Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, DC 20554

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. § 160(c) from Obsolete ILEC Regulatory Obligations that Inhibit Deployment of Next-Generation Networks	)	WC Docket No. 14-192
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
Telecommunications Carriers Eligible to Receive Universal Service Support	)	WC Docket No. 09-197
	)	
DA 15-851	)	

COMMENTS OF CENTURYLINK[1]

CenturyLink submits these comments in response to the Wireline Competition Bureau's request to refresh the record on pending issues regarding eligible telecommunications carrier (ETC) designations and obligations.[2] The Commission should promptly realign high-cost frozen support if it intends to sustain an ETC obligation for price cap carriers to offer voice service in extremely high-cost areas. CenturyLink now faces a federal ETC voice obligation in the extremely high-cost parts of a number of states without receiving any high-cost support for this obligation. Additionally, the list of census blocks issued by the Bureau includes areas outside of

[1] This filing is made on behalf of CenturyLink, Inc. and its subsidiary entities that are incumbent local exchange carriers.

[2] *See Wireline Competition Bureau Releases List of Census Blocks Where Price Cap Carriers Still Have Federal High-Cost Voice Obligations & Seeks to Refresh the Record on Pending Issues Regarding Eligible Telecommunications Carrier Designations and Obligations*, WC Docket Nos. 10-90, 14-192, 11-42 and 09-197, Public Notice, DA 15-851, 30 FCC Rcd 7417 (July 23, 2015) (*Public Notice).*

CenturyLink's service territory—places where CenturyLink is not authorized to provide service as an incumbent local exchange carrier (ILEC) and generally does not have network facilities. The Bureau should clarify that the list of census blocks where CenturyLink is identified as having ETC obligations does not require CenturyLink to offer service in any part of those census blocks where CenturyLink is not an ILEC.

I. The Commission Should Immediately Address the Unfunded ETC Obligation To Offer Voice Service In Extremely High-Cost Census Blocks.

CenturyLink has recently accepted CAF II support in thirty-three states. In doing so it has committed to deploy broadband service at speeds of at least 10/1 to over a million households in high-cost areas over the next several years. CAF II support is specifically targeted to certain high-cost census blocks and has been calculated to be used only in those areas.[3] In the Public Notice, the Wireline Competition Bureau (Bureau) released a list of census blocks, including extremely high-cost census blocks outside the CAF II offers of support, in which price cap ETCs, including CenturyLink, still have an ETC obligation to offer voice service even after accepting CAF II support in a state. In other words, in the areas that are so expensive to serve that they were excluded from CAF II support, CenturyLink still has an obligation to provide and maintain voice service, but without any support to do so. Therefore, in states where price cap carriers have accepted CAF II support, the on-going ETC obligation for price cap carriers to

[3] Price-cap carriers accepting CAF Phase II support have some flexibility to use CAF II support to deploy broadband service in extremely high-cost census blocks, but the CAF II support has only been calculated based on locations in high-cost census blocks. *Connect America Fund; ETC Annual Reports and Certifications; Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. § 160(c) from Obsolete ILEC Regulatory Obligations that Inhibit Deployment of Next-Generation Networks*, WC Docket Nos. 10-90, 14-58, 14-192, Report and Order, FCC 14-190, 29 FCC Rcd 15644, 15657 ¶ 33 (Dec. 18, 2014) (*CAF Phase II Order*); *Connect America Fund, High-Cost Universal Service Support*, WC Docket Nos. 10-90 and 05-337, Report and Order, DA 14-534, 29 FCC Rcd 3964 ¶¶ 156, 165 (Apr. 22, 2014).

offer voice service in extremely high-cost areas is now an unfunded obligation that the Commission should address immediately.

In response to the Commission's Notice of Proposed Rulemaking,[4] USTelecom has offered a proposal for reallocating frozen support now that price-cap carriers have accepted or declined CAF Phase II support.[5] CenturyLink supports this proposal and urges the Commission to move forward with immediate adoption of the proposal to promptly resolve the unfunded ETC obligations that have resulted from this initial transition to CAF II support. This proposal would appropriately realign frozen support with ETC obligations allowing price cap carriers to continue to offer voice service in extremely high-cost census blocks.

The Commission has taken tremendous steps to extend the reach of broadband service in this country. It has also determined that it will take additional time and resources to reach certain extremely high-cost areas with broadband service but that existing communication services should be maintained. Consumers in those extremely high-cost areas will ultimately be left without service in the absence of federal high-cost support to go with the ETC obligation. It is unrealistic, ultimately infeasible, and legally suspect to require that a carrier maintain service in these uneconomic areas without any support at all.[6] The Commission should promptly move forward with realigning ETC obligations with universal service high-cost support.

---

[4] *Connect America Fund et al*., WC Docket No. 10-90 et al., Report and Order et al., FCC 14-54, 29 FCC Rcd 7051 (Apr. 23, 2014).

[5] Ex parte letter from Jonathan Banks (USTelecom) to Marlene H. Dortch (FCC), *Connect America Fund*, WC Docket No. 10-90 (Apr. 3, 2015).

[6] As the Commission is aware, AT&T has sought court review of the Commission's decisions in the *CAF Phase II Order* that have maintained ETC designations and obligations without any high-cost support. See AT&T, Inc. v. FCC, D.C. Circuit, Case No. 15-1038 (filed Feb. 19, 2015). The Commission has recently obtained an abeyance of that suit while it considers the

II. The Bureau Should Clarify that CenturyLink and Other Price-Cap Carriers Do Not Have ETC Obligations in Those Parts of the Listed Census Blocks that Are Outside Their ILEC Serving Areas.

The Public Notice was accompanied by a list of census blocks where price cap carriers continue to have ETC obligations. While the list is largely accurate in its identification of those parts of CenturyLink's ILEC serving area where the Commission has elected not to forbear from ETC obligations, there are several issues that call for clarification. Some of the census blocks are incorrectly assigned to CenturyLink rather than another ILEC, which could be a price cap carrier or one subject to federal rate of return regulation. In addition, and more frequently, the census blocks are only partially served by CenturyLink. In other words, the boundaries of CenturyLink's ILEC serving area—where it is authorized to provide service and generally has network facilities—encompass part, but not all, of the identified census blocks.

It cannot be the case that CenturyLink and other price-cap ILECs for the first time have been given ETC obligations and required to offer voice service in the parts of census blocks that are outside their ILEC serving areas. The Commission has recognized that there likely will be issues regarding census block assignment because the Connect America Model uses GeoResults data, and delegated to the Bureau the authority to resolve these kinds of issues.[7] Accordingly, CenturyLink asks the Bureau to clarify that ETC obligations only extend to those parts of census blocks that are within its ILEC serving areas. The list of census blocks should not be interpreted as requiring, or have the effect of requiring, CenturyLink to offer service or meet ETC

---

issues raised in AT&T's appeal in this and other proceedings. See *AT&T, Inc. v. FCC*, Case No. 15-1038, Order, D.C. Cir., Sept. 3, 2015 (per curiam).

[7] *Connect America Fund*, WC Docket No. 10-90, Report & Order, 29 FCC Rcd 15644 ¶ 38 fn. 88 (Dec. 18, 2014).

obligations outside the boundaries where it is currently authorized to provide service as an ILEC.

Respectfully submitted,

CENTURYLINK

By: */s/ Tiffany West Smink*

Jeffrey S. Lanning
1099 New York Avenue, N.W.
Suite 250
Washington, DC 20001
202-429-3113
Jeffrey.S.Lanning@CenturyLink.com

Tiffany West Smink
1099 New York Avenue, N.W.
Suite 250
Washington, DC 20001
303-992-2506
Tiffany.Smink@CenturyLink.com

Its Attorney

September 9, 2015