



**John E. Benedict**

Vice President  
Federal Regulatory Affairs & Regulatory Counsel  
1099 New York Avenue NW  
Suite 250  
Washington, DC 20001  
202.429.3114  
[john.e.benedict@centurylink.com](mailto:john.e.benedict@centurylink.com)

December 21, 2015

Greg Watson, Legislative Clerk  
Committee on Energy and Commerce  
United States House of Representatives  
2125 Rayburn House Office Building  
Washington, DC 20515

Dear Mr. Watson:

On December 7, Chairman Greg Walden sent me a follow-up letter to my October 28 testimony before the Subcommittee on Communications and Technology at the hearing entitled "Breaking Down Barriers to Broadband Infrastructure Deployment."

Enclosed with the letter was a Question for the Record filed by Congressman Ben Ray Lujan. Please find attached my response on behalf of CenturyLink to Congressman Lujan's question.

Thank you for the opportunity to testify before the Subcommittee, and for Chairman Walden's leadership on broadband infrastructure and many other policy issues impacting the nation's technology economy. Please do not hesitate to contact us whenever CenturyLink can be of service.

Sincerely,

John E. Benedict

Attachment

## **The Honorable Benjamin Ray Lujan**

**Q: Mr. Benedict, what are the primary challenges to ensuring populations in difficult to serve regions are able to access affordable broadband? What can we do to make these areas more viable for carriers?**

The primary challenges are overcoming the cost of deployment in order to create a sustainable business model in areas that have low population density and challenging terrain that make it more difficult to build and maintain a network. In rural states like New Mexico, it can be difficult for a carrier to recover the cost of investment when the provider must build and maintain more infrastructure to reach each individual residence or business.

This challenge is compounded in the many instances when serving a community requires access to federal lands for right-of-way. The charges imposed by federal land agencies for lease of right-of-way add to the cost of deployment and operation, especially in rural areas. The costs, uncertainties, and delays associated with permitting and right-of-way approval needlessly impedes carriers' ability to invest in broadband infrastructure. CenturyLink routinely faces many months of delays at federal land agencies. This includes delays for approval of projects that should be readily granted, such as overtopping of fiber on existing poles, addition of fiber to existing conduit, and burial of fiber along previously disturbed road shoulders or utility rights-of-way.

In addition, the broadband adoption rate for a community will impact the viability of serving it with broadband or investing in costlier network upgrades that enable higher bandwidth. For example, in the residential areas surrounding the national laboratories in New Mexico, a high percentage of the population is technologically inclined, affluent and likely to subscribe to a home broadband connection. But in some other communities, low income, lack of access to information technology equipment, or lack of interest in broadband services may present challenging barriers to adoption. Low adoption rates will make a community more difficult to serve and can make investment in network upgrades less viable.

There are many steps that policymakers can take to make these economically challenging areas more viable for carriers to invest in and serve. The Subcommittee's leadership in calling the October 28 hearing and subsequently approving the NTIA Organization Act highlights one valuable area of focus. By streamlining the approval process at various federal agencies, reexamining the pole attachment regime, and directing the inclusion of broadband conduit in certain highway projects, Congress can both help expedite the rural build-out project touched off by Phase II of the Connect America Fund, and make certain communities near federal lands more viable to serve.

As you rightly point out, the Connect America Fund has been a powerful factor in incentivizing “price cap” carriers like CenturyLink to build more capacity to many more low-density, high-cost areas. For its part, CenturyLink accepted CAF Phase II commitments in many states, including New Mexico, which will deliver broadband service to an estimated 1.2 million households and businesses nationally. CenturyLink has already begun its CAF Phase II build-out and is currently finalizing its larger construction plans for 2016. Rural communities in many of our states will begin to see results by the end of the year. The Federal Communications Commission is in the midst of developing some of its follow-on steps to CAF Phase II, including creation of a competitive bidding process for areas where the incumbent carrier did not exercise its right of first refusal, as well as some areas that did not meet the 10 Mbps download speed target but still did not qualify for Phase II support. Continued support and implementation of these phases can make additional difficult-to-serve regions more viable for carriers.

Additionally, the Commission is finalizing reforms to its universal service mechanisms for rate-of-return broadband service, provided by smaller carriers. In the course of that reform, ensuring sufficient support for high-cost tribal areas will certainly help make investing and serving in those areas more viable for carriers, creating additional economic development, educational, telemedicine and other opportunities especially important to those communities.

On the question of broadband adoption, the Commission is currently considering major reforms to its Lifeline program, which supports communications services for low-income households. One reform under consideration is allowing Lifeline households the option of choosing broadband, rather than voice, as their supported service. In addition to granting individual Lifeline recipients more flexibility, this proposed modernization of the program can benefit the broader community by raising the overall broadband adoption rate in lower income areas, helping justify greater network investment in some areas that could otherwise be nonviable for broadband infrastructure and upgrades. Lifeline program reform holds particular promise for rural, economically challenged tribal areas.

CenturyLink appreciates Subcommittee’s and your leadership on national broadband policy, and we look forward to working with you in 2016 as Congress considers more reforms to help encourage broadband infrastructure investment.