

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
LEGAL
COMMISSION STAFF
WORKING FILE

FROM: DOUG COOLEY

DATE: OCTOBER 3, 2003

RE: SYRINGA NETWORKS, LLC.'S APPLICATION FOR BROADBAND
EQUIPMENT TAX CREDIT; CASE NO. GNR-T-03-28.

BACKGROUND

On August 19, 2003, the Commission received an Application from Syringa Networks, LLC 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

Syringa stated that, during calendar year 2001, it installed Signal Transfer Point and supporting power for its packet switching. In 2002, Syringa indicates that it installed a digital switch, digital access cross connects, SONET OC-48 multiplexers, an ATM switch, dense wave division multiplexers, and approximately 100 miles of fiber optic cable. Syringa also included supporting power supply materials as well as engineering and overhead costs.

Syringa's Applications states that it offers high-speed transport, frame relay, switching and other related services to customers at transmission rates of 1.544 Megabits per second and higher. One hundred percent of Syringa's customers are Idaho subscribers.

STAFF REVIEW

Staff has reviewed the list of proposed broadband equipment submitted by Syringa and believes the equipment identified qualifies for the investment tax credit pursuant to *Idaho Code* § 63-3029I. In its original Application, Syringa included land, leasehold improvements, furniture, office equipment, general purpose computers, and a company vehicle that Staff did not believe qualified for the investment tax credit. After some discussions, Syringa agreed to remove those items from its Application so that its investment totals \$201,895 for 2001 and \$15,853,807 for 2002.

RECOMMENDATION

Staff recommends approval of the Company's Application as amended to these investment totals and further recommends that the Commission forward the approving Order and a copy of the original Application to the Idaho Tax Commission.

COMMISSION DECISION

Should the Commission approve Syringa Networks, LLC's Application for the broadband investment tax credit?



Doug Cobley

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