

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of

QWEST COMMUNICATIONS  
INTERNATIONAL INC. AND  
CENTURYTEL, INC.

For Approval of Indirect Transfer of  
Control of Qwest Corporation, Qwest  
Communications Company LLC, and  
Qwest LD Corp.

DOCKET NO. UT-100820

JOINT APPLICANTS' RESPONSE TO  
NOTICE OF OPPORTUNITY TO  
RESPOND TO ADDITIONAL  
EVIDENCE

- 1 Pursuant to the February 11, 2011 Notice of Opportunity to Respond to Additional Evidence, CenturyLink, Inc., and its affiliates (“CenturyLink”) and Qwest Communications International Inc. (“QCII”) and its affiliates, including Qwest Corporation (collectively “Joint Applicants”), submit this response to the February 10, 2011 letter from the Confederated Tribes of the Colville Reservation (the “Tribes’ letter”).<sup>1</sup> The Tribes’ letter raises five specific points which Joint Applicants will respond to in turn.
- 2 The first subject discussed in the Tribes’ letter is the matter of broadband deployment. The Tribes’ letter specifically draws attention to the communities of Keller and Inchelium.
- 3 As the Commission is aware, broadband deployment commitments are a major feature of the Settlement Agreement executed and submitted by the Commission Staff, Public

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<sup>1</sup> The Tribes’ letter was filed with the Commission and served upon Public Counsel. However, Joint Applicants did not become aware of the letter until issuance of the Commission’s notice.

Counsel and Joint Applicants (“Staff/PC/Joint Applicants Settlement”) (Exhibits 5 and 6). Two aspects of the broadband commitment (Condition 14 of Exhibit 6) impact broadband deployment on the Colville Reservation. Under the first component of the broadband commitment, the combined company has committed to enable five central offices including Nespelem.<sup>2</sup> The Nespelem central office directly serves approximately 321 access lines. The Nespelem exchange has extremely low customer density with less than one access line per square mile. Despite this low density, with enablement of the Nespelem central office as required under the Staff/PC/Joint Applicants Settlement, the majority of these 321 lines would become broadband enabled. This would include lines to the Colville Tribal campus at Nespelem.

4 The remainder of the access lines in the Nespelem exchange (approximately 329) are not directly served out of the Nespelem central office, but rather are served out of a remote switch at Keller. These lines would not be immediately affected by enablement at the Nespelem central office. Rather, these lines would be subject to review and evaluation under the second component of the broadband commitment.

5 The second component of the broadband commitment provides for a review and evaluation of unserved and underserved areas within the service territory of the combined company. Under the settlement proposal, the combined company must submit this evaluation to the Commission within 180 days of the transaction close and then review it with the Commission engineering staff and Public Counsel. This evaluation will provide a key element in the development of the annual deployment plans that will effectuate the commitment to expend at least \$80 million over five years with at least 33 percent directed to unserved and underserved areas. The Keller area will be included in that review and evaluation process.

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<sup>2</sup> The other four central offices are: Clearwater, Glenwood, Willard and Eureka. (Exhibit 6, Condition 14). With this upgrade, all combined company exchanges will be broadband enabled at the central office.

6 The Inchelium area is also mentioned prominently in the Tribes' letter. The Inchelium exchange has approximately 1284 access lines. It also has very low customer density with only slightly more than 2 access lines per square mile. CenturyLink estimates that 535 access lines served out of the Inchelium central office are located on the Colville reservation. The majority of these lines are currently broadband enabled. However, as with many other exchanges in Washington, there are pockets of unserved and underserved areas. As with the Keller area, these areas within the Inchelium exchange will be reviewed and evaluated under the second component of the broadband condition in the Staff/PC/Joint Applicants Settlement.

7 As the Commission is aware, funds available for broadband deployment are limited.<sup>3</sup> Therefore it is critical that decisions on where to expend those limited funds be well-informed and not made rashly. The Staff/PC/Joint Applicants Settlement provides a mechanism for rational deployment. Only after the combined company has had a chance to fully evaluate the networks and service areas of both companies, and has had a chance to share that evaluation with Commission Staff and Public Counsel, can fully informed decisions be made as to what are the most logical areas to deploy to and in what sequence. Joint Applicants would urge that the Commission not become involved in picking specific areas for deployment in its order in this proceeding as there clearly has not been sufficient analysis for any party to do that at this point.<sup>4</sup>

8 The Tribes in their letter make the assertion that CenturyLink has refused "to extend the

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<sup>3</sup> The \$80 million commitment contained in the Staff/PC/Joint Applicants Settlement is not the exclusive source. See e.g. the federal broadband stimulus funding programs. However, as parties begin to focus on the last, most costly areas to serve, it becomes more and more difficult to justify the expenditures required to deploy to those areas.

<sup>4</sup> Joint Applicants acknowledge that the Staff/PC/Joint Applicants Settlement does name five specific central offices to be included in initial deployment under the commitment. However, these five were identified not based upon the analysis described above, but rather because they were the only central offices where the central office itself was not broadband enabled. Once all central offices are enabled, as will be the case after these five are addressed; deployment to remaining unserved and underserved "pockets" will require the more detailed analysis and evaluation discussed above.

same modern services to our communities that are provided elsewhere within CenturyLink's territory." Joint Applicants do not feel that this is a fair characterization of the situation. CenturyLink has deployed broadband capabilities on Colville tribal lands and will continue to do so. However, as with other areas in Washington with low customer densities, there remain areas that remain unserved or underserved when it comes to availability of broadband services. These areas do not arise solely on tribal lands. All such areas, including those on tribal lands, will be reviewed and evaluated under the process set up in the broadband provisions of the Staff/PC/Joint Applicants Settlement.

9 A second area discussed in the Tribes' letter concerned its suggestion that CenturyLink establish a "tribal liaison office" to interface with Indian tribes statewide. Joint Applicants question the merits of this suggestion. Following the Tribes' testimony at the public comment hearings in this matter, CenturyLink put the Tribes in direct contact with the Area Operations Manager responsible for CenturyLink's service on the Colville reservation. With respect to the Colville Tribes' most immediate concerns, including broadband deployment, this will be the most effective way for the Tribe to communicate its concerns in a manner that will have the most impact upon CenturyLink's decision-making process.

10 As was discussed in the testimony in this proceeding, CenturyLink utilizes a local operating model that empowers local managers to take ownership of, and advocate for all major aspects of operations in their area.<sup>5</sup> Therefore the decision-making process is much more localized than in many management models. Joint Applicants submit that the Tribes' direct access to the Area Operations Manager and his team is much more valuable than the suggested creation of a new, more centralized and bureaucratic liaison

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<sup>5</sup> Direct Testimony of Todd Schafer, Exhibit TS-1T, pages 9-10.

position. In any event, Joint Applicants assert that creation of a “tribal liaison office” is a management discretion matter that is beyond the scope of this proceeding.

11 The third matter raised in the Tribes’ letter concerns the Tribes’ desire that qualified tribal technicians be allowed to install, maintain and repair CenturyLink facilities located on the Colville reservation.<sup>6</sup> Joint Applicants respond that obviously, for good reason, access to CenturyLink’s facilities is restricted to CenturyLink employees and authorized sub-contractors of CenturyLink. Consistent with that parameter, CenturyLink has advised the Tribes that any qualified tribal member will be considered for employment with CenturyLink as open positions arise. Also, CenturyLink has requested that its primary subcontractor in the area contact the Tribe and convey the steps necessary for tribal members to be considered for employment with that entity. Beyond that, Joint Applicants would suggest that the Tribes’ request once again ventures into an area of management discretion that goes well beyond the scope of this proceeding.

12 The fourth matter raised in the Tribes’ letter involves outreach and awareness concerning low income assistance programs for telecommunications services. The Staff/PC/Joint Applicants Settlement specifically addresses this in Exhibit 6. Condition 26 contained in the exhibit is specifically entitled “Lifeline (WTAP)”. Among other things, it provides that:

After the Transaction closes, the CenturyLink ILECs and Qwest will meet and work collaboratively with the Commission Staff, Public Counsel and DSHS to evaluate the current WTAP outreach program in order to enhance customer awareness and increase participation in the program.

This effort will be designed to enhance awareness to all Washington low-income customers including those on tribal lands.

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<sup>6</sup> See Exhibit B-8 (Comments of the Consolidated Tribes of the Colville Reservation and the Affiliated Tribes of Northwest Indians, dated January 3, 2011) for a more detailed description of the Tribes’ request in this area.

- 13 To the extent that the Tribes' concerns are directed specifically to the enhanced Tribal Lifeline Program (Tier IV support under 47 C.F.R. §54.403), that is a program that is under the jurisdiction of the FCC. Merger implications, if any, that impact this program, would appropriately be addressed by the FCC in its merger approval order. There is no need or basis for this Commission to add any further low-income program provisions beyond those set forth in the Staff/PC/Joint Applicants Settlement which are focused upon this Commission's role and jurisdiction in matters of low income support.
- 14 The final item addressed in the Tribes' letter is by its own characterization a "minor" matter. The Tribes apparently see some value to creating a map that would overlay the combined company's service territory with the boundaries of Colville tribal lands. CenturyLink has indicated to the Tribes that it would be in a position to do so if the Tribes would provide CenturyLink with maps showing the boundaries of such Colville tribal lands.
- 15 In summary, Joint applicants submit that all matters raised in the Tribes' letter are either outside the scope of this proceeding or are already adequately addressed and covered by provisions contained in the Staff/PC/Joint Applicants Settlement. The Commission need not, and should not, add any additional conditions to its approval of the merger transaction on the basis of the Tribes' letter.

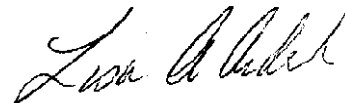
Respectfully submitted this 23rd day of February, 2011.

CENTURYLINK

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