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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
NEUTRAL TANDEM-IDAHO, LLC, FOR A) CASE NO. NTM-T-08-2
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO PROVIDE LOCAL) COMMENTS OF THE
EXCHANGE TELECOMMUNICATIONS) COMMISSION STAFF
SERVICES.)
_____)
)**

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Kristine A. Sasser, Deputy Attorney General, and in response to the Notice of Modified Procedure issued in Order No. 30858 on July 10, 2009, in Case No. NTM-T-08-2, submits the following comments.

BACKGROUND

On November 24, 2008, Neutral Tandem-Idaho, LLC (Neutral Tandem), filed an Application for a Certificate of Public Convenience and Necessity (CPCN) to provide resold and facilities-based local exchange services in the State of Idaho. Specifically, the Company proposes to offer local telecommunications services to business customers, including small business customers as defined in *Idaho Code* § 62-603. See Revised Illustrative Tariff at 66.

Neutral Tandem seeks authority to provide all forms of local exchange and interexchange services throughout Idaho. The Company will offer resold and facilities-based local exchange

and interexchange service and intends to deploy its own switching platform facilities in collocated sites throughout Idaho as well as lease fiber optic facilities. The Company maintains that where it lacks facilities or where customer demand warrants, Neutral Tandem intends to resell the services of the underlying carrier. The Company anticipates providing service in areas currently served by Qwest and does not plan to provide service to areas served by small or rural local exchange carriers.

Neutral Tandem is a limited liability company headquartered in Delaware and is a wholly-owned subsidiary of Neutral Tandem, Inc. Although the Company will not have an office location in Idaho, its registered agent for service in Idaho is Corporation Service Company, located in Boise.

STAFF ANALYSIS

In Neutral Tandem's Application, the Company states that it expects to provide service shortly after obtaining Commission authorization and will enter into interconnection and service arrangements with Qwest Corporation or other certificated facilities-based carriers.

The company affirms it has reviewed the laws and regulations of the Commission governing local exchange telecommunications services in Idaho and will provide service in accordance with Idaho's laws, rules, and regulations. Application at 7.

With its Application, the Company provided financial statements for Neutral Tandem, Inc. and its subsidiaries for 2005, 2006, and 2007. In addition, the Company provided an illustrative Tariff No. 1 for interlata and intralata communications services and illustrative Tariff No. 2 for intrastate interexchange telecommunications services.

The Company plans to offer a local exchange service referred to as "Secure Line," which is described as two-way voice grade service with local and intralata calling capabilities with access to emergency services, operator services, directory assistance, number portability, and Telecommunications Relay Service. *Id.* at 67.

Prior to this Application, Neutral Tandem submitted an Application for CPCN approval to the Commission on May 23, 2008. However, following communication with Staff, the Company withdrew its initial Application on July 21, 2008. See Case No. NTM-T-08-01. This Application is the second filing by the Company. After several emails and conversations between the Company and Staff, a revised price list was submitted and the Company chose to proceed with its

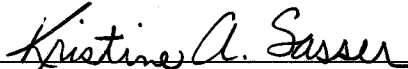
Application with the knowledge that Staff would recommend to the Commission that certain conditions be met in order for the Company to obtain a CPCN.

STAFF RECOMMENDATIONS

Staff has reviewed the Application by Neutral Tandem and believes the Company understands and agrees to comply with Commission Rules of Procedure 111 (IDAPA 31.01.01.111) 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. Staff, therefore, recommends Commission approval of the Application for a Certificate of Public Convenience and Necessity subject to the following conditions:

1. Compliance with the Number Pool Administration and Idaho Commission Order No. 30425 mandating number resource utilization forecast (NRUF) reporting requirements;
2. Contribution to the Idaho Universal Service Fund (USF), Idaho Telecommunications Relay Service (TRS), Idaho Telephone Service Assistance Program (ITSAP), and any future reporting requirements deemed appropriate for competitive telecommunications providers;
3. Upon approval of this Application, Neutral Tandem will issue a final price list under Case No. NTM-T-08-02, at which time a certificate will be issued; and
4. The Company agrees that it will relinquish its certificate and any telephone numbers if it is not doing business within one year of its issuance of a CPCN.

Respectfully submitted this 31ST day of July 2009.



Kristine A. Sasser
Deputy Attorney General

Technical Staff: Grace Seaman

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 31ST DAY OF JULY 2009, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. NTM-T-08-02, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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SECRETARY

CERTIFICATE OF SERVICE