BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

| In the Matter of Staff's Review of the |) | File No. TW-2017-0078 |
|--|---|-----------------------|
| Commission's Chapter 31 Rules |) | |

Responses of CenturyLink

CenturyLink¹ submits the following responses to questions proposed by Staff of the Missouri Public Service Commission regarding the impact of expanding the Missouri Universal Service Fund (USF) to support a broadband-only service within the Lifeline and Disabled programs.

1. How, if at all, will Staff's projections that Missouri USF program participants will continue to decline at the rate of 15% per year be impacted by this proposal? If your response depends on the current Missouri USF support level, please clarify and explain.

There is insufficient information to complete the analysis requested. It is CenturyLink's belief that its Lifeline subscribers will decline more rapidly than the current rate when the Federal Lifeline discount decreases to voice services begin. Customers looking for a low cost broadband solution will find qualifying speed requirements for Lifeline will require them to subscribe to a broadband product with a higher price just to qualify for the Federal Lifeline discount. This may act as a deterrent for pursuing Lifeline benefits.

2. Does your company offer landline broadband service? If yes, does your company offer broadband-only service? If broadband service is solely available on a bundled basis with voice service, please explain why a broadband-only service is not offered and whether the company intends to eventually offer a broadband-only service.

Yes, CenturyLink provides landline broadband service, including a broadband-only option.

3. If your company offers a landline broadband-only service, how comparable are the rates for a broadband-only service versus a bundled package of voice and broadband services?

In order for CenturyLink to respond to this question, CenturyLink is providing the following rates for illustrative purposes only, excluding any Lifeline discounts. For example:

Broadband-only service is currently priced at \$35.

¹ "CenturyLink" includes CenturyTel of Missouri, LLC d/b/a CenturyLink; Spectra Communications Group, LLC d/b/a CenturyLink, Embarq Missouri, Inc. d/b/a CenturyLink and CenturyTel of Northwest Arkansas, LLC d/b/a CenturyLink.

Broadband in a bundle is currently allocated at a \$20 cost with a total bundle price (with Voice) of \$55.

- 4. If your company participates in the Lifeline program:
 - a. How many Lifeline subscribers are currently provided with landline broadband-only service?

CenturyLink has * * customers in Missouri with landline broadband-only Lifeline service.

b. How many Lifeline subscribers are currently provided with a landline bundled voice/broadband service?

CenturyLink currently has * * customers in Missouri with landline bundled voice/broadband Lifeline service.

c. Will expanding Missouri USF support to a broadband-only service within the Lifeline and Disabled programs cause a significant impact on program participation?

No. CenturyLink believes that very few Lifeline customers will choose to afford the speeds necessary to qualify for Lifeline on broadband.

Just for comparison, CenturyLink currently has * * customers who subscribe to landline bundled Voice (meaning they have broadband but at speeds lower than qualifying for Lifeline).

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 5th day of June, 2017, a copy of the above and foregoing Response of CenturyLink was served via email to each of the following:

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Page 3

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