

**BEFORE THE PUBLIC SERVICE COMMISSION
OF WYOMING**

IN THE MATTER OF THE PETITION OF QWEST
CORPORATION d/b/a CENTURYLINK QC FOR
DETERMINATION THAT BASIC
RESIDENTIAL AND BUSINESS SERVICES ARE
COMPETITIVE THROUGHOUT ALL OF
CENTURYLINK QC'S ZONE 2 AND ZONE 3
SERVICE AREAS.

DOCKET NO. _____
(Record No. _____)

**PETITION OF CENTURYLINK QC FOR
COMPETITIVE DETERMINATION**

Qwest Corporation d/b/a CenturyLink QC ("CenturyLink QC"), pursuant to W.S. § 37-15-202, respectfully petitions the Public Service Commission of Wyoming ("Commission") to determine that basic residential and business services are competitive throughout all of CenturyLink QC's Zone 2 and Zone 3 service areas. In support of its Petition CenturyLink QC states as follows:

**I. THE COMMISSION HAS ALREADY GRANTED CENTURYLINK
COMPETITIVE CLASSIFICATION IN ITS BASE RATE AND ZONE 1
SERVICE AREAS ON SUBSTANTIALLY SIMILAR EVIDENCE**

1. On February 21, 2014 CenturyLink QC filed a Petition requesting the Commission to determine that its Base Rate and Zone 1 Service Areas in its Wyoming service territory were Competitive pursuant to W.S. § 37-15-202.

2. On February 6, 2015 the Commission entered its Findings of Fact, Conclusions of Law and Order, ("Order").

3. In its Order the Commission stated that:

38. Generally CenturyLink QC provided witnesses supporting its *Petition*, offering confidential and non-confidential testimony and exhibits demonstrating its loss of access lines both statewide and by exchange, as well as on the competitors operating in each exchange. Based on the testimony and other evidence in the record, CenturyLink QC has lost significant market share statewide. Between December 2001 and December 2013, CenturyLink QC's retail access lines in Wyoming declined 59% from 231,727 to 96,040. (Ex. 3 p. 6). The evidence also indicates that most Wyomingites are not simply relinquishing their phones altogether. According to the Federal Communications Commission's Current Population Survey, telephone penetration has remained steady between 94% and 98%. (Ex. 3 p. 10 citing data released December 11).

39. CenturyLink QC concluded that its loss of customers to competitors indicates that the public believes these alternative services are functionally equivalent and available on reasonably comparable terms, conditions and rates. Lastly, any economic, regulatory, or technological barriers to entry have been eroded by the vast array of telecommunications providers competing for customers in Wyoming, according to CenturyLink QC. (Ex. 3 pp. 32-42).

4. The Order later concluded that:

46. CenturyLink QC's telecommunication service is subject to effective competition in the Base Rate and Zone 1 service areas of the following Wyoming exchanges: Afton, Buffalo, Casper, Cheyenne, Cody, Dayton-Ranchester, Douglas, Evanston, Gillette, Glendo, Glenrock, Green River, Jackson, Kemmerer, Lake, Lander, Laramie, Lusk, Mammoth,

Moran, Old Faithful, Powell, Rawlins, Riverton, Rock Springs, Sheridan, Story, Wheatland and Wright.¹

5. Since the Commission's 2015 Order, CenturyLink QC has experienced additional loss of retail access lines throughout Wyoming, including in Zones 2 and 3. In this regard, CenturyLink QC has lost an approximate additional 20,000 retail access lines in Wyoming since the February 6, 2015 Order. Thus, its current retail access lines in Wyoming are below 73,000.; down a staggering 69% from 231, 971 in 2001. See CTL Exh 1, at p. 9, 10.

II. W.S. § 37-15-202(A) AUTHORIZES THE COMMISSION TO FIND CENTURYLINK QC'S ZONE 2 AND ZONE 3 BASIC RESIDENTIAL AND BUSINESS SERVICES ARE COMPETITIVE.

6. As the Commission is aware, W.S. § 37-15-202(a) enumerates the exact criteria that the Commission must consider, specifically availability of service from alternate providers, functional equivalency and comparable prices and terms, and the exist of any barriers to entry:

Determination of competitive services. (a) Upon petition by any telecommunications company or pursuant to the commission's own motion, the commission may, after notice and opportunity for hearing, find and conclude that a telecommunications service is subject to competition. Any service

¹ With regard to our determination of effective competition for the six Group III exchanges: Glendo, Lake, Lusk, Mammoth, Moran, and Old Faithful, for which the evidence is less substantial than that for the Group I and Group II exchanges, the Commission's concerns are somewhat alleviated by the ability to revisit the issue if necessary as provided by W.S. § 37-15-202(b).

found to be effectively competitive pursuant to this section shall not be subject to regulation by the commission. The commission shall consider only the following factors in determining whether a telecommunications service is subject to effective competition:

(i) The extent to which telecommunications services are available from alternative providers including, but not limited to, wireless providers, satellite providers, cable providers offering voice services, voice over internet protocol or any other providers utilizing telephone numbers to provide voice services in the relevant market;

(ii) The extent to which telecommunications services of alternative providers are functionally equivalent, for equivalent service or in combination with other services, and may be substituted at reasonably comparable prices, terms and conditions;

(iii) Existing economic, regulatory or technological barriers to entry.

7. The evidence that CenturyLink submits with this Petition demonstrates that all three conditions necessary to declare that CenturyLink's regulated voice services are subject to effective competition have been met.

A. CENTURYLINK QC FACES COMPETITION FROM ALTERNATIVE PROVIDERS IN ZONE 2 AND ZONE 3 OF ITS WYOMING SERVICE TERRITORY

8. CenturyLink QC faces robust competition throughout its service territory in Wyoming. As described in the Testimony of Alan L. Lubeck, competitors – including Charter, Viasat, HughesNet, Dish, Granite, Vyve, ACT, Silver Star Communications, Sweetwater Cable, Tongue River Cable, Verizon, AT&T, Union Wireless, Sprint, Vistabeam, Visionary Communications and other smaller CLECs – are competing with CenturyLink QC in its Zone 2 and Zone 3 service territory using wireline and fixed wireless technology. *See* CTL Exh 1. In addition, intermodal competitors are providing comparable services ubiquitously throughout CenturyLink QC's service territory,

including wireless providers, such as Verizon, AT&T, Sprint, T-Mobile and Union Wireless, and VoIP providers, such as Vonage, Skype and MagicJack. *Id.* Furthermore, satellite providers are becoming the first choice of many rural Wyoming customers because of the broad coverage and because they can simply and easily obtain broadband service *and* voice service, either using a product offered by the satellite provider or by using Vonage, Ooma, or any of the other vast array of independent VoIP providers. Moreover, consumers more and more are relying on email, texting, and social networking to meet their communications needs.

9. The competitive market in CenturyLink QC's Zone 2 and Zone 3 service areas is further evidenced by the steady decline in access lines that CenturyLink QC has experienced before and after the Commission approved the 1999 Price Plan. In fact, as noted in Mr. Lubeck's testimony, CenturyLink QC's access lines declined, on average, by 69% between December 2001 and December 2016. *See* CTL Exh 1, at p. 9, 10. In addition, while telephone subscribership has remained steady in Wyoming, CenturyLink QC access lines have declined, which shows that customers are exercising their wide array of choices in the markets that CenturyLink QC serves. *Id.*, at p. 12-14.

10. The data also show that CenturyLink QC's customers have available to them, and are taking advantage of, VoIP products that allow voice communications through broadband connections. *See generally*, CTL Exh 1. Any customer in Wyoming with a broadband connection, whether that connection is delivered by a wired, fixed wireless, cellular, or satellite provider, can purchase VoIP telephone service, and there has been a stunning increase in broadband subscribership. *See* CTL Exh 1, at p.39, 40. The facts show that customers have numerous choices and are indeed taking advantage of them.

11. And these competitive trends are continuing. The testimony and exhibits (CTL Exh 1, to include exhibits AL1-7) filed with this Petition provide the most current analysis of the competitive pressures impacting CenturyLink QC's Wyoming operations. To meet this robust and ubiquitous competition, and to ensure that CenturyLink QC has the ability to address the revenue losses that are caused by access line loss, it is imperative that the Commission grant this Petition.

B. THE TELECOMMUNICATIONS SERVICES OF ALTERNATE PROVIDERS ARE FUNCTIONALLY EQUIVALENT AND OFFERED AT COMPARABLE PRICES AND TERMS TO CENTURYLINK QC'S ZONE 2 AND ZONE 3 SERVICES.

12. The attached testimony of Alan Lubeck addresses in substantial detail the robust competition that exists in the local voice telephone market throughout the State of Wyoming. Mr. Lubeck also presents detailed testimony on alternative providers' product offerings and pricing throughout Zones 2 and Zone 3 areas of all exchanges within CenturyLink QC's Wyoming Territory.

C. COMPANIES PROVIDING ALTERNATE TELECOMMUNICATION SERVICES IN COMPETITION WITH CENTURYLINK QC IN ZONE 2 AND ZONE 3 DO NOT FACE UNREASONABLE ECONOMIC, REGULATORY OR ECONOMIC BARRIER IN ORDER TO COMPETE.

