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**Philip E. Grate**  
State Regulatory Affairs Director  
Public Policy

July 22, 2016

*Via web portal and  
Overnight Mail*

Mr. Steve V. King  
Executive Director & Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. S.W.  
Olympia, Washington 98504-7250

**Re: 2016 ETC Certification  
CenturyLink's 2016 ETC Certification Report, and Plan for  
Universal Service Support Expenditures in Accordance with  
WAC 480-123-070, and WAC 480-123-080**

Dear Mr. King,

In response to the requirements of WAC 480-123-070, Annual Certifications and Reports, and WAC 480-123-080, Annual Plan for Universal Service Support Expenditures, CenturyLink QC ("CenturyLink") provides the following information. For ease of reading, CenturyLink will list each of the requirements under the rules followed by its response.

The Company also requests that the attachments entitled "CONFIDENTIAL EXHIBIT D", and "CONFIDENTIAL EXHIBIT E" be treated as confidential. The schedules contain information that is quite detailed as to type of equipment, location, and cost. Therefore, the Company claims that the information on the schedules is confidential under WAC 480-07-160 and RCW 80.04.095 in that it constitutes valuable commercial information in the form of network configuration, design, and financial information.

**WAC 480-123-070 Annual Certifications and Reports.**

Not later than July 1 of each year, every ETC that receives federal support from any category in the federal high-cost fund must certify or report as described in this section. The certifications and reports are for activity related to Washington State in the period January 1<sup>st</sup> through December 31<sup>st</sup> of the previous year. A company officer must submit the certifications in the manner required by RCW 9A.72.085.

**CONFIDENTIAL PURSUANT TO WAC 480-07-160 & RCW 80.04.095**

**Response:** The declarations of a CenturyLink officer certifying to the data contained in this filing are in Attachment A.

**(1) Report on use of federal funds and benefits to customers.**

- (a) The report must provide a substantive description of investments made and expenses paid with support from the federal high-cost fund.

The report must include the company's gross capital expenditures and operating expenses made with federal high-cost support received by the ETC in the preceding calendar year along with a description of major projects and affected exchanges. A rate of return wireline ETC must also include a copy of its NECA-1 report for the preceding calendar year.

**Response:** CenturyLink QC certifies that high-cost support funds received by CenturyLink QC during the 2015 calendar year were used only for the provision, maintenance and upgrading of facilities and services for which the support was intended (See Attachment A).

During the calendar year 2015, CenturyLink accepted a total of approximately \$24.4M of high-cost/CAF II support on a statewide basis, of which approximately \$10.2M is attributable to CenturyLink QC Washington. Attachment B is a copy of the final adopted support offer from the FCC.

CenturyLink QC's 2015 statewide network capital investments totaled approximately [REDACTED]. Total supported operating expenses (excluding access expense) in Washington for 2015 totaled approximately [REDACTED]. As such, CenturyLink QC's actual capital expenditures and supported operating expenses totaled approximately [REDACTED] during the certification period. This significantly exceeded the high-cost/CAF II support received.

- (b) Every ETC must provide a substantive description of the benefits to consumers that resulted from the investments and expenses reported pursuant to (a) of this subsection.

**Response:** CenturyLink QC made substantial investments during the calendar year 2015 as well as over the previous several years that allow it to provide reliable and robust telecommunication services to its customers. Through the expenditure of Federal HighCost Support funds, CenturyLink QC was able to continue to provide services at a level that meets the

requirements of 47 U.S.C. §254 with the intent of providing high quality telecommunication services to customers in the service areas for which it receives high-cost support. Additionally, in accordance with FCC 11-161, the USF Transformation Order, CenturyLink QC is expanding its data network, enabling more customers access to quality high speed data services.

**(2) Local service outage report.**

(a) The report must include detailed information on any outage in the service area (during the prior calendar year) of at least thirty minutes in duration in which the ETC owns, operates, leases, or otherwise utilizes facilities, that potentially affect:

- (i) At least ten percent of the end users; or
- (ii) A 911 special facility, as defined in 47 C.F.R. Sec. 4.5(e).

(b) Specifically, the eligible telecommunications carrier's annual report must include information detailing:

- (i) The date and time of onset and duration of the outage;
- (ii) A brief description of the outage and its resolution;
- (iii) The particular services affected;
- (iv) The geographic areas affected by the outage;
- (v) Steps taken to prevent a similar situation in the future; and
- (vi) The number of customers affected.

**Response:** CenturyLink QC is exempt from this requirements as it is subject to WACs 480-120-412 and 480-120-439(5).

**(3) Report on failure to provide service.**

The report must include the number of requests for service from potential customers within its designated service area that were unfulfilled during the prior calendar year. The ETC must also detail how it attempted to provide service to those potential customers.

**Response:** CenturyLink QC is exempt from this requirements as it is subject to WAC 480-120-439(5).

**(4) Report on complaints per one thousand connections (fixed or mobile).**

The report must provide separate totals for the number of complaints that the ETC's customers made to the Federal Communications Commission and the consumer protection division of the office of the attorney general of Washington. The ETC must also report the number of consumer complaints in each general category (for example, billing disputes, service quality).

**Response:** Attachment C provides information on customer complaints to the FCC and to the Consumer protection division of the attorney general of Washington for 2015. The complaint categories include billing, call handling, commitment/interval, held order, installation, repair, treatment, and other. Furthermore, Attachment C provides a breakdown of all its 2015 complaints regardless of whether they were complaints for a supported service or for other services not supported by high cost funding.

CenturyLink QC's efforts to resolve complaints for all complaint categories are based on the following process:

- Review the complaint to determine the nature of the problem
- Review CenturyLink QC's records/data to substantiate the claim
- Determine if CenturyLink QC's practices, which may have led to the complaint, are in accord with applicable statutes and rules
- If CenturyLink QC determines that its actions/practices that led to the complaint are in accord with applicable statutes and rules, it will provide substantiation for its claim to the investigating agency
- If CenturyLink QC determines that its actions/practices that led to the complaint are not in accord with applicable statutes and practices, it will attempt to resolve the problem (i.e., service credits, service repair, etc.)
- If CenturyLink QC determines that its actions/practices that led to the complaint are not in accord with applicable statutes and practices, and it is a systemic problem, it will notify the appropriate CenturyLink QC business/operation unit to take corrective action to fix the deficient or defective systems or processes.
- In any event, CenturyLink QC always works closely with the regulating agencies to quickly resolve customer's service-affecting issues.

**(5) Certification of compliance with applicable service quality standards.**

Certify that it met substantially the applicable service quality standard found in WAC 480-123-030 (1)(h).

**Response:** For the calendar year 2015, CenturyLink QC certifies that it substantially met the applicable service quality standards found in WAC 480-123-030 (1)(h). CenturyLink QC's officer certification for this section is in Attachment A.

**(6) Certification of ability to function in emergency situations.**

Certify that it had the ability to function in emergency situations based on continued adherence to the standards found in WAC 480-123-030 (1)(g).

**Response:** CenturyLink QC certifies that in 2015 it had the ability to function in emergency situations based on continued adherence to the standards found in WAC 480-123-030 (1)(g). CenturyLink QC's officer certification for this section is in Attachment A.

**(7) Advertising certification, including advertisement on Indian reservations.**

Certify it has publicized the availability of its applicable telephone assistance programs, such as Lifeline, in a manner reasonably designed to reach those likely to qualify for service, including residents of federally recognized Indian reservations within the ETC's designated service area. Such publicity should include advertisements likely to reach those who are not current customers of the ETC within its designated service area.

**Response:** CenturyLink QC certifies that it has publicized the availability of its applicable telephone assistance programs, CenturyLink QC's officer certification for this section is in Attachment A.

**(8) Report filing alternatives.**

To the extent the company has filed a report with a federal agency that provides the data requested by the commission, the company can refer to that docket number and the date the information was filed with the commission.

**Response:** The data and certifications required by 47 C.F.R. §54.313 and §54.422 (Form 481) were filed with the FCC and a copy of that filing was submitted to the Washington Utilities & Transportation Commission.

**WAC 480-123-080 Annual plan for universal service support expenditures.**

(1) Not later than July 1<sup>st</sup> of each year, every ETC that receives federal support from any category in the federal high-cost fund must report the planned use of federal support related to Washington state that will be received during the coming calendar year. The report must include the company's planned gross capital expenditures and operating expenses made with federal high-cost support received by the ETC for the coming calendar year along with the description of major projects and affected exchanges.

(2) The report must include a substantive plan of the investments and expenditures to be made with federal support and a substantive description of how those investments and expenditures will benefit customers.

**Response:** See Confidential Exhibit D and Confidential Exhibit E indicating the Company's use of federal high-cost universal service support received to sustain and improve network capacity and reliability. This network capacity and reliability is essential to providing the level of service anticipated in 47 U.S.C. 254 and therefore benefits consumers.

To the extent that CenturyLink does receive federal high-cost support for the period in question, it will be used to provide services at a level that meets the requirements of 47 U.S.C. § 254 addressing the delivery of high quality telecommunication services to customers in the service areas for which it receives said high-cost support.

Pursuant to WAC 480-123-060, WAC 480-123-070 and WAC 480-13-080, CenturyLink QC ("CenturyLink") hereby requests that the Washington Utilities and Transportation Commission certify that the Company has met the requirements of 47 C.F.R. §54.314 for eligibility for continued receipt of federal high-cost funds.

Sincerely,

Philip E. Grate

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Attachments