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REDACTED – FOR PUBLIC INSPECTION

Via ECFS

December 30, 2014

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *In the Matter of Connect America Fund; WC Docket No. 10-90 – Updated 2014 Local Rate Floor Data Submission for Certain CenturyLink Incumbent Local Exchange Carriers in Accord with 47 C.F.R. § 54.313(h)(2)*

Dear Ms. Dortch:

In connection with the FCC's November 18, 2011 *USF/ICC Transformation Order* in WC Docket Nos. 10-90, *et al.*, and in accord with 47 C.F.R. § 54.313(h)(2),¹ CenturyLink is filing updated residential local service rates for several of its incumbent local exchange carriers (LECs) in certain exchanges. CenturyLink is filing updated rates for exchanges where it has increased residential local service rates between June 1, 2014 and December 1, 2014. Most, but not all, of the increases have resulted in residential rates at or above the \$16 rate floor that will become

¹ *In the Matter of Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform - Mobility Fund*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, 26 FCC Rcd 17663 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*) (subsequent regulatory history omitted), *aff'd sub nom.*, *In re: FCC 11-161*, Nos. 11-9900, *et al.*, 753 F.3d 1015 (10th Cir. 2014), *petitions for rehearing en banc denied* (Orders, Aug. 27, 2014), *petition for cert. filed by United States Cellular Corp.*, 2014 WL 6680501 (U.S. Nov. 25, 2014) (No. 14-610). See also *Third Order on Recon.*, FCC 12-52, 27 FCC Rcd 5622 (2012); 47 C.F.R. § 54.313(h)(2).

effective January 2, 2015.² In CenturyLink's annual local rate floor submission made earlier this year, the rates in these exchanges were reported as below the effective \$14 rate floor.³ This filing seeks to eliminate or decrease the reduction in high-cost support that resulted from the rates in these exchanges being below the effective rate floor.⁴ The information is provided using the FCC's Rate Floor Data Collection Form with the updated data reflecting voice rates and line counts for residential local services as of December 1, 2014.

Portions of the CenturyLink submission to the Commission include confidential information that is filed pursuant to the August 30, 2012 Third Protective Order in WC Docket No. 10-90.⁵ This information is also protected from disclosure to the public by Sections 0.457(d) and 0.459 of the Commission's rules.⁶ The confidential information is the number of line/loop counts for certain of CenturyLink's reporting companies.⁷ The non-redacted version of the cover correspondence and each page of the non-redacted submission has been marked "**CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NO. 10-90 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION**". As such, CenturyLink requests that the non-redacted version of its submission be withheld from public inspection.

The confidential information included in these documents is competitively sensitive information and thus should not be available for public inspection. Such information would not ordinarily be made available to the public. Release of the confidential information in the submission would

² The Commission has set the rate floor at \$20.46, but waived reduction of federal high-cost support for rates at or above \$16.00 for lines reported between January 2, 2015 (reflecting rates as of December 1, 2014) and June 30, 2016. *In the Matter of Connect America Fund*, Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, WC Docket No. 10-90, FCC 14-54, 29 FCC Rcd 7051 (rel. June 10, 2014) (*Rate Floor Waiver Order*) at ¶ 80.

³ See CenturyLink's 2014 Local Rate Floor Data Submission in Accord with 47 C.F.R. § 54.313(h) (filed July 1, 2014). The Commission also waived reduction of federal high-cost support for rates at or above \$14.00 for lines reported July 1, 2014. *Rate Floor Waiver Order* at ¶ 80.

⁴ Also, in accord with the Commission's waiver of its rules regarding local rate floor reductions for lines provided to customers enrolled in the Lifeline program, CenturyLink has removed lines it was providing to Lifeline customers as of December 1, 2014 from this submission. See *Rate Floor Waiver Order*, ¶ 85.

⁵ 27 FCC Rcd 10276 (2012).

⁶ 47 C.F.R. §§ 0.457(d), 0.459.

⁷ The one exception is CenturyLink's line counts in Montana. See note 8, *infra*.

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have a substantial negative competitive impact on CenturyLink. Accordingly, the non-redacted information in question is appropriate for non-disclosure under sections 0.457(d) and 0.459. Pursuant to 47 C.F.R. §§ 0.457(d) and 0.459(b), CenturyLink provides justification for the confidential treatment of this information in the Appendix to this letter.

For the non-redacted version of the submission, CenturyLink is providing to the Office of the Secretary an original hard copy of the cover letter and one Compact Disc (CD), along with an extra copy of the cover letter to be stamped and returned to the courier. In addition, CenturyLink is transmitting two hard copies of the non-redacted cover letter and two copies of the CD to Alex Minard of the Wireline Competition Bureau. Because it was not feasible to separate out the confidential information, *see* 47 C.F.R. § 0.459(a), without destroying the integrated nature of the information presented in this submission, CenturyLink is also filing today under separate cover, via the Commission's Electronic Comment Filing System (ECFS), a redacted version of its submission. The redacted version of the cover correspondence and each page of the submission (mirroring the corresponding page of the non-redacted version with confidential information) is marked "**REDACTED – FOR PUBLIC INSPECTION**," with the confidential information omitted.

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings and the annotation on the initial page noting the manner of submission.

Under separate cover, CenturyLink is also simultaneously transmitting the content of this submission (including the confidential information) today to the Universal Service Administrative Company.

Please contact me via the above contact information or Jeff Lanning in CenturyLink's Federal Regulatory Affairs office (202-429-3113) if you have any questions.

Sincerely,

/s/ Tiffany West Smink

Enclosure

cc: Alex Minard, Wireline Competition Bureau (via courier) (two copies of non-redacted submission)

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APPENDIX

Confidentiality Justification

CenturyLink requests confidential treatment of certain information enclosed with its updated 2014 local rate floor data submission in WC Docket No. 10-90. This information, which includes detailed information on company voice rate information identified by number of line/loop counts, is competitively sensitive and its disclosure would have a negative competitive impact on CenturyLink.⁸ Such information would not ordinarily be made available to the public, and should be afforded confidential treatment under both 47 C.F.R. §§ 0.457 and 0.459. In addition, the confidential information is protected from disclosure under the August 30, 2012 Third Protective Order in the above-referenced docket.⁹

47 C.F.R. § 0.457

Specific information in the submission for certain CenturyLink affiliates related to voice rate data (as to number of line/loop counts) is confidential and proprietary to CenturyLink as “commercial or financial information” under section 0.457(d). Disclosure of such information to the public would risk revealing company-sensitive proprietary information and have a harmful competitive effect on CenturyLink’s ongoing business enterprise and its operations. Therefore, in the normal course of Commission practice this information should be considered “Records not routinely available for public inspection.”

47 C.F.R. § 0.459

Specific information related to voice rate data (as to number of line/loop counts) is also subject to protection under 47 C.F.R. § 0.459, as demonstrated below.

Information for which confidential treatment is sought

CenturyLink requests that the specific information related to voice rate data in its submission regarding number of line/loop counts be treated on a confidential basis under Exemption 4 of the Freedom of Information Act. This information is competitively sensitive data that CenturyLink maintains as confidential and does not normally make available to the public. Release of the

⁸ In Order 7303d issued December 12, 2013 in Docket No. N2013.5.32, the Montana Public Service Commission denied CenturyLink’s motion for an order protecting a previous CenturyLink rate floor submission as filed in that state from public disclosure. Accordingly, CenturyLink plans to file its updated 2014 local rate floor data submission publicly in Montana for one of its incumbent LECs operating in that state.

⁹ 27 FCC Rcd 10276 (2012).

information would have a substantial negative competitive impact on CenturyLink. The non-redacted version of the cover correspondence and each page of CenturyLink's submission that includes confidential information is marked "**CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NO. 10-90 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION**".

Commission proceeding in which the information was submitted

The information is being submitted in connection with CenturyLink's submission in response to 47 C.F.R. § 54.313(h)(2), as filed in WC Docket No. 10-90.

Degree to which the information in question is commercial or financial, or contains a trade secret or is privileged

The competitive information designated as confidential in the submission is detailed information on the number of line/loop counts in connection with voice rates for residential local service, including those rates below the local urban rate floor. As noted above, this data is competitively sensitive information that is not normally released to the public, as such release would have a substantial negative competitive impact on CenturyLink.

Degree to which the information concerns a service that is subject to competition; and manner in which disclosure of the information could result in substantial competitive harm

This type of commercial information would generally not be subject to routine public inspection under the Commission's rules (47 C.F.R. § 0.457(d)), demonstrating that the Commission already anticipates that the release of this kind of information likely would produce competitive harm. CenturyLink confirms that release of the information designated as confidential in its submission would cause it substantial competitive harm by allowing its competitors to become aware of sensitive proprietary information regarding the operation of CenturyLink's business.

Measures taken by CenturyLink to prevent unauthorized disclosure; and availability of the information to the public and extent of any previous disclosure of the information to third parties

CenturyLink has treated and treats the non-public information included in its submission (in non-redacted form) as confidential and has protected it from public disclosure to parties outside the company.¹⁰

¹⁰ As stated in note 8, *supra*, CenturyLink's treatment of this information in Montana is an exception to this statement.

Justification of the period during which CenturyLink asserts the material should not be available for public disclosure

CenturyLink cannot determine at this time any date on which this information should not be considered confidential or would become stale for purposes of the current matters, except that the information would be handled in conformity with general CenturyLink records retention policies, absent any continuing legal hold on the data.

Other information that CenturyLink believes may be useful in assessing whether its request for confidentiality should be granted

Under applicable Commission and court rulings, the information in question should be withheld from public disclosure. Exemption 4 of the Freedom of Information Act shields information that is (1) commercial or financial in nature; (2) obtained from a person outside government; and (3) privileged or confidential. The information in question satisfies this test.