



TESTIMONY IN SUPPORT OF TELECOM PROVISIONS - HB64
BEFORE THE SENATE FINANCE WORKFORCE SUBCOMMITTEE

Tuesday, May 19th, 2015

JOSH MOTZER
PUBLIC POLICY DIRECTOR
CENTURYLINK

Chairman Beagle, Vice Chair Williams and members of the Senate Finance Workforce Subcommittee, thank you for this opportunity today to express CenturyLink's support of the Telecom Provisions contained in HB64.

My name is Josh Motzer and I am CenturyLink's Public Policy Director for Ohio. CenturyLink is a leading provider of telecommunications services in 37 states and has been one of the leading rural providers of such services here in Ohio for more than a century through 52 of the 88 counties across 178 local exchanges (communities). CenturyLink has leveraged strategic acquisitions to grow from a small, rural telecom provider into the nation's third largest telecommunications company. Beyond traditional voice and high-speed internet offerings, CenturyLink is a global leader in cloud infrastructure and hosted IT solutions for business customers by leveraging our advanced fiber network and data centers spread across the world with one located right here in Ohio. The company also offers advanced entertainment services under the CenturyLink® Prism™ TV and DIRECTV brands. Over 1,900 of CenturyLink's

17 S High St Suite 610
Columbus, OH 43215
Tel: 614.221.5354
www.centurylink.com



approximately 47,000 employees work here in the state and have been committed to serving and investing all across Ohio's rural communities. One recent example being the multi-million dollar fiber project completed in Morgan County. CenturyLink supports telecom provisions like those before you that provide rural Ohioans similar technology advancements to those of their urban counterparts.

What about the customer that truly wants to keep their legacy landline service? All of those customers have a place in the upfront collaborative process led by Ohio's Public Utilities Commission while the "fail-safe" mechanism enhanced by the Governor will ensure that ALL of Ohio's consumers have a voice service offering available to them.

Regarding the networks that carry those services though, I want to be clear that we have passed the point where doing nothing remains an option. CenturyLink's current Ohio voice network hardware dates back to 1980 and will be manufacture discontinued starting next year, 2016. This significant milestone leads to no new hardware being produced and no new software enhancements being offered for critical equipment in the current network. In preparation for this day, CenturyLink has been building a separate IP (data) network to carry our newest products and services all while still maintaining this voice network. Ohio's current unfunded Carrier of Last Resort (CoLR) obligation blocks a provider's ability to fully transition to one, more robust, IP data network. With this network gap existing across the entire nation, the FCC has undertaken telecom network reform and the telecom language in HB64 aligns itself with that federal modernization effort. Neighboring Midwest states such as Michigan and Indiana have eliminated



these CoLR obligations in competitive areas that receive no federal or state support without weakening their commitment to provide services in high-cost areas. Ohio has a similar opportunity with the legislation before you.

After almost two decades of fierce competition and imaginative innovation, Ohio consumers now enjoy a wide array of quality communications choices. They're utilizing – interchangeably – cell phones, texting, Voice over IP (VoIP), email, cable telephones, and traditional landline phone services to communicate with one another. CenturyLink's strength is our worldwide wired network. A long-haul fiber infrastructure is the foundation of that network. This transition to an Internet Protocol (IP) based network has the opportunity to appear seamless to the customer. Even today, a customer that chooses a wired Voice over IP (VoIP) provider has the ability to reuse all of the existing phones connected in his or her home. This legislation initiates an orderly network modernization plan for the service providers while still protecting the Ohio consumer.

In closing, I want to thank you Chairman Beagle, Vice Chair Williams and the other members of this Finance Subcommittee for the opportunity to introduce you to CenturyLink's history as a rural telecom provider and to our future as an integrated provider of advanced IP-enabled services. I urge your support for these telecom provisions in HB 64 and would be happy to answer any of your questions.