

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

CENTURYLINK'S SERVICE QUALITY
PLAN PURSUANT TO
ORDER 14, PARAGRAPH 263

SEPTEMBER 28, 2011

Introduction

- 1 The Commission, in paragraph 263 of Order 14, required CenturyLink to “prepare and file, within 60 days after closing of the merger, a specific and detailed service quality improvement plan to address the Tribes’ claims regarding the quality of Qwest and CenturyLink services, including broadband.¹ The plan shall detail specific actions the combined company will take, as well as timeframes to accomplish this over the next five years, as a means to address the service conditions described by the Tribal representatives.”
- 2 Limiting this requirement is the acknowledgement in footnote 528 that “large-scale improvements of facilities on one reservation goes well beyond what is before [the Commission] here. . . .” As such CenturyLink does not believe that the Commission is requiring large-scale improvements to the facilities in these areas, but rather is seeking baseline information to determine if a service quality problem exists, and if so, what plans there are to address it. If such a problem does not exist, this Plan nevertheless should provide information that is of value to the Commission in terms of identifying the current service

¹ On May 6, 2011 CenturyLink/Qwest requested an extension of the 60 day deadline to 180 days. That extension was granted by the Commission on May 20, 2011.

levels (including broadband) and planned service or facility improvements, to the extent those exist.

3 Service area, in context – There are four wire centers/central offices that serve the geographic area of the Colville Reservation. Those wire centers are (legacy Qwest) Omak Okanagan and Coulee Dam, and (legacy CenturyLink) Hunters and Nespelem. Omak Okanagan and Coulee Dam cover both reservation territory and non-reservation territory. Hunters (which includes the community of Inchelium) serves tribal land to the east of the Columbia River, and non-tribal land to the west. Nespelem (which includes the area of Keller) is entirely on the reservation. The legacy Qwest territory for these two wire centers is 953 square miles, with 12,582 households and an average customer density of less than 8 customers per square mile. The legacy CenturyLink territory is 1,677 square miles, with 1,542 households and an average customer density of less than 1 customer per square mile. Nespelem is 600 square miles and has only 528 access lines. Many of these households are grouped in communities or small developments, and the vast majority of the land in this area is not developed at all. Compare these densities to Olympia (358 customers per square mile) or even rural communities such as Black Diamond (29 customers/square mile) or Pacific Beach (36), or Sunnyslope (31), and it is clear that the Reservation is a vast expanse of land with extremely low customer density.

4 At the hearing, the Tribal representatives described a 1.3 million acre reservation, long driving times to traverse the reservation, the mountainous terrain, etc. (Tr. 623:3-7).

Discussion of Issues

5 CenturyLink contacted the Tribe via e-mail on April 28, 2011 to advise that this plan was in development. CenturyLink also provided the Tribe with the contact information for John Fryling, the tribal liaison, and Mark Reynolds. CenturyLink and the Tribe corresponded via e-mail and telephone in May, and a meeting was held on June 9, 2011. During that meeting

CenturyLink specifically requested certain information from the Tribe, including information regarding specific locations with service issues, or lack of service. A follow-up meeting was planned for 45-60 days later, but as of August 26, 2011 that information had not yet been provided by the Tribe. In conversations with the Tribe at the end of August, this information was requested again, and a meeting was scheduled for September 23, 2011.

6 Prior to and during this time, the Tribe has asserted a number of demands regarding CenturyLink's facilities on the reservation. CenturyLink and the Tribe are parties to a lapsed lease for the Inchelium remote office. Subsequent to the expiration of the lease, the Tribe has asserted that it owns the office and the telecommunications facilities therein. CenturyLink disagrees with this assertion, and the parties are attempting to negotiate a solution. However, placement of additional facilities cannot occur until those, and other right-of-way issues, are resolved.

7 The Tribal representatives raised a number of issues, and CenturyLink was able to look into the majority of those issues based on the information provided. In general, the complaints about service quality are more accurately described as complaints about lack of broadband availability, rather than voice service.²

Service Availability

8 One issue raised is that there are some houses without basic voice service. From the list provided by the Tribe, it appears as though there are 23 locations (residences) on Columbia River Road without basic voice service. CenturyLink provided a line extension estimate in accordance with its tariff and Commission rules in 2006 to provide service to one of those addresses. Because of the distance from the last point in the network (5.5 miles), and the significant amount of rock, the estimate at that time was approximately \$301,000.

² CenturyLink repeatedly requested from the Tribe a list of actionable issues regarding service quality. All the Tribe provided was a list of addresses that currently do not have voice service. This issue is discussed below.

9 The estimate has been updated for 2011 and service could be provided to all of the locations on Columbia River Road for approximately \$324,000 for aerial placement, and over \$500,000 for buried facilities. The factors driving the cost are the same as in 2006 – the distance from the end of the current facilities, and the difficult placement environment. CenturyLink is willing to perform its obligations to provide a line extension in this case, but the individuals or the Tribe must be willing to pay in accordance with the Commission rules, as other customers do.

Broadband Availability

10 Many complaints were raised by the Tribe about lack of broadband availability. For example, there was a desire for broadband service in Nespelem and other locations (Tr. 618:3-9) and for increased availability in East Omak (Tr. 624:12-14). Further, letters from the tribe indicated that there were a number of neighborhoods without broadband.

11 Broadband deployment is a priority for CenturyLink. CenturyLink is constantly evaluating deployment opportunities. However, as the Commission understands, CenturyLink must invest its infrastructure dollars wisely, and, in general, this means that deployment to the largest number of subscribers at the lowest cost. Areas with low densities of customers are more difficult than denser areas to prove out as a good financial investment. Further, low densities generally means that even when HSI is deployed, there will be some homes that are too distant from the central office to have the service available. In general, the maximum distance is 18Kf (18 kilofeet, or 18,000 feet – just under 3½ miles).

12 Nevertheless, the Hunters exchange (Inchelium) already has 71% broadband availability, and CenturyLink is willing to upgrade its facilities in Inchelium to provide faster speeds once it resolves certain lease and rights-of-way issues with the Colville Tribe.

13 In Nespelem, legacy CenturyLink is in the process of deploying High Speed Internet service, enabling approximately 265 access lines, or 80% in Nespelem. This deployment (completed

in September 2011) enables high speed service to the following tribal locations: Bureau of Indian Affairs; Colville Business Counsel; Tribal Offices; Colville Tribal Police Services; Colville Tribal Convalescent Center; Colville Tribal Housing Authority; Coville Tribal Senior Center; Indian Health Service; CTEC at Nespelem; Colville Tribal Credit; Colville Tribal Logging; Colville Tribal Services Corp.; Trading Post Grocery Store; and Colville Tribal School District. The Keller area, which is served by a remote from the Nespelem central office, does not have any enablement. This area has approximately 196 lines, and would require 15.8 miles of fiber placement, at a cost of more than \$1.5 million.

CenturyLink continues to look for opportunities to lease fiber in remote locations when/if other entities, such as Noa-Net or PUDs are able to deploy such facilities.

14 In Omak Okanagan the central office is located on the west side of the river, and the reservation is on the east side. CenturyLink estimates that 47% of the tribal households have high speed internet available to them, compared to a 56% availability for the wire center overall. This makes sense because there is more density on the west side of the river, and therefore more homes within 18Kf of the central office. One resident complained that she had no high speed internet service 8 miles east of Omak (Tr. 624:11-15). However, this distance far exceeds the maximum distance for HSI availability from the central office.

15 In Coulee Dam, the overall HSI availability is 72%. CenturyLink calculates that there is 90% availability in the tribal portion of this service area.

16 Service Quality Performance – In reviewing service quality issues for these geographic areas, CenturyLink undertook a review of the service quality in these four wire centers, as compared to the statewide average. CenturyLink reviewed service quality metrics related to the trouble report rate (“TRR”) per 1,000 lines, as well as the metric regarding out of service (“OOS”) repair time. All four wire centers met the TRR metric for 2010 and the first half of 2011 (data after that was not reviewed).

17 With regard to the OOS metric for these wire centers, some months had performance better than the statewide average, while other months fell below. However, there do not appear to be significant disparities between these wire centers and similarly remote areas, with low customer density and potentially long trips from site to site. Further, the small number of OOS reports involved in small wire centers can often cause a greater disparity in the percent missed number than with statewide reporting. For example, if there were 15 OOS reports in a month in one wire center, and three of those were not restored in 48 hours, the percent missed would be 20% - considerably worse than the statewide average in any given month.

18 Ethernet Availability/Fiber Connectivity – During the hearings and in correspondence the Tribe expressed a desire for more Ethernet availability, and more fiber connectivity, especially between Inchelium and Nespelem. Ethernet services are currently available in Inchelium. Ethernet could be available in Omak, but the requesting customer would be responsible for the fiber build from the central office to the desired location (approximately 4,000 feet to the Tribal location) and the cost of the associated equipment. For the most part, fiber connectivity among and between Omak, Coulee Dam, Inchelium and Nespelem is not currently available. Deployment of fiber would be prohibitively expensive, and is not necessary for current network operations. However, as noted above CenturyLink continues to look for opportunities to lease fiber in remote locations when/if other entities, such as Noa-Net or PUDs are able to deploy such facilities. In addition, CenturyLink has provided cost estimates to the Tribe in the event they are able to obtain funding for construction.

Plan Summary and Time-line

Service Quality (voice)

19 As it does with all its service areas in Washington, CenturyLink will continue to monitor its service quality metrics for the Colville reservation wire centers and if there are abnormal

conditions it will conduct root cause analyses to determine the nature of the problem so that it can take remedial action to correct the condition.

20 The designation of John Fryling, Manager Area Operations for CenturyLink, as the Colville Tribal Liaison, will provide a single point of contact for all CenturyLink service operations on the reservation and should facilitate a quick response to any service-related issues.

21 CenturyLink will conduct quarterly meetings/conference calls with Colville Tribal representatives to address any service related issues.

Broadband Deployment

22 CenturyLink recently complete deployment of broadband service in the Nespelem exchange. With that deployment, the overall broadband availability on the reservation is at approximately 61%, as detailed in the attached table (Attachment 1).

23 CenturyLink commits to upgrading its broadband facilities in Inchelium to provide faster broadband speeds (10 mbps) once certain lease and rights-of-way issues with the Tribe are resolved on reasonable terms and conditions. Although no exact timeframe is currently available for this resolution/upgrade, it should be concluded some time in 2012.


24 CenturyLink commits to continue to work on an extension of a third-party network (Noa-Net) to extend fiber facilities from Coulee Dam to Nespelem and Omak. If successful, this extension would allow CenturyLink to lease fiber facilities to provide broadband services between these tribal locations. CenturyLink expects to know whether such an extension will occur by the 1st Quarter of 2012.

25 CenturyLink will continue its efforts to provide the Tribe with a map of CenturyLink facilities on the reservation so joint planning efforts can occur between the Tribe and CenturyLink regarding future deployments.

26 At the quarterly meetings/conference calls with Colville Tribal representatives to address service related issues, future broadband funding/deployment opportunities can be also be explored. CenturyLink commits to aiding the Tribe in pursuit of all available broadband funding opportunities.

Respectfully submitted this 28th day of September, 2011.

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