DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

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STEPHANIE MILLER

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WORKING FILE

FROM:CHERI C. COPSEY

DATE:MAY 21, 1998

RE:APPLICATION OF ECLIPSE COMMUNICATIONS CORPORATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY.  CASE NO. GNR-T-97-24.

On December 18, 1997, the Commission received an Application fromEclipse Communications Corporationfor a Certificate of Public Convenience and Necessity to provide resold residential local exchange service as a competitive local carrier in Idaho in U S WEST Communications, Inc.’s service territory. Pursuant to Idaho Code § 62-606, Order No. 26665 and for informational purposes, Eclipse provided the Commission a copy of its proposed initial tariff.  No interconnection agreements in Idaho have been negotiated.

Eclipse is a Delaware corporation qualified to do business in Idaho.  Eclipse is a wholly owned subsidiary of Western Wireless Corporation, a Washington corporation.  Western Wireless Corporation is a provider of wireless telecommunications services in 22 states and is publically owned and traded on the NASDAQ.

Eclipse proposes to interconnect with local exchange carriers to provide services through resale of the local exchange carrier services.  Eclipse states it currently has no facilities or property in Idaho.  Eclipse proposes to begin operations in the fourth quarter of 1998 or the first quarter of 1999 and provide such services as:

two-way lines/trunks

direct inward/outward dialing options

basic business exchange services

local calling

operator assisted services

directory assistance

911 emergency services

dual party relay

other special needs services

STAFF RECOMMENDATION

Staff found that the information provided by Eclipse in its Application meets the minimum requirements for a Certificate of Public Convenience and Necessity established by Rule of Procedure 111, IDAPA 31.01.01.111, and Procedural Order No. 26665, issued November 7, 1996.  Staff also found that because Eclipse is a new company, it had no financial history.  However, Eclipse included a copy of Western Wireless’ 1996 Annual Report and SEC Form 10-Q for the first quarter of 1997 with its Application and stated it intended to rely heavily on its parent corporation’s resources.  According to Western Wireless’ Annual Report, Western Wireless held more than $1.24 billion in assets at the end of 1996 and reported annual revenues of nearly $250 million.  Western Wireless’ revenues for the first three months of 1997 were more than $100 million, compared to revenues of $67 million for the same period in 1996.

Eclipse specifically agreed to comply with all Commission rules.  Staff found that the illustrative tariff Eclipse filed with its Application demonstrated it understood the tariffing requirements and processes.  Although Eclipse is a new company, Staff found that the parent company, Western Wireless, is a major wireless services provider and, therefore, suggested that this background should provide sufficient technical expertise for a provider of telecommunications services.

Staff recommended Eclipse be granted a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services within the service territories of U S WEST.

Commission Decision

Does the Commission want to grant Eclipse Communications Corporation’s Application for a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services within the service territories of U S WEST?

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Cheri C. Copsey

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