

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
VERIZON NORTHWEST INC. FOR AN ) CASE NO. VZN-T-10-01  
ORDER CONFIRMING THE INSTALLATION )  
OF QUALIFYING BROADBAND ) ORDER NO. 31001  
EQUIPMENT )**

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On January 25, 2010, the Commission received an Application from Verizon Northwest Inc. (“Verizon” or “Company”) requesting an Order from the Commission, pursuant to *Idaho Code* § 63-3029I(4), confirming that the Company installed qualifying broadband equipment during the 2008 calendar year.

**THE APPLICATION**

Verizon’s Application indicates that the Company installed equipment associated with Digital Subscriber Line (DSL) and high speed data (e.g., T- 1) services with transmission rates of 1.544 to 51.84 Mbps in 22 exchanges in northern Idaho. Verizon asserts that 100% of its customers in these exchanges are served or can be served by the broadband network. The Application states that Verizon invested approximately \$17 million in qualifying broadband equipment during 2008.

**STAFF REVIEW AND RECOMMENDATION**

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 bits per second to a subscriber and at least 125,000 bits per second from a subscriber. *Idaho Code* § 63-3029I(3)(b). Staff believes 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

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); Order No. 28784. “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).

Based upon our review of the Application and the recommendations of 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. It is therefore appropriate for the Commission to issue this Order confirming that the equipment identified in Verizon’s Application is qualifying broadband equipment.

## ORDER

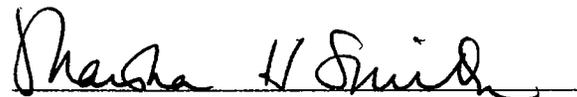
IT IS HEREBY ORDERED that the Application of Verizon Northwest Inc. for an Order confirming that the Company installed qualifying broadband equipment during the 2008 calendar year is approved.

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).

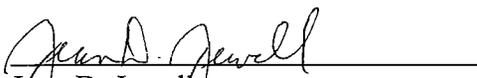
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10<sup>th</sup>  
day of February 2010.

  
JIM D. KEMPTON, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

O:VZN-T-10-01\_np