



August 1, 2018

Via ECFS

Notice of Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: In re Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. §160(c) to Accelerate Investment in Broadband and Next-Generation Networks (WC Docket No. 18-141)

Dear Ms. Dortch:

On July 31, 2018, Gary Black, Jr., Craig Brown, Glenda Weibel, and the undersigned of CenturyLink and Jon Banks of USTelecom met with Eric Ralph of the Wireline Competition Bureau (WCB) front office and Michele Berlove, Megan Capasso, Pam Megna, Claudia Pabo, and Terri Natoli of WCB's Competition Policy Division to discuss questions from staff regarding the data CenturyLink provided to USTelecom in support of the above captioned petition for forbearance.¹

Mr. Black, Vice President of North American Carrier Relations, led CenturyLink's discussion of the following issues:

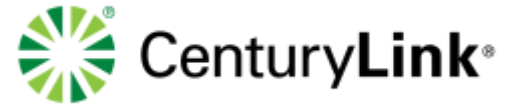
- CenturyLink has an embedded base of DS0 UNEs and EELs, DS3 EELs, and UNE-P replacement products purchased pursuant to commercial agreements. These UNEs are used to serve existing customer locations, but CenturyLink no longer purchases UNEs of these types, whether to provide service to new customer locations or existing locations.
- CenturyLink actively converts special access DS1s to DS1 UNEs and EELs as part of its ongoing business strategy, though only to serve customers that were initially served over non-UNE facilities.

¹ *Petition of USTelecom for Forbearance Pursuant to 47 U.S. C. § 160(c) to Accelerate Investment in Broadband and Next-Generation Networks*, WC Docket No. 18-141 (filed May 4, 2018) (Petition).



- CenturyLink would always prefer to serve its customers using on-net facilities, and continues to expand its out-of-region footprint. When off-net facilities must be used, CenturyLink considers a variety of factors when determining whether to utilize a UNE, a special access/BDS circuit, or another commercially available product (e.g., cable-provided dedicated Ethernet or cable best-efforts broadband). Product suitability, product availability, cost efficiency, term plan commitments, network design, vendor grooming rules, and CenturyLink's current planning forecast all are taken into consideration when determining what product to purchase to serve a given location.
- With that said, CenturyLink views purchasing UNEs as a short-term strategy which is part of a larger transitional process. First, customers currently served by TDM facilities continue to convert to Ethernet and other packet-based services. While DS1 UNEs can be utilized to provide packet-based services, it is more efficient to utilize non-TDM products to deliver those services. And while some customers simply prefer to continue to rely on TDM-based facilities, out of inertia or concerns about change, CenturyLink believes that those customers will increasingly transition to services provided over non-TDM facilities in the near to medium term, particularly as the prices of TDM services increase. As a result, CenturyLink relies on UNEs primarily as a tool to manage its costs during this transitional period. For example, CenturyLink may purchase a UNE to serve an individual customer location for the remainder of a three-year customer contract when the early termination penalties associated with a special access circuit purchased on a longer term make the UNE more cost effective.
- CenturyLink does not rely on interoffice dark fiber transport. Nor does it use DS0 UNEs to provide Ethernet-over-copper out of region.
- CenturyLink's investment in network facilities has increased in response to increased demand for its services and improved scale and profitability.

August 1, 2018



Finally, we offered to discuss any further questions the staff may have in connection with the Petition.

Please do not hesitate to contact me with any questions on this matter.

Best regards,

/s/ Nicholas G. Alexander

Nicholas G. Alexander
Associate General Counsel
CenturyLink, Inc.

cc: Michele Berlove
Megan Capasso
Pam Megna
Terri Natoli
Claudia Pabo
Eric Ralph