

10 E. Doty St, Suite 800
Madison, WI 53703
Phone: (608)441-5730

Public Service Commission of Wisconsin
RECEIVED: 03/21/14, 10:56:45 AM

March 21, 2014

Mr. Dennis Klaila, Policy Analyst
Division of Business & Communications Services
Public Service Commission of Wisconsin
610 N. Whitney Way
PO Box 7854
Madison, WI 53707-7854

Dear: Mr. Klaila,

Re: Broadband Expansion Grant Program (Docket 5-GF-237)

Telephone USA of Wisconsin, LLC d/b/a CenturyLink submits its Request for Application for the Broadband Expansion Grant for 2014. The application seeks funding for the Ferryville project in the Seneca exchange. The application is designated as Seneca – Ferryville Project – Application 1 since CenturyLink is submitting two other projects.

The Application has been entered into the ERF in 5-GF-237 as requested.

Please call me if you have any questions regarding this application.

Sincerely,

/s/ Scott Girard

Scott Girard
Regulatory and Legislative Affairs Manager WI & IL
CenturyLink
Email: scott.girard@centurylink.com

Enclosures

Public Service Commission of Wisconsin

Broadband Expansion Grant Program

Docket 5-GF-237

Telephone USA of Wisconsin, LLC d/b/a CenturyLink

Seneca – Ferryville project – Application 1

Verification

The Public Service Commission of Wisconsin is accepting applications for Broadband Expansion Grants. The Commission may award one or more grants that, in the aggregate, do not exceed an annual total of \$500,000 during Fiscal Year 2014 to public and private entities that meet the eligibility requirements set forth in Wis. Stat. § 196.504. Successful applicants will demonstrate a clear and achievable plan to improve broadband communications services in one or more underserved areas in the state.

In signing this application, the undersigned verifies under penalty of perjury that the Applicant and its employees and agents have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition with respect to this application; that no attempt has been made to induce any other person or firm to submit or not to submit a application; that this application has been independently arrived at without collusion with any other proposer, competitor or potential competitor; that this application has not been knowingly disclosed prior to the opening of applications to any other applicant or competitor; that all of the responses and representations of Applicant in this application are true and correct to the best of the undersigned's knowledge, information, and belief; and that Applicant agrees to, accepts, and will comply with all of the terms and conditions respecting this application and any award of a Broadband Expansion Grant as may be established in a Grant Award Agreement.

Name of Authorized Company Representative (Type or Print) **Bob Brown**

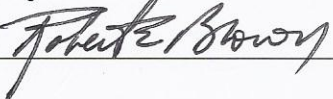
Title
VP/GM

Phone **(608) 796-7447**

Fax **(608) 796-6979**

Email: bob.brown@centurylink.com

Signature of Above



Date

3/17/14

Federal Employer Identification No.

72-1453183

Social Security No. if Sole Proprietor (Voluntary)

APPLICATION #1

APPLICATION OF TELEPHONE USA OF WISCONSIN, LLC d/b/a CENTURYLINK

Project: Seneca – Ferryville

Applicant identification and contact information

A listing of all companies associated with the proposed broadband project.

Telephone USA of Wisconsin, LLC d/b/a CenturyLink (“CenturyLink”) (PSCW Utility Number 5846), will provide the broadband and voice components in this project.

CenturyLink is an incumbent Local Exchange Service Provider operating in Wisconsin recertified as an Alternative Telecommunications Utility – Recertified (Final Decision dated September 9, 2011 in docket 6040-NC-100) CenturyLink has requested, and been granted, eligible telecommunications carrier (ETC) designation for all the areas in which they provide service.

The point of contact for this Application is:

Scott Girard
CenturyLink
10 E. Doty St, STE 800
Madison, WI 53730
Phone: (608) 441-5730
Email: scott.girard@centurylink.com

APPLICATION #1

APPLICATION OF TELEPHONE USA OF WISCONSIN, LLC d/b/a CENTURYLINK

Project: Seneca – Ferryville

Description of the project

A description of the proposed broadband project plan.

This project provides “middle mile” investment, and requires the placement of 6 miles of fiber from the Seneca central office to the Ferryville service device, and provides updated electronics at the serving device. The project will provide up to 40 Mbps at the service device. There are approximately 234 living units in the area of Ferryville. This application is in the area of the Seneca exchange.

The broadband service speed to the customer depends on how close they are located to the serving device. As shown in the chart below, the shorter the distance to the customer the higher the available broadband speed.

The chart below shows the relationship between data speeds available and distance from the serving device:

Maximum Download Speed	Maximum Distance ¹ From Serving Device (in feet)	Technology
40 Mbps	2,700	VDSL2
20 Mbps	3,300	VDSL2
12 Mbps	6,800	VDSL2
7 Mbps	8,500	ADSL2+
5 Mbps	10,200	ADSL2+
3 Mbps	13,600	ADSL2+
1.5 Mbps	18,700	ADSL2+

¹ Distances are based on 24 gauge wire and actual results vary dependent upon individual loop make-up.

A description of which areas are “unserved” or “underserved.”

Based on the end-of-year 2012 data from the National Telecommunications and Information Administration, the proposed project area encompasses areas that are currently underserved except for portions of some of the census are blocks are shown as served.

APPLICATION #1

APPLICATION OF TELEPHONE USA OF WISCONSIN, LLC d/b/a CENTURYLINK

Project: Seneca – Ferryville

A list in Excel Format of all the census blocks where broadband facilities would be deployed for the proposed project.

Attachment A is a list of the census blocks where broadband facilities would be deployed as a result of this project. We have filed an Excel spreadsheet, file named *5-GF-237 Census Blocks Ferryville project.xlsx*, per the instructions in the Request for Applications.

An electronic map.

Please see Attachment B for a map of the Seneca – Ferryville project.

Project Schedule.

There is no schedule for this project. A project schedule is developed once a project is authorized. Authorized projects are assigned a work order number and then the Engineering Group develops a schedule. If the project is approved, a project schedule can be submitted in 30 days. While no project schedule exists, CenturyLink expects to complete the project in 2014 assuming the approval is received by May 15, 2014.

Wisconsin Broadband Expansion Grant Program

Docket 5-GF-237

APPLICATION #1

APPLICATION OF TELEPHONE USA OF WISCONSIN, LLC d/b/a CENTURYLINK

Project: Seneca – Ferryville

Itemized statement of funding request

Proposed budget.

The total construction costs are \$250,000 for constructing 6 miles of fiber and updating the electronics at the serving device. CenturyLink is seeking a broadband expansion grant of \$200,000. CenturyLink has included only costs directly associated with the project construction. The grant will not subsidize operating costs or profits. Absent receiving the broadband expansion grant CenturyLink will not undertake the project. Please see Attachment C for the details of the proposed budget. **This attachment is confidential.**

APPLICATION #1

APPLICATION OF TELEPHONE USA OF WISCONSIN, LLC d/b/a CENTURYLINK

Project: Seneca – Ferryville

Priority factor's supporting the application

The applicant's financial match.

The proposed budget for this project was provided above. The total estimated cost of this project is \$250,000. CenturyLink will fund 20% of this project, or \$50,000.

Broadband Providers.

CenturyLink provides internet service in the Seneca – Ferryville area but the maximum speed we can offer using existing facilities is 1.5 Mbps. CenturyLink is at capacity for the area so we are unable to provide any internet service to new customers. According to the information from the National Telecommunications and Information Administration's end-of-year 2012 data, there is one broadband provider (Mediacom) in the Ferryville project's area. The Ferryville project is a middle mile project so we can't exclude the census blocks shown to be served by Mediacom and still serve the other census blocks that are underserved. Further, given that the local communities' support for this Ferryville project is primarily due to the lack of broadband service being available in the area, it raises questions whether Mediacom is actually providing broadband speeds at 3 Mbps or higher in the project area.

Description of public-private partnership / Letter of Support.

While CenturyLink has not yet entered into a formal public-private partnership, CenturyLink has received letters of support for this project from the Village of Ferryville and the Crawford County Economic Development Corporation, which express their strong support for this project because it will aid area businesses, home businesses, and residential customers. The letters are included as Attachment D. CenturyLink continues to work with interested groups in the area to gather additional support for the project, which may result in public-private partnerships or they may submit additional letters of support.

Description of the area.

The Ferryville project is located in Crawford County in southwestern Wisconsin. The area is rural and located along Highway 35 and the Mississippi River and inland. The population in the Ferryville project is 250. The area is a mix of residential and business. As noted by the Crawford County Economic Development Corporation "The total economic impact of expanding

Wisconsin Broadband Expansion Grant Program

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Project: Seneca – Ferryville

broadband service and use in rural areas statewide is well known to be significant.¹ Yet it is important to remember that for small businesses the benefits of expanding broadband are tangible. The difference between adequate and inadequate bandwidth is experienced daily and reflected in bottom line performance “

¹ Wisconsin Technology Council, *Connecting rural Wisconsin: The Economic Necessity of Broadband* (2011)

APPLICATION #1

APPLICATION OF TELEPHONE USA OF WISCONSIN, LLC d/b/a CENTURYLINK

Project: Seneca – Ferryville

Other information supporting the application

An estimate of the number of potential new broadband subscribers.

This project will provide broadband service to approximately 234 living units that currently have access to broadband at speeds of no more than 1.5 Mbps download.

The applicant's financial and network qualifications.

CenturyLink's history of evolving from a small rural telephone company to the third largest telecommunications company in the nation may be attributed to its forward-looking vision and its ability to evolve its network to keep pace with both changes in technology and customer demands.

CenturyLink is familiar with the challenges of both providing rural service areas as well as large urban markets with voice and data services.

CenturyLink provides data, voice and managed services in local, national and select international markets through its high-quality advanced fiber optic network and multiple data centers for businesses and consumers. At the same time, CenturyLink's incumbent local exchange service territory includes many rural communities and areas of low household density, making CenturyLink a recognized leader in providing telecommunications services in the highest-cost areas of the country. In fact, over 35% of our wire centers have a local loop density of fewer than 10 access lines per square mile. Some of these wire centers serve customers with local loops in excess of 75 miles.

CenturyLink, Inc. began providing local exchange service in Oak Ridge, LA in 1930 and has continued to grow and expand its operations. CenturyLink has extensive experience in constructing and operating broadband networks in Wisconsin and throughout the Country.

CenturyLink, Inc. is the third largest telecommunications company in the United States and is recognized as a leader in the network services market by technology industry analyst firms. The company provides data, voice and managed services in local, national and select international markets through its high-quality, advanced fiber optic network and multiple data centers for businesses and consumers.

APPLICATION #1

APPLICATION OF TELEPHONE USA OF WISCONSIN, LLC d/b/a CENTURYLINK

Project: Seneca – Ferryville

CenturyLink, Inc. is an S&P 500 company and is included among the Fortune 500 list of America's largest corporations. For more information, visit www.centurylink.com

CenturyLink, Inc. has a network investment of \$1.6b in Wisconsin, with Broadband Availability of 94%.

CenturyLink files an Annual Questionnaire with the Wisconsin Commission.

Customer Benefit of the Broadband Expansion Grant Program.

It is uneconomic for CenturyLink based on the cost of the project and number of customers in the area to provide broadband service above 1.5 Mbps to these customers in the proposed project area, absent additional support. Further, CenturyLink is at capacity in the Ferryville area and cannot offer even 1.5 Mbps internet service to new customers. Unless the Commission approves CenturyLink's application, it is highly likely citizens in the proposed project area will not be able to receive broadband speeds exceeding 1.5 Mbps. If the project is approved, both businesses and residential customers will be able to obtain higher broadband speeds that will improve not only their own bottom lines, but improve the economy for all citizens in the area.

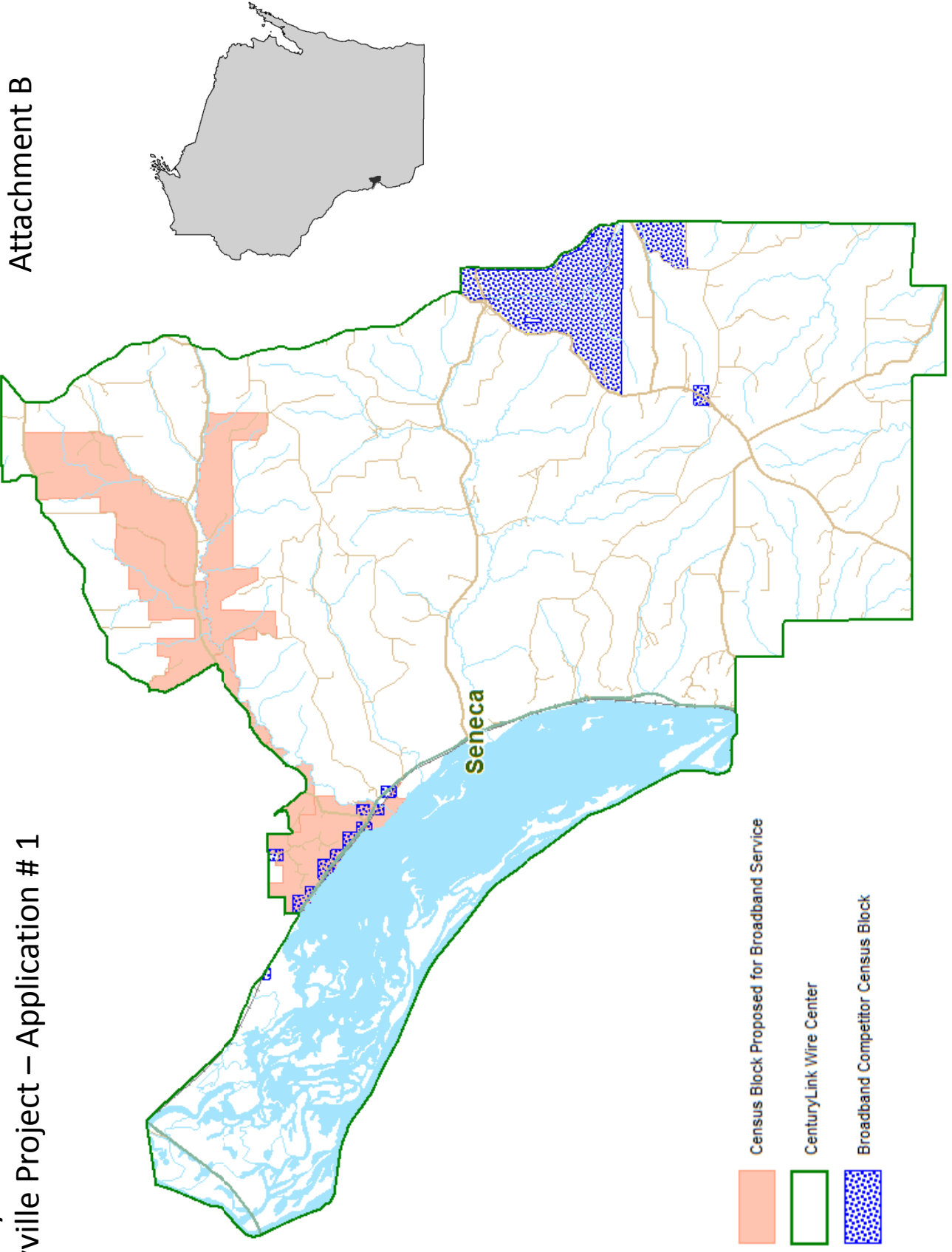
Wisconsin Broadband Expansion Grant
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Attachment A

Telephone USA of Wisconsin, LLC d/b/a CenturyLink
Seneca - Ferryville project Application # 1

Ferryville Census Blocks	Census Block Population	Census Block Housing Units	Estimated CTL Population	Estimated CTL Housing Units
550239602002145	4	14	4	14
550239602002146	6	5	6	5
550239602002149	121	105	121	105
550239602002155	2	3	2	3
550239602002165	5	7	5	7
550239602002166	14	10	14	10
550239602002167	22	12	22	12
550239602002169	27	20	27	20
550239602002205	11	8	11	8
550239602002206	6	6	6	6
550239602002210	0	0	0	0
550239602002238	22	18	22	18
550239602002241	0	0	0	0
550239602002243	1	1	1	1
550239602002422	9	14	9	14
Total	250	223	250	223

CenturyLink Seneca Wire Center
Ferryville Project – Application # 1



2014 Wisconsin Broadband Expansion Grant Program
 Docket 5-GF-237
 Application of Telephone USA of Wisconsin, LLC d/b/a CenturyLink
 Proposed Construction Budget
 Wire center: Seneca
 Location: Ferryville
 Application # 1

Attachment C

Proposed Construction Budget:

Description of Costs	Investment Category	Year 2014
Plant Investment:		
Electronics - Calix E7 BBDLC	Circuit Equipment (2232)	Confidential
Copper Cable Deployment	Buried Cable - Metallic (2423)	Confidential
Fiber Cable Deployment (6 mi.)	Buried Cable - Non Met (2423)	Confidential
Labor - Fiber & Electronics	Buried Cable - Non Metallic (2423)	Confidential
Overheads	Buried Cable - Non Metallic (2423)	Confidential
Total Plant Investment		<u>\$ 250,000</u>

DAVID P. CONNOLLY, AICP
EXECUTIVE DIRECTOR

CCEDC
225 NORTH BEAUMONT ROAD
STE 139
PRAIRIE DU CHIEN, WI 53821-
1445

PHONE: 608-326-0234



PETER FLESH
PRESIDENT

DALE KLEMME
VICE-PRESIDENT

DUANE ROGERS
TREASURER

SHERRY QUAMME
SECRETARY

March 4, 2014

Mr. Dennis Klaila, Policy Analyst
Public Service Commission of Wisconsin
Division of Business & Communications
P.O. Box 7854
Madison, Wisconsin 53707-7854

RE: Proposed CenturyLink broadband infrastructure expansion from State Trunk Highway 171 to Village of Ferryville and vicinity.

Mr. Klaila:

Crawford County Economic Development Corporation (CCEDC) staff strongly supports the application by CenturyLink to provide broadband service to the Village of Ferryville through a new fiber optic cable project. CenturyLink's service extension would serve residences and small businesses alike, and it is important to note that numerous home occupation businesses have the potential to benefit as well.

Expanding broadband choice for small business has real impact. Greater use of broadband makes small businesses more productive. For service oriented firms, such an increase in productivity has been estimated to be as high as ten percent. Access to broadband technology also lowers transaction costs and allows entry into new markets, making smaller companies more competitive. In addition, small business owners increasingly view broadband as a necessary condition to start operations in a given location.ⁱ

The Crawford County Economic Development Corporation (CCEDC) functions as the only organization whose sole purpose is to promote economic growth countywide. Its mission is to further improvement of local economic conditions leading to greater prosperity, job creation and enhanced quality of life. Consequently, the above referenced proposal is consistent and well supported by CCEDC strategic objectives. And moreover, by supporting this proposal, the Public Service Commission has a unique opportunity take action to help support a broadband solution that may serve as an example to other

Public Service Commission

March 4, 2014

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communities facing last mile connection challenges around the State of Wisconsin.

The total economic impact of expanding broadband service and use in rural areas statewide is well known to be significant.ⁱⁱ Yet it is important to remember that for small businesses the benefits of expanding broadband services are tangible. The difference between adequate and inadequate bandwidth is experienced daily and reflected in bottom line performance. Therefore, I would encourage the Public Service Commission to seriously consider the merits of this particular project as one that will make help grow Wisconsin's economy in Crawford County.

Thank you.

Sincerely,



David Connolly, AICP
Executive Director

ⁱ Columbia Telecommunications Corporation, *The Impact of Broadband Speed and Price on Small Business*. United States Small Business Administration (2010), p. 19 – 22.

ⁱⁱ Wisconsin Technology Council, *Connecting Rural Wisconsin: The Economic Necessity of Broadband* (2011)

Village of Ferryville, Wisconsin

www.Ferryville.comwww.Visitferryville.com

Larry J. Quamme
Village Clerk/Treasurer
P.O. Box 236
Ferryville, WI 54628

Office (608) 734-9406
Fax (608) 734-3052
Cell (920) 948-2245
E-Mail: treasurer@ferryville.com

March 1, 2014

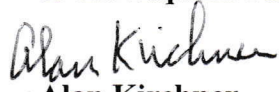
Public Service Commission
Madison, Wisconsin

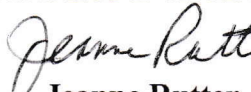
Re: Broadband Expansion Grant
Centurylink - Request

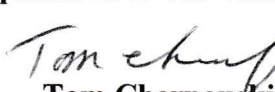
The Ferryville Village Board has been involved with employees of Centurylink requesting more reliable and faster internet service be provided to the greater Ferryville area in Crawford County. Seventy five percent of our residents and commercial locations in the community, unfortunately have no options for an internet provider other than the services offered by Centurylink. The current service is woefully inadequate for the needs of several home businesses as well as our local branch bank and mail order cheese store. Our Village participates aggressively with the Crawford County Economic Development Corporation and we have had contacts by companies to locate here but all require faster internet connection than is offered to our community. The future of this community requires an increased tax base and more employment opportunities.

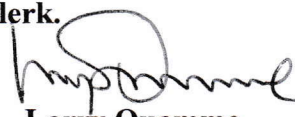
The representatives of Centurylink have informed our Board that company funds are not available to upgrade their equipment, nor install lines to improve this underserved part of the State at the current time. However, we have recently been informed that our provider is seeking grant funds provided by the Broadband Expansion Grant Program created by the current State budget.

The Village Board supports this effort one hundred percent and urges that you give funding support to Centurylink. The greater Ferryville area is in a struggling economic area and we need fast and reliable internet service in order to have any chance to attract any new business opportunities. Please consider the request of Centurylink to provide them reimbursement of their expenses to improve the broadband telecommunications service to our underserved area of Wisconsin. We very much appreciate your consideration of our request. Please feel free to direct any questions to our Village Clerk.


Alan Kirchner
Village President


Jeanne Rutter
Village Trustee


Tom Chernouski
Village Trustee


Larry Quamme
Clerk-Treasurer