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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
BRIDGEBAND COMMUNICATIONS, INC. FOR) CASE NO. GNR-T-02-18
A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO PROVIDE LOCAL)
EXCHANGE TELECOMMUNICATIONS)
SERVICES.) COMMENTS OF THE
COMMISSION STAFF
_____)

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Weldon B. Stutzman, Deputy Attorney General, in response to Order No. 29150, the Notice of Application and Notice of Modified Procedure in Case No. GNR-T-02-18 issued on November 8, 2002, submits the following comments.

BACKGROUND

On September 20, 2002, BridgeBand Communications, Inc. filed an Application for a Certificate of Public Convenience and Necessity to provide basic local exchange service within the State of Idaho. BridgeBand is a full-service competitive communications company offering data communications and Internet access using DSL technology to provide high-speed, high-quality, cost-effective ADSL and SDSL service. In addition, BridgeBand offers commercial grade ISDN, Frame Relay, Dedicated and ATM access services nationwide. The Company has

filed copies of its Articles of Organization and Certificate of Existence issued by the Idaho Secretary of State.

Staff has reviewed the information provided by BridgeBand in its application and believes it satisfies the requirements of the Commission's Rule of Procedure 111, IDAPA 31.01.01.111, and Procedural Order No. 26665 issued November 7, 1996, which sets out the necessary information to be included with an application for a certificate.

BridgeBand is a Montana corporation, headquartered in Bozeman. It was incorporated in May 1999. It seeks authority to operate throughout Idaho, and specifically in the territories of Teton Telecom, Qwest and Verizon.

The application indicated BridgeBand originally provided data and internet services, primarily using DSL technologies, initially in Montana. It subsequently expanded to also provide other high speed data services nationwide. It is currently expanding its operations to include voice grade service, as well as video and television service. Staff finds the Company appears to have adequate technical skills to provide the services identified in the application.

Staff understands the Company's initial services will be to a subdivision outside of Driggs in the service area of Teton Telecom. The service will initially be provided by reselling Teton's service, but the Company plans to eventually use at least some of its own facilities.

Teton is a small company serving a relatively rural area. The Commission on December 7, 1997, granted Teton a three-year rural exemption from the requirements of Section 251(c), pursuant to Section 251(f) of the federal Telecommunications Act of 1996 and Section 62-615(2) of the Idaho Code.

The application included confidential and unaudited balance sheets for 2000, 2001 and 2002 through July, which appear to be typical for a young company in a capital intensive industry. While the financial capabilities of such a new company are unknown, Staff finds that the benefits of a small bond or other financial security instrument would be outweighed by the cost of distributing the proceeds and other administrative functions. Therefore, Staff does not recommend imposing a financial security requirement.

BridgeBand specifically indicated in its application it will comply with all Commission rules. It has provided an illustrative tariff with its application that demonstrates an understanding of tariff requirements and processes.

STAFF RECOMMENDATION

Staff recommends that a Certificate of Public Convenience and Necessity to provide competitive local exchange service in Idaho be provided to BridgeBand Communications, Inc.

Respectfully submitted this ^{27th} day of November 2002.



Weldon B. Stutzman
Deputy Attorney General

Technical Staff: Wayne Hart

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