DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

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BIRDELLE BROWN

BEVERLY BARKER

DAVID SCOTT

TONYA CLARK

WORKING FILE

FROM:CAROLEE HALL

DATE:JUNE 27, 1997

RE:SPRINT CASE NO. SPR-T-97-02 APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND  NECESSITY TO PROVIDE LOCAL EXCHANGE SERVICE AS A COMPETITIVE LOCAL CARRIER.

BACKGROUND

On April 25, 1997, Sprint Communications Company L.P. filed an application for Certificate of Public Convenience and Necessity (CPCN) in compliance with Rule 111 and Order No. 26665.  Sprint is seeking the Commission’s approval to provide basic local exchange services as regulated under Title 61, Idaho Code, and as authorized by the federal Telecommunications Act of 1996.  Sprint is currently authorized to provide long distance telecommunications services within the State of Idaho under the authority of Title 62, Idaho Code.  Sprint intends to offer services on a resale basis within the U S WEST and GTE regions.  As yet, Sprint has not completed interconnection agreements with either local exchange carriers.  On May 12, 1997 Notice of Modified Procedure was issued.  There were no other comments filed except for those submitted by Staff on June 3, 1997.

DISCUSSION

Staff has reviewed the information provided by Sprint with its application and finds that overall, it meets the requirements of the Commission’s Order No. 26665.  Sprint has agreed to comply with the Commission’s rules and regulations as set forth in the Commission’s Rules of Procedure (IDAPA31.01.01) and in IDAPA 31.41.01, 31.41.02, 31.42.01, 31.46.01, 31.46.02, 31.51.01, and 31.51.02; however, Sprint has requested certain waivers from the following rules/requirements:

\*\* Repair Service Standards (Rule 503)

\*\* Escrow Account Procedural Order No. 26665 (Rule 11)

Repair Service Standards (Rule 503), states that if a telephone company does not restore service within the times and conditions required, the telephone company must credit the customer’s account for an amount equal to the monthly rate for one (1) month of basic local exchange service.

Following Staff’s comments submitted on June 3, 1997 and after reviewing Sprint’s acceptance of Staff’s comments, Sprint concurs with Staff  that Rule 503 is a very important rule for customers and accedes to Staff’s concerns.  Sprint has indicated in its letter that it is willing to accept the Commissions authority and operate in accordance with Rule 503.

Escrow Account as prescribed by Procedure Order No. 26665 (Rule 11), requires an Escrow Account for Advance Deposits must be established.  The purpose of an escrow account is to assure good faith and the financial ability of the applicant, as required in Idaho Code 61-528.  Individual requirements pertaining to escrow accounts will be evaluated and reconsidered by the Commission upon good showing by the Company for a period of two years.  Sprint had requested a waiver of the escrow account requirement for customer deposits, as well as quarterly reporting on such accounts.  It requested that, in lieu of establishing an escrow account, the Commission authorize them to post a surety bond in the amount of $10,000 as a guarantee of customer deposits, prior to Sprint’s actual entry into the local exchange market.  Sprint believes that a surety bond would provide the Commission and Sprint’s customers with the comparable assurance that customer deposits are financially protected, but would be a much less expensive system to initiate and administer.

Staff reviewed Sprint’s request for a waiver and found it to be reasonable and is willing to recommend approval.

STAFF RECOMMENDATION

Staff has reviewed the application from Sprint and the letter from them as well.  Sprint has accepted Staff’s recommendations and fulfilled all the requirements as set forth in Rule 111 and Procedural Order No. 26665.  Staff finds Sprint to be in compliance with all Commission requirements for the issuance of a Certificate of Public Convenience and Necessity.  Staff recommends approval of Sprint’s application and the issuance of a Certificate.

COMMISSION DECISION

Should Sprint be issued a Certificate of Public Convenience and Necessity?

Carolee Hall

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