

## DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER  
COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE**

**FROM: GRACE SEAMAN**

**DATE: AUGUST 27, 2013**

**RE: ONEWAVE NETWORKS BOISE, LLC AND ONE WAVE NETWORKS,  
LLC'S BROADBAND EQUIPMENT TAX CREDIT APPLICATIONS;  
CASE NOS. OWB-T-13-01 AND OWN-T-13-01.**

### BACKGROUND

In 2001, House Bill 377 was enacted authorizing income tax credit for the installation of qualifying broadband infrastructure in Idaho. *Idaho Code* § 63-3029B(3)(a)(ii). In particular, Section 63-3029I allows a taxpayer to receive an investment tax credit for eligible broadband equipment installed during a calendar year.

“Qualified broadband equipment” is defined as those network facilities capable of transmitting signals at a rate of at least 200,000 bits per seconds (bps) to a subscriber and at least 125,000 bps from a subscriber. *Idaho Code* § 63-3029I(3)(b). To be eligible for the tax credit, the taxpayer must obtain from the Commission an Order confirming that the installed equipment meets the statutory definition of qualified broadband equipment. Procedural Order No. 28784 and *Idaho Code* § 63-3029I(4). Once the Commission has determined the installed equipment is eligible for the broadband equipment tax credit, an order along with the original Application is forwarded to the Idaho Tax Commission.

### THE APPLICATION

On August 14, 2013 the Commission received Applications from OneWave Networks Boise, LLC (“OWB”) and One Wave Networks, LLC (“OWN”) (or collectively as “Companies”) seeking approval of equipment for the broadband tax credit. In the Applications, the Companies state that it installed equipment associated with Fixed Wireless Broadband

services with transmission rates of 1 Mbps to 50 Mbps. OWB invested approximately \$126,600 in the Treasure Valley and surrounding areas and added approximately 250 customers during 2012. OWN invested approximately \$303,700 in the Magic Valley and surrounding areas and added approximately 560 customers.

#### **STAFF REVIEW AND RECOMMENDATION**

Staff has reviewed the list of proposed broadband equipment submitted by both Companies and believes the identified equipment qualifies for the investment tax credit pursuant to Procedural Order No. 28784 and *Idaho Code* § 63-3029I(3)(b). Staff also believes that the expenditures identified by the Company, an Internet Service Provider (offering its services through fixed wireless and packet switching technologies) were for equipment that is “necessary for the provision of broadband services and an integral part of a broadband network.” Staff, therefore, recommends that the Commission issue an Order confirming the equipment is qualified broadband equipment and forward the approving Order along with a copy of the original Application to the Idaho Tax Commission.

#### **COMMISSION DECISION**

Does the Commission wish to issue an order confirming the equipment identified in Case Nos. OWB-T-13-01 and OWN-T-13-01 is qualified broadband equipment as defined in *Idaho Code* § 63-3029I(3)(b), and forward it to the Idaho Tax Commission?

  
Grace Seaman

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