In the Matter of the Petition of the Centurylink Companies

Docket UT-130477 - Vol. VI

November 1, 2023



206.287.9066 I 800.846.6989



BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of)
THE CENTURYLINK COMPANIES - QWEST CORPORATION; CENTURYTEL OF WASHINGTON; CENTURYTEL OF INTERISLAND; CENTURYTEL OF COWICHE; AND UNITED TELEPHONE COMPANY OF THE NORTHWEST VS.))))) Docket No. UT-130477))
To be Regulated Under an Alternative Form of Regulation Pursuant to RCW 80.36.135))))

STATUS CONFERENCE - VOLUME VI

PAGES 24-41

BEFORE ADMINISTRATIVE LAW JUDGE

GREGORY J. KOPTA

Washington Utilities and Transportation Commission

621 Woodland Square Loop SE Lacey, Washington 98504

DATE TAKEN: November 1, 2023

TRANSCRIBED BY: ELIZABETH PATTERSON HARVEY,

FAPR, RPR, WA CCR 2731

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Page 26
                   November 1, 2023 - 1:30 p.m.
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 4
                JUDGE KOPTA: All right. Let's be on the
 5
     record.
                Good afternoon. We are here in Docket
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     UTC-130477, captioned In the Matter of the Petition of
 8
     the CenturyLink Companies to Be Regulated Under an
     Alternative Form of Regulation.
10
                I'm Gregory J. Kopta, the presiding
11
     administrative law judge. And we are here this afternoon
12
     on November 1, 2023, for a status/prehearing conference
13
     on the status of negotiations between the parties on
     either a negotiated competitive classification petition
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     for CenturyLink or a revised alternative form of
15
16
     regulation. This was something that the commission
     required scheduling in Order 10 in this docket.
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18
                So we will begin by taking appearances,
19
     starting with the company.
20
                You're on mute, Mr. Sherr.
21
                ATTORNEY SHERR: Let's try that again.
22
     afternoon. Adam Sherr on behalf (inaudible).
2.3
                JUDGE KOPTA:
                              Thank you.
24
                And for commission staff.
25
                ATTORNEY ROBERSON: Good afternoon, Judge
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- 1 Kopta. Jeff Roberson, AAG.
- With me is my colleague, Cassandra Jones.
- JUDGE KOPTA: And for public counsel.
- 4 ATTORNEY PAISNER: Good afternoon. This is
- 5 Ann Paisner, assistant attorney general of the public
- 6 counsel unit of the attorney general's office.
- 7 JUDGE KOPTA: All right. Any other
- 8 appearances?
- 9 Hearing none --
- 10 ATTORNEY MEDLYN: Your Honor, I'm sorry. I'm
- 11 sorry for my voice. Emily Medlyn on behalf of the
- 12 Department of Defense and all other federal executive
- 13 agencies.
- JUDGE KOPTA: Great. Thank you.
- 15 All right. I think that's it. So let's get
- 16 to the heart of the matter and hear what exactly is the
- 17 status of negotiations between the parties. And why
- 18 don't we begin with Mr. Sherr.
- 19 ATTORNEY SHERR: Thank you, your Honor. Yes,
- 20 Adam Sherr. So the status is that we provided a proposal
- 21 to the parties in May. We had one meeting with
- 22 (inaudible) staff and had to answer a number of
- 23 (inaudible) informal data requests --
- JUDGE KOPTA: Mr. Sherr, you're breaking up a
- 25 little bit. I'm worried that the court reporter is going

- 1 to have a hard time transcribing this. So would you
- 2 start all over again and make it a little clearer.
- 3 ATTORNEY SHERR: Is this clearer?
- 4 JUDGE KOPTA: That's better.
- 5 ATTORNEY SHERR: I apologize. I'm not a
- 6 technological expert, that is for sure. I will try to
- 7 enunciate.
- 8 So we had provided a proposal to staff and
- 9 public counsel in May. We have had one meeting with
- 10 them, with staff and public counsel. I don't have the
- 11 date of that meeting. It was in the summer. And we have
- 12 answered many informal data requests that have been
- 13 provided by staff and by public counsel.
- 14 And we are awaiting a proposal from either
- 15 (inaudible) and have not received (inaudible). So that
- 16 is where we sit at this point.
- 17 JUDGE KOPTA: Okay. Staff?
- 18 ATTORNEY ROBERSON: Good afternoon, Judge
- 19 Kopta. That's an accurate summary. The company provided
- 20 a proposal in May. We had at least one meeting over the
- 21 summer to discuss certain things. The parties have
- 22 engaged in back and forth discovery.
- I believe at the last status conference, the
- 24 prehearing conference, I mentioned that a big issue for
- 25 staff was getting access to the FCC broadband's data, the

- 1 fabric data for broadband penetration. That contract
- 2 took longer than probably it should have, given the
- 3 intricacies of the Public Records Act in Washington.
- 4 We've ironed out those issues.
- 5 I know -- I believe the contract has been
- 6 executed. I believe payment has been made and staff has
- 7 access to the broadband data. They're engaging in their
- 8 analysis. They're working on a counterproposal at this
- 9 time.
- 10 JUDGE KOPTA: Okay. And public counsel?
- 11 ATTORNEY PAISNER: Thank you, your Honor. So
- 12 we're engaged in an informal discovery process here,
- 13 since there's no filing. And the premise of this
- 14 extension of the AFOR is on something that has not been
- 15 filed and is therefore theoretical.
- And we've asked a number of questions. And
- 17 while CenturyLink is saying that they have answered
- 18 everything, the last few questions we asked, we only
- 19 received a response yesterday, and that was after
- 20 following up twice after the typical ten-day response
- 21 period had passed, long passed, actually.
- 22 And every time that we've issued questions,
- 23 it's taken following up at least once and usually twice
- 24 to get those answers.
- 25 And so we have not had time to analyze the

- 1 responses we received yesterday at close to 5:00 p.m.
- 2 for questions that we asked in early September. So for
- 3 our part, we're still trying to understand some of the
- 4 proposal, which is not public, because it hasn't been
- 5 filed.
- 6 So we can't go into detail any more than that,
- 7 just that we still have questions. We haven't really
- 8 made any progress since we last spoke with you at the
- 9 last prehearing conference.
- 10 JUDGE KOPTA: Okay. Has DOD-FEA been involved
- 11 in those discussions?
- 12 ATTORNEY MEDLYN: Your Honor, no, we have not
- 13 been, to my understanding, and we would like to request
- 14 that, you know, we'd like to be involved going forward.
- JUDGE KOPTA: All right. I'm sure that
- 16 Mr. Sherr is taking notes.
- 17 ATTORNEY SHERR: Indeed.
- 18 JUDGE KOPTA: All right. It sounds like
- 19 there's not a whole lot of progress that's being made.
- 20 And so I'm wondering what the parties' prospect is that
- 21 there will be a filing by mid-January as the commission
- 22 anticipated in Order 10. Mr. Sherr?
- 23 ATTORNEY SHERR: Yeah. We -- kind of
- 24 confirming what you've heard, we're still, you know,
- 25 awaiting a proposal. The company is intending to make a

- 1 filing probably, given what are the status of things, is
- 2 going to (inaudible). And it may not wait -- we probably
- 3 won't wait until January (inaudible).
- 4 JUDGE KOPTA: You probably won't wait until
- 5 what?
- 6 ATTORNEY JONES: I apologize, your Honor. We
- 7 probably won't wait until January. We may do it sooner.
- 8 If there doesn't -- if there's not a lot of progress made
- 9 towards a resolution, a negotiated resolution, then we'll
- 10 simply move forward.
- 11 And we don't have any incentive to wait as
- 12 long as possible. To wait until January that doesn't do
- 13 any good for anyone if it doesn't appear that we're going
- 14 to get anywhere. And again, I haven't even received a
- 15 counterproposal at this point after five-plus months.
- So, you know, we're on track to prepare an
- 17 appropriate petition and file it with the commission
- 18 sooner than January if we can do that. Now, that could
- 19 be affected if we receive a proposal that kind of draws
- 20 us to the table and there are active negotiations.
- 21 That's what we've been aiming for the whole time. So if
- that happens, that's great. And we'll act accordingly.
- 23 If we don't see a possibility of progress, then we'll
- 24 simply move forward.
- JUDGE KOPTA: All right. Well, I mean,

- 1 obviously the commission established that January date
- 2 with the concern that there needs to be something done in
- 3 the AFOR docket if there isn't a petition in July. And
- 4 we don't want to be in a position where there's a filing
- 5 for competitive classification shortly before the AFOR
- 6 expires or is due to expire, and we are back in the mode
- 7 of having to push things off once again.
- 8 So it sounds to me -- correct me if I'm wrong
- 9 -- that the company is sensitive to that and plans to
- 10 make a filing on or before January of next year.
- 11 ATTORNEY SHERR: Absolutely. We heard you
- 12 loud and clear. So yes. We're not planning to come in
- 13 and ask for another extension. We are going to do it in
- 14 January, but likely before, unless, again, there's
- 15 something that moves to us a position where it seems like
- 16 we should use more time to negotiate.
- JUDGE KOPTA: All right. Well, and then --
- 18 ATTORNEY SHERR: -- (inaudible) so we'll see
- 19 what happens.
- 20 JUDGE KOPTA: And if there is something that
- 21 comes up, we may schedule another prehearing/status
- 22 conference if we haven't heard anything from you by early
- 23 January, just to see where things are. But for now, I
- 24 think we will just wait and see what the company does.
- 25 Anything further on that from staff or public

- 1 counsel?
- 2 ATTORNEY PAISNER: Yes, your Honor. This is
- 3 Ann Paisner for public counsel. You know, if there's a
- 4 filing of a request for competitive classification, we
- 5 would really like to see some public comment hearings
- 6 scheduled once that happens. I just wanted to discuss it
- 7 here. I know there's no filing, so we can't make a
- 8 request for that.
- 9 But I know there are five service territories
- 10 for -- you know, the five companies, each have a service
- 11 territory. And, you know, we would hope to see a couple
- 12 for the largest one, Qwest, and then one in each of the
- 13 others.
- 14 So I guess I wanted to sort of forecast that
- 15 that's something we're interested in to get customer
- 16 input on the record.
- 17 JUDGE KOPTA: Okay. Well, that's good to
- 18 know. And I'm expecting that when we have a prehearing
- 19 conference on any filing that CenturyLink makes, that
- 20 that will be an issue in terms of scheduling, and
- 21 something I would hope that the parties would discuss
- 22 before the prehearing conference so that we can move
- 23 expeditiously in establishing a schedule. But as you
- 24 say, that's not something that's been filed yet. So we
- 25 have yet to make that determination.

- 1 Mr. Roberson, anything for staff further?
- 2 ATTORNEY ROBERSON: No. I think staff has
- 3 been clear that if the company needs to file, then the
- 4 company needs to file, you know. We'll deal with
- 5 whatever happens when it happens.
- 6 JUDGE KOPTA: All right.
- 7 MS. ROTH: Hey, Jeff, this is Jing, Jing
- 8 Roth.
- 9 Your Honor, may I be heard?
- 10 JUDGE KOPTA: Certainly, Ms. Roth.
- 11 MS. ROTH: So I just want to emphasize one
- 12 thing on the record. It is the staff's understanding
- 13 that CenturyLink is not willing to negotiate a new
- 14 version of AFOR, a new formal AFOR. So as far as I'm
- 15 concerned, that is off the table.
- So we're in the AFOR docket here for the
- 17 hearing. They are not waiting to negotiate a new form of
- 18 AFOR. I want to be -- that on the record for the company
- 19 to confirm. And that's all have I to say.
- 20 JUDGE KOPTA: All right. Mr. Sherr, is that
- 21 an accurate characterization of the company's position?
- 22 ATTORNEY SHERR: I'm not sure I understand
- 23 (inaudible) to be honest.
- 24 THE ARBITRATOR: Well, my understanding of
- 25 what Ms. Roth says is that the company is not willing to

- 1 negotiate a new AFOR, but instead is focused entirely on
- 2 a petition for competitive classification. Is that --
- MS. ROTH: Thank you, your Honor. Thank you,
- 4 your Honor. That's what I'm saying.
- 5 ATTORNEY SHERR: Okay.
- 6 MS. ROTH: I want to be on -- confirm on the
- 7 record.
- 8 ATTORNEY SHERR: Thank you. Thanks for
- 9 clarifying. Thanks for the question, and thanks for
- 10 clarifying the question. It is our intention to seek
- 11 competitive classification. That is correct.
- I will let you know that I am also trying to
- 13 consider whether we need to simultaneously seek an AFOR
- 14 as some sort of fallback, because if we petition -- if we
- 15 let the AFOR simply wither and disappear and we seek
- 16 competitive classification, and for some reason it's
- 17 denied or it's conditioned in a way that's unacceptable
- 18 to the company, then we are sitting in rate return
- 19 regulation. And I don't believe there's anyone on this
- 20 planet who thinks that's appropriate for Owest at this
- 21 time. I guess I shouldn't speak for other people. I
- 22 don't believe that that's appropriate to (inaudible)
- 23 CenturyLink pursuant to the rate (inaudible).
- So there may be, as a -- from a procedural
- 25 perspective and for fallback, there may need to be some

- 1 other process that is connected to this to ensure that we
- 2 don't end up where nobody wants us to be.
- JUDGE KOPTA: All right. Thank you,
- 4 Mr. Sherr.
- 5 Ms. Roth, I believe the answer to your
- 6 question is that a new AFOR is not off the table. And I
- 7 assume that staff and the company and the other parties
- 8 will be addressing that possibility as part of the
- 9 discussions that they are having on an ongoing basis.
- 10 Ms. Paisner, did you have something
- 11 further?
- 12 ATTORNEY PAISNER: Yes, thank you, your
- 13 Honor. I guess I just wanted to circle back, because I
- 14 as though the company has given the impression that
- 15 they've been sitting back waiting for us to make a
- 16 proposal when for almost the last month, we had pending
- data requests that weren't responded to.
- 18 And I feel like it's been -- we've been
- 19 dealing with some chronic unresponsiveness from the
- 20 company when we ask questions. We've had to ask the same
- 21 questions multiple times.
- 22 So I just wanted to clarify that it's not for
- 23 lack of attempting to get information from our part. So
- 24 I just wanted to clarify that. Thank you.
- JUDGE KOPTA: All right. I have no judgments

- 1 about any party or anything having to do with the
- 2 negotiations themselves.
- I am only concerned in terms of the
- 4 commission's scheduling and knowing what we are likely to
- 5 be able to receive.
- 6 So duly noted. And I hope that the parties
- 7 will continue their discussions, and I will leave it up
- 8 to them to decide whether they are fruitful or not. And
- 9 I will just leave it at that.
- 10 MS. ROTH: Judge Kopta, this is Jing again.
- JUDGE KOPTA: Yes.
- MS. ROTH: I know you don't want to know the
- 13 details of negotiation. But there's a couple informal
- 14 questions that staff asked the company about AFOR, you
- 15 know, asked them what can we work out streamlining the
- 16 current AFOR. We're in the AFOR docket.
- 17 Stop me if I'm not talking appropriately. We
- 18 asked that. The company didn't --
- 19 ATTORNEY ROBERSON: Judge Kopta, I feel like
- 20 this gets into the substance of settlement negotiations.
- 21 MS. ROTH: This is the AFOR I'm talking
- 22 about.
- JUDGE KOPTA: Well, that is part of the
- 24 negotiation. I mean, the original --
- MS. ROTH: Oh, okay.

- 1 JUDGE KOPTA: The original order was that
- 2 there would be some discussion and/or negotiation about a
- 3 revised form of AFOR that would then be reflected in
- 4 whatever the company files in July.
- 5 So I'm assuming that if the AFOR is still on
- 6 the table, which it is, according to the company, that
- 7 there will be discussions between staff and the company
- 8 in terms of what that filing will look like.
- 9 So above and beyond that, I am not prepared
- 10 to have a discussion about that particular filing. I
- 11 will discuss process, but not substance. So --
- 12 ATTORNEY SHERR: Judge Kopta, can I make
- 13 another comment?
- JUDGE KOPTA: Yes, Mr. Sherr.
- 15 ATTORNEY SHERR: I am certainly not intending
- 16 to impugn staff or public counsel in terms of the
- 17 process. I understand -- I mean, I think both are
- 18 working very diligently to obtain the information that
- 19 they think they need.
- 20 I don't know -- staff has indicated that a
- 21 proposal will come at some point.
- I have not heard that from public counsel. I
- 23 don't know if that's the intention or not (inaudible).
- 24 It's up to them.
- I was simply -- you asked me what the status

- 1 was. And I was indicating what the status is, and I'm
- 2 not here to impugn anybody. But since a negotiation is a
- 3 voluntary act, right, and I can't force someone -- and
- 4 I'm not here to force someone to negotiate if they're not
- 5 interested or are unable to. I just didn't want you to
- 6 get the wrong impression. That statement gave me, you
- 7 know, a concern that I gave you the wrong information.
- JUDGE KOPTA: Well, thank you for that
- 9 clarification, Mr. Sherr. I do not have -- I'm not
- 10 seeing anyone impugning anyone else's motives at this
- 11 point. And it wouldn't be appropriate for me to be
- 12 involved to that extent anyway.
- So at this point, my understanding is that
- 14 the discussions are ongoing, and that the company will
- 15 make -- at least at this point, intends to make a filing
- on or before January, either an agreed petition for
- 17 competitive classification or an independent petition.
- 18 And we will see what happens, and if
- 19 necessary, reconvene in January to discuss whatever the
- 20 status is at that point if there is no such filing by
- 21 then.
- So I believe that concludes what we need to
- 23 talk about today unless there is anything further.
- 24 ATTORNEY ROBERSON: No.
- JUDGE KOPTA: Okay. Not hearing anything, we

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     are concluded and off the record. Thank you all for your
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     cooperation.
                     (Proceedings concluded.)
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Page 41 CERTIFICATE 1 2. STATE OF WASHINGTON 3 SS COUNTY OF KING 4 I, Elizabeth Patterson Harvey, a Certified 5 Court Reporter and Registered Professional Reporter 6 within and for the State of Washington, do hereby certify under penalty of perjury that the foregoing court 8 proceedings or legal recordings were transcribed under my direction; that the transcript is true and accurate 10 to the best of my knowledge and ability; that I am not a 11 relative or employee of any attorney or counsel employed 12 by the parties hereto, nor financially interested in its 13 outcome. 14 IN WITNESS WHEREOF, I have hereunto set my 15 hand this 14th day of November, 2023. 16 17 18 19 20 s/ ELIZABETH PATTERSON HARVEY, 21 FAPR, RPR, WA CCR 2731 22 23 24 25