Petition to Deny

CenturyLink Qwest

Application to Discontinue Basic Telecommunications Services

11-191

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Introduction: Both Verizon Wireless and CenturyLink have applications before the Commission seeking permission to discontinue interconnected VOIP services (11-126 and 11-196). In fact a number of large telecommunications companies are filing similar applications to even suspend basic telecommunications services. For example, AT&T Inc., is seeking to do so plus Verizon Communications Inc., a co-parent of Verizon Wireless has begun planning to discontinue basic telecommunications services in a number of states. Verizon New York Inc., has a petition to discontinue basic telecommunications services including DSL in the State of New York (10-230), Verizon California Inc. Southwest, Verizon South & North Retain Co., have an application also before the Commission to discontinue interconnected VOIP services (10-198) and through Big Red's deals with the cable cartel (SpectrumCo and Cox) the Internet could be divided up by phone and cable companies entering anti competitive marketing agreements promising each other not to compete by entering each other's market.

CenturyLink also has an application to discontinue basic telecommunications services (11-191) that should also be denied.

The Verizon Cable license transfer is not just a license transfer its part of an integrated transaction as opponents of those deals have told the DOJ and FCC and both aspects need to be looked at and denied. That being said this application by CenturyLink should be looked on with skepticism. They are not the only company requesting permission to discontinue basic telecommunications services or interconnected VOIP services. Allowing both applications to discontinue interconnected VOIP services and/or even more than one application to discontinue basic telecommunications services would be far worse than allowing even one such application. CenturyLink has filed a request for waiver of the FCC's Connect America Fund rules criticizing wireless data caps but ignoring their own stating they want the program's rules changed for their benefit.

Evidence:

The threat to an Open Internet isn't just speculation – we've seen what happens when the Internet's gatekeepers gain too much control. These

companies have been clear about their plans to discriminate online. According to the Washington Post:

William L. Smith, chief technology officer for Atlanta-based BellSouth Corp., told reporters and analysts that an Internet service provider such as his firm should be able, for example, to charge Yahoo Inc. for the opportunity to have its search site load faster than that of Google Inc.

Smith isn't alone. Former AT&T Chief Ed Whitacre told *BusinessWeek*:

Now what they would like to do is use my pipes free, but I ain't going to let them do that because we have spent this capital and we have to have a return on it. So there's going to have to be some mechanism for these people who use these pipes to pay for the portion they're using. Why should they be allowed to use my pipes?

And Verizon's Ivan Seidenberg told the *Wall Street Journal*:

We have to make sure they don't sit on our network and chew up our capacity. We need to pay for the pipe.

Net Neutrality advocates are not imagining a doomsday scenario. We are simply taking the telecom execs at their word.

That being said broadband competition can help maintain Network Neutrality. When there are more choices for broadband providers there is less incentive for ISP

discrimination. The current broadband duopoly, which could become a cable monopoly if the Verizon Cable deals are approved and similar deals involving AT&T and CenturyLink with other cable companies were struck is anti-competitive and could become less competitive because of the Verizon Cable deals and similar bad deals mentioned above.

These applications by CenturyLink and Verizon Wireless should be denied or have tough regulatory conditions attached. If even one application is approved competition in the market for interconnected VOIP services though would decline resulting in less consumer choice. One possibility is for the FCC to approve one such application but not the other. A case could hypothetically be made by the Commission in approving one such application that if the CenturyLink one is approved that consumers would still have the choice of using interconnected VOIP services by Verizon Wireless and vice versa. However, in approving both competition and consumer choice would substantially be less than it was earlier. This would be especially true if it results in a flurry of similar applications by AT&T Mobility, Sprint Nextel, AT&T Inc., etc to discontinue interconnected VOIP services.

Allowing one company to exit on the grounds there are enough competitors remaining in the market is more acceptable than allowing more companies to do so.

Conclusion: I therefore urge the Commission to condition or deny the Verizon Cable deals (12-4), deny the CenturyLink petition to discontinue interconnected VOIP services (11-196) and deny the Verizon Wireless application to discontinue interconnected VOIP services (11-126). Thanks for your time and accepting my petition.