Independent Auditor's System Report
For Payphone Compensation
As required by FCC Order 03-235
CC Docket No. 96-128

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Independent Auditor's Report
System Audit Report

Board of Directors

Qwest Corporation dba CenturyLink QC

At the request of Qwest Corporation dba CenturyLink QC (hereinafter referred to as "CenturyLink QC") we have examined the call tracking systems of CenturyLink QC for payphone calls in compliance with FCC Order 03-235, CC Docket No. 96-128. CenturyLink QC management is responsible for compliance with those requirements. Our responsibility is to express an opinion on CenturyLink QC compliance based on our examination.

Our examination included procedures to obtain reasonable assurance about whether the controls included in our audit were suitably designed to achieve the control objectives – namely, that the call tracking system of CenturyLink QC accurately tracks payphone calls to completion and that CenturyLink QC satisfactorily complied with and applied these controls and such controls will be placed in operation consistently in the future.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about company compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on company compliance with specified requirements.

In our opinion, CenturyLink QC complied in all material respects with the requirements outlined in FCC Order 03-325, CC Docket 96-128 for the audit period. CenturyLink QC has sufficient controls in place to provide reasonable assurance to achieve the control objectives namely that the company call tracking system accurately tracks payphone calls to completion.

The description of policies & procedures concerning Payphone Compensation at CenturyLink QC as of June 30, 2015, as well as information concerning tests of the operating effectiveness and payments made includes the period of Q1 2015. Future projection of such information is subject to the inherent risk that, because of change, the description may no longer portray those procedures in existence. The potential effectiveness of specific controls at CenturyLink QC is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that (1) changes made to the system or controls, (2) changes in processing requirements, or (3) changes required because of the passage of time may alter the validity of such conclusions.

This report is intended solely for the information and use of CenturyLink QC, and is not intended to be and should not be used by anyone other than the specified party.

General Solutions Associates, L.L.C.

Alpharetta, Georgia
June 30, 2015

CenturyLink Acquisition of Qwest Corporation.

CenturyLink, Inc. acquired Qwest Corporation in a transaction that closed on April 1, 2011. Qwest Corporation and its subsidiaries are now wholly-owned subsidiaries of CenturyLink, Inc.

CenturyLink management and responsible personnel explained that CenturyLink QC receives and processes compensable payphone originated calls using its own systems for payphone call tracking, data storage, reporting, and compensation. Those systems have remained in place for the legacy Qwest companies and will continue for the foreseeable future.

CenturyLink QC management explained that the 2011 acquisition of the legacy Qwest companies has had no impact on payphone call tracking, data storage, reporting, or compensation systems or processes for legacy Qwest operations. However, CenturyLink, Inc.'s legacy Embarq companies transitioned all of their compensable payphone-originated traffic to CenturyLink Communications, LLC fka Qwest Communications Company.

Overview of System Audit Requirements

This System Audit Report covers FCC Order (03-235, CC Docket No 96-128), effective July 1, 2004 (the "Order"), requiring Interexchange Carriers (IXCs), LECs, CLECs and Switch Based Resellers (herein collectively or individually referred to as a "Carrier"), to establish and maintain a comprehensive Call Tracking System (CTS) which accurately reports and compensates Payphone Service Providers (PSPs).

The Order calls for an independent third party audit report in conformity with AICPA standards. The independent auditor's report shall conclude whether the carrier complied, in all material respects, with the factors set forth (below) regarding the CTS as follows:

1) Whether the Carrier's procedures accurately reflect the Commission's rules, including the attestation reporting requirements.
2) Whether the Carrier has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone completed calls.
3) Whether the Carrier has effective data monitoring procedures.
4) Whether the Carrier adheres to established protocols to ensure that any software, personnel, or any other network changes do not adversely affect its payphone call tracking ability.
5) Whether the Carrier has created a compensable payphone call file by matching call detail records against payphone identifiers.
6) Whether the Carrier has procedures to incorporate call data into required reports.
7) Whether the Carrier has implemented procedures and controls needed to resolve disputes.
8) Whether the independent third-party auditor can test all critical controls and procedures to verify that errors are insubstantial.
9) Whether the Carrier has adequate and effective business rules for implementing and paying payphone compensation.

CenturyLink QC utilizes the services of BSG Clearing Solutions, Inc. ("BSG"), a payphone compensation clearing house to perform payphone compensation remittances for CenturyLink QC. Therefore certain assertions included in this report depend upon BSG performing in accordance to contractual agreements. These agreements in part require BSG to comply with CC Docket 96-128 and to provide to CenturyLink QC an independent third party audit to verify that it has in place effective controls and procedures that support the assertions in this report. This report is attached as exhibit 'B'.

Audit Process & Procedures

Our audit reports on all nine (9) factors listed in the Order. The guidelines used to conduct and prepare the report are established in the AICPA's Statements on Standards for Attestation Engagements (SSAE), specifically, SSAE 10, AT Section 101 Attest Engagements and AT Section 601 Compliance Attestation.

Those standards required that we:

1) Have adequate technical training and proficiency in the attest function.
2) Perform the attest function using practitioners having adequate knowledge of the subject matter.
3) Evaluate the subject matter against suitable criteria such as:
    a) *Objectivity* – free of bias
    b) *Measurability* – reasonable consistent measurements, qualitative or quantitative, of subject matter.
    c) *Completeness* – sufficiently complete so that relevant factors that would alter a conclusion about subject matter are not omitted.
    d) *Relevance* – criteria relevant to the subject matter.
4) Maintain an independent mental attitude in all matters relating to the engagement.
5) Exercise due professional care in the planning and performance of the engagement.
6) Obtain sufficient evidence to provide reasonable basis for our conclusion expressed in the report.

CenturyLink QC utilizes an internal tracking and compensation system, solely for the purpose of calculating and remitting payphone compensation. This audit focuses on data from Q1 2015. Q1 2015 is the latest quarter that CenturyLink QC has remitted compensation.

Payphone Compensation Policies & Procedures

CenturyLink QC has established and documented policies & procedures specifically in compliance with the FCC Dial Around Compensation requirements. These include, but are not limited to:

1. Backup Policy
2. Core Security / Critical Data Requirements Policy
3. Software Quality Testing Process
4. Change Control Policy
5. Host / Server Security Policy
6. Password Policy
7. Log Tracking & Archive Process
8. Physical Security Policy
9. Information Access Control Policy
10. Monitoring Policy

CenturyLink QC responsible parties have verified through interviews, and management has verified through written attestation that these policies and others are in effect and that no material change has occurred through the audit period.

Responsible Dedicated Staff

CenturyLink QC has dedicated staff responsible for tracking, compensating, and reporting concerning completed calls, more specifically:

1. The drafting of necessary business requirements.
2. The development & maintenance of systems used to create payphone call records from switch records.
3. The implementation and maintenance of procedures that check the validity of identified payphone records.
4. The implementation and maintenance of procedures that create final compensation data sets.
5. The development of compensation tracking reports.
6. Dispute resolutions.

Through interview and discussion the employees responsible for the management of the call tracking system are competent and capable of performing the assigned duties.

Data Monitoring Procedures

CenturyLink QC has developed a systematic reporting process to generate monthly and quarterly reports on payphone call counts, PSP identities, and numbers called.

These reports reflect:

a) Trends of switch traffic volumes entering their payphone compensation systems.
b) Possible fraud on potential illegitimate payphone calls.
c) Trends of excluded calls.
d) The capability to develop customized reports to help resolve disputes.
e) Capacity for other appropriate trending reports.

GSA requested and received a Call Detail Record (CDR) trend analysis report used to test the consistency of the call tracking system as well as the trend of compensation.

Compensation Assurance Protocols

CenturyLink QC has established procedures which guarantee that the company will remain in compliance with current FCC requirements. These procedures ensure that software, personnel, or any other network changes or additions to the payphone compensation process are done in accordance with guidelines and approvals documented in aforementioned procedure section and do not adversely affect its call tracking capabilities.

GSA, through interviews and written attestation, validated that compensation assurance procedures are in effect and enforced. CenturyLink QC validated that no changes to procedures and policies were made during the audit period. The systems, policies, and procedures for tracking, reporting, and compensating for eligible payphone calls remain in force and unchanged.

Compensable Call File and Reporting

CenturyLink QC extracts all data directly from all platforms that carry payphone traffic. This CDR is consolidated and used to prepare online reports for utilization in the compensation process.

GSA reviewed the compensable call file and determined that it contained all the necessary data to perform the ANI match and to prepare detailed reports for compensation to each separate PSP or Aggregator.

Dispute Resolution Procedures

CenturyLink QC has assigned specific personnel responsible for managing BSG and processing payments to PSPs and aggregators and for managing the in-house payphone compensation system.

Management has verified that there were no disputes raised by payphone owners during the audit period.

Compensation Verification

GSAssociates has determined that CenturyLink QC has properly compensated PSPs through the 1st Quarter of 2015.

Management has confirmed that no system changes have occurred to the process through the audit period and that no errors or deficiencies in processing of payments to payphone owners had occurred throughout the audit period.

Audit Conclusions

FCC Relevant Rules Accurately Stated

CenturyLink QC has established, defined, and documented in accordance with relevant FCC Rules each of the following:

- Per-call rate.
- Per-phone requirements.
- Calls included as compensable calls
- Definition of completed call.
- Reporting requirements.
- Data storage requirements.

Established Security Protocols

CenturyLink QC has implemented security protocols to limit access to call tracking systems in a controlled environment to authorized personnel. Monitoring tracking systems have been installed to limit access to the company's call tracking system. Access to compensation systems is controlled and monitored as well as limited to authorized personnel through security measures which have been implemented.

Audit Findings

CenturyLink, Inc. began operations in 1930. Through acquisition, it has positioned itself as the third largest telecommunications provider in the United States, based on access lines, as well as a leading international provider of data integration and managed hosting. CenturyLink, Inc., through incumbent local exchange carrier subsidiary, CenturyLink QC, serves 14 states with approximately 7.3 million access lines and 3.5 million broadband customers.

As discussed earlier in this report, CenturyLink, Inc. acquired CenturyLink QC and its payphone compensation operations as of April 1, 2011.

GSA has documented that the compensation system in use as of the date of this report is effective and complete, and it has validated payments made for 1Q2015.

CenturyLink QC is in compliance for the audit period and compensation has been appropriately made to the PSPs or Aggregators for the audit period.

ExhibitA
CenturyLink QC
(Formerly known as Qwest Corporation, LLC)
(Local)

CenturyLink

Report of Management on Compliance with Applicable Requirements of Section 64.1310(a)(l) of the FCC's Rules and Regulations

The management of CenturyLink QC (fka Qwest Corporation, LLC), a wholly owned subsidiary of CenturyLink, Inc. (hereinafter collectively referred to as "CenturyLink") is responsible for establishing and maintaining adequate systems and processes for its Pay Telephone Call Tracking System and for ensuring the Company's compliance with the applicable requirements of Section 64. I 3 !0(a)(l) of the FCC Report and Order in CC Docket No. 96-128, released on October 3, 2003, regarding The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996.

Management has performed an evaluation of the Company's compliance with the applicable requirements of 47 C.F.R. Section 64.1310(a) (l), using the criteria in 47 C.F.R. Section 64.1320(c) of the FCC Rules and Regulations as the framework for the evaluation. Based on this evaluation, we assert that as of July 1, 2004, the Company complies with all applicable requirements of 47 C.F.R. Section 64.1310(a) (l) in all material respects as described below.

We have prepared the required assertion statements relating to the CenturyLink Payphone Call Tracking Systems.

CenturyLink is acknowledged as the "Completing Carrier" in the following call scenarios:

- Operator Service Calls
- 8XX Toll Free Calls
- Calling Card Calls

All assertions for CenturyLink are from the point CenturyLink; the Company has visibility to the call tracking data.

CenturyLink utilizes the services of BSG Clearing Solutions, Inc. ("BSG") to perform payphone compensation clearinghouse settlement services. Therefore, certain assertions included in this report depend upon BSG performance to contractual agreements. These agreements in part require BSG to comply with CC Docket 96-128 and to provide to CenturyLink an independent third party audit to verify that it has in place effective controls, processes and procedures that support the assertions in this report.

CenturyLink represents the following assertions where it is identified as the Completing Carrier:

FCC Compliance Factor (1) – CenturyLink ("Completing Carrier") procedures accurately track calls to completion.

- The CenturyLink definition of a "per call rate" of $.494 is in compliance with FCC rules that became effective on September 27, 2004. The "per call rate" prior to this date was $.24.
- The CenturyLink definition of a "Compensable Call" (payphone originated call that completes over CenturyLink network in which CenturyLink identifies itself as the Completing Carrier) is in compliance with the FCC rules.
- The CenturyLink definition of a "Completed Call" (call that is answered by the called party) is in compliance with the FCC rules.
- The CenturyLink system is able to generate the following reports on a quarterly basis:

  a) A list of the toll free and access numbers dialed and completed from each Payphone Service Provider's (PSP's) payphones along with the ANI for each payphone.

  b) The volume of calls for each toll free and access number that was completed by CenturyLink.

c) The name(s), address (es), and phone number(s) of the person(s) responsible for handling CenturyLink payphone compensation.

- CenturyLink data storage requirement (27 months) is in compliance with FCC rules.

FCC Compliance Factor (2) – **CenturyLink ("Completing Carrier") has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone completed calls.**

- CenturyLink has designated personnel responsible for drafting the business requirements associated with tracking, compensating, and resolving disputes concerning payphone compensated calls.
- CenturyLink has designated personnel responsible for the development and maintenance of systems used in the collection and reporting of payphone call data. BSG through its third party audit indicates that it has designated personnel responsible for system maintenance.
- CenturyLink has designated personnel responsible for the implementation and maintenance of procedures that are utilized in creating final compensation data sets. BSG through its third party audit indicates that it has designated personnel responsible for system maintenance
- CenturyLink has designated personnel who are responsible for developing compensation tracking reports and for reviewing and monitoring reports created by BSG.
- CenturyLink has designated personnel who are responsible for payphone compensation dispute resolution in conjunction with BSG personnel.

FCC Compliance Factor (3) - **CenturyLink ("Completing Carrier") has effective data monitoring procedures.**

- CenturyLink has the ability to prepare quarterly reports on payphone call counts. BSG prepares all quarterly compensation reports as indicated in the third party audit report provided to us.
- CenturyLink performs data monitoring procedures on call record volumes entering the payphone compensation systems.
- CenturyLink has the ability to produce trend reports of excluded calls.
- CenturyLink works with its IT department, in conjunction with BSG for fraud monitoring procedures and processes to identify potentially illegitimate payphone calls.
- CenturyLink in conjunction with BSG has the ability to resolve any PSP disputes and assist in any of the identification processes.

FCC Compliance Factor (4) - CenturyLink ("Completing Carrier") adheres to established protocols to ensure that any software, personnel, or any other network changes do not adversely affect its payphone call tracking ability.

- CenturyLink has security controls in place to control access to and monitor call tracking data.
- CenturyLink has a department that is responsible for making software changes that affect payphone compensation.
- CenturyLink has established protocols to implement and test software changes affecting payphone compensation.
- CenturyLink has application controls in place to ensure that network changes, external to payphone compensation, do not negatively impact payphone compensation.

FCC Compliance Factor (5) – CenturyLink ("Completing Carrier") creates a compensable payphone call file by using internal customer information matched to toll free records. This file contains all payphone traffic with payphone identifiers.

- CenturyLink utilizes switch data and database look-ups to populate the date, originating ANI, dialed number, and aggregate data into a Compensable Call File.
- CenturyLink uses payphone specific identifiers to identify a compensable payphone call record.
- CenturyLink uses customer number information compared to call detail information (FROM NUMBER field in the Call Detail Record) to identify a compensable payphone call record.
- CenturyLink applies validation and control procedures to compile the Compensable Call File.

FCC Compliance Factor (6) – CenturyLink ("Completing Carrier") has procedures to incorporate call data into required reports to make payment to PSPs.

- CenturyLink systems are able to generate a quarterly file from their raw switch records that contains completed pay phone calls. This data is formatted based on internal requirements and passed over for producing all necessary reports and making payments to PSP's.
- CenturyLink through its vendor BSG is able to produce required reports which include all data required by FCC mandate including but not limited to access numbers and call counts.

FCC Compliance Factor (7) - **CenturyLink ("Completing Carrier") has implemented procedures and controls needed to resolve payphone compensation disputes.**

- CenturyLink maintains required call tracking data for at least 27 months.
- CenturyLink has the ability to investigate and resolve PSP disputes.
- CenturyLink has designated personnel who are responsible for payphone compensation dispute resolution.

FCC Compliance Factor (8) – Critical controls and procedures have been tested by CenturyLink ("Completing Carrier") to verify that errors are insubstantial.

- CenturyLink has procedures to identify payphone terminated calls, and has tested the effectiveness of these procedures to management satisfaction.
- CenturyLink has procedures to capture dial around calls and has tested the effectiveness of these procedures to management satisfaction.
- CenturyLink has procedures to accurately populate CDR in the Compensable Call File and has tested the effectiveness of these procedures to management satisfaction.

FCC Compliance Factor (9) – CenturyLink ("Completing Carrier") has in place adequate and effective business rules for implementing and paying payphone compensation, including rules used to: (i) identify calls originated from payphones; (ii) identify compensable payphone calls; (iii) identify incomplete or otherwise non-compensable calls; and (iv) determine the identities of the payphone service providers to which Completing carrier owes compensation.

- CenturyLink has business rules that identify calls originated from payphones.
- CenturyLink has business rules that identify compensable payphone calls.
- CenturyLink has business rules that exclude incomplete calls.

- CenturyLink maintains a customer list of PSP's to determine the identities of the PSP's for which CenturyLink owes compensation.

CenturyLink - Required Disclosures per 64.1320(d)

The Company represents the following facts regarding its role as the Completing Carrier. These facts are in fulfillment of the obligations of the Company as specified at 47 C.F.R. Sections 64.1320(d):

- The Company's criterion for identifying calls originating from payphones includes:

  1. WATS call detail records are selected when (I) call duration indicator of completed is present, (2) Local Access and Transport Area ("LATA") type indicator is IntraLATA, (3) message type is IN-WATS, (4) Bell Operating Company ("BOC") CIC for central and western region is 0000, (5) Qwest entity code in the eastern region is 010, 011, 012 or 013, (a) the indicator that a call is a coin originated call must be present or the originating ANI is otherwise identified as a payphone.

  2. Toll call detail records are selected when (I) call duration indicator of completed is present, (a) call record is identified as 800 service line, directory assistance or toll usage, (b) LATA type indicator is IntraLATA, (4) BOC CIC for central and western region is 0000, (5) Qwest entity code in the eastern region is 010, 011, 012 or 013, (6) the indicator that a call is a coin originated call must be present or the originating ANI is otherwise identified as a payphone..

- The Company's criteria for identifying compensable payphone calls include all calls (I) not made to a special needs 8XX number, (2) completed, (3) matched to the ANI listing provided by BSG, (4) not compensated to PSP by contract.

- The Company's criteria used to determine the identities of PSPs to which the Company owes compensation are established by BSG, the Company's clearinghouse for settlement. ANIs are used to identify the PSPs.

- The type of information the Company needs from PSPs in order to compensate the PSP is determined by BSG. The type of information that BSG needs in order to compensate PSPs are ANIs.

- The Company has procedures to exclude commissioned calls from the compensation file submitted to BSG

R. Stewart Ewing Jr.
EVP. CFO AND ASSISTANT SECRETARY

6/1/15
Date

Exhibit B

PS&Co.

Padgett Stratemann

Independent Service Auditor's Report

To the Board of Directors
Billing Services Group North America, Inc.
San Antonio, Texas

Scope

We have examined Billing Services Group North America, Inc. and its affiliates' description of its *Dial Around Compensation System* for processing user entities' transactions throughout the period from April 1, 2014 through March 31, 2015 (the "Description"), and the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the Description. The Description indicates that certain control objectives specified in the Description can be achieved only if complementary user-entity controls contemplated in the design of BSG's controls are suitably designed and operating effectively, along with related controls at the service organization. We have not evaluated the suitability of the design or operating effectiveness of such complementary user-entity controls.

Service Organization's Responsibilities

In Section II of this report, BSG has provided an assertion about the fairness of the presentation of the Description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the Description ("Assertion"). BSG is responsible for preparing the Description and for the Assertion, including the completeness, accuracy, and method of presentation of the Description and the Assertion, providing the services covered by the Description, specifying the control objectives and stating them in the Description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria, and designing, implementing, and documenting controls to achieve the related control objectives stated in the Description.

Service Auditor's Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the Description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the Description, based on our examination. We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, the Description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the Description throughout the period from April 1, 2014 through March 31, 2015.

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An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of the service organization's controls to achieve the related control objectives stated in the description involves performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of those controls to achieve the related control objectives stated in the description. Our procedures included assessing the risks that the Description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the Description. Our procedures also included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in the Description were achieved. An examination of this type also includes evaluating the overall presentation of the Description and the suitability of the control objectives stated therein, and the suitability of the criteria specified by the service organization and described in management's assertion in Section II of this report. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Inherent Limitations

Because of their nature, controls at a service organization may not prevent or detect and correct all errors or omissions in processing or reporting transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the Description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become inadequate or fail.

Opinion

In our opinion, in all material respects, based on the criteria described in BSG's Assertion in Section II of this report:

a. The Description fairly presents the *Dial Around Compensation System* that was designed and implemented throughout the period from April 1, 2014 through March 31, 2015.

b. The controls related to the control objectives stated in the Description were suitably designed to provide reasonable assurance that the control objectives would be achieved, if the controls operated effectively throughout the period from April 1, 2014 through March 31, 2015, and user entities applied the Complementary User Entity Controls contemplated in the design of BSG's controls throughout the period from April 1, 2014 through March 31, 2015.

c. The controls tested, which, together with the Complementary User Entity Controls referred to in the scope paragraph of this report, if operating effectively, were those necessary to provide reasonable assurance that the control objectives stated in the Description were achieved, operated effectively throughout the period from April 1, 2014 through March 31, 2015.

Description of Tests of Controls

The specific controls tested and the nature, timing, and results of those tests are listed in the accompanying *Description of Test of Control Objectives, Controls, Tests of Controls, and Results of Tests* ("Description of Tests and Results") in Appendix A of this report.

Restricted Use

This report, including the Description of tests of controls and results thereof in Appendix A, is intended solely for the information and use of BSG, user entities of BSG's *Dial Around Compensation System* during some or all of the period from April 1, 2014 through March 31, 2015, and the independent auditors of such user entities, who have a sufficient understanding to consider it, along with other information, including information about the controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements. This report is not intended to be, and should not be, used by anyone other than those specified parties.

Padgett, Stratemann & Co., L.L.P.

San Antonio, Texas
May 20, 2015