

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF BLACKFOOT</b>	)	
<b>COMMUNICATIONS, INC. DBA FREMONT</b>	)	<b>CASE NO. FRC-T-15-01</b>
<b>COMMUNICATIONS' 2014 BROADBAND</b>	)	
<b>EQUIPMENT TAX CREDIT APPLICATION</b>	)	<b>ORDER NO. 33320</b>

---

On May 11, 2015, Blackfoot Communications dba Fremont Communications applied to the Idaho Public Utilities Commission (“PUC” or “Commission”) for an Order confirming that equipment it installed in 2014 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). With this Order, we confirm that the equipment is “qualified broadband equipment” under *Idaho Code* § 63-3029I.

**THE APPLICATION**

Fremont states in the Application that it installed equipment associated with Asymmetric digital subscriber line (ADSL) and Ethernet broadband services (using 18k non-loaded copper distribution, fiber optic backbone and distribution cable). The network is capable of transmission speeds of 256 Kbps to 1 Mbps from a subscriber and 768 Kbps to 1 Mbps to a subscriber. Fremont states further that it can serve approximately 50% of its customers with broadband services. Fremont invested \$544,366.97 in broadband equipment in 2014.

**THE BROADBAND EQUIPMENT TAX CREDIT**

*Idaho Code* § 63-3029I allows a taxpayer to receive an income tax credit for having installed qualified broadband equipment during a calendar year. Before the taxpayer is eligible for the tax credit, the taxpayer must first apply to this Commission for an Order confirming that the installed equipment is “qualified broadband equipment” as defined in the statute. *Idaho Code* § 63-3029I(4). That statute defines “qualified broadband equipment” as equipment that qualifies for the *Idaho Code* § 63-3029B capital investment credit that “is capable of transmitting signals at a rate of at least [200,000 bps] to a subscriber and at least [125,000 bps] from a subscriber.” *Idaho Code* § 63-3029I(3)(b). In addition, to be “qualified broadband equipment” the equipment must be “primarily used to provide services in Idaho to Idaho public subscribers.” *See Idaho Code* § 63-3029I(3)(b)(vii). Further, in “the case of a telecommunications carrier, such qualifying equipment shall be necessary to the provision of broadband service and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i).

In furtherance of its statutory responsibility, this Commission has issued Order No. 28784, which specifies the information the taxpayer must include in any broadband tax credit application. When the taxpayer files an application with the PUC, Staff reviews it to determine whether the listed equipment meets the statutory definition of “qualified broadband equipment.” Staff then submits a recommendation to this Commission. If this Commission ultimately approves the application, then this Commission forwards it and the Order to the Idaho State Tax Commission.

#### **STAFF REVIEW**

Staff reviewed Fremont’s Application under *Idaho Code* § 63-3029I and Commission Order No. 28784. Based on its review, Staff believes that Fremont is a telecommunications carrier and that the listed equipment meets the statutory criteria and is “qualified broadband equipment” that is eligible for the tax credit. Staff thus recommended the Commission: (1) issue an Order confirming that Fremont’s equipment is “qualified broadband equipment,” and (2) forward copies of the Application and Order to the Idaho State Tax Commission.

#### **COMMISSION FINDINGS**

Having reviewed Fremont’s Application and Staff’s recommendation, we find that Fremont’s equipment is “qualified broadband equipment” eligible for the tax credit under *Idaho Code* § 63-3029I. Fremont is a telecommunications carrier. Further, the listed equipment (as presently configured) is an integral part of Fremont’s broadband network and is necessary to the provision of broadband service to Idaho customers. Accordingly, it is appropriate for the Commission to issue an Order confirming that Fremont’s equipment is “qualified broadband equipment.” The Commission makes no findings regarding the costs of the installed broadband equipment or other expenses.

#### **ORDER**


IT IS HEREBY ORDERED that Blackfoot Communications, Inc. dba Fremont Communications’ Application for an Order confirming that equipment it installed in 2014 is “qualified broadband equipment” is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served on the Idaho State Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this order (or in issues finally decided by this order) may petition for reconsideration within twenty-one (21) days of the

service date of this order with regard to any matter decided in this order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code §§ 61-626 and 62-619.*

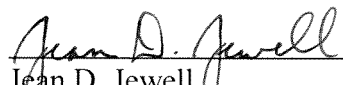
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 11<sup>th</sup> day of June 2015.

  
\_\_\_\_\_  
PAUL KJELLANDER, PRESIDENT

  
\_\_\_\_\_  
MACK A. REDFORD, COMMISSIONER

  
\_\_\_\_\_  
KRISTINE RAPER, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

O:FRC-T-15-01\_bk