

DECISION MEMORANDUM

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

FROM: JOHN HAMMOND

DATE: MAY 6, 2004

**SUBJECT: IN THE MATTER OF THE APPLICATION OF SOUTHWESTERN BELL
COMMUNICATIONS SERVICES, INC. DBA SBC LONG DISTANCE
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATION
SERVICES. CASE NO. SBC-T-04-1.**

On February 20, 2004, Southwestern Bell Communications Services, Inc. dba SBC Long Distance ("SBCS") filed an Application for a Certificate of Public Convenience and Necessity to provide resold and facilities-based local exchange and exchange access service within the State of Idaho. SBCS is wholly-owned subsidiary of SBC Communications, Inc. SBCS operates as a separate entity from its parent corporation, and does not maintain any management agreement with its parent. SBCS is organized under the laws of the State of Delaware and the Company has filed a copy of its Certificate of Authority issued by the Idaho Secretary of State.

On March 22, 2004, the Commission issued Notice of Application and Notice of Modified Procedure. Order No. 29449. In response to this Order, the Commission Staff submitted comments on April 12, 2004. On April 20, 2004 the Idaho Telephone Association ("ITA") submitted written comments.

IDAHO TELEPHONE ASSOCIATION COMMENTS

ITA stated that any grant of a CPCN to SBCS should be made expressly subject to the exemption of ITA members from the obligations of incumbent local exchange carriers under Section 251(c) of the 1996 Act, until such time as the requirements for lifting such exemption contained in Section 251(f) of the 1996 Act have been met.

STAFF REVIEW AND RECOMMENDATION

Staff reviewed the information provided by SBCS and believes it satisfies the requirements of Commission Rule of Procedure 111, IDAPA 31.01.01.111 and Procedural Order No. 26665 issued November 7, 1996.

Staff stated that SBCS intended to provide basic resold and facilities-based local exchange services to both residential and commercial customers and exchange access services to interconnecting carriers. The Company's Application indicated it would not initially construct facilities, but that it would provide services primarily via the unbundled network elements and resold services. The Company also stated that it would provide service in the areas currently served by Qwest and Verizon but that in the future might compete against all incumbent local exchange carriers. Staff noted that SBCS is a telecommunications company that has been granted authority to provide long-distance service nationwide, including Idaho. The Company is seeking certification to provide competitive local exchange services in all 37 states outside of its parent corporation's incumbent local exchange carrier service territory.

Staff also stated that the Application included financial information about the parent company that indicated SBCS was in a strong financial position. Thus, Staff believes that the Company has the technical, managerial and financial strength to provide the services identified in this Application.

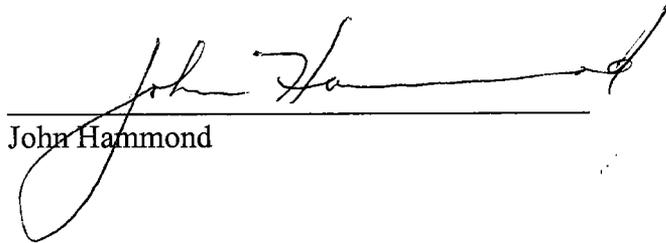
Staff stated that SBCS specifically indicated that it would comply with all Commission Rules. Furthermore, it has provided an illustrative tariff with its Application that demonstrates an understanding of the tariff requirements and processes.

In conclusion, Staff recommends that a Certificate of Public Convenience and Necessity to provide competitive local exchange service in Idaho be granted or provided to Southwestern Bell Communications Services, Inc. dba SBC Long Distance.

COMMISSION DECISION

Does the Commission wish to approve SBCS's Application for a Certificate of Public Convenience and Necessity?

Does the Commission wish to make this approval subject to ITA members' exemption from the obligations of incumbent local exchange carriers under section 251(c) of the 1996 federal Telecommunications Act?



John Hammond

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