For example, while there is no limit on the number of disconnects that can be requested per day/week/month, joint project coordination is strongly recommended for all high-volume projects. CenturyLink provides Sales/Account Management resources to work cooperatively with joint project coordination activities, which includes service disconnects.

In addition, certain CenturyTel tariffs require that a request for discontinuance of service be provided to CenturyTel at least two business days prior to the date on which service is to be disconnected.[28] Likewise, Embarq's tariff requires that orders for discontinuance of service be provided to Embarq in writing at least 24 hours in advance of the requested disconnect date.[29]

Similarly, QC's tariff stipulates that two business days' notice is required to disconnect an Access Service.[30]

Billing will cease on the due date for the disconnection that is specified in the applicable tariff. For large volume projects, however, certain coordinated project tasks may extend beyond that billing termination date (*e.g.*, removal of equipment from cell sites). Depending on the terms of the Contract-Based Tariff, early termination charges may apply if the disconnection of these circuits prevents the customer from meeting the commitments in that Contract-Based Tariff.

III.B.7. Terms and Conditions. *For each Contract-Based Tariff in the LSAs listed in Attachment A of this Public Notice, provide by LSA:*

a. *A statement, if applicable, describing whether the customer's DS1 and/or DS3 purchases in areas not subject to either Phase I Pricing Flexibility or Phase II Pricing Flexibility count towards any discount contingencies in the Contract-Based Tariff, and if so identify which of the non-Phase I/Phase II Pricing Flexibility areas count and the associated Tariff and section numbers;*

Response:

CenturyLink has entered into more than 300 Contract-Based Tariffs, which typically are not limited to a particular MSA. In most of these Contract-Based Tariffs, the customer's DS1/DS3 purchases in areas not subject to Phase I and/or Phase II pricing flexibility do not count towards any discount contingencies in the Contract-Based Tariff.[31] However, CenturyLink has entered into some Contract-Based Tariffs that include discount contingencies that are based on the

[28] CenturyLink Operating Companies FCC Tariffs #2 & #3, § 3.2.2.C.
[29] CenturyLink Operating Companies FCC Tariff #9, § 5.1.4.
[30] QC FCC Tariff #1, § 5.27.
[31] *See, e.g.*, CenturyLink Operating Companies FCC Tariff #9, § 24.18, Contract No. 08-007; QC FCC Tariff #1, § 24.2, Contract No. 04-012 (discounts limited to certain circuits purchased in the Minneapolis-St. Paul, MN MSA, which is subject to pricing flexibility).

customer's total revenues and/or total number of circuits, including for DS1s and DS3s purchased in areas not subject to pricing flexibility.[32] In such cases, however, all discounts are applied to services purchased in areas that are subject to pricing flexibility. No discounts are applied to services purchased in areas subject to price cap regulation.

b. *A statement, if applicable, describing whether the customer's DS1 and/or DS3 purchases in the Contract-Based Tariff count towards any discount contingencies in another area (either another MSA, or Non-MSA) subject to a Tariff Discount Plan, and if so, identify the other areas and the associated Tariff and section numbers(s);*

Response:

As noted, the discount contingencies in CenturyLink's 300-plus Contract-Based Tariffs vary widely. However, if a customer is enrolled in the RCP, then its DS1 and/or DS3 purchases in a Contract-Based Tariff with QC will count toward the revenue commitment in the RCP.[33]

c. *A statement, if applicable, describing whether the customer's DS1 and/or DS3 purchases in the Contract-Based Tariff count towards any discount contingencies in areas outside of the LSA that are subject to Phase I and/or Phase II Pricing Flexibility, and if so, identify the areas at issue outside the LSA (e.g., MSA or Non-MSA) and the associated Contract-Based Tariff number and section numbers;*

Response:

No. CenturyLink typically does not enter into overlapping Contract-Based Tariffs with its customers.

d. *A statement, if applicable, describing whether the customer's DS1 and/or DS3 purchases in the LSA subject to the Contract-Based Tariff do not apply toward discounts in any other areas (e.g., another MSA or Non-MSA) – whether in a Tariff Discount Plan or Contract-Based Tariff.*

Response:

As noted, CenturyLink has entered into some Contract-Based Tariffs where the customer's DS1 and/or DS3 purchases do apply toward discounts in other areas, and some Contract-Based Tariffs where they do not.

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[32] *See, e.g.,* QC FCC Tariff #1, § 24.2, Contract No. 10-1.
[33] *See* QC FCC Tariff #1, § 7.1.3.B.1.

III.B.8. Terms and Conditions. *By LSA, provide the customer information requested below.*

a. The number of customers subscribing to each Tariff Discount Plan listed in Question III.B.4;

Response:

Embarq has **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** subscribing to the RVDP. QC has **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** subscribing to the RCP.

b. The number of customers that failed to meet any volume and/or revenue commitments (either by falling below minimum requirements or exceeding maximum allowable volumes) required to retain a discount they originally agreed to when entering into the Tariff Discount Plan;

Response:

In 2010, Embarq had **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** and QC had **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** that failed to meet volume and/or revenue commitments in their Tariff Discount Plan.

c. The number of customers that failed to meet commitments other than volume or revenue required to retain a discount they originally agreed to when entering into the Tariff Discount Plan;

Response:

In 2010, CenturyLink had **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** fail to meet commitments other than volume or revenue required to retain a discount in their Tariff Discount Plan.

d. The number of customers subscribing to each Contract-Based Tariff available in the LSA, if applicable;

Response:

CenturyLink's Contract-Based Tariffs are individually negotiated and tailored to meet an individual customer's needs. Consequently, it is rare for a customer to opt into an existing Contract-Based Tariff negotiated by a different customer.

e. *The number of customers that failed to meet any volume and/or revenue commitments (either by falling below minimum requirements or exceeding maximum allowable volumes) required to retain a discount they originally agreed to when entering into the Contract-Based Tariff;*

Response:

CenturyLink is aware of **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** that failed to maintain the minimum number of DS1 circuits required to retain a discount in the customer's Contract-Based Tariff with CenturyLink.

f. *The number of customers that failed to meet any commitments, other than volume or revenue, required to retain a discount they originally agreed to when entering into the Contract-Based Tariff.*

Response:

CenturyLink is aware of **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** that have failed to meet commitments other than volume or revenue that are required to retain a discount in a Contract-Based Tariff with CenturyLink.

Consistent with its request in Attachment A, CenturyLink has designated as highly confidential the information in the responses to this question because it identifies the number of customers that subscribed to specific Tariff Discount Plans and the number that failed to meet conditions in Tariff Discount Plans or Contract-Based Tariffs.

III.B.9. Terms and Conditions. *What are the steps involved in Changing Service Providers, if a customer elects to do so? Other than provisions in Contract-Based Tariffs addressing a customer's ability to Change Service Providers, are there any legal and/or operational constraints on how many circuits can be changed per day, per week, per month? Within what geographic region are those constraints applicable? Are all changes subject to the same constraints? Where are your Changing Service Providers policies recorded, and how are they communicated to customers?*

Response: In order to change service providers, the customer must submit an Access Service Request (ASR) to disconnect the services provided by CenturyLink. Unless specified otherwise, Contract-Based Tariffs are subject to the general terms and conditions found in the general tariff.

For example, while there is no limit on the number of disconnects that can be requested per day/week/month, joint project coordination is strongly recommended for all high-volume projects. CenturyLink provides Sales/Account Management resources to work cooperatively with joint project coordination activities, which include service disconnects.

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In addition, certain CenturyTel tariffs require that a request for discontinuance of service be provided to CenturyTel at least two business days prior to the date on which service is to be disconnected.[34] Likewise, Embarq's tariff requires that orders for discontinuance of service be provided to Embarq in writing at least 24 hours in advance of the requested disconnect date.[35]

Similarly, QC's tariff stipulates that two business days' notice is required to disconnect an Access Service.[36]

Billing will cease on the due date for the disconnection that is specified in the applicable tariff. For large volume projects, however, certain coordinated project tasks may extend beyond that billing termination date (*e.g.,* removal of equipment from cell sites). Depending on the terms of the Contract-Based Tariff, early termination charges may apply if the disconnection of these circuits prevents the customer from meeting the commitments in that Contract-Based Tariff.

III.B.10. Terms and Conditions. *For each Tariff Discount Plan based on revenue or volume commitments, explain how your company determines the initial commitment level at the beginning of a Tariff Discount Plan and whether that initial commitment level can be reset to a lower level once the Tariff Discount Plan expires.*

Response:

RVDP: The minimum amount of monthly recurring revenue required in order to receive a discount is $25,000. Upon completion of the three-year RVDP commitment period, the customer may extend its RVDP for an additional year, at the rates, terms and conditions in effect at the time the extension period begins. At the end of the initial three-year period or the one-year extension period, the customer may subscribe to a new RVDP at the prevailing rates, terms and conditions of the RVDP in effect at that time. CenturyLink established the $25,000 minimum commitment level after reviewing other term discount plans offered in the tariff and the revenue impact of customers converting their existing term plans to RVDP. Competitive information and customer feedback were also considered in developing this initial commitment level.

RCP: The minimum term commitment is four years. In addition, a customer must commit to maintain during this period at least 95% of its current monthly recurring revenue for its QC-provided DS1s and/or DS3s in service within QC's 14-state region. At the end of the RCP term, the DS1 and DS3 Services may be converted to a new RCP at the rates in effect at the time the new RCP is established. An extension of the existing RCP with existing RCP rates is not available. If the customer does not subscribe to a new RCP, the RCP credit will no longer be

[34] CenturyLink Operating Companies FCC Tariffs #2 & #3, § 3.2.2.C.
[35] CenturyLink Operating Companies FCC Tariff #9, § 5.1.4.
[36] QC FCC Tariff # 1, § 5.27.

applied to the customer's bill(s). CenturyLink established the initial commitment level after reviewing other term discount plans offered in the tariff and the revenue impact of customers converting their existing term plans to the RCP. Competitive information and customer feedback were also considered in developing the initial commitment level.

III.B.11. Terms and Conditions. *For each LSA, state the number of DS1s, and separately, the number of DS3s, that are purchased under a Tariff Discount Plan that has a five-year or longer time commitment.*

Response:

CenturyLink does not offer any Tariff Discount Plans that have a commitment of longer than four years.

III.C. CLEC Providers. We request that members of the public that are competitive local exchange carrier (CLEC) or out-of-region ILEC providers of DS1, DS3 or PSDS services respond to the following questions:

III.C.1. CLEC Sales. *Describe how your firm structures sales of DS1and DS3 products to its customers. Include in your answer:*

a. *A description of the method by which you sell DS1 and/or DS3 products to customers, e.g., via contracts, Tariffs, and/or contract-based tariffs (as defined by 47 C.F.R. 61.3(o));*

Response:

CenturyLink operates as a CLEC primarily through Qwest Communication Company (QCC). QCC offers Metro Private Line and Local Access products at DS1 and DS3, as well as other, capacities.

b. *An estimate of the percentage of sales made by each method (50% sold through contracts, etc.);*

Response:

100% of CenturyLink's sales, as a CLEC, are accomplished through contracts.

c. *A description of typical elements of each sale, such as products offered, duration of contract term (one-year term, five-year term), and geographic scope.*

Response:

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QCC's contracts typically involve the sale of services of various type and capacity, rather than being limited solely to DS1s and/or DS3s. These contracts often cover multiple geographic areas and have terms ranging from one to five years.

III.C.2. CLEC Pricing. *Provide a general description of your pricing structure. For example, how do you price the DS1 and DS3 products to your customers? Do you offer reduced prices based on high volume or revenue commitments? If so, please describe those agreements and explain why they were structured in that way.*

Response:

[BEGIN HIGHLY CONFIDENTIAL]

[END HIGHLY CONFIDENTIAL]

Consistent with its request in Attachment A, CenturyLink has designated as highly confidential the information in the response to this question because it describes pricing structures for non-tariffed services.

III.C.3. CLEC Discounts. *Describe whether you have sold DS1 or DS3 products to customers at higher rates, but offered certain non-rate benefits, such as an ability to move circuits within a region. Have any of those sales been contingent on meeting certain revenue or volume commitments? If so, please describe those agreements and explain why they were structured in that way.*

Response:

In some cases QCC adds enhancements to its standard services, including network diversity, Local Loop expedite and Telecommunications Service Priority.[37]

[37] Local Loop expedite refers to delivery of the service one or more days before QCC's standard interval delivery date. Telecommunications Service Priority provides priority restoration and installation to law enforcement organizations, emergency service providers and other organizations during a disaster or catastrophic failure of the telecommunications infrastructure.

III.C.4. CLEC Revenues for DS1s/DS3s. *For the categories listed, please provide the information requested below, on a national basis. An optional template is available at http://www.fcc.gov/wcb/ppd/pn2template.xls for your response. Data elements and instructions for that template are identified in Table III.C.4 of Attachment C.*

a. *Total Revenues, separately for DS1 and DS3 services;*

b. *Revenues generated from sales, based on Prior Purchase-Based Discounts, of DS1 and DS3 services:*
   i. *In total;*
   ii. *If available, separately for DS1 and DS3 services; and*
   iii. *Of the total (and for separate DS1 and DS3 services totals if available), Revenues generated from sales made at a discount from your firm's non-reduced prices of:*
      a. *Less than 10%;*
      b. *Greater than or equal to 10%, but less than 20%;*
      c. *Greater than or equal to 20%, but less than 30%;*
      d *Greater than or equal to 30%, but less than 40%;*
      e. *Greater than or equal to 40%, but less than 50%; and*
      f. *Greater than or equal to 50%.*

   A general example of how to calculate these percentages can be found at Question III.B.1(h).

c. *Revenues generated from sales, based on discounts other than Prior Purchase-Based Discounts, of DS1 and DS3 services:*
   i. *In total;*
   ii. *If available, separately for DS1 and DS3 services; and*
   iii. *Of the total (and for separate DS1 and DS3 services totals if available), Revenues generated from sales made at a discount from your firm's non-reduced prices of:*
      a. *Less than 10%;*
      b. *Greater than or equal to 10%, but less than 20%;*
      c. *Greater than or equal to 20%, but less than 30%;*
      d. *Greater than or equal to 30%, but less than 40%;*
      e. *Greater than or equal to 40%, but less than 50%; and*
      f. *Greater than or equal to 50%.*

   A general example of how to calculate these percentages can be found at Question III.B.1.h.

Response:

CenturyLink provides its response to Question III.C.4 in the enclosed compact disk with regard to QCC. QCC does not track its sales by particular discount percentages. Consistent with its request in Attachment A, CenturyLink has designated as highly confidential the information in the response to this question because it includes non-public revenue information.

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III.C.5. CLEC Revenues for PSDS. *Provide the following information, on a national basis for sales of PSDS. An optional template is available at http://www.fcc.gov/wcb/ppd/pn2template.xls for your response. Data elements and instructions for that template are identified in Table III.C.5 of Attachment C.*

a. *Total Revenues of PSDS;*

b. *Total Revenues of PSDS by the following bandwidth speed categories:*
   i. *No more than 51.84 Mbps of delivered bandwidth (inclusive of signaling);*
   ii. *Greater than 51.84 Mbps and less than 1Gbps of delivered bandwidth (inclusive of signaling); and*
   iii. *Greater than or equal to 1 Gbps of delivered bandwidth (inclusive of signaling).*

Response:

CenturyLink provides its response to Question III.C.5 in the enclosed compact disk with regard to QCC. "NA" indicates that the requested data is not available. Consistent with its request in Attachment A, CenturyLink has designated as highly confidential the information in the response to this question because it includes non-public revenue information.

III.D. All Purchasers. We request that members of the public that are purchasers of DS1, DS3, or PSDS services respond to the following questions.

III.D.1. Prices. *For DS1s and DS3s sold as unbundled network elements (UNEs) and as non-UNEs, as well as all PSDS, submit the following information by rate element by circuit billed in each LSA for each month from January 1, 2008 through December 31, 2010. An optional template is available at http://www.fcc.gov/wcb/ppd/pn2template.xls for your response. Data elements and instructions for that template are identified in Table III.D.1 of Attachment D.*

a. *The closing date of the monthly billing cycle in dd/mm/yyyy format;*
b. *The four-digit operating company number (OCN) of the vendor from Telcordia's Local Exchange Routing Guide;*
c. *The operating company name of the vendor from Telcordia's Local Exchange Routing Guide;*
d. *The circuit identifier common to all elements purchased in common for a particular circuit;*
e. *The type of circuit, (DS1 sold as a UNE, DS3 sold as a UNE, PSDS, or non-UNE DS1s/DS3s);*
f. *The bandwidth of the circuit;*
g. *The serving wire center / mileage rating point Common Language Location Identification (CLLI) of one end of the circuit;*
h. *The serving wire center / mileage rating point CLLI of the other end of the circuit;*

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i. *The billing code/Universal Service Order Code (USOC) for the rate element;*
j. *Select the phrase that best describes the rate element from the list. Names of some common rate elements are shown on the generalized circuit diagram below;*
    i. *Channel mileage facility, channel mileage, interoffice channel mileage, special transport (a transmission path between two serving wire centers associated with customer designated locations; a serving wire center and an international or service area boundary point; a serving wire center and a hub, or similar type of connection);*
    ii. *Channel mileage termination, special transport termination (the termination of channel mileage facility or similar transmission path);*
    iii. *Channel termination, local distribution channel, special access line, customer port connection (Ethernet) (a transmission path between a customer designated location and the associated wire center);*
    iv. *Clear channel capability (not shown) (an arrangement which allows a customer to transport, for example, 1.536 Mbps of information on a 1.544 Mbps line rate with no constraint on the quantity or sequence of one and zero bits);*
    v. *Cross-connection (not shown) (semi-permanent switching between facilities, sometimes combined with multiplexing/demultiplexing);*
    vi. *Multiplexing (not shown) (channelizing a facility into individual services requiring a Lower capacity or bandwidth);*
    vii. *Class of service and/or committed information rate (not shown) (for Ethernet, the performance characteristics of the network and bandwidth available for a customer port connection).*
k. *If none of the possible entries describes the rate element, enter a short description;*
l. *The state in which the rate element is located;*
m. *The local access transport area (LATA) in which the rate element is located;*
n. *The jurisdiction of the rate element – i.e., whether it is categorized for regulatory purposes as Intrastate or interstate;*
o. *The regulatory regime of the MSA under which the rate element is sold (i.e., price cap, phase I or phase II pricing flexibility);*
p. *The density pricing zone for the rate element;*
q. *The serving wire center / mileage rating point associated with this rate element;*
r. *The number of units billed for this rate element;*
s. *The dollar amount of non-recurring charges billed for the first unit of this rate element;*
t. *The dollar amount of non-recurring charges billed for additional units of this rate element (if different from the amount billed for the initial unit);*
u. *The monthly recurring dollar charge for the first unit of the rate element billed;*
v. *The monthly recurring dollar charge for additional units (if different from the amount billed for the initial unit);*
w. *The total monthly dollar amount billed for the rate element;*
x. *The adjustment identifier linking this rate element to the unique out-of-cycle billing adjustment in Question III.D.2 (below);*
y. *Length of time (term) commitment associated with this circuit in months;*

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z. *Indicate whether this rate element is associated with a circuit that contributes to a volume commitment;*

aa. *Indicate whether this rate element is associated with a circuit that contributes to a revenue commitment in a Tariff Discount Plan;*

ab. *Indicate whether this rate element was purchased out of a Contract-Based Tariff; and*

ac. *Indicate whether this rate element is part of a circuit that is in use.*

Response:

CenturyLink, through its affiliate QCC, purchases DS1s, DS3s and/or PSDS from the following vendors in the designated LSAs. The listed names reflect the vendor names on the bills received by QCC. Some vendors on the list are affiliated with other vendors on the list (*e.g.*, AT&T (IXC) and BellSouth).

Vendors by LSA - QCC Purchases of DS1 & DS3 & PSDS
[BEGIN HIGHLY CONFIDENTIAL]

[END HIGHLY CONFIDENTIAL]

Consistent with its request in Attachment A, CenturyLink has designated as highly confidential the information in the response to this question because it delineates the names of a provider's telecommunications vendors.

III.D.2. Prices. *For each adjustment or true-up (including credits for meeting or penalties for not meeting contractual obligations) to billed DS1 or DS3 rate elements purchased in each LSA, provide the following information below. An optional template is available at http://www.fcc.gov/wcb/ppd/pn2template.xls for your response. Data elements and instructions for that template are identified in Table III.D.2 of Attachment D.*

a. *A unique id number for the adjustment or true-up (see Question III.D.1.x above);*
b. *The beginning date of the time period covered by the adjustment or true-up;*
c. *The ending date of the time period covered by the adjustment or true-up;*
d. *The dollar amount of the adjustment or true-up. Any increase in the amount owed to the vendor (e.g., penalty) should be a positive number while any decrease in the amount owed to the vendor (e.g., discount or rebate) should be a negative number.*

Response:

In 2010, QCC received adjustments or true-ups totaling approximately **[BEGIN HIGHLY CONFIDENTIAL]** $27.5 million **[END HIGHLY CONFIDENTIAL]** for DS1, DS3 and PSDS circuits. QCC is not able to determine the time period covered by individual adjustments and true-ups.

The stated reasons for these adjustments and/or true-ups included adjustments for interruption of service, taxes, cancellation charges, late payment charges, rate changes, billing corrections, service cancellation charges, service order charges and discount plan credits.

Consistent with its request in Attachment A, CenturyLink has designated as highly confidential the information in the response to this question because it provides information for prices paid for telecommunications services.

III.D.3. Circuits Purchased. *State how many DS1 and/or DS3 circuits your firm has purchased from ILECs, if applicable, in accordance with the categories below. An optional template is*

available at http://www.fcc.gov/wcb/ppd/pn2template.xls for your response. Data elements and instructions for that template are identified in Table III.D.3 of Attachment D.

a. *Total interstate and intrastate;*
b. *At One Month Term Only Rates;*
c. *Under Term Discounts;*
d. *Under Tariff Discount Plans;*
e. *Under Tariff Benefit Plans;*
f. *Under Contract-Based Tariffs;*
g. *If the sum of the subcategories reported above (in III.D.3.b-III.D.3.f), plus intrastate DS1 and DS3 circuits, do not add up to the total DS1 and DS3 circuits reported in III.D.3.a, explain why;*
h. *The number of DS1 and/or DS3 circuits purchased through Tariff Discount Plans at Prior Purchase-Based Discounts:*
    i. *In total;*
    ii. *The totals, separately for DS1s and DS3s; and*
    iii. *Of the total for DS1s and separately, of the total for DS3s, state the number of circuits that were purchased at a discount from the One Month Term Only Rate of:*
        a. *Less than 10%;*
        b. *Greater than or equal to 10%, but less than 20%;*
        c. *Greater than or equal to 20%, but less than 30%;*
        d. *Greater than or equal to 30%, but less than 40%;*
        e. *Greater than or equal to 40%, but less than 50%; and*
        f. *Greater than or equal to 50%.*

For purposes of determining the number of circuits that were purchased within one of the above listed discount categories, an example would be if a purchaser spent $2,000 on a Tariff Discount Plan that requires a purchase of 30 DS1s, based on the customer's prior year's buy, for calendar year 2010. If those same circuits were purchased at One Month Term Only Rates of $133 per DS1, then total expenditures would be $3,990. Because the discount for those 30 circuits under the Tariff Discount Plan was less than 50%, but more than 40%, of what would have been spent under One Month Term Only Rates, then 30 circuits were purchased at a discount of greater than or equal to 40%, but less than 50%.

h. *The number of DS1 and/or DS3 circuits purchased through all Tariff Discount Plans other than Prior Purchase-Based Discounts:*
    i. *In total;*
    ii. *The totals, separately for DS1s and DS3s; and*
    iii. *Of the total for DS1s and separately, of the total for DS3s, state the number of circuits that were purchased at a discount from the One Month Term Only Rate of:*
        a. *Less than 10%;*
        b. *Greater than or equal to 10%, but less than 20%;*
        c. *Greater than or equal to 20%, but less than 30%;*
        d. *Greater than or equal to 30%, but less than 40%;*

e. Greater than or equal to 40%, but less than 50%; and
f. Greater than or equal to 50%.

A general example of how to calculate these percentages can be found at Question III.D.3.g.

i. The number of DS1 and/or DS3 circuits purchased through Contract-Based Tariffs at Prior Purchase-Based Discounts:
i. In total;
ii. The totals, separately for DS1s and DS3s; and
iii. Of the total for DS1s and separately, of the total for DS3s, state the number of circuits that were purchased at a discount from the One Month Term Only Rate of:
a. Less than 10%;
b. Greater than or equal to 10%, but less than 20%;
c. Greater than or equal to 20%, but less than 30%;
d. Greater than or equal to 30%, but less than 40%;
e. Greater than or equal to 40%, but less than 50%; and
f. Greater than or equal to 50%.

A general example of how to calculate these percentages can be found at Question III.D.3.g.

j. The number of DS1 and/or DS3 circuits purchased through Contract-Based Tariffs at discounts other than Prior Purchase-Based Discounts:
i. In total;
ii. The totals, separately for DS1s and DS3s; and
iii. Of the total for DS1s and separately, of the total for DS3s, state the number of circuits that were purchased at a discount from the One Month Term Only Rate of:
a. Less than 10%;
b. Greater than or equal to 10%, but less than 20%;
c. Greater than or equal to 20%, but less than 30%;
d. Greater than or equal to 30%, but less than 40%;
e. Greater than or equal to 40%, but less than 50%; and
f. Greater than or equal to 50%.

A general example of how to calculate these percentages can be found at Question III.D.3.g.

k. Provide the following information, on a national basis, for the number of PSDS circuits purchased:
i. Total number of PSDS circuits purchased;
ii. Total number of PSDS circuits purchased, by the following bandwidth speed categories below:
a. No more than 51.84 Mbps of delivered bandwidth (inclusive of signaling):
b. Greater than 51.84 Mbps and less than 1 Gbps of delivered bandwidth (inclusive of signaling);
c. Greater or equal to 1 Gbps of delivered bandwidth (inclusive of signaling).

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Response:

CenturyLink provides its response to Question III.D.3 in the enclosed compact disk. Consistent with its request in Attachment A, CenturyLink has designated as highly confidential the information in the response to this question because it identifies the volume of circuits purchased by CenturyLink.

III.D.4. Expenditures. *If applicable, submit responses to the information requested below on expenditures on ILEC DS1 and/or DS3 services, on a national basis. An optional template is available at http://www.fcc.gov/wcb/ppd/pn2template.xls for your response. Data elements and instructions for that template are identified in Table III.D.4 of Attachment D.*

a. *Provide your firm's total expenditures, e.g., dollar volume of purchases, on intrastate and interstate DS1 and DS3 services, separately for DS1s and DS3s;*
b. *Provide your firm's expenditures, e.g., dollar volume of purchases, on DS1s and DS3s at One Month Term Only Rates, separately for DS1s and DS3s;*
c. *Provide your firm's expenditures, e.g., dollar volume of purchases, on DS1s and DS3s under Term Discounts, separately for DS1s and DS3s;*
d. *Provide your firm's expenditures, e.g., dollar volume of purchases, on DS1s and DS3s under Tariff Discount Plans:*
    i. *In total; and*
    ii. *If data is available, separately for DS1s and DS3s;*
e. *Provide your firm's expenditures, e.g. dollar volume of purchases, on DS1s and DS3s under Tariff Benefit Plans:*
    i. *In total; and*
    ii. *If data is available, separately for DS1s and DS3s;*
f. *Provide your firm's expenditures, e.g., dollar volume of purchases, on DS1s and DS3s under Contract-Based Tariffs:*
    i. *In total; and*
    ii. *If data is available, separately for DS1s and DS3s;*
g. *If the sum of the subcategories of expenditures reported above (III.D.4.b – III.D.4.f), plus expenditures on intrastate DS1 and DS3 services, do not add up to the total expenditures reported in III.D.4.a, explain why;*
h. *State your firm's expenditures, e.g. dollar volume of purchases, on a national basis on DS1 and/or DS3 circuits under Tariff Discount Plans at Prior Purchase-Based Discounts:*
    i. *In total;*
    ii. *If available, separately for DS1s and DS3s;*
    iii. *Of the total (and for the separate DS1 and DS3 totals if available), expenditures that incorporated a discount from the One Month Term Only Rate of:*
        a. *Less than 10%;*
        b. *Greater than or equal to 10%, but less than 20%;*
        c. *Greater than or equal to 20%, but less than 30%;*

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d. *Greater than or equal to 30%, but less than 40%;*
e. *Greater than or equal to 40%, but less than 50%; and*
f. *Greater than or equal to 50%.*

A general example of how to calculate these percentages can be found at Question III.B.1.h.

i. *Provide your firm's expenditures, e.g. dollar volume of purchases, on a national basis on DS1 and/or DS3 services purchased under Tariff Discount Plans at discounts other than Prior Purchase-Based Discounts:*
   i. *In total;*
   ii. *If available, separately for DS1s and DS3s;*
   iii. *Of the total (and for the separate DS1 and DS3 totals if available), expenditures that incorporated a discount from the One Month Term Only Rate of:*
      a. *Less than 10%;*
      b. *Greater than or equal to 10%, but less than 20%;*
      c. *Greater than or equal to 20%, but less than 30%;*
      d. *Greater than or equal to 30%, but less than 40%;*
      e. *Greater than or equal to 40%, but less than 50%; and*
      f. *Greater than or equal to 50%.*

   A general example of how to calculate these percentages can be found at Question III.B.1.h.

j. *Provide your firm's expenditures, e.g. dollar volume of purchases, on a national basis on DS1 and/or DS3 services under Contract-Based Tariffs at Prior Purchase-Based Discounts:*
   i. *In total;*
   ii. *If available, separately for DS1s and DS3s*
   iii. *Of the total (and for the separate DS1 and DS3 totals if available), expenditures that incorporated a discount from the One Month Term Only Rate of:*
      a. *Less than 10%;*
      b. *Greater than or equal to 10%, but less than 20%;*
      c. *Greater than or equal to 20%, but less than 30%;*
      d. *Greater than or equal to 30%, but less than 40%;*
      e. *Greater than or equal to 40%, but less than 50%; and*
      f. *Greater than or equal to 50%.*

   A general example of how to calculate these percentages can be found at Question III.B.1.h.

k. *Provide your firm's expenditures, e.g. dollar volume of purchases, on a national basis on DS1 and/or DS3 circuits under Contract-Based Tariffs at discounts other than Prior Purchase-Based Discounts:*
   i. *In total;*
   ii. *If available, separately for DS1s and DS3s;*
   iii. *Of the total (and for the separate DS1 and DS3 totals if available), expenditures that incorporated a discount from the One Month Term Only Rate of:*

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a. *Less than 10%;*
b. *Greater than or equal to 10%, but less than 20%;*
c. *Greater than or equal to 20%, but less than 30%;*
d. *Greater than or equal to 30%, but less than 40%;*
e. *Greater than or equal to 40%, but less than 50%; and*
f. *Greater than or equal to 50%.*

A general example of how to calculate these percentages can be found at Question III.B.1.h.

l. *Provide the following information on a national basis for expenditures on PSDS.*
   i. *Total expenditures on PSDS;*
   ii. *Total expenditures in all PSDS, by the following bandwidth speed categories:*
      a. *No more than 51.84 Mbps of delivered bandwidth (inclusive of signaling):*
      b. *Greater than 51.84 Mbps and less than 1 Gbps of delivered bandwidth (inclusive of signaling); and*
      c. *Greater or equal to 1 Gbps of delivered bandwidth (inclusive of signaling).*

Response:

CenturyLink provides its response to Question III.D.4 in the enclosed compact disk. Consistent with its request in Attachment A, CenturyLink has designated as highly confidential the information in the response to this question because it identifies CenturyLink's spending for DS1s, DS3s and PSDS.

III.D.5. Terms and Conditions. *Explain what impact, if any, terms and conditions in Tariffs and/or Contract-Based Tariffs for DS1 and/or DS3 services have had on your ability to:*

a. *Decrease your purchases from your current providers;*
b. *Purchase services from alternative providers currently operating in the geographic areas in which you purchase services;*
c. *Purchase alternative services, such as Ethernet services, from your current provider of DS1 and/or DS3 services or from alternative providers operating in the geographic areas in which you purchase DS1 and/or DS3 services;*
d. *Contract with firms that are considering entering the geographic areas in which you purchase DS1 and/or DS3 services.*

Relevant terms and conditions, among others, may include: (a) early termination penalties; (b) shortfall provisions; (c) overlapping/supplemental discounts plans with different termination dates; (d) timing associated with Changing Service Providers; (e) requirements to include all services, including new facilities, under a Tariff or Contract-Based Tariff; or (f) requiring purchases in multiple geographic areas to obtain maximum discounts.

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In your explanation, provide at least one example which, at a minimum, states: (a) a description of the term or condition; (b) the geographic area in which the DS1 and/or DS3 services are provided; (c) the name of the vendor providing the DS1 and/or DS3 service; and (d) the specific Tariff and/or Contract-Based Tariff number(s) and section(s). If you allege that such provisions negatively affect your firm, state whether you have brought a complaint to the Commission, a state commission or court about this issue and the outcome. If you have not brought a complaint to any of those three entities, explain why not.

Response:

While various CenturyLink affiliates purchase DS1 and DS3 services, QCC is CenturyLink's largest purchaser of those services. QCC is an IXC that serves business customers – predominately large business customers – in locations across the nation using its long-haul network. Outside of CenturyLink's ILEC footprint, QCC frequently purchases last-mile connectivity from other providers at various capacities in order to reach its customers. Given growing demand for broadband services, DS1 and DS3 services are increasingly becoming transitional services, giving way to Ethernet and other broadband services that generally provide more bandwidth than a DS1 service, but at a lower cost than a DS3 service.

QCC purchases DS1 and DS3 services both from CLECs and ILECs. In both situations, QCC is constantly considering the tradeoff between committing to a particular volume and/or term with a particular vendor in order to obtain a more favorable rate, and, alternatively, choosing not to make such a commitment in order to maintain more flexibility, albeit at a somewhat higher rate. QCC evaluates this issue on a case-by-case basis, depending on its expected demand in a particular geographic area, as well as the commitments that QCC has received from the customers that it serves through DS1s and/or DS3 services in that area.

Some of QCC's vendor agreements permit QCC to migrate its DS1/DS3 services with a vendor to that vendor's Ethernet services, without penalty, by wrapping those Ethernet purchases into QCC's commitment with the vendor or allowing for circuit substitution.

III.D.6. Terms and Conditions. *Describe any circumstances in which you have purchased circuits for DS1 and/or DS3 services, solely for the purpose of meeting volume or revenue commitments required for a discount from your vendor of DS1 and/or DS3 services, that you have not used. In your description, provide at least one example, which at a minimum, states:*

a. *The geographic area (e.g., MSA or Non-MSA) in which you purchased the unnecessary circuits;*
b. *The name of the vendor providing the DS1 and/or DS3 service at issue;*
c. *A description of the discount requirement (i.e., volume commitment, revenue commitment, etc.);*

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d. *The tariff and section number(s) (or contract tariff and section number(s)), if applicable, of the specific terms and conditions described;*
e. *A comparison of the dollar amount of the unnecessary circuit(s) versus the dollar amount of penalties your company would have had to pay had it not purchased and/or maintained the unnecessary circuit(s), and a description of how that comparison was calculated.*

Response:

To the extent this has occurred, it has been only on rare occasions, as QCC carefully considers its expected demand for DS1 and/or DS3 services before entering into volume or revenue commitments with a vendor.

III.D.7. Terms and Conditions. *Describe, if applicable, any previous attempts to Change Service Providers or discussions relating to Changing Service Providers. What were the steps involved in having your service changed? Other than provisions in Tariffs or Contract-Based Tariffs addressing a customer's ability to Change Service Providers, did the vendor impose any constraints on how many circuits could be changed per day, per week, per month? Within what geographic region were those constraints applicable? Were all changes subject to the same constraints? If not, explain. How were these logistical constraints for changes communicated to your company? How did you overcome the logistical constraints if you were able to do so?*

Response:

QCC has not frequently experienced this situation, though it has occasionally migrated a circuit or group of circuits to a new vendor if that vendor offers a better price. In such situations, QCC has not encountered significant constraints in changing service providers.

III.D.8. Terms and Conditions. *Explain how, if at all, sales for DS1 and DS3 services in markets subject to Phase I or Phase II Pricing Flexibility may be effectively conditioned on sales in price cap markets, or vice versa. Provide in your explanation at least one specific example which, at a minimum, states: (a) the geographic area(s) impacted (e.g., .MSA or Non-MSA); (b) the provider potentially conditioning sales between areas; (c) the special access service(s) at issue; (d) a description of the conditional requirement(s); and (e) if applicable, the number and section of the Tariff(s) or Contract-Based Tariff(s) at issue.*

Response:

As a large-scale provider, QCC frequently enters into arrangements that cover multiple states, if not the entire nation, and purchases multiple services, including DS1s and DS3s. Such arrangements often provide discounts tied to the amount of QCC's total purchases with that vendor.

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III.D.9. Terms and Conditions. *In LSAs in which you ceased buying DS1 and/or DS3 services from one vendor and, instead, purchased comparable DS1 and/or DS3 services from a competing provider, state the number of times within the past 5 years you have done so, the name(s) of the provider(s) from whom you switched, the name(s) of the competing provider(s) to whom you switched, and the percentage of DS1 and/or DS3 circuits within the LSA that you switched to the competing provider. Within the same 5-year period, state the number of times your procurement division considered switching from its provider of DS1 and/or DS3 services to a competing provider, but decided not to do so, and explain why if those reasons are related to terms and conditions.*

Response:

QCC has rarely, if ever, ceased buying DS1 or DS3 services from a particular vendor, though it has in some cases begun purchasing DS1 and DS3 services from new vendors as they begin to offer these services in a particular geographic area.

III.D.10. Terms and Conditions. *Explain the circumstances under which you have paid One Month Term Only Rates for DS1 and/or DS3 services and the impact, if any, it had on your business. If you have never paid One Month Term Only Rates for DS1 and/or DS3 services, explain what impact, if any, paying such rates would likely have on your business.*

Response:

As noted, QCC constantly considers whether it makes business sense to enter into a volume or term commitment in order to obtain a more favorable rate. QCC has frequently paid month-to-month rates to a CLEC or ILEC vendor for a DS1 or DS3 service when it needed that service for only a short period of time.

III.D.11. Terms and Conditions. *By LSA, provide the following information about each Contract-Based Tariff through which you buy DS1 and DS3 services:*

a. *A description of the contingency (or contingencies) on which the Contract-Based Tariff's discount, if any, is based (that is, requirements for a commitment of term, volume, revenue, combination, or other);*
b. *A description of whether the customer's DS1 and/or DS3 purchases in areas not subject to either Phase I or Phase II Pricing Flexibility count towards any discount contingencies in the Contract-Based Tariff, and if so identify which of the non-Phase I/Phase II Pricing Flexibility areas (e.g. MSAs or Non-MSAs) count and their associated Tariff and section numbers;*
c. *A description of whether the customer's DS1 and/or DS3 purchases in the Contract-Based Tariff count towards any discount contingencies in other areas (e.g., other MSAs or Non-*

MSAs) that are subject to Tariff Discount Plans, and if so, identify the other areas and the associated Tariff and section numbers(s) of those Tariff Discount Plans; or

d. *A description of whether the customer's DS1 and/or DS3 purchases in the Contract-Based Tariff count towards any discount contingencies in other areas (e.g., other MSAs or Non-MSAs) subject to Phase I or Phase II Pricing Flexibility, and if so, identify the other areas at issue and their associated Contract-Based Tariff and section numbers; or*
e. *A description of whether the customer's DS1 and/or DS3 purchases in the LSA do not apply toward other discounts in any other areas – whether in a Tariff Discount Plan or Contract-Based Tariff.*

Response:

QCC's Contract-Based Tariffs typically are not limited to a particular MSA. They provide discounts based on commitments of a particular volume and term.

III.D.12. Terms and Conditions. *If your company did Change Service Providers, or entered into discussions related to doing so, identify and describe the relevant Tariff and/or Contract-Based Tariff and section numbers discussing policies for Changing Service Providers. Include in your description whether the Tariff or Contract-Based Tariff discusses constraints on the number of circuits that can be changed on a daily, weekly, or monthly basis, and whether the customer must continue to pay for circuits until they are changed, and at what rate.*

Response:

As noted, QCC does not frequently experience this situation. When it does, it generally migrates its services to the new vendor at the end of the term commitment with the current vendor or makes the business decision to pay early termination liability charges.

III.D.13. Terms and Conditions. *In each LSA in which you issued an RFP for DS1 and/or DS3 channel terminations to an end user within the past 5 years, but either received no responses or received responses that failed to meet your minimum selection criteria, describe the reasons your RFP failed, if known, and whether those reasons were associated with terms and conditions.*

Response:

QCC does not issue RFPs for DS1 and/or DS3 services. QCC's focus on reduced intervals for customer orders requires that we pre-arrange the availability of capacity and prices before orders are received. QCC generally does this through contracts with broad geographic coverage, rather than an RFP process to obtain individual circuits.

III.E. <u>All Members of the Public</u>. We request that the public respond to the following questions:

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III.E.1. Quality of Questions. *We seek comment from the public on the quality, utility, and clarity of this data request. If there are important issues not covered in this or previous data requests in this proceeding, please describe those issues, and explain why they are important to this proceeding.*

Response:

CenturyLink has long urged the Commission to collect data that will enable it to measure the degree to which the traditional special access services at issue here—ILEC-provided DS1 and DS3 services—are subject to competition, not just from carriers offering identical services (whether on a standalone basis or as channelized circuits on larger pipes), but also from providers of technologically distinct services. Such a data collection will also enable the Commission to assess the accuracy of the current pricing flexibility triggers.

To its credit, the Commission's request seeks data from CLECs, including out-of-region ILECs, in a cross section of Metropolitan Statistical Areas (MSAs).

The value and quality of this data gathering effort will depend to a large degree on how many providers of high capacity services comply with the Commission's voluntary request for data, and the extent to which they provide the detailed information sought in the data request. CenturyLink therefore must reserve judgment on the value and utility of the data request until it has an opportunity to assess the level of participation by those providing high capacity services in the markets in question.

In the meantime, Qwest identifies a number of critical aspects to a meaningful data collection:

- *Comprehensive Data Collection.* In order to get a complete and accurate picture of the relevant marketplace, the Commission must collect a comprehensive set of data from all providers that compete with ILEC special access providers, including suppliers of competitive fiber, such as Zayo and providers of fixed wireless backhaul, including Towerstream and FiberTower.

    - Given the voluntary nature of this data request, it is unclear at this point how many providers will submit data. A partial response to the data request will provide, at best, a partial glimpse of the state of competition in a particular market. At worst, a partial response could provide a highly misleading picture of the state of competition, particularly if some key providers choose to withhold data that would show the existence of substantial competition in a particular area. Depending upon the level of response to this data request, the Commission may need to issue a mandatory data request to fill out key missing data.

- It is also unclear whether providers that may view themselves as neither an ILEC nor a CLEC, such as a fixed wireless provider, will provide data in response to this request. It is also critical to ensure that cable television providers submit responsive information given their significant and growing position in the marketplace for these services.

- Some customers of special access services are meeting their needs for high capacity services through self provisioning. For example, Clearwire and other wireless providers are using wireless backhaul to service their cell sites in lieu of special access services. The Commission should ensure that such self provisioning is adequately reflected in the data it collects.

- *Data Reflecting Current Conditions*. The data request seeks to obtain a snapshot of competitive deployment as of the end of 2010. Such data is nearly a year old and therefore fails to account for continuing deployment and evolutions in technology. The Commission should consider updating this data with more current information as it becomes available.

- *Statistically Valid Sample*. The Commission should ensure that it is collecting data from a statistically significant cross section of MSAs to the extent it intends to interpolate the results of its analysis to other markets.

- *Opportunity for Review by Interested Parties*. The Commission needs to provide interested parties meaningful access to the data submitted in response to the data request. Such access is critical to allow interested parties to assess the sufficiency and accuracy of the submitted data and to challenge relevant assumptions.[38]

[38] As legacy Qwest noted in response to the Commission's earlier data request in this proceeding, the Commission also should collect information on virtual and physical collocation in collocation hotels or with non-ILEC providers, route information for facilities other than fiber, such as hybrid fiber-coax and wireless and various types of data reflecting potential competition. *See* Qwest Corporation's Response to Special Access Data Request (submitted Jan. 27, 2011).