

Exhibit No. ___ T (JT-1T)
Docket UT-132234
Witness: Rayne Pearson
Robert Williamson
Mark Reynolds
Stefanie Johnson

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**CENTURYTEL OF INTER ISLAND,
INC. D/B/A CENTURLINK,**

Respondent.

DOCKET UT-132234

JOINT TESTIMONY OF

Rayne Pearson
Robert Williamson
Mark Reynolds
Stefanie Johnson

Joint Testimony in Support of Settlement

June 26, 2015

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1 I. INTRODUCTION

2
3 Q. Who is sponsoring this testimony?

4 A. This testimony is jointly sponsored by the Staff of the Washington Utilities and
5 Transportation Commission (Staff), the Public Counsel Unit of the Washington State
6 Attorney General’s Office (Public Counsel), and CenturyLink of Inter Island, Inc.
7 d/b/a CenturyLink (“CenturyLink” or “Company”) (collectively “the Parties”) and is
8 offered in support of the Settlement Agreement entered into among Staff, Public
9 Counsel, and CenturyLink.

10
11 Q. Please state your names.

12 A. Our names are: Rayne Pearson and Bob Williamson (Staff), Mark Reynolds
13 (CenturyLink), and Stefanie Johnson (Public Counsel).

14
15 Q. Please describe your backgrounds and qualifications.

16 A. For Ms. Pearson’s and Mr. Williamson’s information, please see Section IV of this
17 testimony. For Mr. Reynolds’ information, please see Section V of this testimony.
18 For Ms. Johnson’s information, please see Section VI of this testimony.

19
20 Q. What is the purpose of your testimony?

21 A. Our testimony describes and supports all provisions of the Revised Settlement
22 Agreement signed by Staff, Public Counsel, and CenturyLink (“Settlement
23 Agreement”). The Parties filed their initial Settlement Agreement with the

1 Washington Utilities and Transportation Commission (Commission) on June 2,
2 2015. On June 26, 2015, the Parties filed their Revised Settlement Agreement
3 (Settlement Agreement), which incorporated an expanded definition of the term “San
4 Juan Submarine Facilities.”

5 As explained in greater detail below, the Parties agree that the resolution of
6 the Commission’s complaint as reflected in the Settlement Agreement is consistent
7 with the public interest and should be approved. The Parties request that the
8 Commission issue an order approving the Settlement Agreement.

9
10 **II. BACKGROUND**

11
12 **Q. Please briefly describe the history of the proceeding.**

13 A. In the early morning hours of Tuesday, November 5, 2013, CenturyLink customers
14 on the San Juan Islands experienced a service outage that isolated them from the
15 mainland, disrupted 911 and long-distance service, and limited interisland calling.
16 The cause of the outage was a break in the underwater cable connecting Lopez Island
17 and the main switch on San Juan Island.

18 When CenturyLink’s monitoring system detected the loss of connection with
19 the Friday Harbor switch at 3:45 a.m. on November 5, 2013, CenturyLink reported it
20 to the Commission at 3:47 a.m., stating that the estimated restoral time was 8:00 a.m.
21 the same day. CenturyLink learned later that day that the outage was due to a failure
22 of the underwater cable.

1 Service to the San Juan Islands was fully restored within 10 days. It is not
2 unusual for an underwater repair such as this one to take longer than 30 days.

3 According to Staff's underwater cable expert, mobilizing the tools and resources
4 needed to repair the cable on such short notice was an achievement worth noting.

5 On December 9, 2013, the Commission held a public hearing in Friday
6 Harbor, where it received comments from business owners, public officials, and
7 residents about the outage. The Commission also received written comments.
8 CenturyLink customers in the San Juan Islands, as well as the San Juan County
9 Department of Emergency Management (San Juan DEM), reported that they were
10 unable to get reliable information about what was happening and the status of the
11 repairs.

12 In August 2014, the Commission concluded its investigation and filed a
13 complaint against CenturyLink alleging 15,921 violations of WAC 480-120-412, the
14 major outages rule. The violations related to CenturyLink's handling of
15 communications with its customers and with public officials during the outage.

16
17 **Q. Did CenturyLink contest the allegations in the complaint?**

18 **A.** Yes. The Commission convened a prehearing conference and set a procedural
19 schedule for the litigation of the complaint.

20
21 **Q. How did Public Counsel become involved in the litigation?**

1 A. Pursuant to RCW 80.04.510 and RCW 80.01.100, Public Counsel entered an
2 appearance in the docket shortly after the complaint was filed and has participated
3 actively in the proceeding.

4
5 **Q. Is the settlement a full settlement pursuant to WAC 480-07-730(1)?**

6 A. Yes, it is an all-party settlement, and the Settlement Agreement resolves all of the
7 issues in the litigation.

8

9

III. JOINT TESTIMONY

10

11 **Q. Please provide an overview of the settlement.**

12 A. The Settlement Agreement provides for a penalty of \$50,000 and for a process to
13 improve CenturyLink's communications with its customers both in the San Juan
14 Islands and statewide during major outages. CenturyLink admits that it violated the
15 major outages rule, WAC 480-120-412, and the Company agrees to meet with
16 representatives from the San Juan DEM, the Washington State Military Department,
17 Staff, and Public Counsel to improve CenturyLink's performance under the major
18 outages rule, WAC 480-120-412, during any future major outage in the San Juan
19 Islands. The Settlement Agreement contains commitments by CenturyLink
20 regarding inspection and reporting associated with underwater cable and microwave
21 facilities used to serve the San Juan Islands. And finally, CenturyLink commits to
22 make facilities investments to ameliorate long-term service quality issues in
23 specified locations throughout the state.

1 *Violations and Penalty*

2

3 **Q. What does the Settlement Agreement provide in terms of admissions to rule**
4 **violations and a penalty?**

5 A. For purposes of settlement, CenturyLink admits to rule violations in terms of how it
6 communicated with the Commission, emergency management officials, and the
7 public, and will pay a penalty of \$50,000. CenturyLink will pay the penalty within
8 30 days of the date of a final order approving the Settlement Agreement or the date
9 that an initial order approving the Settlement Agreement becomes a final order.

10

11 *Emergency Communications Plans*

12

13 **Q. What terms have the Parties agreed to regarding emergency communications**
14 **plans for the San Juan Islands and the state in general?**

15 A. The Parties have agreed to hold at least two meetings regarding emergency
16 communications within six months of the effective date of the Settlement
17 Agreement. One meeting will take place in the San Juan Islands among the Parties
18 and representatives from the San Juan DEM and the Washington Military
19 Department. The subject for the San Juan meeting will be development of an
20 emergency communications plan for San Juan County that is consistent with WAC
21 480-120-412. CenturyLink commits to providing an emergency communications

1 plan for San Juan County within eight months after the effective date¹ of the
2 Settlement Agreement.

3 The second meeting will take place at the Commission's headquarters in
4 Olympia among the Parties. The subject for this meeting will be development of an
5 emergency communications plan for use during major outages in Washington that is
6 consistent with WAC 480-120-412. CenturyLink commits to providing an
7 emergency communications plan, specific to Washington, within eight months of the
8 effective date of the Settlement Agreement.

9 Staff is tasked with initiating, coordinating, making logistical arrangements
10 for, and facilitating both meetings. All Parties agree that they will make appropriate
11 representatives available at each of the meetings.

12 Compliance with the provisions that address developing emergency
13 communications plans should enable a better understanding among the Parties and
14 state and local emergency management officials as to timing and content of
15 notifications. Further, the Parties believe that the provisions provide opportunity to
16 enhance CenturyLink's future communications and compliance with the major
17 outages rule.

18
19 ***Technical Commitments***

20
21 **Q. What technical commitments are being made by CenturyLink under the**
22 **Settlement Agreement?**

¹ "Effective Date" is defined in the Settlement Agreement as the date of a final order approving the Settlement Agreement or the date that an initial order approving the Settlement Agreement becomes a final order.

1 A. CenturyLink provides formal notification to the Commission via the technical
2 agreements made in the Settlement Agreement that it has received approval from
3 both the Federal Communications Commission and Canadian authorities for
4 spectrum for two microwave systems designed to provide redundancy to its system
5 serving San Juan County. Mark Reynolds provides more detail in his testimony
6 below with respect to this commitment.

7 CenturyLink also commits to provide reports regarding the following items
8 under the Settlement Agreement:

- 9 • Annual inspection plans to the Commission for the San Juan Submarine
10 Facilities, including the cable that was severed on November 5, 2013.

11 The San Juan Submarine Facilities is a defined term in the Settlement
12 Agreement and includes the sections of cable running from Friday Harbor
13 on San Juan Island to Lopez Island, from Lopez Island to Anacortes on
14 the mainland, and from Blakely Island to Orcas Island. The break
15 occurred along the route running from Friday Harbor to Anacortes,
16 specifically between San Juan Island and Lopez Island. This route is part
17 of CenturyLink's main fiber route that carries traffic between the islands
18 and the mainland. The route from Blakely Island to Orcas Island also is
19 included in the inspection commitment. A failure of the cable routes
20 between Blakely Island and Orcas Island or between Lopez Island and
21 Decatur Island would isolate Blakely Island or Decatur Island
22 respectively. The isolation would occur because CenturyLink does not
23 have a submarine cable connecting Blakely Island and Decatur Island.

1 The inspection plans will include, at minimum, the location of the facility
2 to be inspected and the frequency and manner in which inspections will
3 be conducted. The annual inspection plan will be filed by November of
4 each year and will detail plans for the following calendar year.

- 5 • Annual reports on all inspections and maintenance performed during the
6 preceding year for both the San Juan Submarine Facilities and the
7 microwave systems. With respect to the San Juan Submarine Facilities,
8 CenturyLink will identify the baseline measurements of decibel and
9 signal strength, identify any loss of decibel or signal strength, and
10 describe ongoing monitoring of the underwater facility. With respect to
11 the microwave system, CenturyLink will state whether it has followed its
12 current Antenna and Tower Routine Inspection. CenturyLink also
13 commits to provide the Commission with any revised Antenna and Tower
14 Routine Inspection if that protocol changes. The report will be filed by
15 March 31 of each year.
- 16 • Annual reports on the status of the microwave facilities in the San Juan
17 Islands, including a certification that the system can carry all of
18 CenturyLink's intrastate voice and critical services traffic. CenturyLink
19 also commits to provide information regarding the status of the
20 microwave systems to Staff upon request. The report will be filed by
21 March 31 of each year.

- 1 • To file a petition for Commission approval if CenturyLink plans to reduce
2 or eliminate redundant service between the islands and from the islands to
3 the mainland.

4 These commitments run through March 31, 2025.

5
6 ***Service Quality-Related Conditions***

7
8 **Q. How do the service quality conditions in the Settlement Agreement address**
9 **service quality issues?**

10 A. As a part of the Settlement Agreement, CenturyLink committed to certain work in
11 other parts of the state to address recurring service quality concerns raised by Staff.
12 CenturyLink will replace facilities in six different locations to improve service
13 quality to customers in those locations. These commitments will generally include
14 installation of new facilities. The affected areas are as follows:

- 15
16 • King County, Enumclaw – Complaint 122394 – Test and repair cable at
17 multiple locations, cut to clean cable.
- 18 • Stevens County, Colville – Complaint 121141 – Replace approximately
19 600’ of old buried cable.
- 20 • Pierce County, Tacoma – Complaint 122347 – Replace cable.
- 21 • Ferry County, Keller – Complaint 121833 – Replace approximately 1500’
22 of cable.
- 23 • Cowlitz County, Longview – Complaint 122811 – Replace several
24 hundred feet of cable with new aerial plant.

- 1 • Walla Walla County, Walla Walla – Complaint 119890 – Replace with
2 new aerial facilities.

3
4
5
6 **Q. What is the cost of these improvements?**

7 A. CenturyLink’s preliminary estimate of the capital cost of these investments totals
8 approximately \$100,000. This work will be completed by December 31, 2015, and
9 CenturyLink will notify the Commission, with a copy to Staff and Public Counsel,
10 when that work is complete.

11
12 **Q. What is the Parties’ overall recommendation in this case?**

13 A. The Parties believe that the Settlement Agreement represents a reasonable resolution
14 to the Complaint in this case. The Parties further believe that the Settlement
15 Agreement is in the public interest and, therefore, request that the Commission issue
16 an order approving the Settlement Agreement.

17
18 **IV. STAFF TESTIMONY**

19
20 **Q. Please state your name and business address.**

21 A. My name is Rayne Pearson. My business address is 1300 S. Evergreen Park Drive
22 S.W., P.O. Box 47250, Olympia, WA 98504.

23
24 **Q. By whom are you employed and in what capacity?**

1 A. I am employed by the Washington Utilities and Transportation Commission
2 (Commission) as an administrative law judge in the Administrative Law Division.

3

4 **Q. How long have you been employed by the Commission?**

5 A. I have been employed with the Commission since January 4, 2010. Prior to July 1,
6 2014, when I joined the Administrative Law Section as an administrative law judge,
7 I was employed in the Consumer Protection and Communications Section for four
8 years and six months. I worked as a compliance investigator for two years and 10
9 months in that section, and then as a consumer protection manager for one year and
10 eight months.

11

12 **Q. Would you please state your educational and professional background?**

13 A. I am a licensed attorney. I obtained my undergraduate degree in Journalism and
14 Women's Studies from New York University, and my J.D. from Seattle University
15 School of Law in 2004. I have over seven years of experience as an investigator and
16 regulator in various capacities with the state of Washington.

17

18 **Q. How did you become familiar with the matters in this proceeding?**

19 A. While I was employed in the Consumer Protection and Communications Section, I
20 worked with Telecommunications Staff to conduct the investigation that led to the
21 complaint in this docket.

22

1 **Q. Does Staff support the Settlement Agreement entered into by the Parties and**
2 **filed with the Commission on June 26, 2015?**

3 A. Yes, Staff agrees that the settlement resolves the issues raised in the Commission's
4 complaint, and that the filing is in the public interest and should be approved by the
5 Commission.

6
7 **Q. Please provide an overview of Staff's testimony in support of the settlement.**

8 A. I will discuss the commitments related to improving communications with customers
9 during major outages, resolving certain long-standing service quality issues in
10 various locations of the state, and paying an appropriate penalty. Mr. Robert
11 Williamson will discuss the commitments related to facilities inspection and
12 reporting.

13
14 **A. COMMITMENTS RELATED TO COMMUNICATIONS DURING MAJOR**
15 **OUTAGES, SERVICE QUALITY INVESTMENTS, AND PENALTY**

16
17
18 **Q. What lead Staff to pursue enforcement in this matter?**

19 A. Staff's investigation found that CenturyLink failed to adequately communicate with
20 Commission Staff, the E-911 coordinator for the San Juan Islands, and its customers
21 during the outage. In Staff's view, these communication failures represented
22 violations of the Commission's major outages rule, WAC 480-120-412, and also had
23 a tremendous and widespread impact on CenturyLink's customers and in the San
24 Juan Islands community as a whole.

25

1 Q. How does CenturyLink's commitment to develop a statewide communications
2 plan ameliorate the concerns that prompted Staff to initiate enforcement in this
3 case?

4 A. Having a statewide communications plan in place should ensure that information is
5 more quickly and widely disseminated to CenturyLink customers in the event of an
6 outage. The plan will address things like posting updates in public locations and
7 ensuring that Staff is immediately notified when an outage occurs.

8

9 Q. How does the commitment by CenturyLink to meet with representatives from
10 San Juan County DEM and the State Military Department as well as Staff and
11 Public Counsel ameliorate Staff's concerns about CenturyLink's compliance
12 with the major outage notification rules during a major outage affecting the San
13 Juan Islands?

14 A. Staff believes that the violations at issue stemmed from a lack of communication
15 prior to the outage about how and when updates would be relayed, and whom to
16 contact within the organization for questions or concerns. Creating a plan for
17 communicating regularly and effectively with the San Juan DEM in the event of an
18 outage should ensure that these violations do not recur.

19

20 Q. Please explain why Staff believes the penalty of \$50,000 is appropriate.

21 A. CenturyLink admitted that its conduct violated Commission rules, and has
22 committed to making improvements not only to its infrastructure, but also to its
23 internal processes and procedures. Moreover, CenturyLink has committed to making

1 service quality improvements in rural areas of Washington that otherwise would
2 have continued to experience service quality issues indefinitely. A reduced penalty
3 is appropriate in light of these concessions and commitments.

4
5 **Q. What is the importance of the commitment by CenturyLink to invest in
6 infrastructure to improve service quality in certain locations?**

7 A. This commitment is significant for CenturyLink customers who otherwise would
8 have continued to experience service quality issues indefinitely. None of the
9 locations identified in the settlement agreement would have received service quality
10 improvements absent the settlement agreement.

11
12 **Q. How did Staff select the locations for the service quality investments that
13 CenturyLink has agreed to undertake?**

14 A. Staff selected these locations based on consumer complaints received by the
15 Commission. In the course of investigating each of these complaints, CenturyLink
16 informed Staff that there were no plans in the immediate future to make service
17 quality improvements in any of these areas.

18
19 **B. COMMITMENTS RELATED TO FACILITIES INSPECTION AND
20 REPORTING**

21
22 **Q. Please state your name and business address.**

23 A. My name is Robert T. Williamson. My business address is 1300 S. Evergreen Park
24 Drive S.W., P.O. Box 47250, Olympia, WA 98504.

1 **Q. By whom are you employed and in what capacity?**

2 A. I am employed as a Utility Engineer in the Telecommunications Section of the
3 Commission.

4

5 **Q. How long have you been employed by the Commission?**

6 A. I have been employed at the Commission since April 2002.

7

8 **Q. Would you please state your educational and professional background?**

9 A. I received my Engineering and Management technical training at the BellCore
10 Technical Training Institute in Lisle, Illinois. I was employed by Pacific NW Bell
11 (US West, QWEST) for 30 years as an Engineer and Project Manager. Prior to
12 coming to the Commission I was the Director of Neustar's European C7/IP Network
13 based in London, U.K., from 2000 through March 2001, and the Director New
14 Business Technical Development, IP Services, March 2001 through March 2002. I
15 worked as the Test Manager for AT&T in Honolulu, Hawaii, from 1997 through
16 March 2000. I was the Switch Application Engineering Manager for Teleport
17 Communications Group (TCG) from 1995 to 1997. While on leave from the
18 Commission June 2007 through September 2008, I was employed as a Project
19 Engineer by the Defense Information Service Agency-Pacific (DISA-PAC)
20 managing portions of the Joint Hawaii Information Transfer System (JHITS)
21 contract for the Department of Defense (DoD).

22

1 **Q. How are you familiar with the matters in this proceeding?**

2 A. I worked closely with Staff's marine cable consultant, Robert Munoz (Undersea
3 Cable Consultants) during his investigation, and I co-authored with Rayne Pearson
4 the Staff Investigation Report dated August 2014, and on file in this docket.
5

6 **Q. What technical telecommunications concerns regarding the November 2013
7 cable failure outage does this Settlement Agreement resolve?**

8 A. At the time of the network underwater fiber cable failure in November 2013, the San
9 Juan Islands had a single connection to the outside world from CenturyLink's central
10 office network switch located in Friday Harbor on San Juan Island. This single
11 connection provided the sole access route for all of CenturyLink's communications
12 services to the islands. The lack of multiple physical routes between the switch at
13 Friday Harbor, on San Juan Island, and the other islands, coupled with the switch's
14 lack of multiple physical routes to the mainland, resulted in the San Juan Islands'
15 telecommunications services becoming virtually isolated from the mainland during
16 the length of time required for the restoral of service.

17 Following the restoral of service, the cable route extending from San Juan
18 Island to Lopez and from Lopez to Anacortes still lacked multiple redundant network
19 paths, and the loss of either of those two sections would have resulted in the same
20 situation experienced during the November 2013 service outage. Given the difficulty
21 of responding to an underwater fiber failure in a timely manner, CenturyLink has
22 subsequently installed two digital microwave radios to provide network redundancy:
23 one from the Mt. Constitution microwave tower on Orcas Island to the mainland at

1 Bellingham, and another from Friday Harbor on San Juan Island to Mt. Constitution.
2 Blakely and Decatur Islands do not have redundant paths off those islands, and the
3 annual inspection commitments the Company has made include those cable routes.

4 The nature of submarine fiber optic cable makes it difficult or impossible to
5 forecast repairs that need to be completed before a failure occurs. In the vast majority
6 of cases cables are severed by a dragged anchor, research equipment or fishing gear.
7 When this occurs, the fiber stops transmitting data. After an underwater cable failure
8 occurs, it is extremely difficult to gather the equipment—e.g., specially equipped
9 barges, tugs and repair equipment—and qualified manpower to find and repair the
10 broken underwater fiber optic cable.

11 In Staff's Investigation Report, Appendix J, page 55, Staff's fiber consultant,
12 Robert Munoz, expressed the following opinion:

13 It is of my expert opinion that the cable was dragged along the
14 seabed by an anchor, fishing gear or some other towed device that
15 caused the cable to wrap itself tightly around a large rock feature.
16 The cable broke due to excessive tension over time after multiple
17 entanglements or during a single entanglement event.

18
19 CenturyLink could periodically hire a contractor to inspect the underwater
20 fiber cable, which is expensive and would inform the Company of the state of the
21 cable on that particular date. But as our cable expert states, the greatest danger to the
22 cable is other actions such as an anchor snagging the cable, which may exert
23 excessive tension to the point of severing the cable. I believe that given these
24 circumstances, the Company's decision to construct a redundant microwave path will
25 ensure most San Juan Islands customers will have voice service if an underwater
26 fiber cable is damaged again in the future. Under the Settlement Agreement,

1 CenturyLink must petition the Commission for approval if the Company plans to
2 reduce or eliminate the redundant path. This commitment provides assurance that
3 CenturyLink will maintain these redundant paths.

4
5 **Q. Does the settlement require CenturyLink to provide additional inspection and**
6 **reporting concerning these redundant networks to the Commission?**

7 A. Yes, it does. CenturyLink has committed in this agreement to annually report to the
8 Commission all inspections and maintenance performed during the preceding year
9 for both the underwater fiber cable and the microwave systems. CenturyLink will
10 also report on the redundant capacity of the two microwave systems.

11
12 **Q. Please explain how the reporting will support the redundant networks.**

13 A. In each report to be filed with the Commission by March 31 each year, CenturyLink
14 will identify the baseline measurements of decibel and signal strength, identify any
15 loss of decibel or signal strength and describe ongoing monitoring for each
16 underwater facility. CenturyLink will also report indicating the Company has
17 followed its annual Antenna and Tower Routine Inspection for the San Juan
18 microwave facilities. Further, CenturyLink will affirm that the two microwave
19 systems continue to have sufficient capacity to maintain CenturyLink's voice
20 services and critical services circuits on diverse routes between the islands and the
21 mainland in case of a failure of the underwater fiber. CenturyLink will also provide
22 additional information on the microwave systems that Staff might request. These

1 commitments ensure reasonable inspections and monitoring, which mitigates the
2 possibility of another total failure of telecommunications in the San Juan Islands

3
4 **Q. Do you believe that the technical issues you have reviewed along with the**
5 **microwave network additions and ten year reporting commitments result in a**
6 **reasonable resolution to prevent future San Juan Islands outages?**

7 A. Yes, I do.

8
9 **Q. Does this conclude Staff's discussion of the Settlement Agreement?**

10 A. Yes, it does.

11
12 **V. CENTURYLINK TESTIMONY**

13
14 **Q. Please state your name and business address.**

15 A. My name is Mark Reynolds. My business address is 1600 - 7th Ave., room 1506,
16 Seattle, WA 98191.

17
18 **Q. Please describe your backgrounds and qualifications.**

19 A. I am the vice-president Public Policy for CenturyLink in Washington and four other
20 states. I have been employed by CenturyLink or one of its predecessor companies
21 since 1981 and have had various positions in a number of organizations, including
22 finance, public policy, interconnection negotiations, and cost analysis. I appeared in
23 multiple proceedings before this Commission and in other states testifying on various

1 issues in cost dockets, interconnection arbitrations, AFOR proceedings, mergers, and
2 settlements of contested cases.

3
4 **Q. In general, what is CenturyLink's position with regard to the issues in the**
5 **Complaint?**

6 A. Although CenturyLink did not file an answer to the complaint, CenturyLink did
7 disagree with some of the findings and conclusions in the Investigation Report and
8 some of the recommendations in the complaint. Nevertheless, CenturyLink believes
9 that the Settlement Agreement presents a fair resolution of the outstanding issues.

10
11 **Q. To provide additional context for the Settlement Agreement, are there any**
12 **other improvements or benefits that CenturyLink has provided in the San**
13 **Juans aside from what the Settlement Agreement requires?**

14 A. Yes, CenturyLink has done significant work in the San Juans, and has provided
15 customer credits outside of the Settlement Agreement as follows:

- 16 • CenturyLink repaired the cable cut expeditiously and at significant
17 expense – the cost of the repair alone was over \$2,000,000. The time to
18 repair was only 10 days, on a project that could easily have taken 6-8
19 weeks if materials and equipment had not been readily available.
- 20 • CenturyLink has expended more than \$650,000 to obtain and install
21 diverse and redundant microwave facilities between Friday Harbor and
22 Mt. Constitution, and between Mt. Constitution and Bellingham. This
23 system took months to complete due to the complex nature of the system.

- 1 • CenturyLink has exceeded any obligation it had to provide individual
2 customer credits in connection with the outage. CenturyLink provided
3 customer credits to its subscribers in the San Juan Islands in the amount
4 of \$271,487.86 in February of 2014. These credits represent a 15-day
5 credit for all services that were impacted, not just local exchange service.
- 6 • CenturyLink made good faith and ongoing efforts during the outage to
7 keep the Commission, the emergency management officials, and the
8 public apprised of the status of the outage. Although there were a small
9 number of complaints that information provided by CenturyLink was not
10 always clear, CenturyLink believes that those complaints were due to the
11 initial uncertainty about where the cable cut was located, the logistics of
12 gathering a repair team, and the time it took to fully understand a repair
13 timeline. Those factors meant that CenturyLink did not have a full status
14 to offer on the first or second days of the outage.

15

16 **Q. Does CenturyLink agree to the conditions in the Settlement Agreement?**

17 **A.** Yes, the Settlement Agreement presents a fair resolution of the issues. Some of the
18 terms of the Settlement Agreement, such as the meetings to jointly work on
19 communications plans, will promote better relationships and communication in the
20 event of future outages. It seemed productive to agree to those conditions as a way
21 to enhance future compliance, and those conditions would likely not have been part
22 of a litigated resolution. As such, and to avoid the cost and uncertainty of litigation

1 and in order to expeditiously resolve this proceeding, CenturyLink has agreed to the
2 terms set forth in the Settlement Agreement.

3
4 **Q. Are there any areas of the Settlement Agreement that are not addressed in the**
5 **Joint Testimony Section that you would like to explain further?**

6 A. Yes. The provisions regarding the Technical Commitments are not addressed in
7 detail in the Joint Testimony because these are commitments within CenturyLink's
8 technical expertise, so it made sense to have the additional explanation of these
9 commitments contained in my section of the testimony.

10
11 **Q. The Technical Commitments discuss the microwave system that CenturyLink**
12 **has installed in the San Juan Islands. Can you provide more information on**
13 **that system?**

14 A. Yes. CenturyLink spent more than a year designing, engineering, and building a
15 unique microwave system in the San Juans and connecting to the mainland to
16 provide diverse and redundant capacity. The microwave system transmits between
17 Friday Harbor and Mt. Constitution on Orcas Island and between Mt. Constitution
18 and Bellingham on the mainland. CenturyLink had to first obtain the spectrum to
19 build and operate the system, which required approval by both the FCC and the
20 Canadian government. There was then an extended design and engineering process,
21 as the distances spanned between these locations is significant. Subsequently, tower
22 leases were obtained, equipment was purchased and installed, and testing took place
23 for many weeks due to the complexity of the system.

1 **Q. Was any of this work done because of the Complaint?**

2 A. No, CenturyLink undertook this work on its own initiative after the cable cut. As
3 such, the system is already in place and operating.

4

5 **Q. Can you provide more technical details about the systems and the**
6 **improvements?**

7 A. CenturyLink engineers who are knowledgeable about these issues and who worked
8 on the engineering, design, installation, and testing of the system have provided me
9 with the following summary of the work done:

10 ➤ CenturyLink established new Ethernet radios (aka microwaves) between
11 Friday Harbor and Mt. Constitution, and Mt. Constitution and
12 Bellingham. The radios provide diverse and redundant paths for
13 CenturyLink's intrastate voice and critical services traffic, with sufficient
14 capacity to handle that traffic at normal call volumes in the event of an inter-
15 island transport fiber failure or a failure between Lopez Island and the
16 mainland.

17

18 **Q. In addition to this, what other technical commitments are being made by**
19 **CenturyLink under the Settlement Agreement?**

20 A. These commitments include CenturyLink's commitment to annual inspection and
21 maintenance (if necessary) of the microwave and submarine fiber facilities in the San
22 Juans, submission of plans regarding those inspections and maintenance, and annual
23 reports on any inspection and maintenance performed. CenturyLink has provided a
24 copy of its Antenna Inspection Form as a part of the Settlement Agreement and has
25 committed to advise the Commission if that form changes.

1 CenturyLink will also provide annual reports on the status of the microwave
2 facilities in the San Juan Islands, including a representation that the system continues
3 to provide diverse and redundant capacity as noted above (for CenturyLink's
4 intrastate voice and critical services traffic). Finally, CenturyLink has committed to
5 file a petition with the Commission to request permission to reduce or eliminate
6 redundant service on the microwave facility.

7 These commitments run through 2025.

8
9 **VI. PUBLIC COUNSEL TESTIMONY**

10
11 **Q. Ms. Johnson, please state your qualifications and experience.**

12 A. I am employed as a Regulatory Analyst with the Public Counsel Unit of the
13 Washington State Attorney General's Office. I have a B.A. in Political Studies and
14 History from Whitworth College, and a Master of Public Administration degree from
15 the Daniel J. Evans School of Public Affairs at the University of Washington. Since
16 joining Public Counsel in December 2005, I have worked on a wide range of energy
17 and telecommunication issues and cases, testified before the Commission as part of
18 settlement panels in numerous dockets, and have presented before this Commission
19 at Open Meetings on various issues.

20
21 **Q. Ms. Johnson, why does the Settlement Agreement satisfy the interests of Public**
22 **Counsel?**

1 A. Public Counsel believes the Settlement Agreement provides a reasonable resolution
2 of the issues identified in this case and should be approved by the Commission.
3 Specifically, the Settlement Agreement (1) requires CenturyLink to improve its plans
4 for how the Company communicates with the Commission, county and state
5 emergency management officials, the media, and its customers in future outages, and
6 (2) incorporates a penalty associated with the Company's admitted violations of
7 WAC 480-120-412, as well as a financial commitment to additional investments that
8 will improve service for customers in six counties.

9
10 **Q. Please discuss why Public Counsel believes the communications plan component**
11 **of the Settlement Agreement is in the public interest.**

12 A. Improved communications protocol is an important outcome of this settlement for
13 Public Counsel. In the Settlement Agreement, CenturyLink acknowledges violations
14 of WAC 480-120-412, specifically with respect to notification of or updates
15 regarding the outage to the Commission, the county E911 coordinator, and the
16 public. The Settlement Agreement outlines plans to develop an Emergency
17 Communications Plan for San Juan County. This new county-specific plan should
18 address the shortcomings of CenturyLink's communications with the San Juan
19 County 911 coordinator in future outages. Public Counsel believes it is critical that
20 CenturyLink improve how it disseminates information to the public, and particularly
21 the Company's coordination with San Juan County emergency services, in its future
22 outages.

1 Additionally, the settlement provides for development of a Washington State
2 Communications Plan. The Commission Staff report in this matter noted that
3 CenturyLink did not have a Washington-specific communications plan.² The report
4 identified the plan provided to Staff as “Local Outage Procedures – Market
5 Development Managers & Corporate Communications” and stated that the plan
6 described generic procedures that were not specific to Washington.³ If the
7 Commission approves the Settlement Agreement, the new Washington-specific
8 communications plan will provide CenturyLink’s Washington customers and public
9 officials with communication protocol that complies with the Commission’s rules.
10 The ultimate goal is that information from CenturyLink to its customers and public
11 officials be swift, efficient, and effective.

12
13 **Q. Please discuss why Public Counsel believes the financial penalties and**
14 **investment commitment are in the public interest.**

15 A. Public Counsel believes it was imperative that the Company face financial penalties
16 for its failure to adequately communicate during the outage. While the settlement
17 penalty amount of \$50,000 is lower than the recommendation in Staff’s Investigation
18 Report, Public Counsel believes that CenturyLink’s additional commitment to make
19 repairs to improve service quality (an estimated cost of approximately \$100,000), is
20 a reasonable compromise.

21

² Staff Investigation Report, p. 21.

³ Id.

1 **Q. Were there any circumstances Public Counsel took into consideration when**
2 **assessing the adequacy of the financial penalty and investment commitment?**

3 A. Yes. Public Counsel considered the reasonableness of the financial penalties and
4 commitments included in the Settlement Agreement in light of information provided
5 by CenturyLink regarding refunds and additional capital investments made in San
6 Juan County. CenturyLink provided information that, prior to settlement discussions
7 in this case, it provided refunds to affected customers, amounting to \$271,487.⁴
8 Additionally, CenturyLink made a capital investment in a redundant microwave
9 system to serve San Juan County, at a cost of \$650,000.

10 Public Counsel believes it was appropriate for the Company to refund
11 customers for all impacted services, and appreciates that the rebate exceeded the total
12 number of days of the outage. Additionally, the redundant network is a reasonable
13 and important investment given the isolating effect the outage had on customers.
14 The microwave system has sufficient capacity to maintain intrastate voice and
15 critical services traffic for most San Juan County customers. This investment in
16 redundancy represents a vital service improvement for CenturyLink customers in
17 San Juan County. Public Counsel is pleased the Company provided this upgrade
18 following the outage.

19 Public Counsel further believes that it is important that the Commission is
20 able to ensure that the redundant network is maintained. Because of this, Public
21 Counsel believes that CenturyLink's commitment in the Settlement Agreement (see,

⁴ CenturyLink indicated that under the rule, the 10-day credit for local exchange services would have totaled \$111,925. However, CenturyLink proactively provided customers with the equivalent of a 15-day credit, for all services impacted, not just local exchange services.

1 section F, subsection 4) stating that the Company will petition the Commission for
2 approval of any Company plans to reduce or eliminate redundant services between
3 the islands and from the islands to the mainland was an essential component of this
4 settlement. This commitment ensures that the Commission and interested parties
5 have the opportunity to maintain this important service for San Juan County
6 residents and businesses.

7
8 **Q. Does Public Counsel have an overall recommendation with respect to the**
9 **Settlement Agreement?**

10 A. For the reasons discussed above, Public Counsel believes the Settlement Agreement
11 results in a fair, just, and reasonable outcome for customers, and should be approved.

12
13 **VII. CONCLUSION**

14
15 **Q. Does this conclude your Joint Testimony?**

16 A. Yes.