

## DECISION MEMORANDUM

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

**FROM: LISA NORDSTROM**

**DATE: FEBRUARY 5, 2004**

**RE: IN THE MATTER OF THE APPLICATION OF KMC TELECOM V, INC. FOR  
A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO  
PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES.  
CASE NO. KMC-T-03-1.**

On October 28, 2003, KMC Telecom V, Inc. ("KMC V" or "Company") filed an Application for a Certificate of Public Convenience and Necessity to provide facilities-based and resold competitive local exchange and interexchange services throughout the State of Idaho. In the Notice of Application and Modified Procedure issued January 12, 2004, the Commission solicited comments regarding KMC V's Application. Order No. 29415. No comments were received other than those submitted by Commission Staff.

### THE APPLICATION

KMC V seeks authority to provide all forms of switched, dedicated, and interexchange telecommunications services throughout the State of Idaho. KMC V also intends to provide its Idaho customers with access to directory assistance, operator services, emergency 911 services, and telephone relay services independently or through arrangements with other carriers. As such, KMC V intends to compete with incumbent local exchange corporations in Idaho, including, but not limited to Qwest Corporation, as well as other competitive local exchange carriers and MTS/WATS long distance service providers. At this time, however, the Company would not enter into competition with a rural local exchange carrier until the Commission has found such competition to be in the public interest as set out in Section 251(f)(1) of the Telecommunications Act of 1996.

KMC V is planning on providing interexchange services by reselling another carrier's interexchange service. At the time of filing, however, KMC V had not entered into a resale agreement with any interexchange service providers.

KMC V does not intend to collect end user deposits and/or advance payments from its customers. In the event KMC V decides in the future to require deposits and/or advance payments, the Company states that it will comply with all applicable federal and state laws, rules, and regulations, including modifying its existing tariffs.

#### **STAFF COMMENTS**

KMC V is a full-service competitive communications company offering all forms of switched, dedicated and interexchange telecommunications services. Its parent company, KMC Telecom Holdings, Inc., is a Delaware corporation with its principal offices located in Bedminster, New Jersey. The Company has filed copies of its Articles of Incorporation and Certificate of Authority issued by the Idaho Secretary of State.

Staff has reviewed the information provided by KMC V in its Application and believes it satisfies the requirements of the Commission's Rule 111, IDAPA 31.01.01.111, and Procedural Order No. 26665 issued November 7, 1996, which sets out the necessary information to be included with an application for a certificate.

The Application included a list of corporate officers and a description of their many years of management and technical expertise with telecommunications companies. Staff finds the Company appears to have adequate technical and managerial skills to provide the services identified in the Application.

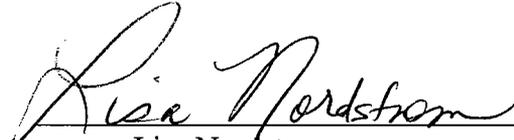
The Application also included unaudited and confidential KMC V financial information that indicated a relatively strong position for a young competitive telecommunications company. Therefore, Staff does not recommend imposing a financial security requirement.

KMC V specifically indicated in its Application it will comply with all Commission Rules. It also provided an illustrative tariff with its Application that demonstrates an understanding of tariff requirements and processes.

In light of the foregoing, Staff recommends that a Certificate of Public Convenience and Necessity to provide competitive local exchange service in Idaho be issued to KMC V.

**COMMISSION DECISION**

Does the Commission wish to approve KMC Telecom V, Inc.'s Application for a Certificate of Public Convenience and Necessity?

  
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Lisa Nordstrom

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