

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 "180-DAY"
BROADBAND DEPLOYMENT
PLAN REPORT SUBMITTED IN
COMPLIANCE WITH ORDER 14

SEPTEMBER 28, 2011

Introduction

1 In compliance with condition 14 of the Settlement Agreement between CenturyLink, Commission Staff and Public Counsel, adopted by the Commission in its Order 14 in Docket UT-100820, CenturyLink provides the attached "180-day" Broadband Deployment Plan, The information provided in this narrative and in the attached "180-day" report satisfy the following portion of Condition 14:

"Within 180 days of the Transaction's close, CenturyLink will file with the Commission, with copies to Commission Staff and Public Counsel, a separate confidential filing identifying the initial wire centers targeted under the commitment, including those areas that qualify as unserved or underserved, as well as the estimated living units that will be enabled or upgraded as to speed. Company representatives will meet with Commission engineering staff and Public Counsel to review this report. The Parties agree that as part of its initial broadband evaluation CenturyLink will evaluate each of the unserved and underserved areas, with an emphasis on those Qwest and CenturyLink ILEC wire centers with 85% broadband availability or less, to determine if the combined networks overcome the existing challenges in provision of broadband services. These findings will be used in developing CenturyLink's broadband investment plan and will be reviewed with Commission Staff and Public Counsel as part of the post-Transaction meeting."

2 The plan represents CenturyLink’s initial assessment of the wire centers targeted for broadband investment during the five year period covered by the commitment (i.e. January 2011 through December 2015). While this represents CenturyLink’s best current assessment of the wire centers targeted for broadband investment during the five years of the plan, and the resulting impacts on estimated living units/access lines for enablement or upgrade and broadband availability, it is by its nature a preliminary view that is subject to change throughout the term of the plan. Beginning in 2012, CenturyLink will provide its annual broadband deployment plan report which will provide planned broadband investments for the current year.

3 CenturyLink’s initial “180-day” broadband deployment plan was developed based on assessment of several key factors including customer density, infrastructure costs and overall benefits of potential broadband investment projects.

Customer Density

4 The “180-day” report (see column B) includes information on customer density for each of the CenturyLink wire centers based on a measure of livings units/access lines served per square mile. Wire centers with higher customer density provide an opportunity to benefit larger concentrations of potential subscribers than wire centers with fewer customers per square mile. In addition, wire centers with lower customer density require greater investment on a per potential customer basis to enable or upgrade broadband availability than more dense wire centers.

Infrastructure Costs

5 The estimated infrastructure costs to enable or upgrade broadband availability in a given wire center are another important factor CenturyLink evaluated in the development of the “180-day” broadband deployment plan. In addition to customer density considerations mentioned above, another cost consideration, involves whether necessary infrastructure exists that can

be augmented or extended to provide new or expanded broadband capability at lower incremental costs than for an area which requires considerable new infrastructure investment. "Infrastructure" can include, among other things, backbone interoffice cabling and electronics, power supply, easement, building space, and gateway packet switching capacity. Areas where construction is more difficult due to challenging terrain can drive costs higher. Finally, a particular deployment of equipment can supply service only over a limited distance, and so, costs per subscriber can be reduced when a high concentration of potential subscribers are located not far from a prospective equipment site. Sites with higher overall customer benefits, fewer dependencies, and shorter deployment times are scheduled earlier than other sites. Within a typical individual wire center, dozens of sites might be evaluated.

Overall Benefits of Potential Broadband Investment Projects

- 6 CenturyLink's selection of wire centers for inclusion in its initial "180-day" broadband deployment plan were based on an assessment of the overall benefits of the potential project. This economic assessment considers the potential customers that will benefit weighed against the estimated costs with a focus towards those projects that provide the opportunity to benefit the greatest number of customers at the lowest potential costs. Other non-qualitative factors that were considered include consideration of competition and customer demand.
- 7 CenturyLink looks forward to discussing this initial filing with Commission Staff and Public Counsel.

Respectfully submitted this 28th day of September, 2011.

CENTURYLINK, INC.
QWEST CORPORATION

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