DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

JOE CUSICK

WAYNE HART

DAVID SCOTT

WORKING FILE

FROM:BRAD PURDY

DATE:AUGUST 20, 1997

RE:CASE NO.  GNR-T-97-2

APPROVAL OF SETTLEMENT AGREEMENT ENTERED INTO BETWEEN THE COMMISSION STAFF AND MAX-TEL COMMUNICATIONS, INC.

The Commission had previously scheduled a public hearing in this case for the purpose of determining what type and degree of performance bond, escrow or other surety arrangement is appropriate as a condition to the granting of a Certificate of Public Convenience and Necessity to Max-Tel Communications, Inc.  (Max-Tel).  Several days prior to the hearing, however, the Commission Staff and Max-Tel reached an agreement regarding how to formulate a performance bond.  The parties agreed that it was not necessary for Max-Tel to travel from Texas to Boise for a hearing and that the Settlement Agreement should simply be proposed to the Commission in a decision memorandum for its consideration.  The proposed Settlement Agreement is as follows.

Max-Tel will post a $5,000 bond as a condition precedent to its receiving a Certificate of Public Convenience and Necessity.  In addition, Max-Tel agrees to maintain a bond level at no less than $50 per customer.  Max-Tel will report to the Commission by the 10th day of each month identifying the number of customers it has on the first day of that month and providing evidence of any increase in bond level, if required.  Max-Tel agrees that failure to submit its report in a timely manner or to maintain a sufficient bond level as agreed to above may subject the Company to penalties as specified in Idaho Code §§ 61-706 and 707.  Finally, the parties agree that Max-Tel may petition for a review and reconsideration of the Settlement Agreement after one full year of operation in the state of Idaho with the submittal of revised financial information including current detailed balance sheets and a detailed income statement reflecting current and prior year results of operations for the 12 months ended as of the date of the balance sheet.

The Commission Staff believes that the foregoing Agreement adequately protects those customers in Idaho who will ultimately select Max-Tel as a local exchange service provider.

Commission Decision

Does the Commission wish to accept the Settlement Agreement entered into between the Commission Staff and Max-Tel and issue the Company a Certificate of Public Convenience and Necessity upon the posting of a $5,000 bond?

Brad Purdy

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