NOTICE OF EX PARTE

June 19, 2015

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

Re: In the Matters of Technology Transitions Policy Task Force Seeks Comment on Potential Trials, GN Docket No. 13-5 and Policies and Rules Governing Retirement of Copper Loops by Incumbent Local Exchange Carriers, RM-11358

Dear Ms. Dortch:

On June 18, 2015, Melissa Newman, in person, Carolyn Hammack, Craig Brown, David Williams and Glenda Weibel, by telephone, all of CenturyLink, and Patrick Halley, in person, and Russ Hanser, by telephone, both of Wilkinson Barker Knauer, met with Deena Shetler, Daniel Kahn, Billy Layton, Michael Ray and David Zesiger, in person, and Michele Berlove, Heather Hendrickson and Jean Ann Collins, by telephone, to discuss the above-captioned proceedings.

As discussed in the attached document, CTL is transitioning from legacy TDM-based products and services to innovative IP-based products. CTL recommended that the Commission adopt a presumption that it will grant requests to discontinue TDM voice service as long as the affected retail customers have a reasonably comparably alternative available to them. In addition, we recommended that the Commission consider guidelines that would give CLECs certainty regarding their access to ILEC last-mile facilities while providing a clear path for ILECs to sunset TDM services.

Sincerely,

/s/ Melissa E. Newman

Copy via email to:
Deena Shetler
Daniel Kahn
Billy Layton
Michael Ray
David Zesiger
Michele Berlove
Heather Hendrickson
Jean Ann Collins
Technology Transition Issues:
Section 214 and Copper Retirement
FCC Meeting
June 18, 2015
Technology Transitions: Market Trends

• CenturyLink is transitioning from legacy TDM-based products and services to innovative IP-based products.

• TDM-based DS1 and DS3 links are giving way to more advanced services such as Ethernet, offered by ILECs, CLECs and cable providers – none of which dominates the market.
  
  o Level 3 ranks 2nd in the country in Ethernet retail port share, ahead of both Verizon (3rd) and CenturyLink (4th). Comcast, Cox and Time Warner Cable are ranked 5th, 6th and 7th, respectively.

• Because much of its ILEC network is still copper, CenturyLink has explored innovative ways to optimize that copper network to provide retail and wholesale customers the IP-based products they demand.
  
  o Solutions include an existing Ethernet-over-DS1 product and a prospective VDSL2-based product to provide Ethernet more broadly.
  
  o These solutions provide a comparable and more flexible alternative to DS1 and DS3 special access circuits during the transition.
Technology is **enabling** the transformation
Consumers are **driving** the transformation

- More than 1 in 3 homes are **wireless only**
- Nearly a third of homes use VoIP
- Since 2000, ILECs in the 37 states that CenturyLink serves have lost over **70%** of their residential lines.
Discontinuance of TDM Voice Services

Given these trends, the Commission should adopt a presumption that it will grant requests to discontinue TDM voice service as long as the affected retail customers have a reasonably comparable alternative available to them.

- If a carrier (including an ILEC) seeking to discontinue TDM voice service certifies that all affected retail customers have access to a “reasonably comparable alternative,” that discontinuance request would be granted unless it is shown that such an alternative is not actually available.

- Such reasonably comparable alternatives would include facilities-based interconnected VoIP, circuit-switched, or 3G or 4G wireless service, provided by the discontinuing carrier or any other provider.
A Success-Based Approach to Copper Retirement

• When CenturyLink deploys fiber in a neighborhood, it provides notice to CLECs that it will retire copper facilities as they cease to be used.

• Existing customers can choose to purchase new and innovative fiber-based services or retain their existing copper-based services.
  
  o No existing customer is forced onto a new service.

  o Existing customers subscribing to a copper-based TDM service remain on those copper facilities until they disconnect the service or migrate to fiber-based products and services. At that point, the copper facilities are decommissioned.

  o New customers are served over the new fiber network.

• This approach balances customer choice of service while still facilitating migration to the fiber network.
An Interim Glide Path for Wholesale Services

• As noted earlier, the industry is rapidly transitioning from DS1s and DS3s to Ethernet services, which are available from a variety of competitors.

• All carriers, including ILECs, are facing falling demand and need the ability to discontinue DS1 and DS3 services and transition customers to Ethernet and other modern services.

• At the same time, Windstream and other CLECs have expressed concerns about losing access to last-mile facilities in the event an ILEC discontinues DS1 and DS3 special access services in a given area.
  
  o In particular, Windstream has complained of the difficulty of making multi-year contractual commitments to retail business customers without some certainty regarding its access to last-mile ILEC facilities.

• As discussed in CenturyLink’s comments, Windstream’s “guiding principles” have no basis in law or sound public policy and would impair the IP transition.
An Interim Glide Path for Wholesale Services

- As an alternative transition plan, the Commission should consider guidelines that would give CLECs certainty regarding their access to ILEC last-mile facilities while providing a clear path for ILECs to sunset wholesale TDM services.
  
  o Under such a framework, a discontinuing carrier would establish a multi-year transition to comparable IP services.

  o After an initial period (e.g., a year after filing of the 214 petition), existing TDM circuits would be transitioned to the IP product.

  o Rates for existing circuits would gradually adjust to the market rate for the IP replacement product.

  o After the initial period, no new orders for the TDM product will be accepted.