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June 7, 2021

Mr. Will Seuffert Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, MN 55101

# Re: In the Matter of a Petition for a Rulemaking Regarding Minnesota Rules Chapter 7810

Dear Mr. Seuffert:

Enclosed for filing is Qwest Corporation dba CenturyLink QC's Petition Requesting that the Commission Modernize Minnesota's Landline Telephone Rules regarding the above-referenced matter.

Very truly yours,

/s/ Jason D. Topp

JDT/bardm

Enclosure

cc: Service List

# STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie Sieben Valerie Means Matthew Schuerger Joseph K. Sulllivan John Tuma Chair Commissioner Commissioner Commissioner

# Re: In the Matter of a Petition for a Rulemaking Regarding Minnesota Rules Chapter 7810

# CERTIFICATE OF SERVICE

STATE OF MINNESOTA ) ) ss COUNTY OF HENNEPIN )

Dianne Barthel hereby certifies that on the 7th day of June, 2021, she e-filed a true and correct copy of the annexed filing by posting it on <u>www.edockets.state.mn.us</u>. Said document was also served on the service list via e-mail as designated with the Minnesota Public Utilities Commission.

/s/ Dianne Barthel Dianne Barthel

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Linda	Chavez	linda.chavez@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 55101-2198	Electronic Service	No	GEN_SL_Qwest Corporation dba CenturyLink_Petition for Rulemaking re Chapter 7810
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.st ate.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	No	GEN_SL_Qwest Corporation dba CenturyLink_Petition for Rulemaking re Chapter 7810
Generic Notice	Residential Utilities Division	residential.utilities@ag.stat e.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	No	GEN_SL_Qwest Corporation dba CenturyLink_Petition for Rulemaking re Chapter 7810
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	No	GEN_SL_Qwest Corporation dba CenturyLink_Petition for Rulemaking re Chapter 7810
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Qwest Corporation dba CenturyLink_Petition for Rulemaking re Chapter 7810
Jason	Торр	jason.topp@lumen.com	CenturyLink Communications, LLC	200 S 5th St Ste 2200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Qwest Corporation dba CenturyLink_Petition for Rulemaking re Chapter 7810

# STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION 121 Seventh Place East, Suite 350 St. Paul, Minnesota 55101-2147

Katie Sieben Valerie Means Matthew Schuerger Joseph K. Sullivan John Tuma Chair Commissioner Commissioner Commissioner

# IN THE MATTER OF A PETITION FOR A RULEMAKING REGARDING MINNESOTA RULES CHAPTER 7810

MPUC Docket No. \_\_\_\_\_

# QWEST CORPORATION DBA CENTURYLINK QC'S PETITION REQUESTING THAT THE COMMISSION MODERNIZE MINNESOTA'S LANDLINE TELEPHONE RULES

### June 7, 2021

Jason D. Topp Assistant General Counsel Qwest Corporation dba CenturyLink QC 200 South Fifth Street, Room 2200 Minneapolis, Minnesota 55402

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#### **INTRODUCTION**

Many of Minnesota's rules regulating "telephone utilities," Minnesota Rules Chapter 7810, remain word for word as they appeared in 1983—a year before Motorola sold the first handheld cell phone in the United States for \$3,995.00, the equivalent of over \$10,000.00 in 2021. The phone, dubbed "The Brick," measured 13" x 1.75" x 3.5" and weighed nearly two pounds, with a battery life of 30 minutes. And while the telecommunications industry has undergone multiple technological revolutions in the subsequent decades, an ever-smaller sector of the industry remains anchored to rules written for this bygone era—providers of landline voice telephone service subject to the jurisdiction of the Minnesota Public Utilities Commission ("Commission"). These "telephone utility" rules no longer serve the public interest and, in fact, hinder progress toward important public policy goals, including advancing the deployment and servicing of Minnesota's broadband network. This Commission has recognized the changing landscape faced by traditional landline voice providers and fostered competition and innovation in many ways over the years. It is time to do so again.

Many states have reacted to the changing telecommunications industry by eliminating landline telephone service rules.<sup>1</sup> In Minnesota, however, these decades old rules now have the effect of mandating that legacy telephone service providers prioritize landline voice customers over broadband customers. Prioritizing landline voice service made sense in 1983. Today, it hampers deployment of broadband to Minnesota, harms broadband customers and harms the public interest. It is time for a change.

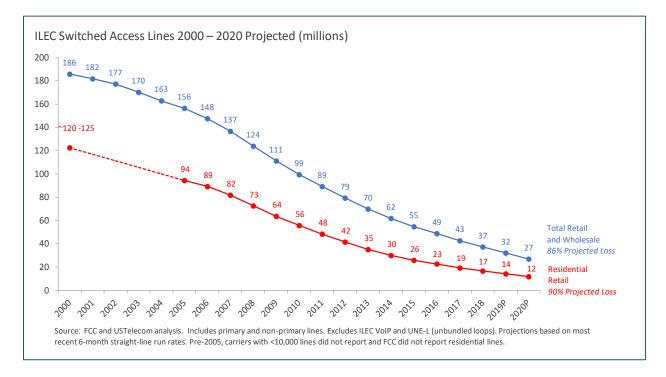
<sup>&</sup>lt;sup>1</sup> North Dakota, South Dakota, Iowa, and Wisconsin do not have service quality rules similar to those discussed in this Petition.

Therefore, pursuant to Minn. Stat. § 14.09, Qwest Corporation d/b/a CenturyLink QC ("CenturyLink") respectfully files this Petition to eliminate, amend or modify certain landline "telephone utility" rules.

### I. BACKGROUND

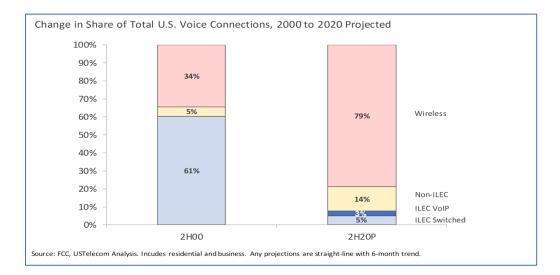
#### A. Customer Choices and Demands Have Changed.

Technology advances have radically changed the telecommunications marketplace over the past 40 years and will continue to do so. The options available to – and products and services demanded by—telecommunications customers in 2021 look nothing like those available to and demanded by customers in 1983. The numbers tell the story. In just the last 20 years, the percentage of customers subscribing to traditional landline voice service has plummeted. According to the most recent FCC analysis, purchase of traditional landline voice service is dropping at an annualized rate of 13%, as shown below:<sup>2</sup>



<sup>&</sup>lt;sup>2</sup> <u>https://docs.fcc.gov/public/attachments/FCC-20-188A1.pdf</u>, ¶ 147.

Due to this drop-off in switched access lines, nearly four-fifths of voice connections are now wireless connections.

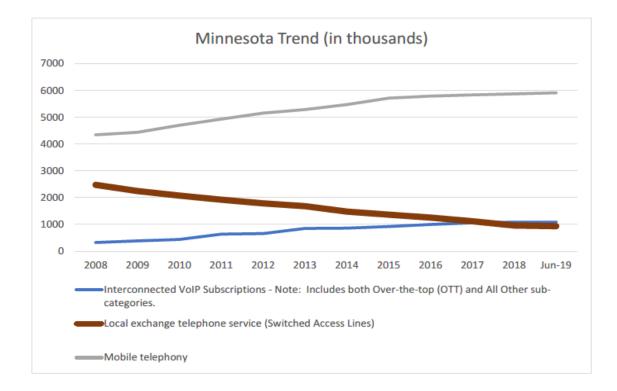


Customers have largely abandoned legacy landlines, in favor of wireless or internet-based products.

Minnesota numbers mirror these national trends. The most recent publicly available CDC data shows only 4.4%<sup>3</sup> of Minnesota households now rely solely on a landline for voice service. Moreover, *CenturyLink has lost nearly 85% of its voice telephone service access lines in Minnesota since 2001*, and customers continue to drop landline service. In 2020, the year where Minnesotans needed their connectivity more than ever before, CenturyLink lost another 15.8% of its remaining access lines. The FCC Voice Telephone Services Report as of June 2019 reflects the trend in Minnesota subscriptions as the chart below demonstrates:<sup>4</sup>

<sup>&</sup>lt;sup>3</sup> <u>https://www.cdc.gov/nchs/data/nhis/earlyrelease/Wireless\_state\_201912-508.pdf</u>.

<sup>&</sup>lt;sup>4</sup> Data derived from FCC Voice Telephone Services Report at <u>https://www.fcc.gov/voice-telephone-services-report</u>.



Simply put, customers have chosen wireless and broadband voice services—services not regulated by this Commission—while abandoning traditional, regulated landline phone service in droves. Even AARP advises its members: "The bottom line is that you can make the switch from your copper-wire landline safely."<sup>5</sup>

The workload CenturyLink faces when installing new service demonstrates this shift. Based on a recent review of job tasks, CenturyLink's Local Network Organization estimates that approximately 2% of technician time is spent installing voice services, compared to 46% for broadband services.

Despite this clear shift in customer choice and preferences, the telephone utility rules in Minnesota effectively mandate that the shrinking traditional landline voice customer base

<sup>&</sup>lt;sup>5</sup> <u>https://www.aarp.org/home-family/personal-technology/info-2020/get-rid-of-landline.html</u>.

gets higher priority for repairs than broadband customers, due to the goal that Out of Service tickets for voice service be repaired within 24 hours of being reported. Because of this rule, CenturyLink spends a disproportionate amount of technician time repairing traditional landline voice service, with approximately 18% of technician time spent on such repairs—*nine times as much time as spent on landline voice installation*. In contrast, *less* technician time is devoted to broadband repairs than to broadband installations.

Rules that prioritize repairing copper landlines over fiber or other broadband fail to recognize the relative priority that Minnesota consumers place on those services and fail to serve the public interest. No one today would argue that resources should be devoted to maintaining video stores in every community, at the expense of providing on-demand streaming services. Nor would it be sound public policy to craft rules that prioritize maintenance of fossil fuel electric generating plants over building and maintaining renewable energy facilities. In light of the seismic shift in consumer communications preferences and priorities over the past 20 years, CenturyLink respectfully requests that the Commission re-evaluate its rules for traditional landline voice service and bring them in line with the needs of Minnesota customers.

### **B.** State Policy Has Shifted.

The telephone utility rules reflect Minnesota state policy of the early 1980's, as codified in 1980's era statutes. Indeed, the current service quality rules rely for their statutory authority on Minn. Stat. §§ 237.081 and 237.10, last modified over 30 and 40 years ago, respectively.<sup>6</sup>

<sup>&</sup>lt;sup>6</sup> Minn. Stat. § 237.10 provides:

It shall be the duty of the commission to prescribe uniform rules and classifications pertaining to the conduct of intrastate telephone business and a system of accounting to be used by telephone companies in transacting this business, and it shall prescribe and furnish blanks and forms for reports, all of which shall conform as nearly as

The rules drawn from these statutes and discussed in this Petition have been in place with no modification since at least 1983—just three years after the creation of the Minnesota Public Utilities Commission (formerly combined with the utilities functions of the Department of Commerce in a single agency, the Public Service Commission) and one year before the court ordered breakup of AT&T into the "Regional Bell Operating Companies."<sup>7</sup> At that time, payphones dotted cities, hotel lobbies, airport and bus terminals and constituted the lone commercially available voice alternative to wireline service from a monopoly telephone provider. The Commission set rates under traditional rate-of-return regulation, meaning 100% of the necessary and prudent costs incurred to meet service quality rule requirements were included in rates and recovered from customers-either in rate base, if they involved necessary investments, or in operating expenses. Of course, the Commission has not set telephone rates through a rate case in decades. And while the Commission continues to have some oversight over rates for traditional wireline voice service, the marketplace determines the rates for all other voice services such as wireless and broadband, with those providers largely beyond the reach of the Commission's jurisdiction.

Even the legislature's general guidance to the Commission regarding telecommunications goals, Minn. Stat. § 237.011, is now nearly a quarter century old. That statute too now reads like a vestige of the past when it provides certain factors that should

practicable to the rules, classifications, accounting systems, and reports prescribed by the Federal Communications Commission for the interstate business of like size companies.

The Commission shall by correspondence or conference where necessary use its best endeavors toward establishing uniformity in practice in all matters pertaining to regulation of the business of telephone companies between the federal government and state government of this and adjacent states.

<sup>&</sup>lt;sup>7</sup> We have searched for the date current landline voice service rules were adopted and cannot identify the precise date. However, Minn. R. 7810.5800 and 7810.5200 ("1983 Rules")—the rules that are the focus of this Petition—were in place, word-for-word as they read today, in 1983.

guide the Commission in the exercise of its regulatory duties, including "promoting customer choice" and "ensuring consumer protections are maintained *in the transition* to a competitive market for local telecommunications service." (Emphasis added). That transition is now complete, and the legislature has shifted its priority for legacy landline service to the technologies of the present and future. State policy has begun recognizing the critical importance of newer technologies and widespread broadband deployment in Minnesota, adopting high-speed broadband access goals in 2010 and amending them in 2016, to state:

Subdivision 1. Universal access and high-speed goal. It is a state goal that:

- (1) no later than 2022, all Minnesota businesses and homes have access to high-speed broadband that provides minimum download speeds of at least 25 megabits per second and minimum upload speeds of at least three megabits per second; and
- (2) no later than 2026, all Minnesota businesses and homes have access to at least one provider of broadband with download speeds of at least 100 megabits per second and upload speeds of at least 20 megabits per second.

Subd. 2. **State broadband leadership position.** It is a goal of the state that by 2022 and thereafter, the state be in:

- (1) the top five states of the United States for broadband speed universally accessible to residents and businesses;
- (2) the top five states for broadband access; and
- (3) the top 15 when compared to countries globally for broadband penetration.

Minn. Stat. § 237.012.

This change in the focus of state policy reflects the incredible changes in technology and in customer demand over the past four decades—changes that continue to accelerate Minnesota rules now also need to catch up to Minnesota statutes, to the changing market and to the changing needs and demands of Minnesota customers.

### C. CenturyLink's Service Quality Remains Strong.

Despite the sea change in customer preferences and demands, CenturyLink works diligently to continue providing high-quality voice service to its landline customers. In 2020, its trouble report rate for Minnesota was less than 1 per 100 lines on a statewide basis and has held steady near that level for several years—some of the lowest trouble rates within CenturyLink's service territory. To put that number in perspective, Minnesota rules set forth a standard of 6.5 troubles per 100 lines on an exchange basis. In addition, CenturyLink has invested in proactive maintenance programs and routinely addresses smaller maintenance issues its frontline technicians bring forward. Finally, CenturyLink has invested robustly in fiber to the home and other network upgrades that modernize the network and prevent problems that might otherwise appear with an older network. In total, CenturyLink invests substantial capital in both maintaining and upgrading its network each year.

#### D. Certain Rules No Longer Promote the Public Interest.

Despite this overall strong record, CenturyLink and other providers struggle when state "telephone utility" rules impose business practices or extraordinary costs that are inconsistent with customer preferences. Two old standards, once seen as reasonable, cause particular concern in 2021:

Rule 7810.5800 states in relevant part:

Each telephone utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service with the shortest possible delay. The minimum objective should be to clear 95 percent of all out-of-service troubles within 24 hours of the time such troubles are reported.

While some commenters have suggested that this rule sets a performance standard of 95% repair in 24 hours, its language instead states that this figure is an objective and not a mandated

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standard, much like the State's broadband goals set forth in Minn. Stat. §237.012.<sup>8</sup> Nonetheless, even a 95% objective for out of service repairs comes at the expense of doing damage to the portion of the business that is now the priority for customers—broadband.

The second rule requiring updating relates to call answer time for voice services. The business challenges of this metric were highlighted during 2020 when, due to COVID 19, it became necessary to relocate call center operations from CenturyLink facilities to a work-at-home environment. CenturyLink is proud of the work it did to make the transition to a safe operating environment for its employees, but like most call center operations, the transition came with challenges. Today, online options (click to chat), web options and mobile options continue to grow, and CenturyLink offers online submission for many types of inquiries including voice services. In addition, dedicated digital media staff are available to respond to social media comments and complaints. This often results in quick, real-time resolution for customers. As such innovations continue, this call answer time rule should either be eliminated or modernized to recognize the multiple pathways now available to address customer inquiries and to allow continued innovation to most efficiently address customer issues.

### II. THE 2014 RULEMAKING DOCKET

CenturyLink pursued a broader revision of the telephone utility rules several years ago. In Docket No. P-999/R-14-413,<sup>9</sup> CenturyLink filed for a waiver of Minn. R. 7810.5800 and requested that the Commission open a rulemaking to review *all* of its landline voice service

<sup>&</sup>lt;sup>8</sup> Webster's Dictionary defines goal as "the end toward which effort is directed." It defines an objective in relevant part as "something toward which effort is directed: an aim, goal, or end of action." See <u>https://www.merriam-webster.com/</u> (retrieved Jun. 3, 2021).

<sup>&</sup>lt;sup>9</sup> In the Matter of a Rulemaking to Consider Possible Amendments to Minnesota Rules, parts 7810.4100 through 7810.6100, MPUC Docket No. P-999/R-14-413 ("2014 Docket").

quality rules. The Commission ultimately determined not to pursue revisions to the rules at that time, although Commissioners expressed interest in continuing to evaluate them. In fact, the Commission requested that the Department of Commerce convene a stakeholder workgroup to engage in further discussion of possible changes and updates to the 1983-era rules, to attempt to reach consensus on changes that would be "consistent with the current marketplace, state of the industry, and the interests of consumers," and asked the Department "to report back to the Commission within a year on the progress made and any decisions or consensus reached."<sup>10</sup> No written report was ever filed.

In closing the 2014 Docket without pursuing rule revisions, the Commission relied on four findings, none of which hold true today and none of which should prevent the narrow revisions to the rules sought in the current Petition. First, the Commission cited a lack of data on various items, including what services were available to customers and where, the costs of compliance, how the rules constrained landline providers' competitiveness or how service quality would be maintained without the 1983-era rules in place.<sup>11</sup> Today, the competitiveness of the market and the array of services available to customers cannot reasonably be questioned, as the Commission itself has recognized. For example, the Commission reviewed the competitiveness of CenturyLink's retail service and issued an order finding that in all but five wire centers, "(1) the Company serves fewer than 50 percent of the households in each of the 109 exchange areas included in its petition, and (2) at least 60 percent of households in each exchange service area can choose voice service from at least one additional unaffiliated

 <sup>&</sup>lt;sup>10</sup> 2014 Docket, Order Closing Rulemaking Proceeding and Initiating Stakeholder Workgroup Process ("Order"), May 2, 2016 at 17-18.
<sup>11</sup> Id. at 14-15.

competitive service provider."<sup>12</sup> That decision, based on data that is now five years old, conclusively establishes that prior concerns about the existence of effective and meaningful competition are out of date.

In fact, the data is even more compelling today than it was five years ago and demonstrates the breadth of competition in the marketplace, the shift of customers to broadband and the abandonment of traditional landline voice service. For example:

- Between 2001 and 2014, CenturyLink's voice access lines decreased from 2,251,637 to 737,283, a decrease of over 67%.<sup>13</sup> At the same time, Minnesota's households increased by approximately 10.7%.<sup>14</sup> Today, CenturyLink serves approximately 159,000 business lines and 175,000 residential lines for a total of 334,000 lines. The total voice lines CenturyLink serves is now approximately 15% of the number of lines it once served.
- Between 2001 and 2014, the percentage of households CenturyLink served decreased from close to 100% to approximately 28%.<sup>15</sup> Seven years later, CenturyLink serves 11% of households.
- Competition is significant in every wire center CenturyLink serves. Nonincumbent providers served more than 50% of the households in 201 of 219 wire centers.<sup>16</sup> Today, the Commission has approved competitive market regulation in all but five CenturyLink wire centers.
- In 2014, wireless providers served 67.5% of voice connections.<sup>17</sup> Today, wireless providers serve 74% of voice connections.<sup>18</sup>

<sup>&</sup>lt;sup>12</sup> In the Matter of the Petition of CenturyLink QC to be Regulated Pursuant to Minn. Stat. §237.025: Competitive Market Regulation, Order Granting Petition in Part, 4-5, MPUC Docket No. P-421/AM-16-496 (May 22, 2017).

<sup>&</sup>lt;sup>13</sup> 2014 Docket, Affidavit of Robert Brigham, ¶ 6 (Dec. 4, 2014) ("Brigham Affidavit").

<sup>&</sup>lt;sup>14</sup> Brigham Affidavit, ¶ 7.

<sup>&</sup>lt;sup>15</sup> Brigham Affidavit, ¶¶ 8, 14.

<sup>&</sup>lt;sup>16</sup> Brigham Affidavit, ¶¶ 9-10.

<sup>&</sup>lt;sup>17</sup> Brigham Affidavit, ¶ 12.

<sup>&</sup>lt;sup>18</sup> FCC Report - Industry Analysis Division office of Economics and Analytics March 2020/data as of December 2018, available at <u>https://www.fcc.gov/voice-telephone-services-report</u>.

- In 2014, the FCC reported that 70% of 911 calls were placed from wireless phones.<sup>19</sup> Today, VOIP and wireless calls comprise 85% of calls to 911.<sup>20</sup>
- In 2014, 37.2% of Minnesota customers relied only on wireless services.<sup>21</sup> As of 2019, the Center for Disease Control estimates that 56.2% of Minnesotans rely entirely on wireless for voice service.<sup>22</sup>
- Since 2016, wireless service has continued to grow at a rapid rate and service is available in nearly all areas of Minnesota.<sup>23</sup> Between 2015 and 2018, Verizon invested \$685 million in Minnesota while AT&T invested \$325 during a similar three-year period. Today, wireless coverage in Minnesota has increased to 99.91% across the state.<sup>24</sup>
- Non-ILEC wireline providers provide more voice access lines in Minnesota than do ILECs.<sup>25</sup> It is difficult to determine a precise statistic but given the proliferation of over-the-top services such as Skype, Zoom, Vonage, Microsoft Teams, Webex, straight VOIP services such as Nextiva, RingCentral and Vonage, and the development of low level satellite (SpaceEx) and fixed wireless services capable of providing both broadband and voice services, **the assertion is undoubtedly doubly true today**.<sup>26</sup>

These trends are not unique to CenturyLink. They reflect industry-wide trends as documented

by the FCC.<sup>27</sup> While the Commission may have perceived a lack of hard data proving a

competitive telecommunications marketplace back in the 2014 Docket, no such claim can

reasonably be made today.

<sup>&</sup>lt;sup>24</sup> CTL Competitive Presence by Provider Oct 2020 / Mobile Wireless HHs vs. Wire Center HHs:

Total Wire Center Households	1,592,760	
Mobile Wireless Households	1,591,304	99.91%
Wireline Households	861,547	54.09%
<sup>25</sup> Brigham Affidavit, ¶ 12.		

<sup>&</sup>lt;sup>26</sup> Web search for VoIP service.

<sup>&</sup>lt;sup>19</sup> FCC Consumer Guide, 911 Wireless Services (Oct. 29, 2014), available at <u>http://www.fcc.gov/guides/wireless-911-</u> services.

<sup>&</sup>lt;sup>20</sup> FCC Report 911 Fee, available at <u>https://www.fcc.gov/general/911-fee-reports</u>.

<sup>&</sup>lt;sup>21</sup> Brigham Affidavit, ¶ 15, Ex. RHB 2.

<sup>&</sup>lt;sup>22</sup> CDC / NHIS wireless only category, available at

https://www.cdc.gov/nchs/data/nhis/earlyrelease/Wireless\_state\_201912-508.pdf.

<sup>&</sup>lt;sup>23</sup> Brigham Affidavit, ¶ 25.

<sup>&</sup>lt;sup>27</sup> https://docs.fcc.gov/public/attachments/DOC-372275A1.pdf.

Second, in the 2014 Docket, the Commission was "not persuaded that market forces would more effectively encourage competition" than continuing to apply the 1983-era rules.<sup>28</sup> Today, competitive forces have significantly eaten away at wireline provider market share, wireless providers provide nearly three times the number of connections as wireline providers and of wireline customers, more of those purchase unregulated services, than purchase traditional landline voice service from an ILEC.<sup>29</sup> Even looking at the customer base of incumbent providers, customers are dropping landline voice service in droves and focusing instead on broadband. The market has spoken.

Third, the Commission dismissed concerns about the fairness of potential enforcement of the rules against incumbent carriers, when competitive carriers faced a different regulatory scheme. The Commission noted that incumbent carriers' Alternative Form of Regulation ("AFOR") plans also incorporated service quality plans and provided some flexibility regarding rule compliance.<sup>30</sup> Now, that flexibility has disappeared as AFORs have expired and service quality rules have reverted to the version that applied 40 years ago.

Finally, the Commission pointed to general policy considerations, as reflected in the then current statutes.<sup>31</sup> Today, policy considerations demand that broadband, and not legacy landline voice service, should be the priority in Minnesota.

https://www.edockets.state.mn.us/EFIIing/edockets/searchDocuments.do?method=showPoup&documentId={D0A1} 82C0-1689-4672-87A9-83D32D9409B9}&documentTitle=200912-45499-03

<sup>&</sup>lt;sup>28</sup> 2014 Docket Order at 15.

<sup>&</sup>lt;sup>29</sup> See statistics on customer choice above at 2-4.

<sup>&</sup>lt;sup>30</sup> See In the Matter of the Petition of Qwest Corporation for Approval of its Second Revised Alternative Form of *Retail Regulation Plan*, Qwest's Second Revised AFOR Plan, Appendix B – Service Quality Plan, MPUC Docket No. P-421/AR-09-790 (Dec. 30, 2009), available at https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPoup&documentId={D0A1

<sup>&</sup>lt;sup>31</sup> 2014 Docket Order at 16-17.

### **III. RULES IN CRITICAL NEED OF MODERNIZATION**

#### A. Minn. R. 7810.5800 – Interruptions of Service.

Landline voice service-related rules have a practical effect on the ability of telephone companies to successfully offer broadband services. Broadband and voice service use the same network, often comprised of fiber and copper facilities. Voice is one service offered over those facilities, but ultimately voice communication is simply one type of data that can be sent over a network. For this reason, technicians for the most part work on both voice and broadband tasks. Currently, approximately 80% of that work is for broadband services and 20% is for voice, and those percentages will continue to trend upward for broadband and down for voice.

A technician's workload is prioritized based on a variety of factors, with the goal of providing the best service to as many customers as possible. However, that prioritization process can be skewed by rule requirements. If a rule requires performance beyond the performance that would occur based on customer demand, such performance can only be achieved by either having more technicians available than would otherwise be required to perform the tasks or by prioritizing the rule-required tasks above other projects.

Minnesota weather amplifies this effect. Minnesota networks experience some of the highest seasonal variation in network load of any area in the country. Increased rainfall and customer moves peak in late summer. Work volumes at that time of year are approximately 60% higher than in winter. This variation has a compounding effect on service quality metrics because a larger proportion of the statistics are generated at times of the year when the strain on resources is the highest. These factors make the current out of service in 24 hours standard, Minn. R. 7810.5800, particularly onerous.

As it said in 1983, this rule still provides:

Each telephone utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service with the shortest possible delay. The minimum objective should be to clear 95 percent of all out-of-service troubles within 24 hours of the time such troubles are reported. In the event that service must be interrupted for purposes of working on the lines or equipment, the work shall be done at a time which will cause minimal inconvenience to customers. Each utility shall attempt to notify each affected customer in advance of the interruption. Emergency service shall be available, as required, for the duration of the interruption.

Every telephone utility shall inform the commission, as soon as possible, of any major catastrophe such as that caused by fire, flood, violent wind storms, or other acts of God which apparently will result in prolonged and serious interruption of service to a large number of customers.

This rule now forces a choice for landline voice service providers—prioritize the broadband telecommunications and data services customers demand today or prioritize meeting a standard written 40 years ago, that only applies to an ever-shrinking percentage of customers. The public interest is not served by forcing one small segment of the telecommunications industry to make such a choice.

In order to meet the 95% goal of Minn. R. 7810.5800, a landline voice provider must either retain sufficient technicians for the sole purpose of handling peak load over a short term or prioritize voice customers over broadband customers. Maintaining sufficient technicians to handle peak load is not an economical option in today's marketplace. Unlike the telephone monopoly era when the costs associated with such a technician force could be included in costs recovered in a rate case, customers now have alternatives. High-cost providers will lose customers. In today's environment, it is simply not feasible to carry or pass-through excess costs. Therefore, if this 40 year old rule is to be followed, a landline voice service provider must prioritize voice services over broadband. The effects of such prioritization can be detrimental to Minnesota consumers. During peak times, customers can be waiting long periods of time to get broadband services repaired or installed because a telecommunications provider is chasing an out of service landline voice service metric imposed by a state on the portion of the business customers value the least.

Forty year old standards, written for a monopoly-era, fully regulated environment simply do not serve the public interest in today's competitive, largely unregulated marketplace. At minimum, if such rules are deemed necessary by the Commission, the rules should align with state policy objectives and be designed to accommodate the priority Minnesota consumers and policymakers now place on broadband services. Therefore, CenturyLink requests that the Commission initiate a rulemaking to either eliminate or modify Minn. R. 7810.5800.

### B. Minn. R. 7810.5200 – Answering Time.

Call centers are complex, and the calls CenturyLink receives at its call centers vary greatly. Call volume, caller needs, current events such as weather as well as other factors make staffing a call center a challenge. In Minnesota rules, the 20 second call answer time for 90% of all inbound calls for voice services is a metric that appears to be applied only to providers of landline voice service in Minnesota. Call centers operated by financial institutions, doctor's offices, airlines, state government and health insurance providers are not subject to this type of metric. Even the monopoly electric utilities in Minnesota have a less onerous call answering metric than CenturyLink faces in Minn. R. 7810.5200.<sup>32</sup>

<sup>&</sup>lt;sup>32</sup> Cf. Minn. R. 7826.1200.

Naturally, there is a desire that callers not wait excessively long times for service and the customer experience is positive. What is considered "too long," or even "appropriate" or "tolerable" wait times for callers? The answer to those questions depends on each customer and their needs.

For landline voice providers like CenturyLink, retaining customers and resolving concerns in a timely manner is critically important. Today, the penalty for failing to resolve customer concerns or inquiries quickly is not one imposed by government. Rather, the penalty is imposed by the competitive marketplace when the consumer drops landline voice service in favor of another technology or local service provider. And it's more than a one-time penalty as the former landline voice service provider loses that revenue month after month going forward.

As it said in 1983, Minn. R. 7810.5200 still states:

Adequate forces shall be provided at local manual offices in order to assure that 95 percent of the calls will be answered within ten seconds. Ninety percent of repair service calls, calls to the business office, and other calls shall be answered within 20 seconds. An "answer" shall mean that the operator or representative is ready to render assistance and/or ready to accept information necessary to process the call. An acknowledgment that the customer is waiting on the line shall not constitute an answer.

This standard is a relic of the past. As an initial matter, the 10 second portion of this rule has not had meaning for decades. Customers never use old-fashioned operators to place calls so the provision related to "local manual operators" is an anachronism and is one of many such anachronisms in statutes and rules.

Moreover, having a metric that a call must be answered within 20 seconds no longer meets customer needs and has enormous expense and resource implications for a landline voice service provider—particularly when its major competitors (wireless and VoIP) are not subject to this metric.

Moreover, this metric is far more stringent than the metrics approved by the Commission in service quality plans over the last 20 years. For example, the 90 percent/20 second call answer metric set forth in Minn. R. 7810.5200 was updated *20 years ago* under Qwest's Alternative Form of Regulation (AFOR).<sup>33</sup> There, the Commission approved a 60 second average answer time and that metric remained in place for many years, serving the public interest in a way consistent with modern telecommunications service.<sup>34</sup> With AFORs now also a thing of the past, the metric that is applied today—in a robustly competitive market—is much more stringent than the metric applied two decades ago. Again, the monopoly-era, fully regulated metric of the past no longer makes sense and no longer reflects the reality of the marketplace or the myriad ways costumers pose, and get responses to, inquiries.

 <sup>&</sup>lt;sup>33</sup> In the Matter of a Petition by Qwest Corporation for Approval of its Alternative Form of Regulation Plan, Order Approving Alternative Form of Regulation Plan as Modified, Docket P-121/AR 05-1081, p. 9 (Dec. 23, 2005).
<sup>34</sup> In the Matter of the Petition of Qwest Corporation for Approval of its Second Revised Alternative Form of Retail Regulation Plan, Second Revised Alternative Form of Retail Regulation Plan for the State of Minnesota, Docket No. P-421/AR-09-790, Appendix B, p. 7:

Calls to the Service Center will be on hold no more than 60 seconds on the average after the last menu option is selected before being answered by a live service representative. The service representative will accept the information needed to begin processing the call and direct the caller to the appropriate specialized personnel, as appropriate. Compliance shall be determined by a 12-month annual statewide average of the performance for the measure for combined customer, business and repair calls.

To demonstrate the challenges in meeting such an outdated metric, CenturyLink reviewed recent information from the State of Minnesota regarding its performance in responding to citizen inquiries and found the following:

• The Minnesota Department of Vehicle Services maintains a dashboard that tracks average call times. For a recent week, the dashboard showed the following statistics:

# **Customer Service Data (April 19-23):**

Average time to answer calls across all public lines. 41 min. 16 sec.

82.2% - Calls accepted into the Public Information Center (did not receive a high call volume message)<sup>35</sup>

• The Department of Employment and Economic Development, the state agency responsible for unemployment benefits, offers the following guidance on its website to those seeking assistance with unemployment benefits:

We recommend that callers do the following to get through to a customer service representative more easily:

- **Call on the correct day according to the topics below.** We recommend calling before 2:00 p.m., as there is a chance we will not get to your call if you are still in the queue after that point.
- Plan on waiting to speak to a representative. We are taking an unprecedented number of calls. Once you are on hold in the queue, you are in line, stay on the call. Hanging up and then calling again will put you in the back of the call line.
- If you call and hear a busy signal, wait a few minutes and call again. A busy signal may mean that our call queue is full, and we are unable to add more people to the queue. Once you are in the queue, stay in the queue.<sup>36</sup>
- **MNSURE** appears to measure its answer times in minutes rather than seconds.<sup>37</sup>

<sup>&</sup>lt;sup>35</sup> <u>https://dps.mn.gov/divisions/dvs/Pages/dashboard.aspx</u> (retrieved Apr. 28, 2021).

<sup>&</sup>lt;sup>36</sup> <u>https://www.uimn.org/applicants/contact-us/index.jsp</u> (retrieved April 28, 2021).

<sup>&</sup>lt;sup>37</sup> https://www.mnsure.org/assets/MNsure-Annual-Report-2020\_tcm34-463422.pdf, p. 11 (retrieved Apr. 28, 2021).

• The **Minnesota Attorney General's Office** acknowledges its own challenges on its website where it tells customers seeking assistance from the Consumer Affairs Division the following:

"Please note that despite every effort to promptly answer calls there are occasional times when we experience extra heavy call volumes, which can result is a brief wait to speak with an analyst. We often experience lower call volumes between 8 and 9:00 a.m. and 3:30 and 4:30 p.m., so calling during these times may reduce the chance of any wait time."

• The National Emergency Number Association has established call answering metrics for 9-1-1 call centers not much different than the call answering time for Minnesota telecommunications providers set forth in Minnesota Rules. NENA has set a service level standard for 9-1-1 call centers of 90% of all 9-1-1 calls arriving at the Public Service Answering Point being answered within 10 seconds during the busiest hour of the day. Other times of the day calls should be answered within 20 seconds 95% of the time.

The call answering metrics established by NENA, for answering life threatening 9-1-1 calls are not materially different than those Minnesota Rules impose on telecommunications providers for answering all in-bound calls for landline voice services.

Of course, the State of Minnesota has no metric in place and faces no penalty for failure to answer calls within 20 seconds. The purpose of these comparisons is to simply point out that the State and its various agencies face similar challenges to those faced by landline voice service providers. And customers frequently use online means of getting answers to their concerns or inquiries. Therefore, CenturyLink requests that the Commission also either eliminate or modify Minn. R. 7810.5200, to bring it in line with the reality of current technology and the competitive marketplace.

#### CONCLUSION

Minnesota has made tremendous progress in its efforts to incentivize broadband deployment by adopting policies that encourage and promote the economical deployment of broadband networks. Policies from the development of one of the first state broadband grant programs in the country, to the sales tax exemption on fiber, conduit and the electronics

necessary to deliver broadband service have made a noticeable difference in working toward

the state's speed and coverage goals.

These measures reflect a simple truth. If there is one thing policymakers and advocates

agree upon, it is the importance of broadband access in Minnesota.

**U.S. Senator Amy Klobuchar, July 1, 2020**: "We have to stay competitive by having high speed broadband everywhere in our state. It's going to become a have and have not for school kids, and our businesses and small businesses if we don't have high speed internet in rural areas," said Senator Klobuchar.<sup>38</sup>

**U.S. Senator Tina Smith**: "If you don't have access to broadband you can't get your homework done, you can't work remotely for your job, your healthcare systems don't work, you have trouble recruiting people into your community.<sup>39</sup>

**Governor Tim Walz**: "The pandemic this past year has made it crystal clear that fast, reliable broadband access is critical for people living in Greater Minnesota - for everything from education and health care to business operations and telecommuting," said Governor Walz.

**Lieutenant Governor Peggy Flanagan**: "Connection is foundational for communities to thrive. These grants will go to help Minnesotans get critical access to broadband," said Lieutenant Governor Peggy Flanagan. "Now more than ever, we need to make sure Minnesotans have access to high-quality broadband to help our communities thrive, businesses survive, and students learn."

**Bernadine Joselyn, Director of Public Policy for the Blandin Foundation. March 2, 2021**: "Broadband is one of the few issues that receives bipartisan support these days: Everyone recognizes that access denied is opportunity denied, and that increasing broadband access and adoption are absolutely necessary in building a more equitable and prosperous future for all."<sup>40</sup>

Unfortunately, Minnesota's 1980s-era landline telephone rules, particularly the rule

requiring that providers aim for repairing out of service voice conditions in 24 hours 95% of

<sup>&</sup>lt;sup>38</sup> <u>Senator Klobuchar introduces Accessible, Affordable Internet for All Act - KVRR Local News</u> (July 1, 2020).

<sup>&</sup>lt;sup>39</sup> Montevideo News (Oct. 17, 2019).

<sup>&</sup>lt;sup>40</sup> What Policymakers Can Learn from the Minnesota Model of Broadband Expansion | The Pew Charitable Trusts (pewtrusts.org).

the time, serves as a significant anchor that interferes with the ability of providers to make business and operational decisions to install and repair broadband service. The Commission should revisit its landline voice service rules, either eliminate or modify Minn. R. 7810.5800 and Minn. R. 7810.5200 and make any other modifications it deems appropriate.

Dated this 7th day of June, 2021.

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