SUSAN E. HAMLIN

Deputy Attorney General

IDAHO PUBLIC UTILITIES COMMISSION

PO Box 83720

Boise, ID  83720-0074

Tele:  (208) 334-0300

FAX: (208) 334-3762

Street Address for Express Mail:

472 W Washington

Boise, ID  83702-5983

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE JOINT APPLICA­TION OF CITIZENS TELECOMMUNICATIONS COMPANY AND U S WEST COMMUNICA­TIONS, INC.  FOR APPROVAL OF AN AGREEMENT FOR RESALE PURSUANT TO 47 U.S.C. § 252(e). | )  )  )  )  )  )  ) | CASE NO.USW-T-96-14  CTC-T-96-2  STAFF COMMENTS |

Comes now the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Susan Hamlin, and submits these comments on the Joint Application of Citizens Telecommunications Company and U S WEST Communications.

On November 18, 1996, Citizens Telecommunications Company (CTC) and U S WEST Communications (U S WEST) filed a joint application for approval of an Agreement for Service Resale (agreement) dated November 8, 1996.  This agreement allows CTC to resell U S WEST local exchange services and other services in U S WEST’s Idaho service territory.  Some of the services are available at a wholesale rate while others are not.  The following services are available at a 12% discount:

Basic exchange business

PBX trunks

ISDN

Frame Relay

Directory listings

Central Office features

IntraLATA MTS is available at a rate of $.12 / minute

The following services are available for resale but not at a discount:

Basic exchange residence

Centrex

Private line / Special access

Public Access Line

Volume Discount plans or Term Agreements

The following services are not available for resale:

Lifeline

Concession service

Technical trials

Grandfathered products and services (except to customers currently served with such services)

The parties have submitted the agreement for Commission approval in accordance with Section 252 (e) of the Telecommunications Act of 1996 (the “Act”).  Section 252(e)(2) of the act states that the Commission may reject an agreement reached through voluntary negotiations only if the Commission finds that

(1)the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or

(2)the implementation of such agreement or portion is not consistent with the public interest, convenience and necessity.

Staff has reviewed the agreement and finds no cause for rejection under the Act’s criteria.  However there are two particular pieces of this agreement which Staff finds notable and believes should be pointed out.  First, Staff wants to make it clear to the Commission that while residence service is available for resale, it is not included at a discount in this agreement.  Secondly, Staff would like to point out the following language in paragraph II.B. of the agreement:

Reseller agrees that, in any proceeding before a Commission, in any state to which this Agreement applies, in which proceeding USWC is advocating increases in residential rates to recover costs accompanied by decreases in rates for competitive services to remove historical subsidies, Reseller will not participate in opposition to USWC’s advocacy and may intervene, file testimony, participate at hearing, and otherwise use its best efforts to support USWC’s advocacy in such proceeding before the state Commission to the extent such participation or lack of participation is consistent with the company policy positions of Reseller and its affiliates.

Agreement at 4.

Certainly it is Citizens’ prerogative to waive their rights to intervene in  proceedings before the Commission, however, Staff is not convinced that the public interest is best served by so doing.

Staff also believes that some telecommunications carriers may be concerned that this agreement may be viewed as a precedent by the Commission.  Certainly Staff does not view it as such.  Staff views this agreement as reflecting Citizens Telecommunications desire to enter into the local market as expeditiously as possible.  In fact, paragraph Z of the agreement is a “Most Favored Nations” clause which will allow CTC to accept any other agreement for resale service approved by the Commission under Section 252 of the Act.

CTC currently has an application for a certificate of public convenience and necessity which is being process by the Commission.  With that in mind, Staff would recommend prompt approval of this agreement in order to expedite the beginning of local competition in Idaho.

DATED at Boise, Idaho this day of December 1996.

Susan E. Hamlin

Deputy Attorney General

Joseph W. Cusick

Telecommunications Section Supervisor

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