



November 4, 2011

Mr. Steven C. Reed
Secretary/General Counsel
Missouri Public Service Commission
Post Office Box 360
Jefferson City, Missouri 65102

Re: In the Matter of a Repository File in which to Gather Information and Assess the Availability of Broadband Services in the State of Missouri (File No. TW-2010-0362).

Dear Mr. Reed:

CenturyLink is grateful for the opportunity to share its views with the Missouri Public Service Commission ("PSC") on the report to the Missouri State Senate Committee on Commerce, Consumer Protection, Energy and the Environment concerning maximizing broadband development in Missouri. Below are CenturyLink's responses to the specific questions contained in your email soliciting feedback dated Wednesday, October 19, 2011.

A. Recommendations and potential public policy decisions on how to maximize broadband development in Missouri including increasing deployment and availability of broadband services.

Response: The FCC issued an order last week that seeks to implement the goals of the National Broadband Plan ("NBP"), reform intercarrier compensation, reform the federal universal service fund through establishment of a new Connect America Fund ("CAF") and minimize retail rate impacts for consumers.¹ The ink on the FCC's reform of the nation's communications subsidy program while not yet dry is a crucial step toward fulfilling the agency's NBP.

CenturyLink suggests the PSC recommend to the legislature that it actively monitor the reforms and timelines of the FCC's NBP and, to the extent necessary, be ready to act to ensure that Missouri meets its state obligations of the plan. CenturyLink is cautiously optimistic that the FCC's plan reaches a reasonable compromise that provides benefits for consumers while providing needed incentives for carriers, especially those that have a carrier of last resort obligation. The NBP has direct implications for Missouri with the plan's core focus to increase

¹ See, http://transition.fcc.gov/Daily_Releases/Daily_Business/2011/db1027/DOC-310695A1.doc.

both broadband availability and adoption. CenturyLink believes the State of Missouri will continue to play a necessary and valuable role, particularly in the areas of state USF, broadband, and COLR issues.

The FCC's action reduces uncertainties and creates financial incentives that CenturyLink hopes will be adequate to support the capital investments that will be needed for continued broadband investment in underserved and unserved areas of the state. CenturyLink believes that incumbent carriers with a carrier of last resort obligation have generally deployed network facilities deeper into rural, high-cost areas, and are in the best position to help the state realize the benefits of the FCC's newly created Connect America Fund. The extent to which broadband is ultimately deployed pursuant to this decision, depends largely on the obligations and cost model yet to be adopted by the commission.

Together with the State's broadband mapping initiative, as noted in prior comments, Missouri will have the tools needed to track its progress as part of the FCC's National Broadband Plan. Specifically, the PSC should provide a report to the legislature at each phase of the FCC's reform plan.

B. An identification of barriers to broadband deployment in unserved and underserved areas.

Response: The greatest barriers to broadband deployment in underserved and unserved areas of the state have been the high cost of broadband deployment in these areas and the low rate of broadband adoption in areas where broadband has been deployed. As noted above, the FCC has embarked on a "once-in-a-generation"² reform of the nation's universal service program to get at the financial barriers States and carriers face in deployment of broadband to low density areas or areas of low adoption. The best role for the state at this time would be to help the industry meet the obligations of the FCC's NBP.

In addition to the broadband program, the PSC can help to ensure the FCC's actions to curb traffic pumping, phantom traffic, and comprehensive intercarrier compensation reform are realized. These arbitrage schemes and the outdated intercarrier compensation system have an indirect effect on broadband deployment by adding to the economic burdens carriers face in attracting limited capital resources.

C. Assessing advertised versus actual broadband speeds.

² See, http://transition.fcc.gov/Daily_Releases/Daily_Business/2011/db1027/DOC-310695A2.doc.

Response: In August the FCC has concluded, as part of a comprehensive nationwide study³, that there is little disparity between the advertised speed of a broadband service and the actual speed experienced by the customer of the broadband service. CenturyLink respectfully suggests to the PSC that it rely on the FCC study as a suitable measure of the status of broadband performance and submit a copy to the legislature as part of its recommendations and findings. A state specific evaluation of broadband speeds would be duplicative and costly, providing little or no value to the results already obtained by the FCC.

CenturyLink would also note that it supports the comments filed separately by the Missouri Telecommunications Industry Association in this docket. Thank you again for the opportunity to provide our views on these important issues.

Sincerely,

A handwritten signature in blue ink, appearing to read "Becky Kilpatrick", with a long horizontal flourish extending to the right.

Becky Owenson Kilpatrick
Regulatory Affairs Manager

³ See, <http://www.fcc.gov/document/measuring-broadband-america-report-consumer-broadband-performance-us>.