

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** DONOVAN E. WALKER

**DATE:** MARCH 7, 2005

**SUBJECT:** APPLICATION OF COMMPARTNERS, LLC FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY – CASE NO. CMP-T-04-1

On November 16, 2004, CommPartners, LLC filed an Application for a Certificate of Public Convenience and Necessity to provide basic resold and facilities-based local exchange and interexchange services in eligible areas statewide. In the Notice of Application and Modified Procedure issued January 24, 2005, the Commission sought comments regarding CommPartners' Application. Order No. 29691. No comments were received other than those submitted by Commission Staff.

### THE APPLICATION

According to the Application, CommPartners is in the process of building an Internet Protocol (IP) based communications network throughout all 50 states and the District of Columbia. The network is designed to connect public and private IP networks with the Public Switched Telephone Network (PSTN). The Company will provide the network needed for Voice-Over-Internet Protocol (VoIP) providers to originate and terminate IP-based communications, as well as allow for the termination of traditional circuit-switched telephone calls. The traffic to be carried over this network will be comprised of primarily information services traffic such as VoIP, as well as interstate, intrastate interLATA, intraLATA, and local traffic.

CommPartners' network is a "hub-centric topology" consisting of switching centers in Las Vegas, Chicago, Atlanta, and New York. These switching centers are collocation points situated in highly sophisticated environments where large numbers of network providers meet for

interconnection among their networks. At these locations, CommPartners has placed softswitch equipment, routers and border control devices.

CommPartners is organized as a Nevada Limited Liability Company. The Application states that it has an Operating Agreement and Certificate of Status issued by the Idaho Secretary of State stating that it is qualified to transact business in the State of Idaho. The Company's principal place of business is in Las Vegas, Nevada. The Company states that it will primarily be providing network transit and associated operations support systems for VoIP traffic to wholesale customers. CommPartners' proposed service area would be all areas served by incumbent local exchange carriers, Qwest and Verizon, that are required by the Telecommunications Act of 1996 to interconnect their networks with competitive local exchange carriers.

#### **STAFF COMMENTS AND RECOMMENDATIONS**

Staff has reviewed the information provided by CommPartners in its Application and believes it satisfies the requirements of the Commission's Rule of Procedure 111, IDAPA 31.01.01.111, and Procedural Order No. 26665, issued November 7, 1996, which sets out the necessary information to be included with an Application for a Certificate.

CommPartners is a relatively new telecommunications company that provides VoIP services nationwide, with switching centers in Las Vegas, New York, Chicago, and Atlanta. The Application included resumes of key individuals that indicated extensive experience in the telecommunications field. The Application included financial information that indicated the Company had adequate financial resources for a company at this stage of operations. Staff is satisfied that the Company has the technical, managerial and financial strength to provide the services identified in the Application.

The Application indicated CommPartners intends to provide basic local exchange services to both residential and business customers using the Company's VoIP network. The Company's primary market is wholesale service to other carriers and Internet service providers, but it will also occasionally provide service directly to end use customers. All CommPartners' local exchange customers would need to obtain broadband service in order to utilize the Company's VoIP local exchange service. Service to Idaho customers would be provided through the Company's VoIP switch in Las Vegas, Nevada.

The Application indicated the Company would initially provide service in the area currently served by Qwest and Verizon. All of CommPartners' customer originated calls would be originated as data services and carried by IP to the Company's switch in Las Vegas. If the called party were also a VoIP customer, the call would remain on IP and terminated as a data service to that customer. If the called party uses traditional voice service, the call is converted to voice protocol and routed to that party through "the nearest RBOC/ILC/CLEC or wireless carrier's local telephone switch that serves the called party."

CommPartners specifically indicated in its Application that it will comply with all Commission rules. Additionally, it has provided an illustrative tariff with its Application that demonstrates an understanding of tariff requirements and processes.

There are many regulatory issues associated with VoIP services that have yet to be determined. It is possible that it may eventually be determined that the services provided by CommPartners are outside the jurisdiction of a state commission and may be provided without a Certificate. However, CommPartners is well aware of the uncertainty of the outcome of various proceedings in this regard and voluntarily sought a Certificate, and agreed to comply with the Commission's local exchange rules. Staff recommends that a Certificate of Public Convenience and Necessity to provide competitive local exchange service in Idaho be provided to CommPartners, LLC.

#### COMMISSION DECISION

Does the Commission wish to approve CommPartners' Application for a Certificate of Public Convenience and Necessity?

  
Donovan E. Walker

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