**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of the Petition ofTHE CENTURYLINK COMPANIES – QWEST CORPORATION; CENTURYTEL OF WASHINGTON; CENTURYTEL OF INTERISLAND; CENTURYTEL OF COWICHE; AND UNITED TELEPHONE COMPANY OF THE NORTHWESTTo be Regulated Under an Alternative Form of Regulation Pursuant to RCW 80.36.135. | DOCKET NO. UT-130477CENTURYLINK’S RESPONSE TO SPRINT’S MOTION TO COMPEL RESPONSES TO DATA REQUESTS |

1. Pursuant to WAC 480-07-375(4), CenturyLink herby files its response to Sprint’s Motion to Compel Responses to Data Requests (“Motion to Compel”).

**Summary**

1. CenturyLink opposes the Motion to Compel. CenturyLink’s opposition is based on two key points: (1) the data requests are based on the faulty premise that IP-to-IP interconnection is a Section 251 requirement (though the issue remains open at the FCC) and, (2) as described in CenturyLink’s Motion to Dismiss, Sprint’s interests are not actually impacted by CenturyLink’s AFOR proposal.
2. CenturyLink also objects to Sprint’s inclusion of its offer to compromise the discovery dispute as an impermissible use of a settlement offer in order to influence the outcome on the Motion to Compel. These points are discussed in more detail below, as are the specific data requests that are the subject of the Motion to Compel.

**Opposition to the Motion to Compel**

1. CenturyLink incorporates by reference the arguments contained in its July 29, 2013 Motion to Dismiss Sprint as an Intervenor in this docket (“Motion to Dismiss”). For all the reasons stated therein, Sprint’s participation in this docket should be terminated. Sprint’s Motion to Compel only underscores how Sprint is trying to hijack this proceeding for its own gain, and to impermissibly broaden the issues under consideration.
2. Sprint claims that its data requests relate to the statutory criteria in the AFOR statute, RCW 80.36.135, regarding the state of competition, and whether the AFOR will enhance competition and enhance the deployment of advanced telecommunications services (Motion to Compel ¶¶ 1, 5). CenturyLink agrees that these are relevant issues. However, the Sprint data requests, as discussed below, do not further any inquiry into those issues. If they did, it would be easy to look at the data requests and say “How does the answer to this question impact the issue of competition or the deployment of advanced telecommunications services in Washington?” But Sprint’s data requests do not shed light on that issue. Instead, they seek information that Sprint can use to compete with CenturyLink, or that is otherwise not determinative of AFOR issues.
3. Although CenturyLink will discuss specific requests below, it is helpful to use one data request as an example: Data request No. 27 from Sprint asks for information on VoIP or IP-enabled products or services provided by any CenturyLink company, demanding that CenturyLink “describe in full. . . [a]ll facilities and equipment used to provide these service(s) from the customer premises to the public switched telephone network. Types of equipment includes, but is not limited to, routers, servers, media gateways, session border controllers, switches (or switching equivalents, e.g., a softswitch or its equivalent) . . . .” The request goes on to ask about the location of the equipment, the make and model of the equipment, the legal owner of the equipment, etc.
4. Nowhere in Sprint’s Motion to Compel does Sprint explain why this information matters for an AFOR. Does the make and model of the equipment being used by a non-ILEC affiliate of CenturyLink really play into a public interest decision on the regulatory flexibility that the CenturyLink ILECs should be granted in an AFOR? If so, how? CenturyLink believes that it does not – and at least at this point, Sprint has not explained otherwise, other than that it might be useful for Sprint to know this information because Sprint competes with CenturyLink. Other requests are similarly irrelevant, as discussed below.

**IP Interconnection is Not a Section 251(c) Obligation**

1. Sprint’s Motion to Compel is premised entirely on the incorrect assumption that IP interconnection is mandated by Section 251(c), and that CenturyLink is seeking to avoid Section 251(c) obligations. See, e.g., Motion to Compel at ¶6 where Sprint alleges that CenturyLink “refuses to acknowledge that VoIP interconnection falls within the wholesale obligations of 47 U.S.C. §251(c).” See also Motion to Compel at ¶¶ 13, 14 and 15, which contain multiple references to CenturyLink’s “Section 251(c) obligations”, even though IP interconnection has not been declared to be a Section 251 obligation.
2. Sprint is misrepresenting the state of the law on IP interconnection, and is arguing that its “wish list” for IP interconnection obligations – currently pending before the FCC and as yet undecided – has already been affirmed. Sprint is wrong. IP interconnection is very much under debate, as will be seen in the discussion of the FCC’s Further Notice of Proposed Rulemaking (“FNPRM”) below[[1]](#footnote-1). Sprint’s issues are represented in the FCC proceeding, and there is no call to insert them into this proceeding. Sprint’s data requests merely seek to further Sprint’s agenda of having IP interconnection declared to be a Section 251(c) obligation by the Commission prior to the FCC ruling on that issue.

**Rebuttal to Specific Allegations and Arguments**

1. Sprint makes a number of allegations and arguments in its motion that are simply wrong, and those are specifically addressed here. First, Sprint alleges in ¶ 13 of its Motion to Compel that CenturyLink “hopes to avoid” Section 251(c) obligations . . .” by placing VoIP equipment and facilities with an unregulated affiliate, Qwest Communications Company (“QCC”). Sprint argues that this is prohibited, citing *Ass’n. of Commc’ns Enters. v FCC*, 235 F.3d 662, 668 (D.C. Cir.) amended by *Ass’n of Commc’ns Enterprises v. FCC* (D.C. Cir. Jan. 18, 2001)(“*ASCENT*”), and claiming that this case supports the proposition that an ILEC cannot avoid Section 251 resale obligations by offering certain services only through a non-ILEC affiliate.
2. This is generally a correct reading of the case, but it misses the point, which is that IP-to-IP interconnection has not been determined to be a Section 251 service. In *ASCENT*, there was no dispute that the service would be subject to resale if offered by the ILEC. In reaching its conclusion, the court relied on the fact that the affiliate at issue was providing “services with equipment originally owned by its ILEC parent, to customers previously served by its ILEC parent, marketed under the name of its ILEC parent.” [CITE] Thus, the case does not support Sprint’s argument.
3. In ¶ 15 of its Motion to Compel Sprint cites ¶ 1388 of the FNPRM, suggesting that the FCC went further than the holding in *ASCENT*. Sprint states that the FCC “invoked *ASCENT* to address industry concerns on IP interconnection and ILECs attempting to avoid their Section 251(c) obligations by using affiliates to offer certain services.” It is true that the FCC specifically acknowledged and discussed the *ASCENT* case in its 2011 FNPRM on IP-to-IP interconnection issues, but the FCC did not find it to be determinative of this particular issue. Sprint stops short of including the most important part of the discussion in ¶ 1388 – the part where the FCC states “[t]hat holding remains applicable here, but we also seek comment more broadly on when an affiliate should be treated as an incumbent LEC under circumstances **beyond** **those** squarely addressed in that decision (emphasis added)”. Thus, Sprint’s reliance on that case is misplaced, as the FCC itself has said that the holding is not as broad as Sprint asserts.

**IP-to-IP Interconnection is Under Consideration at the FCC**

1. On November 18, 2011, the FCC issued a Further Notice of Proposed Rulemaking (“FNPRM”) to address IP-to-IP interconnection issues. Both CenturyLink and Sprint are participants in that proceeding, and have filed comments. The issue is still under consideration at the FCC, with the FCC seeking comment on a wide array of issues, including the threshold issue of whether it should require IP-to-IP interconnection under certain statutory provisions, or allow it to be governed by commercial agreements.
2. For example, the FCC sought comment as follows in ¶ 1335, illustrating that it has not mandated IP-to-IP interconnection under Section 251(c):

Commission requirements implementing the duty to negotiate IP-to-IP interconnection in good faith **could** take their primary guidance from one or more of various provisions of the Communications law—Sections 4, 201, 251(a), or 251(c) of the Communications Act, or 706 of the 1996 Act. We seek comment on **which of the available approaches** is most consistent with our statutes as a whole and sound policy (bold emphasis added, footnotes omitted).

1. In ¶ 1339 the FCC acknowledged that there are conflicting views regarding what role interconnection requirements should play in an increasingly IP-centric voice communications market. The FCC noted that commenters such as Sprint and CenturyLink were advocating different positions on this issue. “Some competitive providers seek to ensure that existing interconnection protections continue to apply as voice traffic migrates from TDM to IP. Other providers see various shortcomings in existing interconnection regimes, and advocate a modified regulatory approach for IP-to-IP interconnection that they believe would result in improvements over the existing regimes” ( citing Sprint’s comments in fn. 2440). . . . “At the same time, other incumbent LECs contend that, whatever their historical marketplace position with respect to voice telephone services, their position with respect to IP services does not position them to use interconnection to disadvantage other providers, and does not warrant singling out incumbent LECs for application of legacy interconnection requirements” (citing CenturyLink comments at fn. 2443).
2. Finally, the FCC noted that there are at least some proposals which would level IP-to-IP interconnection subject only to commercial agreements, further confirming that the issue has not yet been decided.

[W]e seek comment on proposals that the Commission leave IP-to-IP interconnection to unregulated commercial agreements. Although the Commission has relied on such an approach in some contexts in the past, we seek comment on the factual basis for whether, and when, to adopt such an approach here. ¶1343.

1. In further discussions of this issue, the FCC details the various statutory provisions under which it might require IP-to-IP interconnection, reinforcing that the issue is still under consideration, and not, as Sprint suggests, already determined.
* In ¶1351, the FCC seeks comment on the policy implications of selecting particular provisions of the Act upon which the right to good faith negotiations for IP-to-IP interconnection could be grounded.
* In ¶ 1352 the FCC seeks comment on whether section 251(a)(1) should be used as the basis for the requirement that all carriers must negotiate in good faith in response to a request for IP-to-IP interconnection.
* In ¶ 1353 the FCC seeks comment on whether the requirement of good faith negotiations for IP-to-IP interconnection should be based on section 251(c)(2).
* In ¶ 1354 the FCC seeks comment on whether the obligation to negotiate in good faith for IP-to-IP interconnection arrangements should be grounded in section 201, particularly in conjunction with other provisions of the Act and the Clayton Act.
* In ¶ 1355 the FCC seeks comment on the relative merits of section 706 of the 1996 Act as the statutory basis for carriers’ duty to negotiate IP-to-IP interconnection in good faith.
* In ¶ 1356 the FCC also seeks comment on whether section 256 provides a basis for the good faith negotiation requirement for IP-to-IP interconnection.
* In ¶ 1357 the FCC asks if it should rely upon ancillary authority as a basis for requiring that carriers negotiate in good faith in response to requests for IP-to-IP interconnection.
* In ¶ 1358 the FCC seeks comment on whether the obligation for carriers to negotiate IP-to-IP interconnection in good faith should be grounded in other statutory provisions identified by commenters.
1. The FNPRM goes on for many more paragraphs (through ¶ 1398) discussing the various proposals with regard to IP-to-IP interconnection, including the positions of CenturyLink and Sprint, as well as many other commenters. The FNPRM discussion makes it clear that IP-to-IP interconnection is not yet mandated under any particular provision of the Telecom Act, and that the obligation, the scope, and all of the details (including whether states will have enforcement powers, see, e.g., ¶1348) have yet to be worked out.
2. In sum, all of Sprints arguments and allegations that CenturyLink is avoiding Section 251(c) obligations are unfounded, and to the extent that those allegations underpin the purported need for discovery, the discovery requests are based on conjecture, are premature, and are outside the scope of this docket.

**Discussion of Specific Data Requests and ER 408 Concerns**

1. CenturyLink will address each data request individually below, but first will discuss the concerns it has with Sprint’s disclosure of the letter CenturyLink sent in an effort to resolve the discovery disputes.
2. CenturyLink believes that this inclusion violates the letter and the spirit of the rule against using offers of compromise or settlement against the offering party.[[2]](#footnote-2) Sprint notes that it disputes CenturyLink’s position, but rather than allow the Commission to decide the issue, Sprint has just flat out included the CenturyLink offer of compromise and attached it to the Motion to Compel. Thus, the cat is out of the bag as they say, since whether it is permissible to use the letter is rendered more or less moot with the disclosure.
3. This disclosure by Sprint, and especially if it is allowed by the Commission, will necessarily chill future settlement discussions or offers to compromise discovery disputes – after all, if a party cannot make offers to supplement some data requests in the hope of resolving the dispute completely, then the Commission may as well not have a rule requiring a good faith attempt to work things out. Under Sprint’s way of doing things, a party could extract certain compromises from the other party, and then bring the full motion to compel even while using the information offered in settlement. The party who objects to discovery has absolutely no incentive to offer to compromise on any data requests under those circumstances.
4. Sprint rather disingenuously notes that it has included the letter as “relevant proof of the parties’ efforts” to resolve disputes under the discovery rule, and urges the ALJ to consider it (Motion to Compel, fn. 1). However, if Sprint had asked, CenturyLink would have readily stipulated that the parties had made a good faith effort to resolve their disputes, and no “proof” in the form of the letter would have been necessary.
5. Make no mistake – Sprint is using the compromise letter for precisely the purpose that ER 408 is supposed to guard against. Sprint hopes that by making public the information that CenturyLink offered to provide in compromise, it will sway the Commission to agree that such information, and possibly more, should be provided. This is the opposite of the “informal” and “good faith” effort to resolve the discovery disputes that is required by WAC 480-07-425(1).
6. CenturyLink’s response on the specific requests is set forth below.

**Data Request Nos. 1 and 9**

1. In these two data requests, Sprint asked for CenturyLink’s position on various issues, including whether the special access market is competitive (CenturyLink believes that it is), and whether the use of IP networks has increased since 2007. CenturyLink believes that it has answered the questions. To further explain its position, CenturyLink generally cited to its comments in dockets at the FCC to which Sprint is also a party, and Sprint has access to those comments. CenturyLink should not be required to do legal research for Sprint, nor should it be required to further refine its answers by combing through comments in search of each and every sentence that might support its very general answer to the very general questions asked by Sprint.

**Data Request No. 10**

1. Sprint has asked for information regarding CenturyLink’s unregulated affiliates, none of whom is a party to this proceeding. CenturyLink continues to object to Sprint’s overly broad definition of which parties are subject to discovery in this case. Nevertheless, on this particular issue CenturyLink is unwilling to battle for principle over practicality, and for that reason, without waiver of its objections, CenturyLink has supplemented the data request response as follows:

“Only Qwest Communications Company LLC offers a VoIP product in Washington.”

**Data Request Nos. 11-15**

1. Sprint claims that it is entitled to information regarding the VoIP services offered by CenturyLink in the state of Washington. Sprint essentially claims that this information is relevant to the degree of competition faced by CenturyLink from unaffiliated carriers.
2. CenturyLink disagrees with Sprint’s analysis on these data requests. CenturyLink has placed a great deal of information on the record showing loss of market share to unaffiliated providers. No one reasonably disputes that information. Without waiver of CenturyLink’s previously stated objection, and to resolve the disputes on the data requests, CenturyLink has supplemented the responses as follows:

#11 “See response to Data Request No. 10.”

#12 No supplement. This data request asks for the percentage of each CenturyLink customer segment that is VoIP enabled. The request, as with all of Sprint’s requests, seeks information from ALL CenturyLink companies, not just the parties to this case. CenturyLink believes that the request is overly broad, improper, and demands competitively sensitive information that has no bearing on the regulatory flexibility requested by CenturyLink for its retail ILEC services. CenturyLink will not provide an additional response.

#13 and #14 No Supplement. These data requests call for demand and revenues for VoIP services over the past five years. CenturyLink strongly objects to these requests and does not believe that this information is relevant to this case. If CenturyLink were required to respond, the information would be designated as Highly Confidential under the protective order in this case.

#15 “QCC utilizes packet routers to provide VoIP in Washington. CenturyLink continues to believe that the location of the equipment is irrelevant.”

**Data Request Nos. 18 and 21**

1. Sprint claims that CenturyLink did not answer the question in Data Request No. 18, which is whether IP interconnection is a Section 251(c) service. Sprint alleges that the answer is “confusing and non-responsive.” The answer states, in part “[t]he reason 251(c) interconnection is not appropriate for IP traffic is because it was put in place to open access to the local public switched network for purposes of voice communications.”
2. CenturyLink believes that its response fairly answers the question, but has supplemented it as follows: “No, VoIP interconnection is not a Section 251(c) service. The basis for this position is set forth in a number of CenturyLink filings with the FCC, in dockets to which Sprint is a party. For a summary explanation of the basis of CenturyLink’s position, please see the Answer to the Motion to Compel, paragraphs 8-19.”

**Data Request Nos. 20 and 22**

1. Sprint asked for “documents” regarding requests from sixteen (16) companies for internet protocol interconnection. CenturyLink objected based on relevance and based on the requesting parties’ confidentiality, which is not protected by the protective order in this case. Sprint now states that the information should be produced with the names of the companies redacted and claims that “Sprint is entitled to documents that evidence requests for internet protocol interconnection with CenturyLink.” However, Sprint gives no legal basis or logical explanation as to why it is entitled to this information in this docket, and CenturyLink will not supplement this request beyond what it has already provided, which is the set of documents that CenturyLink (specifically QCC) provides to companies who request IP interconnection. There is nothing further to be learned by providing the actual requests.
2. Sprint appears to claim that CenturyLink has not responded because the documents are “not wholesale interconnection agreements” but are “agreements between some CenturyLink entity and commercial customers”. However, see the discussion above in paragraphs 8-19 as to why Section 251(c) interconnection agreements are not required for IP interconnection. And see specifically ¶ 1388 of the FNPRM, in which the FCC notes that Comptel has complained that companies such as CenturyLink, AT&T, and Verizon, are offering IP interconnection via commercial agreements through non-ILEC affiliates. The FCC has not disapproved this practice.
3. There are no agreements in Washington between a CenturyLink ILEC and any other company for IP-to-IP interconnection. QCC exchanges traffic with all ILECs in the same manner as other CLECs do today – which is to say, the IP traffic is converted to TDM before delivery of that traffic to the ILEC. The CenturyLink ILEC VoIP amendment, which is part of the Interconnection Agreements, allows for IP traffic that has been converted to TDM to be placed over Local Interconnection Service (LIS) trunks for termination to the ILEC TDM customers.

**Data Request No. 24**

1. Sprint has asked very specifically in this request for the total demand for special access circuits in Washington, by access line count and by revenues. Sprint justifies this request on the basis that CenturyLink has put declining access lines and revenues at issue in this case, and the only way to challenge CenturyLink’s assertions is to look at other sources of revenue. CenturyLink disagrees.
2. CenturyLink is not willing to supplement this response. CenturyLink’s testimony talks about declining access line counts, which is amply supported in material already provided. CenturyLink is not relying on declining revenues per se as a basis for the AFOR petition and there is no reason for Sprint to see highly confidential segmented market share line counts and revenues.

**Data Request No. 26**

1. Sprint claims that the response is deficient because “it is clear that the respondent ignored the definition of “CenturyLink” which includes affiliates.” CenturyLink does not know why Sprint made this statement. Although it is true that CenturyLink does do not accept the definition as a correct or legitimate way to scope the discovery, in this case CenturyLink did not object to the question, but rather gave an unequivocal answer – “No”. If necessary, CenturyLink can supplement the response to read “CenturyLink does not provide Prism in Washington, through any entity.”

**Data Request Nos. 27 through 30**

1. Sprint claims that these data requests seek information that is relevant to Sprint’s claim that CenturyLink, through one of its affiliates, routes VoIP traffic over the internet protocol network mentioned in the “templates.” Sprint argues that this information is relevant to an examination of the competition that exists for telecommunications services in Washington including voice.
2. CenturyLink objects to responding to these data requests. As discussed above, these four requests, starting with Data Request No. 27, request a significant amount of detail on the call path for routing of VoIP calls, the type of equipment used by QCC, where it is located, etc. This information is not relevant, and is Highly Confidential to QCC. To date, Sprint has been unable to articulate how any information requested in these DRs is helpful in determining the amount of retail competition faced by CenturyLink, and whether the companies’ retail operations should be regulated in the same way as a CLEC such as Sprint is regulated.

**Data Request No. 31**

1. Sprint asked CenturyLink to identify the legal entity that acquires the phone numbers used by QCC as a VoIP provider. CenturyLink has supplemented its response as follows “The phone numbers are provided by Qwest Corporation (“QC”, the ILEC), to QCC within the legacy QC service area only.”

**Conclusion**

1. In summary, for all the reasons stated in this Response, and in the Motion to Dismiss Sprint, Sprint’s discovery requests are improper in this proceeding, and CenturyLink should not be compelled to respond beyond what it has already provided in its original responses and the supplemental responses noted in this Response.

 Respectfully submitted this 7th day of August 2013.

CENTURYLINK

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1. FCC 11-161, published as 76 Fed. Reg. 73830 (Nov. 29, 2011). [↑](#footnote-ref-1)
2. ER 408 essentially states that an offer of compromise on a claim is not admissible to prove or disprove the validity or amount of a claim. It also states that the use of evidence of “conduct or statements made in compromise negotiations is likewise not admissible.” Sprint is using the CenturyLink offer to compromise on the discovery disputes in an effort to prove the validity of Sprint’s claims, i.e., that Sprint is entitled to this information because CenturyLink offered to provide some of it. [↑](#footnote-ref-2)