

HOLBROOK & SEIFERT LLC
Attorneys at Law

P.O. Box 2087 Newport OR 97365

Phone (541) 265-2080 Fax (541) 265-2131

Douglas R. Holbrook

Ronald H. Seifert

July 30, 2010

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

Re Docket No. UM 1484 *CenturyTel/Qwest*
Petition to Intervene

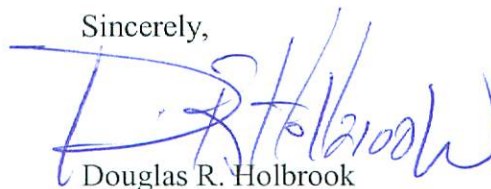
Dear Sir/Madam:

I enclose an original and one copy of the City of Lincoln City's Petition to Intervene in the docket referenced above.

Given the status of the docket, I would ask for an expedited ruling on the Petition. I would also like permission to attend the upcoming settlement conference, which I understand is August 3, 2010.

Thank you for your attention and professional courtesies.

Sincerely,



Douglas R. Holbrook

Enclosure

cc: David Hawker, City Manager

UM 1484 Service list (see attached)

[100730 ltr to PUC conveying petition-1.wpd]

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4 **BEFORE THE PUBLIC UTILITY COMMISSION**
5 **OF OREGON**

6 UM 1484

7 In the Matter of)
8 CENTURYLINK, INC.) PETITION TO INTERVENE
9 Application for merger between CenturyTel,) BY CITY OF LINCOLN CITY
10 Inc. and Qwest Communications International,)
11 Inc.)

12 Pursuant to ORS 756.525(2) and OAR 860-012-0001, the City of Lincoln City
13 respectfully petitions the commission for leave to intervene as a party in the above-captioned
14 proceeding. In support of its petition, city states as follows:

15 I.

16 City is a municipal corporation and public safety agency. Its address is as set forth in
17 section II, below. The governing body of the City, the City Council, all city government
18 offices and buildings, and a majority of the city population of approximately 7,400 are served
19 by CenturyTel. CenturyTel inherited by merger with Embarq a substantial territory in
20 western Oregon including north Lincoln County, Tillamook County and Yamhill County.
21 For all practical purposes, Lincoln and Tillamook Counties are on the same wireline
22 architecture with the same security/safety deficits as described herein.
23
24
25
26

II.

All correspondence in this matter should be directed to:

Douglas R. Holbrook
Holbrook & Seifert LLC
PO Box 2087
Newport OR 97365
(541) 265-2080
Fax (541) 265-2131
doug@lawbyhs.com

David Hawker
City Manager
City of Lincoln City
801 SW Highway 101
Lincoln City, Oregon 97367
(541) 996-2152
Davidh@lincolncity.org

III.

The City of Lincoln City has a substantial interest in the proposed merger. The resulting company will control or continue to control all of the service as defined in ORS 756.010(8) within Lincoln City and indeed much of the northern Oregon coast, including the counties of Lincoln, Tillamook and other inland western counties. In the public interest, Lincoln City seeks intervention to provide the commission information and history on the failure of CenturyTel (including the failure of its predecessor, Embarq) to provide wireline redundancy within north Lincoln County and Tillamook Counties. This condition has resulted in excessive failures of all telephone services, including 911 PSAP¹ service, which this merger may further harm.

Lincoln City and other communities within the area, including Tillamook County, rely upon an automatic dialing system for warning its citizens of emergencies. These emergencies include forest fire, flooding, distant tsunami, chemical accidents, terrorist or other events implicating homeland security. The City's police station contains its 911 PSAP and is located within Lincoln City. Further, the affected citizens and visitors rely upon the ability to make 911 calls to the city's PSAP 24 hours per day, seven days per week for medical emergencies and to report crimes and structure/forest fires that readily affect lives

¹ "Public Safety Answering Point."

1 and property. Citizens in the urban growth boundary around Lincoln City are similarly
2 situated with respect to calls either to Lincoln City's PSAP, or to the Lincoln County PSAP
3 in Newport. The City can establish that despite repeated requests, nothing substantial has
4 been done on the ground to provide redundant pathways for telephone including 911 calls,
5 even though promises of action have been made for the past two-plus years.

6
7 IV.

8 City seeks a condition of the merger to include a requirement that infrastructure
9 investments be made to provide redundant wireline service for affected customers in Lincoln
10 and Tillamook Counties, including Lincoln City. These issues are financially related to the
11 application. In *Verizon Communications Inc. and Frontier Communications Corporation*
12 *UM 1431* the PUC ordered as a condition significant infrastructure investments as a direct
13 result of an intervenor's concerns based upon analogous public interest concerns under the
14 "no harm" standard. In *Verizon*, because of the age of some of the infrastructure, and
15 concerns for its reliability and costs of replacement, the PUC ordered that the companies
16 allocate a total of \$25 million dollars for infrastructure upgrades. The cost to CenturyTel in
17 this case would be a fraction of that to Verizon/Frontier. Also in *Verizon*, the commission
18 required the applicant to file a strategic plan with data on the useful life and replacement
19 schedules for switches in a portion of the service area with the intention of maintaining then
20 current service standards - in addition to the upgrades.

21 In this case, the City's interest is in protecting its citizens and visitors, and by
22 extension, those of Lincoln County and Tillamook County for their citizens telephone service
23 and especially emergency services and communications related to homeland security. Indeed,
24 City is required by law to maintain a PSAP², but its functionality requires rock-solid phone
25 service. Embarq promised Lincoln City it would fix the system before it merged with

26 ² ORS 401.720 (4)

1 CenturyTel. It didn't. CenturyTel has similarly promised Lincoln City it would provide the
2 necessary fiber route diversity to the coast district but has not kept these promises and has
3 failed to apprise the city of any future schedule for its as-yet unfulfilled promises.

4 City can prove, if necessary, that the experienced former Embarq technicians and
5 managers who were knowledgeable about the switches and related equipment controlling
6 north Lincoln County and Tillamook County were systematically fired or retired by
7 CenturyTel making the performance of its promises ever more speculative and unlikely. In
8 the name of post-merger cost savings, CenturyTel has enlarged its management districts with
9 fewer managers overall, and fewer local, knowledgeable technicians, the City believes. If the
10 pattern following the Embarq/CenturyTel merger continues with the CenturyTel/Qwest
11 merger, fewer and fewer managers and technicians will be responsible for more and more
12 territory. Further, the newly merged companies in this application will predictably devote
13 long and focused attention to internal merger-related details for years, preventing or at the
14 very least substantially delaying a necessary homeland security project about which the
15 companies have so far shown little initiative for the coast district. This creates harm to all
16 Oregon citizens within the system formerly owned by Embarq, but particularly those living in
17 or visiting Lincoln and Tillamook Counties. Mitigating the harm requires a merger condition
18 requiring the company to provide adequate and dependable phone/911 service via redundant
19 fiber within a set time. CenturyTel owns or controls two fiber lines within a short distance of
20 each other, which, if properly connected should provide a redundant route.

21 Recent history has provided at least two instances of partial or complete loss of
22 telephone and 911 service in Lincoln City and a similar number of instances in Tillamook
23 County because the systems are part of the same route to the Sheridan main switch. The
24 duration of loss of service has been from hours to days and affected tens of thousands of
25 subscribers and visitors. The lack of action by Embarq, and now CenturyTel, tells the story
26

1 not only of long-term neglect, but an apparent lack of intention to provide the required
2 redundancy, at least without commission action.

3
4 If the commission disallows the petition to intervene, the public interest is not served,
5 and the public harm increases with the growing and aging population and ever-increasing risk
6 to these communities for earthquakes and tsunamis, flooding and even fires for Lincoln and
7 Tillamook Counties, including Lincoln City. If your house is on fire, and you can't call 911
8 that day, what do you do? If a terrorist has planted a bomb at the local theater and you can't
9 call 911 that day, what do you do? Embarq provided no answers. CenturyTel has only
10 provided apparently empty promises. This commission is the only body with the power and
11 authority to require the company charged with delivering phone/911 service to provide
12 critical security infrastructure within the wireline system. The PUC has the authority and
13 duty under ORS 746.040 to require adequate service and there is no reason not to require
14 such service as a merger condition.

15 City does not doubt the merged entities will have the financial resources to provide
16 basic service at the usual intermittent level while they attend to the politics and restructuring
17 that mergers always create within large corporations. City does not currently know if the
18 merged entities will have the money or have budgeted the financial resources to create this
19 redundant system, but regardless, City believes the merged entities do not have the will on
20 their own to do the work.

21 During the Embarq/CenturyTel merger, those merger parties objected to the City's
22 Petition to Intervene on the basis that the city had other means to address the redundancy
23 issues, and that the merger parties were already in discussions with the city. The City has no
24 other effective venue in which to seek redress or to require these necessary security upgrades
25
26

1 to the telephone systems left by Embarq.³ Only the PUC and FCC have regulatory control
2 over Oregon telecommunications, and neither have clear rules (or governing legislation) that
3 would allow the City to present its concerns before any other body with jurisdiction. The
4 merger will cause harm in preventing the new merged companies from paying attention to a
5 small service area they seemingly want to ignore.

6 If granted intervenor status, the City can provide useful information on these issues.

7 OAR 860-012-0001(2) sets other standards for a party's intervention. City meets
8 those standards because the city's intervention will not unreasonably broaden the record,
9 broaden the issues, nor unreasonably delay the proceeding. The additional record necessary
10 for the commission's understanding is very little - indeed, CenturyTel cannot deny there is no
11 redundancy in the system, and when the single fiber path breaks to or from the central station
12 in Sheridan, little 911 service remains in the Embarq legacy systems. The City's intervention
13 does not unreasonably broaden the issues, since the commission is charged with protecting
14 the public interest, but also seeing that the merger does "no harm." The issue is simple: the
15 years of neglect and relative decline of this phone system⁴ will continue after and because of
16 the merger, doing increased harm without a commission-imposed condition. The City does
17 not seek to delay the proceedings at all and will commit to timely participate in the current
18 proceedings schedule.

19 Because City will not unreasonably affect this proceeding, but has a substantial
20 security/safety interest which this merger will harm, City should be allowed as a party to
21

22
23 ³ CenturyTel and Qwest will predictably argue that the city has other venues, and
24 claim they "are working" on the problem. There is no other venue, and no
25 evidence of substantial work on the problem in the past two years the city has
26 tried to prod them into action.

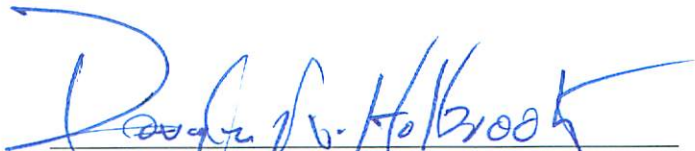
⁴ City understands Sprint relocated central switching capability out of Lincoln City
beginning in the 1990's.

1 present issues outlined in this petition. This petition is not made under the administrative
2 time line, but no prejudice to the applicants is present where the schedule is preserved and
3 record is so clear, and CenturyTel is, in fact, in full possession of all facts concerning the
4 inadequacies of the former Embarq wireline system. It should not be forgotten that the City
5 has no other obvious venue to address its legitimate safety and security issues.

6 Finally, it should not disqualify City from intervening just because it is asking for a
7 condition requiring the applicant to spend money benefitting former Embarq customers
8 served out of Sheridan. City's request is not only analogous to what the commission ordered
9 in the Frontier/Verizon matter, but the applicant's predictable argument necessarily raises the
10 question of how many Oregonians' safety and security have to be harmed by seemingly
11 endless corporate delays before the commission acts?

12 The petition should be granted and the City of Lincoln City be made a full party.

13 Dated this 30th day of July, 2010.

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16
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18 Douglas R. Holbrook OSB 87257
19 Holbrook & Seifert LLC
20 Special Counsel to Petitioner Lincoln City
21 PO Box 2087
22 Newport, Oregon 97365
23 doug@lawbyhs.com
24 Voice (541) 265-2080
25 Fax (541) 265-2131
26

**CERTIFICATE OF SERVICE
UM 1484**

I certify that on this day I served the foregoing **PETITION TO INTERVENE** 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.

Michel Singer Nelson
360Networks(USA) Inc
370 Interlocken Blvd Ste 600
Broomfield CO 80021-8015

Rhonda Kent
Centurylink
805 Broadway 8th Floor
Vancouver WA 98660
ronda.kent@centurylink.com

Penny Stanley
360Networks(USA) Inc
370 Interlocken Blvd Ste 600
Broomfield CO 80021-8015
penny.stanley@360.net

William E Hendricks
Centurylink, Inc.
805 Broadway St
Vancouver WA 98660-3277
tre.hendricks@centurylink.com

Arthur A Butler
After Wynne LLP
601 Union Street, Ste 1501
Seattle WA 98101-3981
aab@aterwynne.com

Michael R Moore
Charter Fiberlink OR - CCVII LLC
12405 Powercourt Dr
St Louis MO 63131
michael.moore@chartercom.com

Joel Paisner
Atter Wynne LLP
601 Union Street, Ste 1501
Seattle WA 98101-2327
jrp@aterwynne.com

Gordon Feighner
Citizens' Utility Board of Oregon
610 SW Broadway, Suite 308
Portland OR 97208
gordon@oregoncub.org

Richard Stevens
Central Telephone Inc
PO Box 25
Goldendale WA 98620
rstevens@gorge.net

Robert Jenks
Citizens' Utility Board of Oregon
610 SW Broadway, Suite 308
Portland OR 97208
bob@oregoncub.org

John Felz
Century Farm Court
5454 W 110th St KSOPKJ0502
Overland Park KS 66211
john.felz@centurylink.com

1 G. Catriona McCracken
2 Citizens' Utility Board of Oregon
3 610 SW Broadway, Suite 308
4 Portland OR 97208
catriona@oregoncub.org

5 Raymond Myers
6 Citizens' Utility Board of Oregon
7 610 SW Broadway, Suite 308
8 Portland OR 97208
ray@oregoncub.org

9 Kevin Elliott Parks
10 Citizens' Utility Board of Oregon
11 610 SW Broadway, Suite 308
12 Portland OR 97208
kevin@oregoncub.org

13 Marsha Spellman
14 Converge Communications
15 10425 SW Hawthorne LN
16 Portland OR 97225
marsha@convergecomm.com

17 Frank G Patrick
18 Corporate Lawyers PC
19 PO Box 231119
20 Portland OR 97281
fgplawpc@hotmail.com

21 Katherine K. Mudge
22 Covad Communications Co
23 7000 N Mopac Expwy 2nd Fl
24 Austin TX 78731
kmudge@covad.com

25 K C Halm
26 Davis Wright Tremaine LLP
1919 Pennsylvania Ave NW 2nd Fl
Washington DC 20006-3458
kchalm@dwt.com

Gregory J. Kopta
Davis Wright Tremaine LLP
1201 Third Ave Ste 2200
Seattle WA 98101-1688
gregkopta@dwt.com

Mark P Trincherro
Davis Wright Tremaine LLP
1300 SW Fifth Ave Stee 2300
Portland OR 97201-5682
marktrincherro@dwt.com

Jason W Jones
Department of Justice
Regulated Utility & Business Section
1162 Court Street NE
Salem OR 97301-4096
jason.w.jones@state.or.us

Edwin B Parker
Economic Development Alliance
PO Box 402
Gleneden Beach OR 9788
edparker@teleport.com

Judith Endejan
Graham & Dunn PC
2801 Alaskan Way, Suite 300
Seattle WA 98121
jendejan@grahamdunn.com

Gregory Merz
Gray Plant Mooty
500 IDS Center
80 S Eighth St
Minneapolis MN 55402
gregory.merz@gpmlaw.com

Karen L. Clauson
Integra Telecom Inc
6160 Golden Hills Dr
Golden Valley MN 55416-1020
klcauson@integratelecom.com

Greg L. Rogers
Level 3 Communications LLC
1025 Eldorado Blvd
Broomfield CO 80021
greg.rogers@level3.com

Adam Lowney
McDowell Rackner & Gibson PC
419 SW 11th Ave Ste 400
Portland OR 97205
adam@mcd-law.com

Wendy McIndoo
McDowell Rackner & Gibson PC
419 SW 11th Ave Ste 400
Portland OR 97205
wendy@mcd-law.com

Lisa F Rackner
McDowell Rackner & Gibson PC
419 SW 11th Ave Ste 400
Portland OR 97205
lisa@mcd-law.com

PriorityOne Telecommunications Inc
Kelly Mutch
PO Box 758
La Grande OR 97850-6462
managers@pltel.com

Bryan Conway
Public Utility Commission of Oregon
PO Box 2148
Salem OR 97308-2148
bryan.conway@state.or.us

Michael Dougherty
Public Utility Commission of Oregon
PO Box 2148
Salem OR 97308-2148
michael.dougherty@state.or.us

Patrick L Phipps
QSI Consulting Inc
3504 Sundance Dr
Springfield IL 62711

Alex M Duarte
QWEST Corporation
310 SW Park Ave 11th Fl
Portland OR 97205-3715
alex.duarte@qwest.com

Mark Reynolds
QWEST Corporation
1600 7th Ave Rm 3206
Seattle WA 98191
mark.reynolds3@qwest.com

Diane Browning
Sprint Communications Co LP
3450 Sprint PKWY
Overland Park KS 66251
diane.c.browning@sprint.com

Kenneth Schiffman
Sprint Communications Co LP
3450 Sprint PKWY
Overland Park KS 66251
kenneth.schiffman@sprint.com

Kristin L Jacobson
Sprint Nextel
201 Mission St Ste 1500
San Francisco CA 94105
kristin.l.jacobson@sprint.com

Dave Conn
T-Mobile USA Inc
12920 E 38th St
Bellevue WA 98006
dave.conn@t-mobile.com

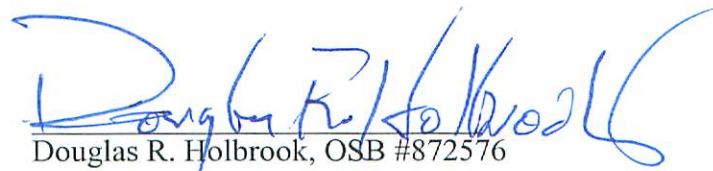
Lyndall Nipps
TW Telecom of Oregon LLC
9665 Granite Ridge Dr Ste 500
San Diego CA 92123
lyndall.nipps@twtelecom.com

Barbara Young
United Telephone Company of the Northwest
902 Wasco St ORHRA0305
Hood River OR 97031
barbara.c.young@centurylink.com

Adam Haas
WSTC
10425 SW Hawthorne LN
Portland OR 97225
adamhaas@convergecomm.com

Rex M Knowles
XO Communications Services Inc
7050 Union Park Ave Ste 400
Midvale UT 84047
rexknowles@xo.com

DATED this 30th day of July, 2010.



Douglas R. Holbrook, OSB #872576
Holbrook & Seifert LLC
PO Box 2087
Newport, OR 97365
T 541-265-2080 F 541-265-2131
doug@lawbyhs.com

Copy to:

Joan S. Kelsey OSB #943566
P.O. Box 520
Tillamook, OR 97141
T (503) 842-2349 F (503) 842-4619
jskelsey@starband.net

Full Name: Douglas R. Holbrook
Last Name: Holbrook
First Name: Douglas R.
Job Title: Attorney
Company: Holbrook & Seifert LLC

Business Address: 111 SE Douglas Street, Suite F2
Newport, Oregon 97365

Business: (541) 265-2080
Other Fax: (541) 265-2131

E-mail: doug@lawbyhs.com
E-mail Display As: doug@lawbyhs.com

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