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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
NEW EDGE NETWORK, INC. DBA) CASE NO. NEN-T-11-01
EARTHLINK BUSINESS FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY)
TO PROVIDE LOCAL EXCHANGE) COMMENTS OF THE
TELECOMMUNICATIONS SERVICES) COMMISSION STAFF
_____)**

The Staff of the Idaho Public Utilities Commission comments as follows on New Edge Network, Inc. dba EarthLink Business' October 20, 2011 Application authorizing the Company to provide resold and facilities-based local exchange telecommunications service to business customers in Idaho.

BACKGROUND

On October 20, 2011, New Edge Network applied to the Commission for a Certificate of Public Convenience and Necessity (CPCN) authorizing the Company to provide resold and facilities-based local exchange telecommunications service to business customers in Idaho.¹ On April 30, 2012, the Company filed a Replacement Local Exchange Tariff. The Company then amended its Application on June 4, 2012.

¹ The Company applied for a CPCN under *Idaho Code* §§ 61-526 through -528, IDAPA 31.01.01.111 (RP 111), and Procedural Order No. 26665. The Company's statutory citations are correct; however, the Company is a competitive local exchange carrier (CLEC), and RP 114, rather than RP 111, governs a new CLEC's application for a CPCN.

With its Application, New Edge seeks to provide wireline local telecommunications service including local exchange service and exchange access service. The Company primarily will provide local exchange service by reselling the services of other carriers. The Company says it also may provide facilities-based local exchange service using its own facilities, facilities leased from other carriers, or a combination of both. *Id.* at 1-2.

On June 19, 2012, the Commission issued a Notice of Application and Notice of Modified Procedure soliciting written comments on the Application. The Commission set a July 10, 2012 comment deadline. *See* Order No. 32574. Staff submits these comments per that Order.

STAFF ANALYSIS

New Edge says it is a Delaware Corporation that is authorized to do business in Idaho. The Company says it has no Idaho offices, its principal place of business is in Georgia, and it is a wholly-owned indirect subsidiary of EarthLink, Inc. *See* Application at 2-3, 5.

New Edge proposes to service areas currently serviced by CenturyLink and Frontier. The Company says it does not seek to service areas currently serviced by small or rural carriers. *See* Amendment to Application at 1. The Company also says it is developing an Idaho marketing strategy using a professionally trained sales force, and that it will initiate interconnection negotiations once it receives its CPCN. *Id.* at 6-8.

New Edge says that if it decides to collect customer deposits, it will enter into an escrow agreement with a bonded escrow agent before offering service in Idaho, it will file the agreement with the Commission upon request, and it will comply with the Commission's rules regarding deposits. *Id.* at 8.

New Edge, through its parent company EarthLink, appears to possess the requisite financial resources to provide resold local exchange telecommunications service. The financial qualifications were presented in EarthLink's most recent SEC Form 10-Q. *See* Application at 6, Exhibit 5.

New Edge says it will comply with all applicable Idaho laws and Commission rules and regulations. *See* Verification attached to Application.

STAFF RECOMMENDATION

Staff has reviewed New Edge's Application and believes the Company understands and agrees to comply with the Commission's rules and requirements. Based on this review, Staff also believes New Edge possess the requisite financial, managerial, and technical qualifications necessary to provide telecommunications services. Therefore, Staff recommends that the Commission issue a CPCN to New Edge, subject to the following conditions:

1. The Company must comply with all number pooling and reporting requirements of the North American Number Plan Administrator. See Commission Order No. 30425;
2. The Company must comply with all reporting and contribution requirements as prescribed by the Idaho Universal Service Fund, Idaho Telecommunications Relay System, Idaho Telecommunications Service Assistance Program; and
3. The Company must comply with all future reporting requirements deemed appropriate by the Commission for competitive telecommunications providers.

Respectfully submitted this 10th day of July 2012.



Karl T. Klein
Deputy Attorney General

Technical Staff: Carolee Hall

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 10TH DAY OF JULY 2012, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. NEN-T-11-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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