

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

RULEMAKING RELATED TO THE  
MANDATORY DISTRIBUTION OF  
WHITE PAGES DIRECTORIES BY  
LOCAL EXCHANGE CARRIERS IN  
WAC 480-120-251(3).

Docket No. UT-120451

CENTURYLINK'S REPLY COMMENTS

1 CenturyLink hereby files its reply comments in connection with the proposed rulemaking on  
Directory publishing and distribution issues.

2 CenturyLink has reviewed the comments filed by the other parties and has further reviewed  
the proposed changes to the existing rule. CenturyLink is concerned that this dramatic  
modification to the rule is being implemented suddenly and possibly without sufficient time  
for consumers to adjust their behaviors and expectations with regard to the regular delivery  
of white pages directories. CenturyLink is also concerned that the rule represents a  
significant financial windfall to Dex at CenturyLink's expense, and pushes additional costs  
into CenturyLink's business. In order to address these concerns, CenturyLink makes the  
following proposals.

3 First and foremost, CenturyLink continues to recommend that the Commission adopt an opt-  
out process for white pages. This process would allow continuity of deliveries for those  
consumers who expect or value the directory, and would allow those customers who actively  
do not want a directory to make their wishes known.

4 Dex, as a part of a large industry group, has found it appropriate to adopt a voluntary opt-out  
process for those consumers who do not want to receive the yellow pages. See,  
<https://www.yellowpagesoptout.com/>. This opt-out choice is obviously driven by consumer

desires, environmental concerns, and other issues. However, because Dex derives significant revenues from yellow pages advertising, it is in Dex's best interests to continue to deliver the yellow pages to as many customers as possible. The fewer the people who have a book, the less value there is to the businesses who advertise. Hence, the industry has adopted the opt-out approach for yellow page directories, which satisfies the interests of the publisher, the advertisers, and the consumers, even where these directories are typically significantly larger, and more resource-intensive publications than the residential white pages listings at issue here.

5 On the other hand, Dex, as it contracted with CenturyLink, derives very little revenue from the publication of white pages. Dex estimates a 3% directory take rate under an opt-in process, thereby cutting its costs by 97% in connection with white pages publishing.

CenturyLink, on the other hand, does obtain revenue from white pages directories. As with the yellow pages, the fewer the books, the less value there is to their publication.

CenturyLink estimates a decline in its white pages revenues under an opt-in process.

6 The approach that has been established by the publishing industry in the yellow pages area seems to be an appropriate balance to strike for the white pages as well. In fact, because the yellow pages process has already been established as an opt-out process, the publishers have the website, processes, and resources in place, and could easily extend it for the white pages. CenturyLink urges the Commission to reconsider and adopt an opt-out approach for white page directories, as has been voluntarily adopted by publishers for yellow pages.

7 In addition, the opt-in method may not be as environmentally friendly as others portray. In order to be able to meet the potential demand for directories on short notice, and to avoid printing the same directory multiple times, the publisher will likely have to over-produce the books. While many of them may not get distributed, the environmental impact is the same whether they are at someone's home or sitting in a warehouse. Further, multiple distributions

of the same directory (every time someone opts in) could very likely mean multiple trips to the same neighborhood, thereby increasing fuel consumption. A single trip to a single neighborhood – that is, delivery to everyone who has not opted out – is clearly more efficient.

8 CenturyLink recommends that if the Commission wants to move to an opt-in process for receipt of directories, that the Commission do so gradually over the next 12 month period. As the latest full cycle of directories are being published and distributed, they should contain a message on the cover to the effect that “[Month/Year - **This is the last automatic delivery of a paper white pages directory. You must take action now if you wish to continue to receive paper directories. Please call the following number to continue to receive directories in the future. 1-8xx-xxx-xxxx.**”

9 This timeline and notice procedure would ensure adequate consumer notice, and would give time for media coverage, etc., such as occurred when Seattle passed an ordinance regarding distribution of yellow pages. Moreover, this form of notice, on the directory itself, would be far more effective than a mailed notice in reaching the actual target audience – those people actively relying on these directories. Indeed, the estimated 3% opt-in rate is as consistent with ineffective notice as it is with any customer desire not to receive a residential white pages directory. This could be accomplished by adding “Beginning January 1, 2014” to subsection (3) of the proposed rule.

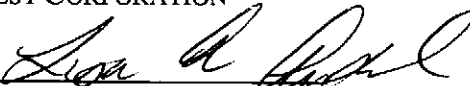
10 Finally, should the Commission move forward with adopting the proposed rule, on either a phased or a flash cut approach, CenturyLink asks the Commission to consider modifications to the rule to ensure that the publisher who is being relieved of significant obligations shoulders the burden associated with the cost savings. CenturyLink and other LECs should not be required to send a bill notice to their customers about the availability of a white pages directory, when it is Dex who benefits from the reduced distribution obligation and

CenturyLink who bears the burden of lost revenue. Or, if such a bill notice is required, then the Commission should make it clear that this bill notification is a direct obligation on the LEC in connection with the directory publication obligation – in that case, the cost of the notice would be appropriately borne by Dex.

11 In addition, the publisher and not the LECs should be responsible for the costs associated with establishing and maintaining the processes and systems necessary to receive and track customer requests for directory that would be required if the proposed rule changes are adopted (i.e. toll-free telephone number, written request via e-mail or on-line, or written request via traditional mail service).

Respectfully submitted this 20<sup>th</sup> day of August, 2012.

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