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BEFORE  THE  IDAHO  PUBLIC  UTILITIES  COMMISSION

IN THE MATTER OF THE APPLICATION OF)

U.S. LONG DISTANCE, INC. FOR A)CASE  NO.  USD-T-97-1

CERTIFICATE OF PUBLIC CONVENIENCE )

AND NECESSITY TO PROVIDE LOCAL)

EXCHANGE TELECOMMUNICATIONS)COMMENTS OF THE

SERVICE WITHIN IDAHO.)COMMISSION STAFF

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COMES  NOW  the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Weldon B. Stutzman, Deputy Attorney General, and submits the following comments.

BACKGROUND

On June 26, 1997, the Commission received an Application from U.S. Long Distance, Inc. (USLD) for a Certificate of Public Convenience and Necessity (CPCN) to provide local exchange telecommunications services within Idaho.  USLD’s Application states that it intends to initially provide local exchange services in the service areas of U S WEST Communications, Inc. (U S WEST) and GTE Northwest, Inc. (GTE) through resale of services provided by the incumbent local exchange carrier, and it ultimately intends to provide facilities based services as well.  USLD indicated in its Application that it would initially provide single line service to its existing single line business, residential and pay telephone toll customers, and that it would eventually provide the full array of retail telecommunications services.  USLD indicated it had initiated negotiations with U S WEST and GTE at a corporate level for interconnection agreements in a number of states, including Idaho, but that no agreement had been reached for Idaho at the time of its Application.  The Application states: “In certain other U S WEST states, USLD has agreed to opt into other carriers’ arbitrated agreements in order initiate local services.  USLD believes that a similar strategy may be applied to Idaho.”

STAFF FINDINGS

Staff has reviewed the information provided by USLD in its Application and believes it satisfies the requirements of the Commission’s Rule of Procedure 111, IDAPA 31.01.01.111, and Procedural Order No. 26665 issued November 7, 1996, which sets out the necessary information to be included with an Application for a certificate.

USLD, headquartered in San Antonio, Texas, is a wholly owned subsidiary of U.S. Long Distance Corp., which is a publicly held company.  USLD provides interexchange telecommunications services in 48 states, and at the time of its Application, was authorized to provide local exchange service in eleven states and had applied for such authority in six additional states.  It is ranked as one of the top ten long distance companies on the FCC’s 1996 Carrier Scorecard, with telecommunications revenue for the year ending September 30, 1996 of more than $180 million and 1997's revenues projected at nearly $220 million.  As of September 1996, it had more than 600 full time employees.  USLD was issued a Certificate of Authority to transact business in Idaho by the Secretary of State in 1991.

USLD’s management team has extensive experience in the telecommunications industry.  USLD owns and operates the switch-based telecommunications network over which its toll services are provided.  It is familiar with the procedures and rules of the Commission, and has specifically indicated it will comply with all Commission rules.  It has provided an illustrative tariff with its Application that demonstrates a thorough understanding of tariffing requirements and processes.

USLD currently provides interexchange 1+ and operator assisted telecommunications services to customers in Idaho.  It has had a price list on file with the Commission since  February 14, 1991.  It has submitted the required annual reports and paid the required fees, on time, for each of the past four years.

Staff has examined the Commission’s records of a total of six informal comments and inquiries regarding U.S. Long Distance’s interexchange service for 1996 and year-to-date 1997.  The records consist of the Commission Consumer Assistance Staff’s electronic documentation of conversations with the Company’s customers.  Staff was able to respond to issues raised by customers without conducting any investigations.  The issues identified—rates charged for calls placed at payphones, delayed billing for calls placed during the transition in ownership of an exchange previously served by U S WEST, and general questions about rates and regulatory status—do not negatively reflect upon the Company’s ability to provide local exchange service in Idaho.

STAFF RECOMMENDATION

Staff recommends USLD be granted a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services within the service territories of U S WEST and GTE.

DATED  at Boise, Idaho, this            day of October 1997.

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Weldon B. Stutzman

Deputy Attorney General

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