

DECISION MEMORANDUM

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

FROM: LISA NORDSTROM

DATE: JANUARY 28, 2004

**RE: IN THE MATTER OF THE APPLICATION OF GRANITE
TELECOMMUNICATIONS, LLC FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY TO PROVIDE LOCAL EXCHANGE
TELECOMMUNICATIONS SERVICES. CASE NO. GNT-T-03-1.**

On October 9, 2003, Granite Telecommunications, LLC (“Granite” or “Company”) filed an Application for a Certificate of Public Convenience and Necessity to provide facilities-based and resold competitive local exchange and interexchange services throughout the State of Idaho. Granite’s Application also seeks permission to offer intrastate toll services. In the Notice of Application and Modified Procedure issued January 2, 2004, the Commission solicited comments regarding Granite’s Application. Order No. 29409. No comments were received other than those submitted by Commission Staff.

THE APPLICATION

If its Application were approved, Granite would provide service mainly utilizing Unbundled Network Elements Platform (UNE-P) leased or purchased from Qwest Corporation and Verizon. Granite does not presently have plans to build any facilities of its own in Idaho, but does not foreclose the possibility of constructing such facilities in the future. At the time of its Application, Granite had made a request for interconnection with Qwest Corporation, but had not entered into any interconnection agreement or other agreement to begin telecommunications services within the State of Idaho. Granite does not currently provide any services within Idaho.

Although the Company proposes to initially offer its services in the service areas currently served by Qwest Corporation and Verizon, in the future Granite may compete with all

ILECs within Idaho. The Application states that Granite has reviewed all of the Commission Rules and agrees to comply with them. Finally, the Application requests Commission approval of certification without bond or deposit.

STAFF COMMENTS

Headquartered in Quincy, Massachusetts, Granite was formed as a Limited Liability Company under the laws of the State of Delaware. Staff reviewed the biographies of the Company's directing members for the purpose of establishing Granite's business and telecommunications experience. The Company obtained a Certificate of Authority to transact business as a foreign corporation from Idaho's Secretary of State on August 5, 2003. Although the Company does not maintain an office in Idaho, it does have a registered in-state agent. Staff reviewed Granite's unaudited financials for the period ending June 30, 2003 and believes the Company is solvent.


With this Application, Granite proposes to provide business and residential local exchange service, operator assistance, data services, and Centrex services. The Company does not propose to collect advance payments or deposits, so no escrow account has been established. The example tariff submitted by Granite also includes in-state long distance services.

According to Staff, Granite has been granted authority to provide local exchange service in several other states such as Washington and Maine. The Company states that granting its Application for a Certificate is in the public interest because Granite's entry into the local telecommunications services market will enhance competition in Idaho.

Based on its review of Granite's Application, Staff believes that the Company's filing has satisfied all the requirements of the Commission's Rules and Procedural Order No. 26665. Therefore, Staff recommends approval of Granite's Application for a Certificate of Public Convenience and Necessity.

COMMISSION DECISION

Does the Commission wish to approve Granite Telecommunications, LLC's Application for a Certificate of Public Convenience and Necessity?



Lisa Nordstrom

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