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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
ZIAL NETWORKS, INC. FOR A CERTIFICATE)	CASE NO. ZIA-T-08-1
OF PUBLIC CONVENIENCE AND NECESSITY)	
TO PROVIDE LOCAL EXCHANGE)	
TELECOMMUNICATIONS SERVICES IN)	COMMENTS OF THE
IDAHO)	COMMISSION STAFF
_____)	

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Neil Price, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 30549 on May 23, 2008, submits the following comments.

BACKGROUND

On April 14, 2008, Zial Networks, Inc. ("Zial") filed an Application for a Certificate of Public Convenience and Necessity pursuant to Commission Order No. 26665. In the Application, Zial seeks authority to provide local exchange services and custom calling features to business and residential customers in the State of Idaho. Application at 4. The Company initially intends to offer facilities-based local and resold telecommunications services via commercial wholesale agreements with incumbents. *Id.* Zial is currently in the process of

negotiating an interconnection agreement with Qwest Corporation and will compete directly with Qwest for the provision of local exchange telecommunications services. Application at 4, 5.

Zial's Idaho service territory will include those areas currently being served by Qwest, except those areas already served by local exchange carriers ("LECs") who are eligible for a small or rural carrier exemption pursuant to Section 251 of the Federal Telecom Act of 1996.

STAFF REVIEW

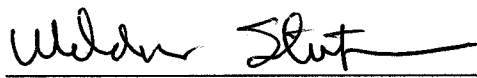
Zial, is a corporation organized under the laws of the State of Idaho and maintains a place of business in Boise, Idaho. Zial was formerly know as Soltice Network Group, Inc. and originally incorporated under this name.

With its Application, Zial provided appropriate financial information and included an illustrative tariff. See Application at 4, Exhibit B and C. The Company also stated that it would comply with all applicable Commission rules, regulations and standards (*See* Application at 5) and will provide safe, reliable and high quality telecommunications services in Idaho. Application at 2. Zial further states traditional voice service to customers will use the public switched network. The Company also intends to use Internet Protocol (VoIP) technology to provide voice and data applications that interact with the traditional public switched network. *Id.*

STAFF RECOMMENDATION

Staff has reviewed the Application submitted by Zial Networks, 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. 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 Commission approval of the Application for a Certificate of Public Convenience and Necessity.

Respectfully submitted this 23rd day of May 2008.


for Neil Price
Deputy Attorney General

Technical Staff: Grace; Seaman

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 23RD DAY OF MAY 2008,
SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN
CASE NO. ZIA-T-08-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID,
TO THE FOLLOWING:

DEAN J. MILLER
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CHRIS ADAMS
PRESIDENT
ZIAL NETWORKS INC
6055 CORPORAL LANE
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SECRETARY