various other components that support the provision of high-speed internet access to over 1000 potential customers in the Fruitland, Idaho area. (See attached Application)

Farmers Mutual indicated that it began offering 256 kbps and 512 kbps access speeds to end users in 2001 via Asynchronous Digital Subscriber Line (ADSL).

### **STAFF REVIEW**

Staff has reviewed the list of proposed broadband equipment submitted by Farmers Mutual and believes the equipment identified qualifies for the investment tax credit pursuant to *Idaho Code* § 63-3029I. Therefore, Staff recommends approval of the Company's Application and further recommends that the Commission forward the approving Order along with a copy of the original Application to the Idaho Tax Commission.

### **COMMISSION DECISION**

Should the Commission approve Farmers Mutual Telephone Company's Application for the broadband investment tax credit?

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Doug Cooley

udmemos/farmers memo