

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
OF VERIZON NORTHWEST INC. FOR AN ) CASE NO. VZN-T-07-02  
INVESTMENT TAX CREDIT FOR )  
INSTALLING QUALIFYING BROADBAND ) ORDER NO. 30441  
EQUIPMENT )**

On June 23, 2007, the Commission received an Application from Verizon Northwest Inc. (“Verizon”) asking for approval of a broadband tax credit pursuant to Commission Order No. 28784 and *Idaho Code* § 63-3029I(4). In order to be eligible to obtain the tax credit, the taxpayer must first obtain an Order from the Commission “confirming that the installed equipment is qualified broadband equipment.” *Idaho Code* § 63-3029I(4). “In the case of a telecommunications carrier, such qualifying equipment shall be necessary to the provision of broadband service and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i).

**THE APPLICATION**

Verizon’s Application indicates that it has installed central office equipment, fiber and copper cables, digital radio, and pairgain devices, all capable of transmitting data in excess of 200,000 bits per second (bps) to or from the consumer and will be used to provide DSL or high-speed data services to Idaho customers. The Company states that the equipment is necessary and integral to its broadband network. The Company has installed the equipment in the Bayview, Bonners Ferry, Bovill, Clark Fork, Coeur d’Alene, Deary, Genesee, Hayden Lake, Hope, Kellogg, Moscow, Orofino, Peck, Pinehurst, Plummer-Worley, Post Falls, Potlatch, Priest River, Rathdrum, Sandpoint, Spirit Lake, St. Maries, Wallace and Weippe exchanges. The Company claims that 100 percent of the investment will be used to provide service to Idaho customers. The Application identified more than \$4,000,000 of investment in 2006.

**STAFF REVIEW**

Staff reviewed the list of proposed broadband equipment submitted by Verizon and found that the equipment identified meets the statutory criteria outlined in *Idaho Code* § 63-3029I(3)(b). Staff determined that Verizon’s broadband equipment is capable of transmitting signals at a rate of at least 200,000 bps to a subscriber and at least 125,000 bps from a subscriber.

*Idaho Code* § 63-3029I(3)(b). Staff also determined that Verizon is a telecommunications carrier and its equipment is “necessary to the provision of broadband service and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). Therefore, Staff recommended that the Commission issue an Order approving the Application and that the approving Order, along with a copy of Verizon’s Application, be forwarded to the Idaho State Tax Commission.

### COMMISSION FINDINGS

Based upon our review of the Application and the recommendations of the Staff, we find that the Application for a qualifying broadband equipment Order should be granted. Verizon has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. We further find that Verizon is a telecommunications carrier and, as presently configured, the installed equipment is an integral part of the Company’s broadband network and that it is necessary to facilitate the delivery of broadband Internet service to Idaho customers. *Id.* It is therefore appropriate for the Commission to issue this Order confirming that the equipment identified in Verizon’s Application is qualified broadband equipment.

### ORDER

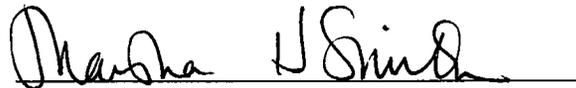
IT IS HEREBY ORDERED that Verizon Northwest Inc.’s Application for an Order certifying that it has installed qualifying broadband equipment is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of Verizon’s Application be served upon the Idaho State Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* §§ 61-626, 63-3029I(4).

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24<sup>th</sup>  
day of September 2007.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

O:VZN-T-07-02\_np