



CenturyLink™

Jeffrey S Lanning
Director- Federal Regulatory Affairs
701 Pennsylvania Ave., NW
Suite 820
Washington, DC 20004

Voice: (202) 393-7113

Fax: (913) 397-3649

jeffrey.s.lanning@centurylink.com

February 3, 2010

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

EX PARTE NOTICE

Re: A National Broadband Plan for Our Future, GN Docket No. 09-51; International Comparison and Consumer Survey Requirements in the Broadband Data Improvement Act, GN Docket No. 09-47; Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act, GN Docket No. 09-137.

Dear Ms. Dortch:

On behalf of CenturyLink, I met with Carol Matthey, Mukul Chalwa and Elvis Stumbergs of the National Broadband team on February 2, 2010. We discussed the economic impacts of broadband overbuilding in rural, high-cost areas. Specifically, CenturyLink recommended that the National Broadband Plan avoid funding multiple providers in areas needing high-cost support. Such overbuilding fragments already limited broadband demand and usage, which increases the average costs faced by both broadband networks, which could waste limited funding available for supporting broadband deployment. In addition, where an overbuild only covers the lower-cost part of a incumbent provider's required service area, the overbuild enjoys an artificial cost advantage and can increase the total need for support in the area by leaving the incumbent with higher average costs based on the areas left unserved by the overbuilder.

CenturyLink also observed that municipal overbuilding present additional challenges for a broadband high-cost support program as such an overbuilder typically enjoys additional competitive advantages due to its status as a government entity. Specifically, municipal providers typically are exempt from taxes and, in addition, often can draw on local taxes to help fund their investments and operations. Moreover, such municipal entities may not be able, or cannot be required, to serve the high-cost areas surrounding the relatively low-cost town center that is often the area chosen for an overbuild. In such a case, broadband deployment to the surrounding areas would be made substantially more costly. These factors suggest that the public interest would be best served by not awarding support to municipal overbuilding projects.

CenturyLink suggested that a municipal broadband overbuild may not offer cost savings or service quality improvements over time when compared with investor-owned broadband providers. Indeed, most of the world was served by government-owned telecommunications networks (often called postal, telegraph and telephone operators or PTTs) for most of the 1900s. By the end of the last century, those PTTs typically had substantially higher rates, lower service quality, more limited availability, older equipment and technology, and greater restrictions on consumer use (particularly with respect to terminal equipment) than the investor-owned networks in the United States, even where demographics and topography favored the PTT.

Pursuant to Section 1.1206(b) of the Commission's rules, one copy of this electronic notice is being filed in each of the above-referenced dockets. Please contact me if you have any questions or need anything else.

Sincerely,



Jeffrey S Lanning

cc: Carol Matthey
Mukul Chalwa
Elvis Stumbergs