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NOTICE OF EX PARTE

August 11, 2014

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20554

Re: *Connect America Fund*, WC Docket No. 10-90; *ETC Annual Reports and Certifications*, WC Docket No. 14-58; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *Universal Service Reform – Mobility Fund*, WT Docket No. 10-208; *Protecting the Open Internet*, GN Docket No. 14-28; *Framework for Broadband Internet Service*, GN Docket No. 10-127

Dear Ms. Dortch:

On August 7, 2014, James P. Roberts and I, representing CenturyLink (Pennsylvania operations), met with James H. Cawley, Commissioner of the Pennsylvania Public Utility Commission (Pa. PUC) and member of the Federal-State Joint Board on Universal Service (Joint Board). Also at the meeting were Labros E. Pilalis, Telecom. Analyst to Commissioner Cawley and a member of the Joint Board state staff; Terri Slocomb, Industry Advisor to Commissioner Cawley; and Neil Devlin, Pa. PUC legal intern. The meeting focused on the Federal Communications Commission's (FCC's) open proceeding on the Connect America Fund, Phase II.

CenturyLink explained that the FCC is correct to increase the required download speed from 4 Mbps to 10 Mbps, as outlined in the FCC's June 10, 2014 *Order and Further Notice of Proposed Rulemaking*. The CAF goal of 10 Mbps can be achieved by making the following policy changes: (1) extending the funding period from 5 years to 10 years to build the higher capacity network; (2) establishing reasonable network build-out parameters (less than 100% buildout) because some locations are so remote and costly to serve that it would not be a good use of limited funds; (3) allowing for substitution of locations (eliminating some extremely high cost locations and moving those funds to locations in partially served census blocks; and (4) creating a challenge process that requires wireless Internet providers and cable operators to offer 10 Mbps service as well as provide verifiable data to the FCC.

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CenturyLink added that the best opportunity for robust, scalable fiber-rich broadband capable networks delivered to the largest number of households is through a state-level commitment by incumbent wireline carriers. With these modifications, CenturyLink estimated, Pennsylvania stands to gain \$9.6 million in support to deploy 10 Mbps service to households in areas that are high cost to serve, while helping bring 10 Mbps Internet access to an additional 29,021 Pennsylvania residents in CenturyLink's service area.

CenturyLink provided responses to general inquiries that related to the following areas:

- The existing state of its broadband network deployment in Pennsylvania that has so far taken place under Pennsylvania's Chapter 30 law, 66 Pa. C.S. § 3011 *et seq.*
- That the contemplated CAF Phase II support cannot shift between state jurisdictional operational areas for CenturyLink.
- The general engineering and physical capacity constraints for network facilities (e.g., fiber optic network facilities) in handling increased broadband access demand and increased download and upload broadband speeds.

Separately, CenturyLink advised Commission Cawley and his staff that, consistent with the FCC's original bipartisan Open Internet principles, CenturyLink does not and will not block access to lawful content or degrade the Internet traffic of any customer or content provider.

Pursuant to Section 1.1206(b) of the Commission's rules, a copy of this notice is being filed in the appropriate docket.

Sincerely,

/s/ Thomas A. Bailey

Copy via email to:

Hon. James Cawley
Labros Pilalis
Terri Slocomb
Neil Devlin