

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER REDFORD  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE

**FROM:** WAYNE HART

**DATE:** MARCH 23, 2007

**RE:** QWEST 2005 BROADBAND TAX CREDIT APPLICATION;  
CASE NO. QWE-T-07-3.

### BACKGROUND

On March 1, 2007, the Commission received an Application from Qwest Corporation (Qwest) asking for approval of equipment for the broadband tax credit pursuant to Order No. 28784 and *Idaho Code* § 63-3029I(4). To be eligible for the tax credit, the taxpayer must obtain from the Commission an Order confirming that installed equipment qualifies for the tax credit.

### STAFF ANALYSIS

Qwest's Application identifies the Company's broadband investments for the year 2005. The Application indicated Qwest had installed central office equipment and fiber cables to provide broadband services to Idaho customers. The Application included general broadband facilities, dedicated line facilities, and inter-office facilities. The Application included a signed affidavit indicating the submitted investments qualified for the broadband tax credit. The Application identified a net investment (new investment minus retirements) of just over eight million dollars of investment in 2005.

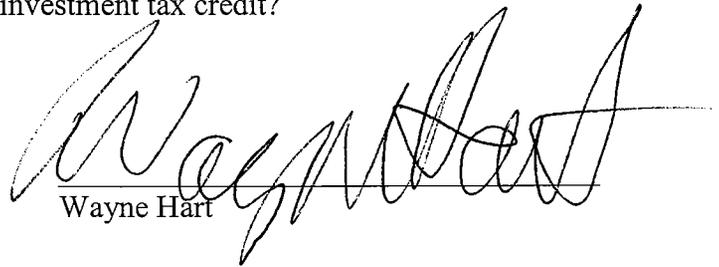
### STAFF REVIEW

In order to qualify for the credit, the broadband equipment must be capable of transmitting signals at a rate of at least two hundred thousand (200,000) bits per second to a subscriber and at least one hundred twenty-five thousand (125,000) bits per second from a subscriber. *Idaho Code* § 63-3029I(3)(b). In addition, for a telecommunications carrier, such equipment must "be

necessary to the provision of broadband service and an integral part of a broadband network”.  
*Idaho Code* § 63-3029I(3)(b)(i). Staff has reviewed the list of proposed broadband equipment submitted by Qwest and believes that the equipment identified meets this statutory criteria. Therefore, Staff recommends approval of the Application and further recommends that the Commission forward the approving Order along with a copy of the original Application to the Idaho Tax Commission.

**COMMISSION DECISION**

Should the Commission approve Qwest’s Application for an Order confirming that the installed equipment qualifies for the broadband investment tax credit?



Wayne Hart

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