

Agenda Date: July 7, 2016
Item Numbers: A2, A3 and A4

Dockets: UT-160766, UT-160767, and UT-160768
Companies: CenturyTel of Washington, Inc., CenturyTel of Inter Island, Inc.,
and United Telephone Company of the Northwest (dba CenturyLink)

Staff: Tim Zawislak, Regulatory Analyst
Rebecca Beaton, Infrastructure Analyst
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Recommendation

Accept the Notices of Cessation of Telecommunications Service (as revised) which are made in compliance with WAC 480-120-083(2)(a), and are consistent with the terms of the companies' alternative form of regulation (AFOR) plan specified within Order 04 from Docket UT-130477.

Background

On May 31, 2016, CenturyTel of Washington, Inc., CenturyTel of Inter Island, Inc., and United Telephone Company of the Northwest (all doing business as CenturyLink)¹ each filed a notice of cessation of telecommunications service for Operator Verification and Interrupt (also referred to as Busy Line Verification and Busy Line Interrupt).

The service is included in CenturyLink's catalogs associated with its Local Terms of Service. The service is neither specified nor contained in the company's E-911 Tariffs or its current contract with the State Emergency Communications Office (SECO) which is a division of the Washington Military Department (WMD).

Currently, retail customers may use the Operator Verification and Interrupt service on an incidental basis at a price ranging from \$1.50 to \$4.00 per incident, depending on the request. Historically, many of the Public Service Answering Points (PSAPs) and county-level first-responders (or authorized public emergency agencies) have been able to use the service for free, on an as-needed basis, as it relates to the wireline network in Washington and throughout the country. As more telecommunication consumers transition to wireless and other technologies, the demand (both chargeable and non-chargeable) for this wireline-based service (in terms of call volume) has become very small and cannot sustain the costs of providing the service, according to the company.

¹ Qwest Corporation, dba CenturyLink QC has not filed a notice, yet; however, CenturyLink has indicated its intention to do so soon. CenturyTel of Cowiche, Inc. does not offer the service.

Due to the low-level of demand from telecommunications users and the public safety community, coupled with the high fixed cost² of the facilities necessary to provide these services, CenturyLink has made a business decision to discontinue such services in Washington and also in the remaining 36 states where it operates as an incumbent local exchange carrier.³

Discussion

These dockets were placed on the commission's open meeting of June 23, 2016, because of the original effective date of July 1, 2016. Due to written and verbal comments from certain members of the public safety community, these dockets were removed from the No Action Agenda and were discussed at the commission's open meeting of June 23, 2016.

Because of the substantial discussion at the June 23 open meeting, and in response to the commission's inquiry, CenturyLink offered and agreed to extend the effective date of the service cessation until July 8, 2016, to allow for additional discussion with the public safety community (including representatives from SECO-WMD, APCO-NENA, and the Washington Police and Sheriff's Association).⁴

No additional notice was required because CenturyLink had already met the requirements of WAC 480-120-083. Application of this rule, "Cessation of Telecommunications Services," is also incorporated in the order approving CenturyLink's AFOR in Docket UT-130477.⁵

Summary of Comments Received

The commission has received six written comments and six oral comments from public safety officials as of June 27, 2016. These comments express concern about the public safety aspect of CenturyLink's discontinuation of this service.

² The company estimates that the fixed cost for trunking and transport facilities required to support these services is approximately \$480,000 per year. The associated revenue is approximately \$3,200 per year.

³ Of the total of 37 states, only 18 require any filing to the state commission. Of those 18 states, Nebraska, Oregon, and Washington filings remain pending.

⁴ APCO (Association of Public Safety Officials) and NENA (National Emergency Number Association).

⁵ Order 04 (January 9, 2014), paragraph 27. See paragraph 18 for a summary of the items retained in tariff. The AFOR provided that the remaining services be converted to catalog, similar to competitively classified services and competitively classified companies. Under the AFOR plan, catalog services are subject to the cessation notice rule, WAC 480-120-083 (with the exception of stand-alone local exchange service which would require the company to petition the commission prior to discontinuation, as explained in more detail under paragraph 27).

On June 27, and June 28, 2016, commission staff met informally via conference call with CenturyLink representatives, members of the SECO-WMD staff, and other representatives from the public safety community. The discussions included alternative opportunities for situational awareness; and further exploration and understanding of the nature of the fixed costs, including the company's explanation that network security necessitated the high level of trunking and transport expenses.

Conclusion

Staff recommends that the commission accept the Notices of Cessation of Telecommunications Service (as extended) which are made in compliance with WAC 480-120-083(2)(a), and are consistent with the terms of the companies' alternative form of regulation plan (including the application of the cessation rule for these competitively classified services).