

the use of Internet Protocol (IP) technology. The Company asserts that its proposed service will increase consumer choice for innovative and reliable services.

The Company intends to begin providing service in Idaho as soon as it obtains authorization.

The Company is in the process of negotiating interconnection and service agreements with Qwest Corporation and/or Verizon Northwest. The Company will compete directly with Qwest and Verizon for local exchange telecommunications services.

Although the Company does not intend to immediately begin providing service in areas with small or rural local exchange carriers, it seeks statewide authority so that it may expand when market conditions warrant and as additional service areas become open to competition.

STAFF ANALYSIS

The ICS of Idaho, LLC, Application states the Company does not currently own facilities or property in Idaho, but anticipates it will offer facilities-based local exchange service via commercial wholesale agreements with incumbent local exchange companies. Customers will have the option of accessing ICS's service using standard telephone equipment or through an IP "smart phone." ICS asserts it will continuously monitor and maintain a high level of control over its Idaho network on a 24-hours-a-day, 7-days-a-week basis.

The ICS Application included an income statement and a balance sheet for the period ending August 31, 2007. The Company also provided an illustrative tariff with the Application that demonstrates an understanding of tariff requirements and processes.

ICS is a wholly-owned subsidiary of Intelligent Community Services, Inc., a competitive provider of local and long distance telecommunications services in Oregon and Washington and a limited liability company organized under the laws of the State of Idaho. The Company does not have a principal business address in Idaho, but provided a registered agent for service.

RECOMMENDATIONS

Staff has reviewed the Application and believes that ICS understands and agrees to comply with the Commission Rule of Procedure 111, IDAPA 31.01.01.111, and Procedural Order No. 26665. Staff believes that the Company possesses the requisite financial, managerial, and technical qualifications necessary to operate as a telecommunications service provider. Thus,

Staff recommends approval of the Application for Certificate of Public Convenience and Necessity.

Respectfully submitted this 11th day of April 2008.



Kristine A. Sasser
Deputy Attorney General

Technical Staff: Grace Seaman

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 11TH DAY OF APRIL 2008, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IOI-T-08-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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