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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
XO COMMUNICATIONS SERVICES, INC. FOR) CASE NO. XOC-T-04-1
A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO PROVIDE)
COMPETITIVE TELECOMMUNICATIONS) COMMENTS OF THE
SERVICES WITHIN THE STATE OF IDAHO.) COMMISSION STAFF
_____)**

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Donovan E. Walker, Deputy Attorney General, in response to Order No. 29608, the Notice of Application, Notice of Modified Procedure and Notice of Comment/Protest Deadline in Case No. XOC-T-04-1 issued on October 6, 2004, and submits the following comments.

On July 27, 2004, XO Communications Services, Inc. filed an Application for a Certificate of Public Convenience and Necessity with the Commission seeking its review and approval. According to its Application XO Communications Services, the Applicant, and XO Idaho Inc. are both wholly owned, direct subsidiaries of XO Communications, Inc. XO Idaho is currently authorized to provide competitive local exchange and interexchange telecommunications services pursuant to a Certificate of Public Convenience and Necessity granted by this Commission in Case No. GNR-T-99-1, Order No. 28134. XO Communications Services states that the purpose of the

Application is to complete an internal corporate re-organization whereby, upon the Commission's grant of authority requested by the Application, XO Idaho will transfer its intrastate telecommunications assets and customers to XO Communications Services through a merger between the two subsidiaries. After the merger, XO Idaho will cease to exist and XO Communications Services will assume all of XO Idaho current operations and customers.

STAFF ANALYSIS

The XO Communications Services Application proposes to provide Idaho business consumers with a complete set of facilities-based and resold telecommunications services, including local and long distance and integrated voice and data services. Following the merger and with the Commission's approval, XO Idaho will assign to XO Communications Services, Inc., its existing interconnection agreements with Qwest Corporation, Case No. QWE-T-02-02, and Verizon Northwest, Inc., Case, No. VZN-T-04-03.

Based on the Application, XO Communications, Inc., through its subsidiaries, currently offers facilities-based broadband telecommunications services within and between more than 70 markets, intrastate interexchange services virtually nationwide, and competitive local exchange services in 47 states throughout the United States. The Company further states it is one of the nation's largest holders of fixed wireless spectrum, covering 95% of the population of the 30 largest cities in the United States. The parent company is authorized by the FCC to provide interstate and international telecommunications services.

The Company is headquartered in Reston, Virginia and incorporated in Delaware. XO Communications Services, Inc, obtained a Certificate of Authority to transact business as a foreign corporation from the Idaho Secretary of State on August 13, 2004.

XO has provided the appropriate contact information for its registered agent for service of process within Idaho.

STAFF RECOMMENDATION

Staff has reviewed the Application submitted by XO Communications Services, Inc, and believes the Company understands and agrees to comply with the Commission rules and requirements. Based on this review, the Company's filing fulfils the requirements of the Commission Rules and Procedural Order No. 26665. The Staff believes that the Company

possesses the requisite financial, managerial, and technical qualifications necessary to operate as a provider of telecommunications services. Therefore, Staff recommends approval of the Application for a Certificate of Public Convenience and Necessity.

Additionally, the Company indicates that the merger and transfer from XO Idaho to XO Communications Services should be complete by January of 2005. Therefore, Staff additionally recommends that the Certificate of Public Convenience and Necessity currently held by XO Idaho terminate or expire on January 31, 2005.

Respectfully submitted this 27th day of October 2004.



Donovan E. Walker
Deputy Attorney General

Technical Staff: Grace Seaman

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 27TH DAY OF OCTOBER 2004, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. XOC-T-04-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

BRETT HEATHER FREEDSON
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SECRETARY