

WELDON B. STUTZMAN  
DEPUTY ATTORNEY GENERAL  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074  
(208) 334-0318  
IDAHO BAR NO. 3283

FILED  
2007 APR 26 AM 9:33  
IDAHO PUBLIC  
UTILITIES COMMISSION

Street Address for Express Mail:  
472 W. WASHINGTON  
BOISE, IDAHO 83702-5983

Attorney for the Commission Staff

## **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

|  |   |                            |
|--|---|----------------------------|
| <b>IN THE MATTER OF THE APPLICATION OF</b> | ) |                            |
| <b>MATRIX, INC. FOR A CERTIFICATE OF</b>   | ) | <b>CASE NO. MAT-T-07-1</b> |
| <b>PUBLIC CONVENIENCE AND NECESSITY TO</b> | ) |                            |
| <b>PROVIDE LOCAL EXCHANGE SERVICES IN</b>  | ) | <b>COMMENTS OF THE</b>     |
| <b>THE STATE OF IDAHO</b>                  | ) | <b>COMMISSION STAFF</b>    |
|  | ) |                            |

---

**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Weldon B. Stutzman, Deputy Attorney General, in response to the Notice of Application and Notice of Modified Procedure in Case No. MAT-T-07-1 issued in Order No. 30288 on April 5, 2007, submits the following comments.

### **BACKGROUND**

On January 16, 2007, Matrix Telecom, Inc. ("Matrix" and "Company") filed an Application for a Certificate of Public Convenience and Necessity to provide facilities-based and resold local exchange telecommunications services within the State of Idaho. The Application states Matrix will provide these services through interconnection agreements and commercial wholesale agreements with Verizon Northwest Inc. and Qwest Corporation. Matrix anticipates it will begin providing service in the spring of 2007 and intends to deploy and maintain company-owned facilities only after customer saturation can support such deployment.

Matrix has a Certificate of Incorporation from the State of Texas dated June 30, 1990 and a Certificate of Authority from the State of Idaho dated June 12, 1992. The Company's principal place of business is in Dallas, Texas. Matrix has provided financial information and the appropriate contact information for its registered agent for service of process within Idaho. The Company also filed a revised illustrative tariff on February 21, 2007 and affirms that it has reviewed all the Commission rules and agrees to comply with them.

#### **STAFF ANALYSIS**

Matrix is an indirect, wholly owned subsidiary of Platinum Equity LLC, a privately held limited liability company formed under the laws of Delaware and headquartered in Beverly Hills, California. Matrix owns a single subsidiary, Matrix Telecom of Virginia, Inc. through which Matrix provides telecommunications service in Virginia.

In its Application, Matrix states that the Company is authorized to provide resold local exchange telecommunications services in forty-four states and the District of Columbia. Matrix is also authorized to provide resold inter-exchange services nationwide. Matrix does not currently own any of its own network equipment in Idaho, but intends to deploy and maintain Company-owned facilities as soon as customer saturation can support deployment.

The Company seeks to augment its existing authority in Idaho to include the provision of local exchange telecommunications services via facilities-based arrangements to residential consumers and small and medium businesses throughout the state. Matrix has initiated negotiations of an interconnection agreement and commercial wholesale agreement with both Verizon and Qwest.

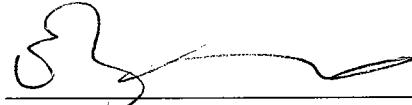
Matrix provided an audited financial statement for 2005 and its balance sheets for 2006. The Company also provided an illustrative tariff with its Application that demonstrates an understanding of tariff requirements and processes.

#### **STAFF RECOMMENDATION**

Based upon the review of the Company Application, Staff believes the Matrix understands and agrees to comply with the Commission Rules 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. Staff recommends approval of the Application for Certificate of Public Convenience and Necessity.

Respectfully submitted this 26<sup>th</sup> day of April 2007.



---

Weldon B. Stutzman  
Deputy Attorney General

Technical Staff: Grace Seaman

i:\uumisc\comments\matt07.1wscg

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 26<sup>TH</sup> DAY OF APRIL 2007, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. MAT-T-07-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

SCOTT KLOPACK  
VICE PRESIDENT OF REGULATORY  
AFFAIRS  
MATRIX TELECOM INC  
7171 FOREST LANE SUITE 700  
DALLAS TX 75230

RICHARD R CAMERON  
LATHAM & WATKINS LLP  
555 11<sup>TH</sup> ST NW SUITE 1000  
WASHINGTON DC 20004-1304

  
\_\_\_\_\_  
SECRETARY

CERTIFICATE OF SERVICE