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November 22, 2005

Carole J. Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, Washington 98502

Re: Docket No. UT-053021 – Small Business Economic Impact Statement

Dear Ms. Washburn:

The purpose of this letter is to submit an analysis of the costs, which would be imposed upon CenturyTel of Washington, Inc., CenturyTel of Cowiche, Inc. and CenturyTel of Inter Island, Inc., (collectively "CenturyTel") as a result of rules proposed in the above-referenced docket. CenturyTel currently has 360 employees in the state of Washington serving approximately 180,000 access lines in 85 local exchanges.

In reviewing the proposed rules, CenturyTel determined that WAC 480-123-0060 and WAC 480-123-0070 would impose new costs on the company. In both cases, the effect of these proposed rules goes beyond the requirements of any current rules and requires significant additional expenditures by the company.

Under WAC 480-123-0060, the Company would be required to submit reports that it does not submit today. The draft rule would also create an advertising requirement that is not imposed on the Company today. Below we have identified each subsection of the proposed rules that would impose new reporting requirements, and therefore new costs:

(1) Report on use of federal funds and benefits to customers. CenturyTel anticipates a cost of \$3,200 annually to provide the Commission "all material supplied to NECA" in order to receive ETC support.

(2) Service outage report. CenturyTel estimates the initial cost to establish the reporting process to be approximately \$8,000 with annual reporting costs estimated at \$3,200 thereafter.

(4) Report on complaints per 1,000 handsets or lines. On its face this section would establish reporting processes that would require significant modification to CenturyTel's automated record keeping and business office practices because of the detailed complaint categorization contemplated in the rules. CenturyTel is concerned that the definition of complaint is unclear. Without parameters, virtually any call to the business office could be construed as a complaint. Further definition is required as to what constitutes a complaint before CenturyTel could begin to estimate a cost for complying with the new section. Additionally, the requirement that CenturyTel report "totals" for complaints filed at the Commission, the FCC and the AG's office is problematic. CenturyTel can only provide information on complaints that are referred to the company by these regulatory agencies. Other than that, there is no way to identify the total number of customer contacts received by these agencies relating to CenturyTel.

(7) Advertising certification; safe harbor, including advertisement on Indian reservations. CenturyTel calculates that the requirements for newspaper advertising imposed by the rule would result in a minimum of \$80,246 additional cost to the company. This amount is premised on the cost figures quoted by the relevant newspapers for midweek advertisements. In addition, preparing a bill insert would impose a cost of \$ 2,800. This is based on the company's considerable experience in preparing bill inserts.

Under proposed WAC 480-123-0070, companies would be required to provide detailed annual reports relating to universal service support expenditures. One element of the proposal requires companies to submit .shp maps in 2007, and at least once every three years thereafter showing the general location of customers, plant and equipment. CenturyTel estimates it would take six months to one year to complete the survey necessary to develop the maps contemplated by rule at a cost in excess of \$980,000.

We have not identified anything in the draft rules that would create a cost savings to the company. All of the proposed rule amendments appear to impose cost increases on CenturyTel.

Sincerely,



Calvin K. Simshaw  
Assoc. Gen. Counsel - Regulatory

cc: Richard A. Finnigan