



From left: Utilities and Transportation Commission Chairman Dave Danner, Quileute Tribal Council Chairman Doug Woodruff, Gov. Jay Inslee, and Mark Reynolds of CenturyLink sign a memorandum of understanding on June 15, 2018 (Office of the Governor photo)

Qwest Performance Assurance Plan (QPAP)

Background

In 2002, the Utilities and Transportation Commission (UTC) approved the “Qwest Performance Assurance Plan” (QPAP) and began collecting payments from Qwest that the UTC used to ensure compliance with the plan. Qwest was a telecommunications company operating in Washington state that was acquired by CenturyLink in 2011.

The 2018 Enacted Supplemental Operating Budget included a proviso specifying the use of remaining QPAP funds to expand rural broadband service. In June 2018, the UTC, along with the Governor, CenturyLink and the Quileute Tribe, signed a memorandum of understanding to bring high-speed internet to the tribe’s villages.

What is QPAP?

Pursuant to provisions in the federal Telecommunications Act of 1996, Qwest sought approval to offer long-distance services in various states provided they allowed for competition in the sale of local telephone service. The QPAP was designed to ensure continued market competition once Qwest began providing long-distance services.

How did the UTC collect money under the QPAP?

The QPAP made payments to state commissions like the UTC for an extra measure of enforcement. The UTC collected QPAP payments from 2004 to 2013 and those moneys were deposited into the Public Service Revolving Account.



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How much did the UTC collect under the QPAP?

From 2004 to 2013, the UTC received \$1,287,908 in Tier 2 QPAP payments.

Why did the UTC stop collecting QPAP payments in 2013?

In 2013, the UTC determined, via an order approving amendments to the QPAP, that changes in technology and the increasing level of competition in Washington made the QPAP payments no longer necessary.

What can the QPAP money be used for?

The following language is contained in the QPAP:

Section 7.5 – “Payment of Tier 2 Funds: Payments to a state fund shall be used for any purpose determined by the Commission that is allowed to it by state law. Qwest will must [sic] deposit any payments of Tier 2 funds for Washington State into the Public Service Revolving Fund, the account within the Washington State treasury established to fund Commission expenses.”

Can the QPAP money be used for other purposes?

In accordance with the budget proviso, the UTC collected the funds specifically from Qwest/ CenturyLink to ensure the company adhered to provisions in the QPAP. While the UTC continues to monitor compliance with the QPAP, these activities are currently covered by existing appropriations. Although the QPAP funding sits in the Public Service Revolving Account and can be used for general UTC expenses, this is one-time money that cannot be relied on to support ongoing expenditures.