

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

FROM: LISA NORDSTROM

DATE: JULY 18, 2003

**RE: IN THE MATTER OF THE APPLICATION OF COVISTA, INC. FOR A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE
LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES.
CASE NO. GNR-T-03-19.**

On May 19, 2003, Covista, Inc. (Covista, Company) filed an Application for a Certificate of Public Convenience and Necessity to provide facilities-based and resold local exchange services within the State of Idaho. Covista subsequently amended the Application on June 12, 2003. The Company initially intends to provide resold local exchange services and local services to business customers utilizing the UNE-P platform. In the Notice of Application and Modified Procedure issued June 20, 2003, the Commission solicited comments regarding Covista's Application. Order No. 29269. No comments were received other than those submitted by Commission Staff.

THE APPLICATION

Covista, Inc. requested authority to operate as a competitive local exchange provider offering resold local exchange services and local services utilizing the UNE-P platform throughout the Idaho service areas that will coincide with the incumbent local exchange carrier's (ILECs) local calling areas. Covista intends to provide all forms of local exchange telecommunications services including: 1) local exchange services for business and residential customers; 2) switched local exchange services such as flat-rated, measure-rated, and vertical services; 3) non-switched local services (e.g., private line); 4) Centrex and/or Centrex-like services; and 5) digital subscriber line, ISDN, and other high capacity line services. However, Covista stated that it does not intend to

service areas currently served by any local exchange carriers (LECs) that are eligible for a small or rural carrier exemption pursuant to Section 251 of the federal Telecom Act of 1996.

Covista's Application stated that it would not require advance payments or deposits. Therefore, it did not request an escrow account. Covista also indicated that it reviewed the laws and regulations of this Commission governing local exchange telecommunications services in Idaho and will provide service in accordance with all laws, rules and regulations to the extent they are not preempted by the federal Act.

STAFF COMMENTS

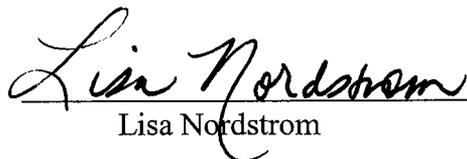
Covista, Inc. is currently incorporated in the State of New Jersey with its primary place of business in Chattanooga, Tennessee. In 2000, the Company obtained an Amended Certificate of Authority to transact business as a foreign corporation from Idaho's Secretary of State and has a registered in-state agent. Although it intends to resell local exchange services, Staff noted that the Company has not yet obtained an interconnection agreement in Idaho.

Covista, Inc. has been approved to provide telecommunication services in other states and is listed on the NASDAQ under CVST. Based upon its review of the Company's Form 10-K as well as recent Income Statements, Cash Flow Statements and Balance Sheets, Staff believes the Company is financially sound. Staff also noted that its Consumer Division found that there have been no complaints against Covista, Inc. in the past.

Staff believes the Company understands and agrees to comply with the Commission's Rules and requirements. Based on its review of Covista's Application, Staff found the Company's filing satisfied all the requirements of the Commission's Rules and Procedural Order No. 26665. Therefore, Staff recommended approval of the Application for Certificate of Public Convenience and Necessity.

COMMISSION DECISION

Does the Commission wish to approve Covista's Application for a Certificate of Public Convenience and Necessity?



Lisa Nordstrom

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