



Federal Communications Commission
Washington, D.C. 20554

September 12, 2014

DA 14-1324

Via Electronic Mail and First-Class Mail

Craig J. Brown
Senior Associate General Counsel
CenturyLink, Inc.
1099 New York Avenue, NW
Suite 250
Washington, DC 20001

RE: In the Matter of CenturyLink’s Petition for Forbearance Pursuant to 47 U.S.C. § 160(c) from Dominant Carrier and Certain *Computer Inquiry* Requirements on Enterprise Broadband Services (WC Docket No. 14-9)

Dear Mr. Brown:

On December 13, 2013, CenturyLink filed a petition pursuant to section 10 of the Communications Act of 1934, as amended,¹ requesting that the Commission forbear from “dominant carrier regulation and the *Computer Inquiry* tariffing requirement with respect to all of its packet-switched and optical transmission services” that are subject to the regulations.² In order for the Commission to complete its review of the petition, we require additional information from CenturyLink.

¹ See 47 U.S.C. § 160.

² Petition of CenturyLink for Forbearance Pursuant to 47 U.S.C. §160(c) from Dominant Carrier Regulation and *Computer Inquiry* Tariffing Requirements on Enterprise Broadband Services, WC Docket No. 14-9, at v (filed Dec. 13, 2013) (CenturyLink Forbearance Petition). CenturyLink also submitted an alternative petition for interim waiver in this docket. CenturyLink’s Alternative Petition for Interim Waiver of Dominant Carrier Regulation and *Computer Inquiry* Tariffing Requirements Imposed on Enterprise Broadband Services, WC Docket No. 14-9 (filed Dec. 13, 2013). In 2012, CenturyLink submitted a similar forbearance petition to the Commission. Petition of CenturyLink for Forbearance Pursuant to 47 U.S.C. §160(c) from Dominant Carrier and Certain *Computer Inquiry* Requirements on Enterprise Broadband Services, WC Docket No. 12-60 (filed Feb. 23, 2012) (2012 CenturyLink Petition). The Wireline Competition Bureau (WCB) issued data requests to assist the Commission in evaluating CenturyLink’s request. *Competition Data Requested in CenturyLink Forbearance Petition*, Public Notice, WC Docket No. 12-60, 28 FCC Rcd 2075 (Wireline Comp. Bur. 2013); Letter from Julie A. Veach, Chief, Wireline Competition Bureau, Federal Communications Commission, to Craig J. Brown, Associate General Counsel, CenturyLink, Inc., WC Docket No. 12-60, DA 13-339 (Mar. 5, 2013). WCB subsequently granted CenturyLink’s request to withdraw its petition and WCB withdrew its data request. *Petition of CenturyLink for Forbearance Pursuant to 47 U.S.C. § 160(c) from Dominant Carrier and Certain Computer Inquiry Requirements on Enterprise Broadband Services*, WC Docket No. 12-60, Order, 28 FCC Rcd 3075 (Wireline Comp. Bur. 2013).

Accordingly, we request that you provide written responses and supporting documentation for each request set forth in the attached Information, Data and Document Request. We are requesting information that we believe is necessary to review the petition and allow the Commission to make a decision in accordance with the statute. We note, however, that CenturyLink has the burden of proving that forbearance is warranted.³ Please respond to the following requests by **October 14, 2014**.

Your responses should be filed with Marlene H. Dortch, Secretary, Federal Communications Commission, in the above-captioned docket. The Wireline Competition Bureau should also receive an electronic copy. If you submit information pursuant to the Protective Orders issued in this proceeding, please follow the filing procedures specified therein.⁴

If you have any questions regarding this matter, please contact Matt Warner at 202-418-2419.

Sincerely,

Julie A. Veach
Chief, Wireline Competition Bureau

Attachments

³ *Petition to Establish Procedural Requirements to Govern Proceedings for Forbearance Under Section 10 of the Communications Act of 1934, as Amended*, WC Docket No. 07-267, Report and Order, 24 FCC Rcd 9543, 9554-57 (2009).

⁴ *See CenturyLink's Petition for Forbearance Pursuant to 47 U.S.C. § 160(c) from Dominant Carrier and Certain Computer Inquiry Requirements on Enterprise Broadband Services*, WC Docket No. 14-9, Protective Order, 29 FCC Rcd 254 (2014); *CenturyLink's Petition for Forbearance Pursuant to 47 U.S.C. § 160(c) from Dominant Carrier and Certain Computer Inquiry Requirements on Enterprise Broadband Services*, WC Docket No. 14-9, Second Protective Order, 29 FCC Rcd 2200 (2014).

ATTACHMENT I INFORMATION, DATA, AND DOCUMENT REQUEST

In order for the Commission to determine whether forbearance is appropriate, we request that CenturyLink submit the information and documents described below. In answering these questions, CenturyLink should submit revenues—consistent with its internal accounting practices—to the smallest of the following geographical areas: the nation, a specific state, a specific study area or a specific exchange. Revenues from multi-state or national contracts that are not allocated to smaller geographic area should be reported as national revenues in one of two categories (to the extent this is consistent with CenturyLink’s internal accounting practices): (1) revenues earned on services solely sold within CenturyLink study areas; and (2) other national revenues. Revenues from contracts wholly within a single state that are not allocated to a smaller geographic area within the state should be reported as revenues in the relevant state in one of two categories (to the extent this is consistent with CenturyLink’s internal accounting practices): (1) revenues earned on services solely sold within CenturyLink study areas; and (2) other revenues earned in the state. Revenues from contracts wholly within a single study area that are not allocated to an exchange or exchanges should be reported as revenues in the relevant study area. All remaining revenues should be reported to their associated exchange.

I. Definitions

Indefeasible Right of Use (IRU) means an indefeasible right to use facilities for a certain period of time that is commensurate with the remaining useful life of the asset, generally 10-20 years. The right confers on the grantee the vestiges of ownership and typically involves a substantial sum paid up front, generally priced as a certain amount (depending on market rates) per mile or per fiber mile.

Listed Service(s) means the services listed in Attachment II.

Unbundled Network Element (UNE) means a facility provided to a requesting telecommunications carrier pursuant to 47 C.F.R. § 51.319(a).

II. Information Request

1. Identify the name and study area code of each study area for which CenturyLink seeks relief.
2. Identify and describe each customer category that CenturyLink uses to market the **Listed Services** or to monitor the sales of such services. Include the specific characteristics that distinguish each customer category. For example, identify whether CenturyLink distinguishes:
 - a) “national” customers from other customers with more regional characteristics;
 - b) customers that purchase for resale to retail purchasers;
 - c) mobile providers from other customers;
 - d) customers on the basis of sales volumes, or some other characteristic(s).

Provide documentary evidence for each identified customer category.

3. Explain how CenturyLink markets each of the **Listed Services** to (or monitors the sales of) each customer category identified and defined in Question 2 above. For example, are certain customer categories typically assigned to a dedicated account manager? What kind of customer support is given to customer categories that are not assigned to a dedicated account manager? How does CenturyLink market and advertise to each customer category? For example, are certain kinds of advertising or marketing strategies created exclusively for one or more customer categories versus

broader approaches, such as mass mailings, seminars and conferences, mass media, etc.? Provide documentary evidence for the described activities.

4. CenturyLink asserts that it is unable to effectively compete in certain product markets with its **Listed Service** offerings. Identify the product market into which the each of the **Listed Services** falls and provide an explanation and documentary evidence to support that categorization.
5. To the best of your ability, provide the following information. If available, provide information for each exchange in which CenturyLink seeks relief. If information is not available at the exchange level, provide the information at the study area or county level, whichever is smaller. Using internal data or data available to you from a third party, such as GeoResults:
 - a) Provide a list of commercial buildings in which competitors have their own facilities, including facilities leased under an **IRU**, but excluding **UNEs** and other leased facilities, and the names of the providers that serve each commercial building. To the extent you are unable to provide that information, provide the number of commercial buildings in which a competitor has its own facilities, including facilities leased under an **IRU**, but excluding **UNEs** and other leased facilities; and
 - b) Provide the number of commercial buildings in which a competitor has purchased a **UNE** or **UNEs** from CenturyLink.
6. Provide separately for each **Listed Service** your total year-end revenues, by customer category identified in your response to Question 2, as of December 31, 2012 and December 31, 2013, for the smallest geographic area(s) that you keep or can readily obtain data.
7. Provide separately for each **Listed Service** your total year-end revenues, for each of your largest customers (e.g., top 20 customers), excluding competitive local exchange carriers (CLECs), in a geographic market for which CenturyLink seeks relief, as of December 31, 2012 and December 31, 2013, for the smallest geographic area that you keep or can readily obtain data.
8. For each exchange in a study area for which CenturyLink seeks relief, provide, for the top ten CLECs overall (*i.e.*, not by exchange or study area) ranked by the number of dark fiber lines you ultimately own, but which were subject to a current IRU lease agreement to a CLEC for the 12 months ending December 31, 2012 and December 31, 2013 (do not include any IRUs for interexchange fiber or revenues for the same in answering this question):
 - a) The name of the CLEC;
 - b) Total annual sales revenues earned through the lease of **IRUs** for dark fiber;
 - c) The total number **IRUs** leased to the CLEC.
9. For each exchange in a study area for which CenturyLink seeks relief, provide, for the top ten CLECs overall (*i.e.*, not by exchange or study area) ranked by the total number of **UNEs** sold for the 12 months ending December 31, 2012 and December 31, 2013 (do not include any interexchange **UNEs** or revenues for the same in answering this question):
 - a) The name of the CLEC;
 - b) Total annual sales revenues earned through the sale of these **UNEs** to the CLEC;
 - c) The total annual number of **UNEs** sold to the CLEC as:
 - i) Dry Copper Loops;
 - ii) DS1s;
 - iii) DS3s.
10. For each exchange in a study area for which CenturyLink seeks relief, provide, for the top ten CLECs (*i.e.*, not by exchange or study area) ranked by lines you leased to a CLEC other than through a **UNE**

or an **IRU** agreement for the 12 months ending December 31, 2012 and December 31, 2013 (do not include any interexchange lines or revenues for the same in answering this question):

- a) The name of the CLEC;
- b) Total annual revenues earned through the lease of these lines to the CLEC;
- c) The total annual number of lines leased to the CLEC:
 - i) DS1s;
 - ii) DS3s;
 - iii) Other TDM services;
 - iv) Packet Services with a capacity of up to and including symmetric 10 Mbps Services;
 - v) Other Packet Services;
 - vi) Dark Fiber; and
 - vii) Other Business Services.

11. For each exchange in a study area for which CenturyLink seeks relief, provide the total number of physical addresses to which you provide business services, excluding: sales of **UNEs**; standalone sales of PSTN voice services; standalone sales of “best-effort” Internet services (for example, as typically marketed to residential customers); standalone sales of any bundle of PSTN voice services and “best-effort” Internet services (for example, as typically marketed to residential customers); and sales of any interexchange lines, for the 12 months ending December 31, 2012 and December 31, 2013. To the extent CenturyLink contends, however, that “best-efforts” Internet services provided as business services or otherwise are relevant to assessing competition for provision of Listed Services, please provide the total number of physical addresses to which you provide such services.
12. For each **Listed Service** for which CenturyLink seeks forbearance, identify all Requests for Proposals (RFPs)—including FCC Form 470 or other bidding documents—involving such services to which CenturyLink submitted a bid since January 1, 2012, and provide
 - a) the name of the entity issuing the RFP;
 - b) the date of the RFP;
 - c) the counties in which services were to be provided;⁵
 - d) the services to be provided;
 - e) the customer category (identified in response to Question 2 to which services were to be provided;
 - f) the estimated annual revenue associated with the contract, for the following geographic areas: (1) the nation, (2) each state, (3) each study area, and (4) each exchange that is within CenturyLink region;
 - g) what other bidders submitted bids in addition to CenturyLink (if known);
 - h) the result of the RFP (e.g., whether CenturyLink won the bid or the identity of the winning bidder(s), if known).
13. Explain what factors contributed to CenturyLink being awarded a contract in response to an RFP identified in response to Question 12 above, and what factors likely contributed to losing any such RFPs to other competitors. With respect to discussing factors contributing to losing bids, supplement the explanation with supporting evidence, if available.

⁵ CenturyLink’s response to Request 7(c) should include all counties in which the services were to be provided, even if some of the counties lie outside of the geographic area in which CenturyLink seeks relief.

III. Documents

14. Submit a copy of all quarterly reports from January 2012 to the present that relate to the **Listed Services**, were prepared by or on behalf of CenturyLink's internal corporate strategy group, and that pertain to or discuss any of the following:

- a) Market shares, competitors, markets, potential for sales growth or expansion into product or geographic markets;
- b) The relative strength or weakness of CenturyLink's competitors;
- c) Analysis of customer churn, attempts to win customers from other companies, or losses of customers to other companies;
- d) Analysis or forecasts of customer demand (for example, of actual or expected customer migration away from TDM services; or of the importance of certain service characteristics, such as circuit portability, or contract duration);
- e) Proposed and/or actual changes in price, service characteristics, or other terms and conditions for any **Listed Service(s)**, or any analysis of how such proposed or actual change would or might affect supply, demand, cost, price, or profitability of any **Listed Service**;
- f) Analysis of service costs, revenues or profitability for any **Listed Service(s)**.

Indicate (if not contained in the document itself) the date of preparation, and the name and title of each individual involved in preparing each document;

We also welcome other internal and external analyses or other data that CenturyLink believes will support its forbearance petition.

ATTACHMENT II
SERVICES FOR WHICH RELIEF IS BEING SOUGHT⁶

- A. Ethernet Private Line (EPL): EPL is an Ethernet-based service that provides high-speed point-to-point connectivity. Available in port speeds starting at 10Mbps.
- B. Ethernet Virtual Private Line (EVPL): EVPL is an Ethernet-based service that provides high-speed multi-point and Local Area Network (LAN) connectivity. Available in port speeds starting at 10 Mbps.
- C. Local Transport – Synchronous Optical Channel (Local Transport): Local Transport provides a two-way voice- frequency transmission path permitting the transport of calls in the originating direction and in the terminating direction, but not simultaneously. Available in speeds starting at OC-3.
- D. Synchronous Optical Channel Services (SOCS): SOCS provides dedicated transport utilizing SONET transmission standards. Available in speeds starting at OC-3.
- E. Custom Connect: Custom Connect provides a connection to the Optical Network and a customer's designated premises. Available in speeds starting at OC-3.
- F. Frame Relay: Frame Relay is a connection-oriented, packet-switched data service that allows for the interconnection of LAN or other compatible end user customer premises equipment.
- G. ATM: ATM is a connection-oriented network service used to transport bandwidth intensive data, voice and video applications among multiple locations.
- H. Video Transmission: Video Transmission provides one-way transmission capability to deliver a video signal. Available in speeds starting at 19.4 Mbps.
- I. Wave: Wave is a long-haul wavelength service utilizing Wavelength Division Multiplexing (WDM) technology. It is a high-speed, multi-protocol data transport service enabling two or more optical signals having different wavelengths simultaneously transmitted in the same direction over one strand of fiber. Available in speeds starting at 2.5 Gbps.
- J. Functionally equivalent offerings

⁶ This appendix is based on Attachment 1 of CenturyLink's Petition for Forbearance. CenturyLink Petition for Forbearance, WC Docket No. 14-9 (filed Dec. 13, 2013).