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Douglas R. Holbrook

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December 14, 2010

Public Utility Commission for Oregon
Attn: Filing Center
PO Box 2148
Salem OR 97308-2148

RE: UM 1484 CenturyLink/Qwest - Intervenor's Reply to Response

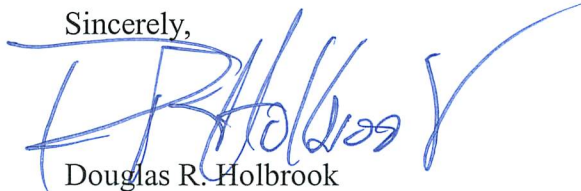
Dear Filing Center:

I enclose the original and five copies of Objections to the Stipulation between PUC Staff and the applicant. The Objections are submitted in this matter on behalf of the City of Lincoln City, Lincoln County, Tillamook County and Parker Telecommunications. These intervenors also request a hearing on the afore-mentioned objections.

The signature for Mr. Sargent will be submitted separately.

Thank you for your attention. If you have any questions or concerns, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Holbrook", with a large checkmark-like flourish at the end.

Douglas R. Holbrook

Enclosure
cc: Service List
Client

[101214 ltr to PUC.wpd]

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1484

In the Matter of)
)
CENTURYLINK, INC.) OBJECTIONS TO
) STIPULATION BETWEEN
) PUC STAFF AND
Application for merger between CenturyTel,) APPLICANT COMPANIES
Inc. and Qwest Communications International,)
Inc.)

The City of Lincoln City, Parker Telecommunications, Lincoln County, and
Tillamook County, Intervenors (Coastal Intervenors) join in their objections to the stipulation
dated December 2, 2010, entered between the Oregon Public Utilities Commission's Staff
and the Applicant Companies, Qwest and CenturyLink.

Pursuant to OAR 860-014-0085 "Any party may file objections to the settlement or
stipulation or request a hearing." Further, "Objections may be on the merits or based upon
failure of staff or a party to comply with this rule."

The Coastal Intervenors objections are leveled at stipulation number twenty-six which
reads:

CenturyLink will construct a physical communication link
between the Cities of Lincoln City and Newport, Oregon within
24 months following the close of the transaction. CenturyLink
will meet with Staff and interested parties during the
engineering phase to make certain that Staff is satisfied that the
facility is sized adequately to handle the expected demand.

1 The Coastal Intervenor's objection is that the condition is insufficient to address the
2 service problems experienced by the coastal communities in the former Embarq service area,
3 specifically related to emergency 911 access, meeting the state mandate to consolidate 911
4 centers and fails to allow for business or health and welfare phone traffic. In their Joint
5 Testimony with staff, CUB, CenturyLink, and Qwest supporting the stipulation ("Joint
6 Testimony") at pages 11-12 those parties state about Condition 26: "This commitment will
7 address 911 network concerns raised by Staff, CUB and other Intervenor's." The concern has
8 always been broader than 911, though 911 reliability is needed.

- 10 1. The Joint Intervention Petition included general wireline
11 redundancy for consumer and business and 911 reliability.
Joint Petition page 6 et al.
- 12 2. Staff/100, Dougherty 30/31.¹ Testimony states "Staff
13 recommended ordering Condition 28 requires CenturyLink to
14 construct a physical link between the cities of Lincoln City and
15 Newport, Oregon, which would allow network redundancy.
Commission Safety Staff believes this link is necessary as a
16 result of system outages, community isolation and lack of
network redundancy." This testimony shows the staff concern
was broader than 911.

17 Dougherty's testimony goes on at Dougherty 31 to state: "Discussions with Safety
18 Staff who act as a liaison to OEM believe that the Staff recommended condition is adequate
19 to ensure network redundancy. . . ." The testimony proves staff's concerns were for a diverse
route for this region's traffic, not just 911 calls.

20 REASONS FOR THE PROPOSED CONDITION/OBJECTIONS

21 The problems with the current network for Lincoln and Tillamook Counties originate
22 from the fact that the central switches reside in Sheridan and Salem, and only a single strand
23 of fiber serves from the remote switches handling all phone calls from this former Embarq
24 territory on the coast to those points in the valley. Because all of the approximately 30

25 ¹ This written testimony presumably will be submitted at the hearing.
26

1 remote switches in north Lincoln County are dependent on this connection to function, the
2 network has had frequent downtime from recent storms, leaving all of north Lincoln County
3 without 911 service² nor other phone service. Tillamook County, dependent on the same
4 fiber as north Lincoln County, has a county-wide failure of its wireline network for the same
5 reasons, and therefore loss of its 911 service and other phone service. Because these small
6 fragile coastal business economies rely upon wireline data services to transact business, from
7 credit cards to internet sales, a redundant diverse route for voice and data is essential.
8 Because 911 services increasingly use data in addition to voice over the wireline provider's
9 lines including to Salem, redundant, diverse routes for voice and data are essential. And if
10 CenturyLink is serious about providing competitive broadband, diverse routes for voice and
11 data are essential. Coastal Intervenors can establish that staff lacks knowledge of these
12 network deficiencies and how to correct them.

13 OBJECTIONS TO STIPULATION

14 While the Coastal Intervenors agree with staff it is appropriate to impose service
15 standards by merger conditions, the conditions must make sense in addressing the network
16 problems.

17 First, the stipulation inexplicably makes no provision for upgrading the network
18 service in Tillamook County.

19 As to Lincoln County, the first deficit in the staff condition is that it does not address
20 how nor require the 30+ remote switches in the north Lincoln County area to be configured to
21 function such that they all will be able to forward a call after a break in the fiber to the valley
22 occurs. In fact, just creating a physical link with Newport does not itself solve any of the
23 network problems because no diverse route to the valley switches are established. The
24

25 ² An unknown fraction of the phones within all of Lincoln City are possibly able to
26 call to the 911 center in Lincoln City during an outage because the subscribers are
incidentally on the same remote switch as Lincoln City's PSAP.

1 drafters do not acknowledge that in order for a local call to be placed, a signal, separate from
2 the voice channel, must reach at least Sheridan and to place a long distance call, the signal
3 must reach Sheridan and Salem. The stipulated condition by its terms stops the network
4 upgrade at the north end of Newport, and thus does not require the necessary diverse route to
5 Sheridan nor to Sheridan and Salem. As a consequence there is no difference between what
6 existed during the last outage and when the proposed build-out is completed within two
7 years. In other words, the condition, if performed would still leave north Lincoln County and
8 all of Tillamook County without wireline service when the single fiber connection to
9 Sheridan is severed. The ALJ and Commission would not be serving their jurisdictional
10 mandate to protect consumers by approving the proposed condition.

11
12 Second, the proposed condition has made no provision for the extended area service
13 (EAS) that is in place between Lincoln City and Newport, including intermediate exchanges
14 in Gleneden Beach and Depoe Bay. Currently, trunk lines for EAS traffic between Newport
15 and Lincoln City are routed through the Sheridan switches. Thus, there is no connectivity
16 between Lincoln City and Newport for voice, 911 or other emergency or business traffic
17 when the single line from Lincoln City to Sheridan is severed in a winter storm, as has
18 happened frequently. Because the condition fails to require changes to the EAS network, the
19 stipulation should be modified. This lack of foresight in the condition continues to make it
20 impossible for Lincoln County to meet a state mandate to consolidate 911 centers, and stifles
21 the business economy in the region.

22 Third, the stipulation is not specific about the capacity or type of connection, instead,
23 leaving it for later design. There is little reason the Applicant could not sign onto a specific
24 design now, since they are in control of all the facts, but in any event, the Coastal Intervenor
25 should be able to do more than simply be consulted: they should be able to object to any
26

1 future inadequate specifications allowed under the stipulation particularly in light of staffs'
2 apparent limited grasp of how the existing network functions.

3
4 In order to address these concerns, the Coastal Intervenors' conditions should be
5 adopted in lieu of stipulated condition number 26.

6 COASTAL INTERVENORS' PROPOSED CONDITIONS

7 Only by requiring a diverse voice and data route to Sheridan/Salem can the reliability
8 be improved to acceptable standards.

9 A. The first proposed condition is³:

10 As a result of numerous system outages, community isolation, and lack
11 of network redundancy, CenturyLink will construct a diverse routing
12 for the former Embarq service area in Lincoln & Tillamook Counties
13 with a self-healing fiber ring architecture for traffic to and from that
14 former Embarq service area. The fiber ring will functionally provide a
15 diverse backup route for both telephone and data services from the
16 identified former Embarq service area, to Sheridan and to the
17 necessary switches outside Sheridan to provide reliable EAS, intrastate
18 and interstate service, and so that all subscribers on remote switches
19 can phone their assigned PSAP.

20 Without the diverse route here proposed, the network will be no more functional than
21 during the time of the last outage. The PUC should impose conditions necessary to rectify
22 the network deficiencies in Tillamook County as well. The commission may remand this
23 matter and direct the parties and Staff to determine the technical requirements for adequate
24 phone service in Lincoln and Tillamook Counties if there is any question.

25 The next objection is that the stipulations do not include nor seek to address Parker
26 Telecommunications second proposed condition related to the efficiency of the broadband the
27 Applicants operate and are agreeing to upgrade in the stipulation (Condition No. 13).

28 B. The Coastal Intervenor's second proposed condition (Parker 100/6) is:

- 29 1. In order to improve reliability and speed of Internet data, CenturyLink
30 is required to connect Oregon Internet data traffic at an Oregon Internet

3 This is a re-write of a condition stated in Parker 100/3.

1 exchange, such as the NorthWest Access Exchange (NWAX) in
2 Portland, when the Internet traffic both originates and terminates in
3 Oregon and at least one end of the connection is on the
4 CenturyLink/Qwest network, provided that the Oregon Internet Service
5 Provider (OISP) at the other end of the connection, if applicable,
6 agrees to reasonable terms and conditions for interconnection. This
condition does not require "peering" (free interconnection) and does
not put any additional special requirements on the business
arrangements between CenturyLink and any interconnecting ISP.

7 Oregon intrastate Internet traffic is routed to Portland or Eugene, and then to Seattle,
8 and frequently into Sacramento, California all before it is routed back to an Oregon
9 destination.⁴ This creates numerous opportunities for delay, slowed connection and loss of
10 connectivity. A more efficient route will create a more robust broadband system in Oregon,
11 serving Oregon consumers and businesses, capable of carrying video conferencing and other
12 voice and data services more reliably. Frequently, the quality of connection currently is such
13 that video conference connections are not reliable over the broadband CenturyLink provides.
14 If CenturyLink plans to continue to market broadband services and improve them as the
15 Commission may require, CenturyLink needs to fix their connection issues by having a
16 system and policy designed to keep Oregon intrastate Internet traffic within Oregon.

17 CONCLUSION

18 In conclusion, because condition 26 fails to address the Companies network reliability
19 problems in north Lincoln and Tillamook Counties, the Commission should either remand
20 the matter for the Staff and parties to address, or, in the alternative grant a hearing and set a
21 schedule for testimony from the Staff and parties.

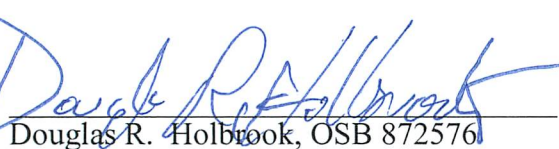
22 Because the stipulation does not address Parker Telecommunications' second
23 condition regarding intrastate Internet connections, the Commission should either remand the

24
25 ⁴ This can be confirmed in the Window-based operating system by entering the
26 "tracert" command in the "command: system window, followed by an Oregon
Internet address, such as "actionnet.net".

1 matter for the Staff and parties to re-address, or, in the alternative grant a hearing and set a
2 schedule for testimony from the Staff and parties.

3 The merger should not be approved without addressing these conditions in a viable
4 manner.

5 Dated this 13th day of December, 2010.

6
7 
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CERTIFICATE OF SERVICE**UM 1484**

I certify that on this day I served the foregoing **Objections to Stipulation Between PUC Staff and Applicant Companies** in docket UM 1484 on each party listed in the UM 1484 PUC Service List by email and, where paper service is not waived, by U.S. mail, postage prepaid.

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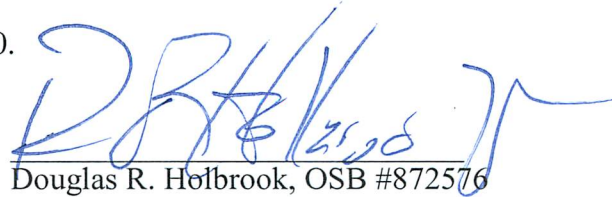
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DATED this 14th day of December, 2010.



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