



PROPONENT TESTIMONY BEFORE THE
SENATE PUBLIC UTILITIES COMMITTEE

Substitute HB402

Thursday, November 29, 2018

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CENTURYLINK

Chairman Beagle, Vice-Chairman McColley, Ranking Member Williams and members of the Senate Public Utilities Committee, my name is Josh Motzer and I am the Ohio Public Policy Director for CenturyLink. Thank you for this opportunity today to express CenturyLink's support of substitute HB402 that will modernize Ohio's telecom regulatory framework and provide a pathway for future technology investments here in the state.

CenturyLink is a global communications and IT services company focused on connecting its customers to the power of the digital world. We are now the second largest U.S. communications provider to global enterprise business customers serving in over 60 countries. Our network infrastructure includes nearly 450,000 route miles of fiber that terminates in over 100,000 on-net buildings. CenturyLink now employees over 52,000 employees across the world with approximately 1,600 throughout Ohio.



Most important to the provisions in this bill, we are also a leading provider of residential telecommunications services in 37 states and have been the third largest rural provider of such services here in Ohio for nearly a century. Our residential portfolio of voice and broadband solutions traverses 52 of the 88 counties across 178 local exchanges (communities). CenturyLink earns its place as a large, rural provider in Ohio as our household density barely reaches an average of 60 households per square mile. For perspective, one large urban Ohio market boasts 450 households per square mile while the statewide average is still 112 households. Despite these rural characteristics, all 178 CenturyLink exchanges have been deemed competitive under the current Ohio law.

Furthermore, Mr. Moses provided statistics proving that Ohio's telecom marketplace is incredibly competitive. CenturyLink, like all my competitive peers, is in the business of providing products and services that our customers desire. We each must provide the best price and highest quality of service so that we retain and even grow those customers. Those statistics illustrate that Ohio consumers desire primarily mobile telephony solutions (wireless) and advanced telephony services like broadband-based Voice-over-IP (VoIP). Recent connection statistics gathered by the Federal Communications Commission (FCC) revealed that legacy wireline voice services are less than 20% of the total voice connections in Ohio.

Despite these challenges, CenturyLink's commitment to advancing its network for Ohio consumers is evident in the recent investment to increase broadband access to over 25,000 living units in our rural footprint. Every telecom investment dollar should be focused on these



advanced network applications that give Ohio consumers what they desire. The added benefit of these advanced networks, whether they be wireless or wired, is that they are structured to support both broadband and voice services. Provisions in this bill ensure that each of those investment dollars is maximized to its fullest potential. Imagine the reach of those same investment dollars if not hindered by the current regulatory burdens exclusively applied to just the legacy, incumbent telephone companies.

While capital investment dollars are relative to the size of the organization, they share the common attribute of being limited. CenturyLink serves millions of customers with voice and broadband solutions today, and must decide how to invest capital each year spread across the entire world. I actively compete for those capital investment dollars internally with my CenturyLink peers from the various other states and countries. To keep winning those peer battles, I need Ohio to promote parity across the entire telecommunications industry of wireless, cable, VoIP, and wireline providers. Without it, Ohio risks losing to other states regarding technology advancement opportunities.

Even after passing regulatory modernization bills like the one before you, those same CenturyLink colleagues confirmed that consumers are still able to call their family members, still able to call 911 in an emergency, and still qualify for the low-income Federal Lifeline program. The resulting advantage of telecom regulatory modernization is that of a thriving competitive marketplace that encourages additional technology advancement. Operating on a level playing



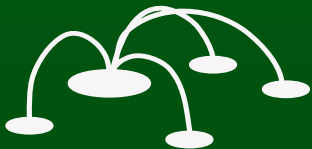
field demands that companies compete on price, service quality, and product innovation. Who benefits in that competitive environment? The Ohio consumer.

In closing, I want to thank you Chairman Beagle, Vice Chairman McColley, Ranking Member Williams, and the other members of the Committee for this opportunity to introduce you to CenturyLink, and to urge your support for the provisions outlined in substitute HB402. I would be happy to answer any of your questions.

The new CenturyLink. Your link to what's next.

The new CenturyLink, purpose-built to serve the connection needs of the networked world. CenturyLink understands the power of all that is digital. Life is powered by connections, and business is connections. Our extensive network reach, significant local presence, and innovative technology solutions combined with an experienced team of employees and relentless focus on the customer experience create a powerful choice for enterprise, government, and wholesale customers globally, and consumers nationally.

The new CenturyLink is equipped to serve customers with reliable, flexible and secure connections – where, when and how they need them.



Approx. **450,000** Route Miles of Fiber Globally



Approx. **360,000** International Transport Miles
International Transport Route Miles are a combination of leased and owned, fiber and optical transport connectivity.



100,000+ On-Net buildings



52,500 Employees Globally

もしもし Hallo
Hello 你好 Olá
Bonjour ¡Hola

More Than **60+** Countries and Counting



Proforma
Revenue
Approx.

\$24B

(Estimated trailing twelve months
ending June 30, 2017)*



CenturyLink®

*Excluding revenue related to the colocation business sale and including estimated intercompany eliminations and purchase accounting adjustments. Approximately 75% of core revenue will come from business customers and nearly two-thirds of core revenue will come from strategic services.