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IDAHO PUBLIC
UTILITIES COMMISSIONVerizon Northwest Inc.
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Beaverton, Oregon 97072
Mailcode: OR030030

Fax 503 629-0592

March 18, 2005

Ms. Jean Jewell
Commission Secretary
P.O. Box 83720
Boise, Idaho 83720-0074

RE: Broadband Tax Credit for 2004 Investment

Dear Ms Jewell,

Enclosed for filing with the Commission is the application of Verizon Northwest Inc. for a broadband tax credit for 2004. Verizon requests that the Commission find the Company eligible to receive and Idaho tax credit and that the broadband equipment installed in 2004 meets the definition of qualified broadband equipment as set out in Idaho Code 63-30291(3)(b).

1. **Name and address of the applicant including a contact person in the event that there are questions regarding the application and its content.**

Renee Willer, P.O. Box 1100, Beaverton, Oregon 97075-1100.

2. **Indicate whether the applicant is a telecommunications carrier, a commercial mobile service carrier, a cable or video provider, a satellite carrier or other type of wireless carrier.**

Verizon Northwest Inc. is a telecommunications carrier.

3. **Identify the area or location where the equipment is installed in Idaho.**

The equipment is installed in Bayview, Bonners Ferry, Clarkfork, Coeur d'Alene, Hayden Lake, Kellogg, Moscow, Mullen, Orofino, Pinehurst, Plummer Worley, Post Falls, Priest River, Rathdrum, Sandpoint, Spirit Lake, St. Maries, and Wallace.

4. **Describe the type of broadband services offered to the public in Idaho.**

The equipment installed in Idaho in 2004 is used to provide customers with DSL and high speed data (e.g. T-1) services.

5. **State the network transmission rate in bits per second at which subscribers to the relevant broadband services can send and receive.**

OCx – Optical Carrier specification used in ATM/SONET the ‘x’ represents a multiple of 51.84 Mbps transmission (OC3= 3 x 51.84 Mbps, OC24=24 X 51.84Mbps). Mbps = 1,000,000 bits/sec.

ISDN-BRI – Integrated Services Digital Network – Basic Rate Interface. The data rate is typically 144 Kbps with two (2) B-channels to carry voice/data traffic and one (1) D-channel for signaling.

ISDN-PRI - Integrated Services Digital Network – Primary Rate Interface. The data rate is 1.544 Mbps and provides 23 B-channels to carry voice/data traffic and one (1) D-channel for signaling.

DSL – Digital Subscriber Line – is a communication technology that uses existing twisted-pair telephone lines to transport high-bandwidth data, such as Internet, multimedia, and video. SDSL and ADSL are the two varieties of DSL services. ADSL is drawing significant attention from service providers because it promises to deliver high-bandwidth data rates to dispersed locations with relatively small changes to the existing telephone company infrastructure at a reasonable cost. Download speeds can range from 138 Kbps to 6Mbps from the service providers.

SONET – Synchronous Optical Network is designed to take advantage of high-speed transmission rates available with fiber. SONET is expected to eventually take the place of T-carrier facilities as the next generation of high speed time-division multiplexing. SONET speeds start as low as OC-1 (51.84 Mbps) to OC48 (2.488 Gbps) and beyond. SONETs are generally designed as a closed loop ‘ring’ and are self-healing, if a break in fiber occurs, the transmissions are automatically rerouted back through the non-damaged portion of the network. SONET has redundancy built into its architecture.

6. **Provide the specific list of the equipment types that the application is requesting that the Commission determine is qualified broadband equipment” as defined in Idaho Code 63-30291(3)(b). List the brand, manufacturer, model numbers, and or other distinguishing features of the installed equipment.**

Please see the attached work order description.

7. **Provide the dates and time periods that the broadband equipment was installed in Idaho.**

Please see the attached work order description

8. **Provide a written description (including the basic schematics or general drawings) of the relevant broadband network including a description of how the installed equipment is an “integral part” of the broadband network.**

Please see the attached work order description and network diagrams.

9. **Quantify the percentage and number of potential Idaho customers that could be served with the broadband equipment and the percentage and number of non-Idaho subscribers that will be/could be served by the broadband network.**

Exchange	Access Lines	%Qualifying
Bayview	2,601	100%
Bonnors Ferry	5,731	100%
Clarkfork	765	100%
Coeur d'Alene	29,935	100%
Hayden Lake	12,301	100%
Kellogg	2,403	100%
Moscow	18,747	100%
Mullen	435	100%
Orofino	4,140	100%
Pinehurst	2,437	100%
Plummer Worley	1,787	100%
Post Falls	13,010	100%
Priest River	2,457	100%
Rathdrum	4,757	100%
Sandpoint	18,835	100%
Spirit Lake	1,567	100%
St. Maries	4,291	100%
Wallace	2,417	100%

There are no Non-Idaho customers that could be served with the broadband equipment that was placed.

10. **Enclose a statement certifying that the applicant has read the applicable statutes for broadband investment income tax credit and the applicant believes that the subject broadband equipment qualifies for the tax credit under Idaho Code 63-30291.**

Please see the attached statement of certification.

If you have any questions concerning this filing, please contact me at (503) 645-7909.

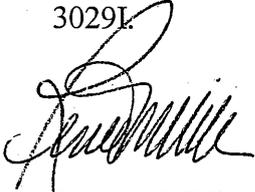
Sincerely,

A handwritten signature in black ink, appearing to read "Renee M. Willer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Renee M. Willer
Regulatory Manager
Verizon Northwest Inc.

IDAHO BROADBAND CERTIFICATION

I hereby certify that representatives of Verizon Northwest Inc. (the applicant) have read the applicable statutes for the broadband investment tax credit and the applicant believes that the subject broadband equipment qualifies for the tax credit under Idaho Code 63-3029L.



Renee M. Willer
Regulatory Manager
Verizon Northwest Inc.

**CONFIDENTIAL
ATTACHMENTS**