

DECISION MEMORANDUM

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

FROM: WELDON STUTZMAN

DATE: MAY 27, 2004

**RE: CASE NO. QCC-T-04-1
APPLICATION OF QWEST COMMUNICATIONS CORPORATION FOR
AN AMENDMENT TO ITS CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

On September 3, 2002, the Commission issued Certificate No. 402 to Qwest Communications Corporation (QCC) granting it authority to provide basic local telecommunication exchange services within Verizon Northwest Inc.'s service area. On April 2, 2004, QCC filed an Application for an amendment to its CPCN to enable it to provide local services throughout the State of Idaho, including within the service area of Qwest Corporation (QC), QCC's parent corporation. The Commission on May 12, 2004, issued a Notice of Application and Notice of Modified Procedure to process QCC's Application.

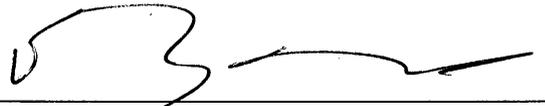
Staff reviewed the Application and filed written comments. Staff stated its concern that customers could be confused with the two Qwests offering basic local exchange service in the same marketplace. Staff requested clarification from QCC regarding its intentions to provide services, and QCC's director of regulatory affairs clarified that QCC did not intend to actively seek residential and small business customers. Instead, QCC desired the authority to provide related services to customers in large business markets in which it would be actively marketing its services on a regional or national basis. QCC may have an opportunity to provide service to large customers with remote offices that would qualify as small businesses, and the Company stated it needed flexibility to be able to provide basic local exchange service to those customers under a single corporate entity.

Written comments were also filed by the Idaho Telephone Association. As it has in other cases where CLECs are requesting authority to provide services throughout the state, ITA recommends the Order approving the Certificate to QCC recognize the exemption of rural telephone carriers from the obligations of incumbent local exchange carriers under Section 251(c) of the 1996 Telecommunications Act.

Staff recommends the Commission approve the amendment to QCC's Certificate, and that the Commission be prepared to respond if marketing efforts by QCC and QC results in customer confusion. The Commission's Order should also note the exemption provided to rural exchange carriers pursuant to Section 251(c) of the Telecommunications Act.

COMMISSION DECISION

Should the Application of Qwest Communications Corporation for amendment to its Certificate of Public Convenience and Necessity be approved?



Weldon Stutzman

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