

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF ONEWAVE NETWORKS )  
BOISE, LLC'S 2012 BROADBAND EQUIPMENT )  
TAX CREDIT APPLICATION. )**

**CASE NO. OWB-T-13-01**

**ORDER NO. 32885**

On August 14, 2013, OneWave Networks Boise, LLC (the "Company") applied to the Commission for an Order confirming that equipment it installed in 2012 is "qualified broadband equipment" under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). With this Order, we confirm that the installed equipment is "qualified broadband equipment" under *Idaho Code* § 63-3029I.

**THE APPLICATION**

In its Application, the Company says it invested \$126,608.54 in qualifying broadband equipment in 2012. The Company says it is an Internet Services Provider that offers fixed wireless broadband connectivity services through fixed wireless and packet switching technologies. The Company says the equipment it installed has transmission rates of 1,000,000 bits per second ("bps") to 50,000,000 bps. The Company says it installed the broadband equipment in the Treasure Valley and surrounding areas and added about 250 customers. See Application.

**THE BROADBAND EQUIPMENT TAX CREDIT**

*Idaho Code* § 60-3029I allows a taxpayer to receive an income tax credit for having installed qualified broadband equipment during a calendar year. Before the taxpayer is eligible for the tax credit, the taxpayer must first apply to the Commission for an Order confirming that the installed equipment is "qualified broadband equipment" as defined in the statute. *Idaho Code* § 63-3029I(4). That statute defines "qualified broadband equipment" as equipment that qualifies for the *Idaho Code* § 63-3029B capital investment credit that "is capable of transmitting signals at a rate of at least [200,000 bps] to a subscriber and at least [125,000 bps] from a subscriber." *Idaho Code* § 63-3029I(3)(b). The equipment must also be primarily used to provide services in Idaho to public subscribers. See *Idaho Code* § 63-3029I(3)(b)(vii). Additional requirements

apply to specific types of equipment. In the case of a wireless carrier,<sup>1</sup> qualifying equipment is “only that equipment that extends from a transmitting/receiving antenna, including such antenna, which transmits and receives signals to or from multiple subscribers to a transmitting/receiving antenna on the outside of the structure in which the subscriber is located.” *Idaho Code* § 63-3029I(3)(b)(iv). Further, packet-switching equipment only qualifies to the extent it is installed with other qualifying equipment and “is the last in a series of equipment that transmits signals to a subscriber or the first in a series of equipment that transmits signals from a subscriber.” *Idaho Code* § 63-3029I(3)(b)(v).<sup>2</sup>

In furtherance of its statutory responsibility, the Commission has issued Order No. 28784. That Order specifies the information the taxpayer must include in the broadband tax credit application. When the taxpayer files the application, the Commission Staff reviews it to determine whether the listed equipment meets the statutory definition of “qualified broadband equipment.” Staff then submits a recommendation to the Commission. If the Commission ultimately approves the application, the Commission forwards it and the Order to the Idaho State Tax Commission.

#### **STAFF REVIEW**

Staff reviewed the Company’s Application under *Idaho Code* § 63-3029I. Based on its review, Staff believes that the Company is a wireless carrier that uses fixed wireless and packet-switching technologies to offer broadband services, and that the listed equipment is “qualified broadband equipment” as defined in the statute and is eligible for the tax credit. Staff thus recommended the Commission: (1) issue an Order confirming that the Company’s equipment is “qualified broadband equipment,” and (2) forward copies of the Application and Order to the Idaho State Tax Commission.

#### **COMMISSION FINDINGS**

Based on our review of the record, we find the Company is a wireless carrier that offers broadband services to Idaho customers, and the Company’s listed equipment is “qualified broadband equipment” subject to the tax credit under *Idaho Code* § 63-3029I. Accordingly, it is

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<sup>1</sup> As used here, “wireless carrier” means “any person, other than a telecommunications carrier, commercial mobile service carrier, cable operator, open video operator, or satellite carrier, providing broadband services to subscribers through the radio transmission of energy. See *Idaho Code* 63-3029I(3)(b)(iv).

<sup>2</sup> “Packet-switching equipment” is equipment that controls or routes the path of a digital transmission signal that is assembled into packets or cells. See *Idaho Code* § 63-3029I(3)(b)(v).

appropriate for the Commission to issue an Order confirming that the Company's equipment is "qualified broadband equipment." The Commission makes no findings regarding the costs of the installed broadband equipment or other expenses.

**ORDER**

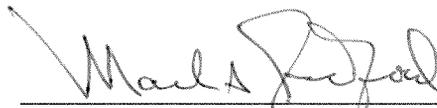
IT IS HEREBY ORDERED that the Company's Application for an Order confirming that equipment it installed in 2012 is "qualified broadband equipment" is granted.

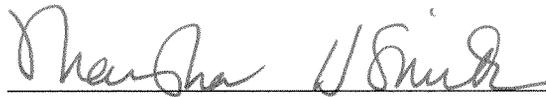
IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served on the Idaho State Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this order (or in issues finally decided by this order) may petition for reconsideration within twenty-one (21) days of the service date of this order with regard to any matter decided in this order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code §§ 61-626 and 62-619.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 4<sup>th</sup> day of September 2013.

  
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PAUL KJELLANDER, PRESIDENT

  
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MACK A. REDFORD, COMMISSIONER

  
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MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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