

June 1, 2017



Century**Link**TM

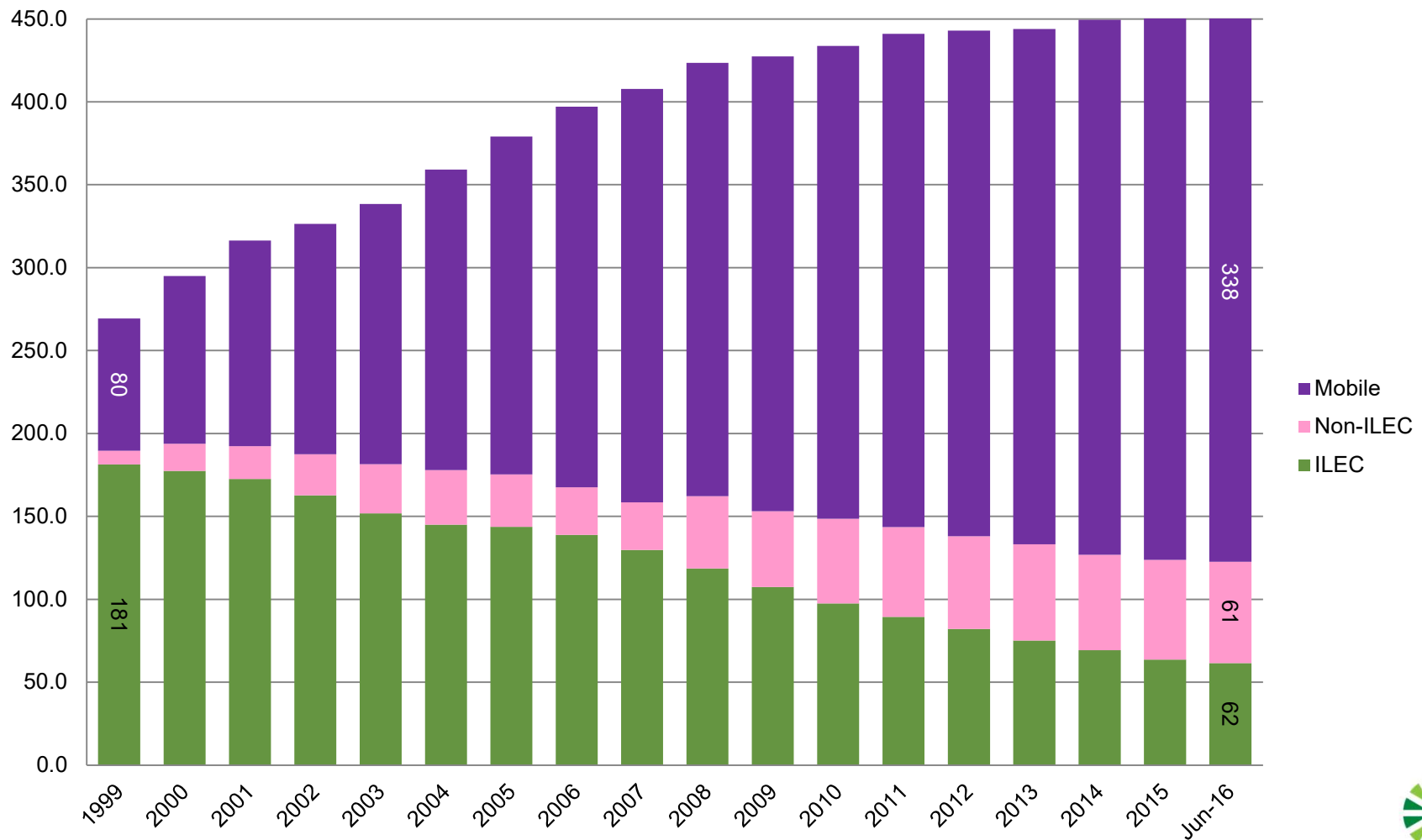
HB 3065 COLR Investigation Competition for Voice Services



Preference for Mobile and Non-ILECs Nationwide

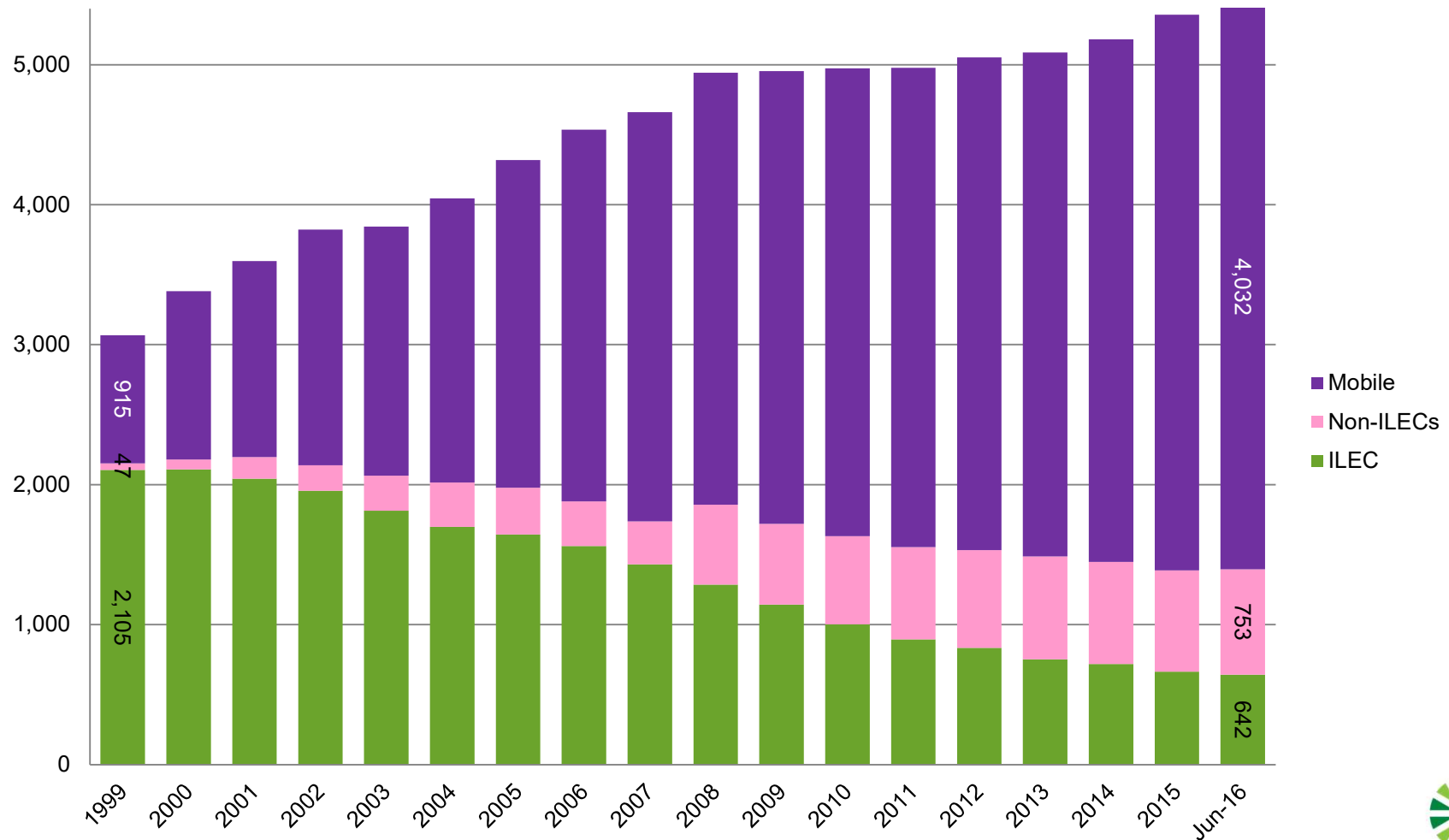
National Voice Subscriptions

in 000,000s Source: FCC Reports



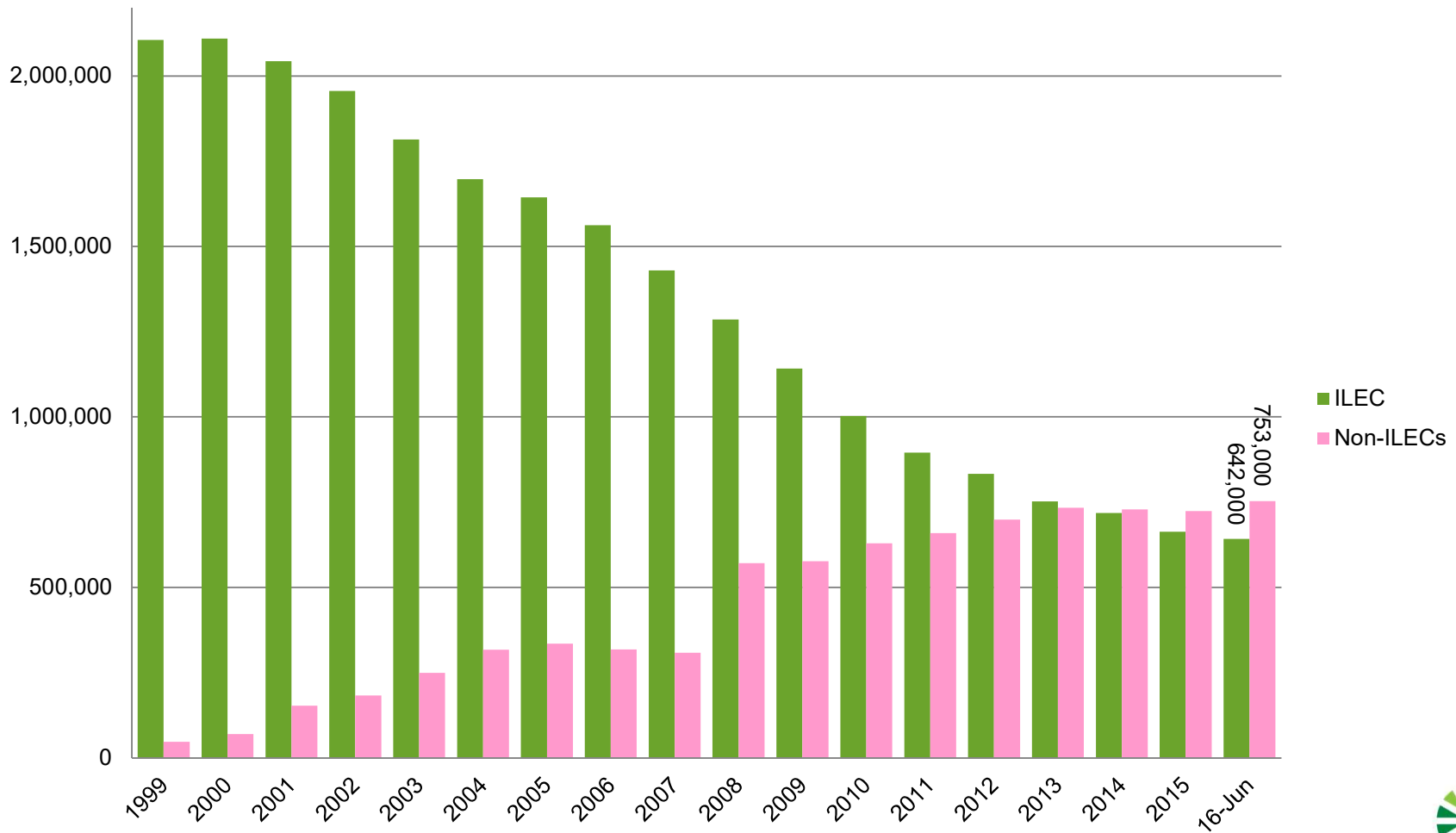
Mobile and Non-ILEC Preference Stronger in Ore

Oregon Voice Subscriptions
in 000's Source: FCC Reports



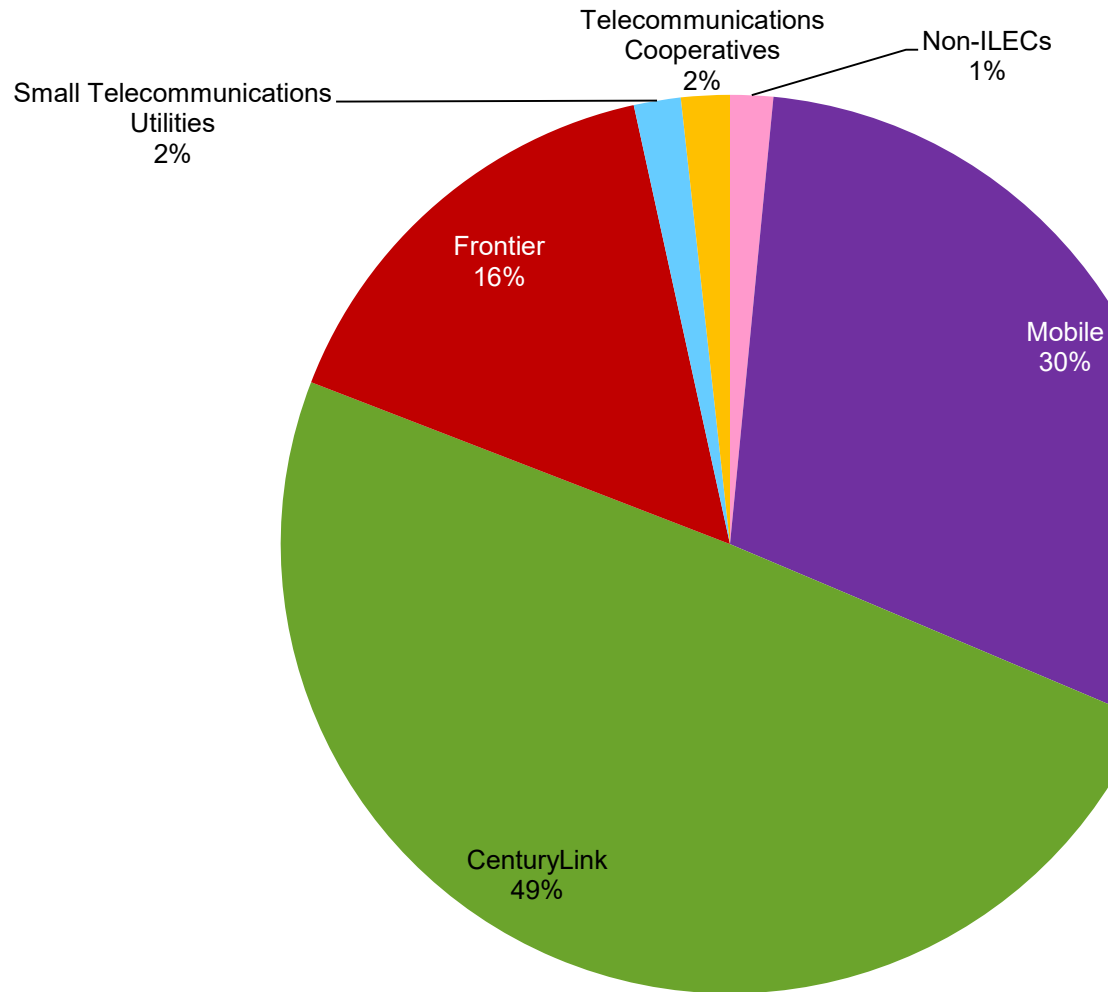
Oregon Consumers Chose Non-ILECs over ILECs

All Wireline
Oregon Access Lines per FCC Reports



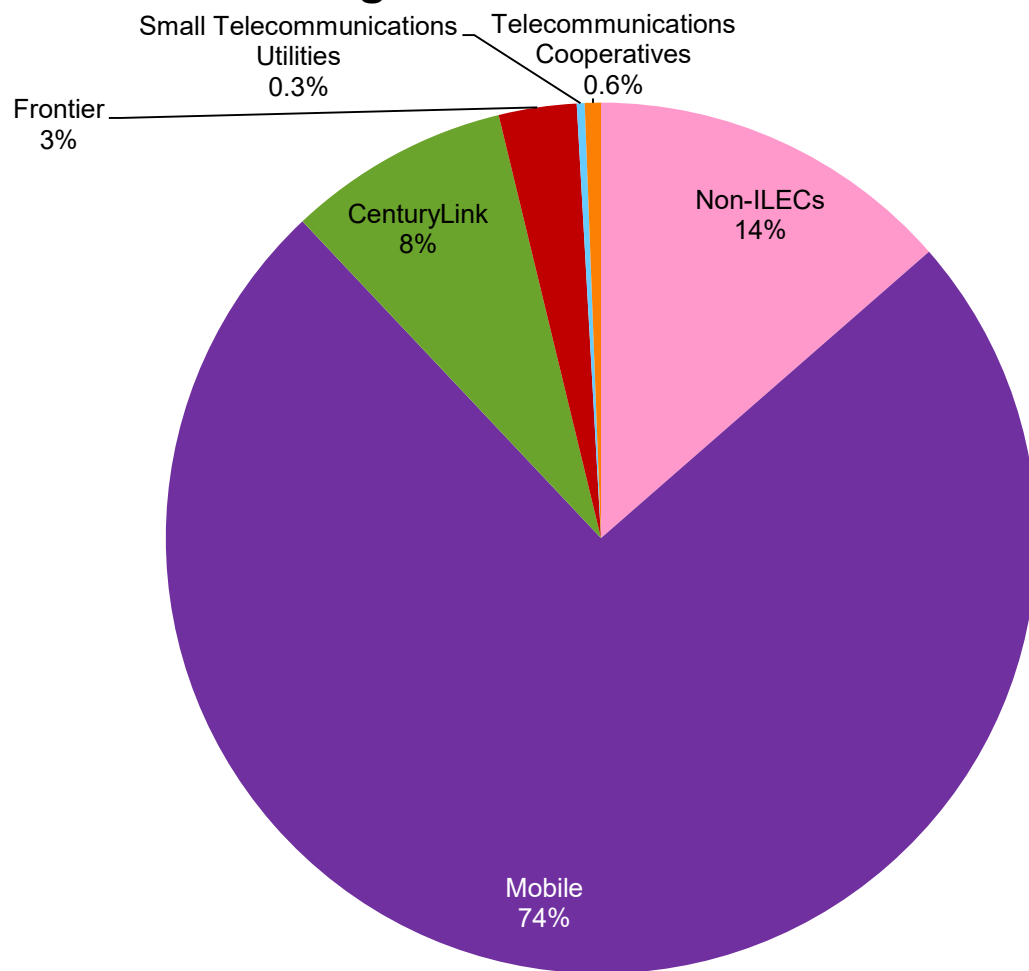
1999 Oregon Voice Shares (per FCC and PUC)

Share of Oregon Voice Connections Year End 1999



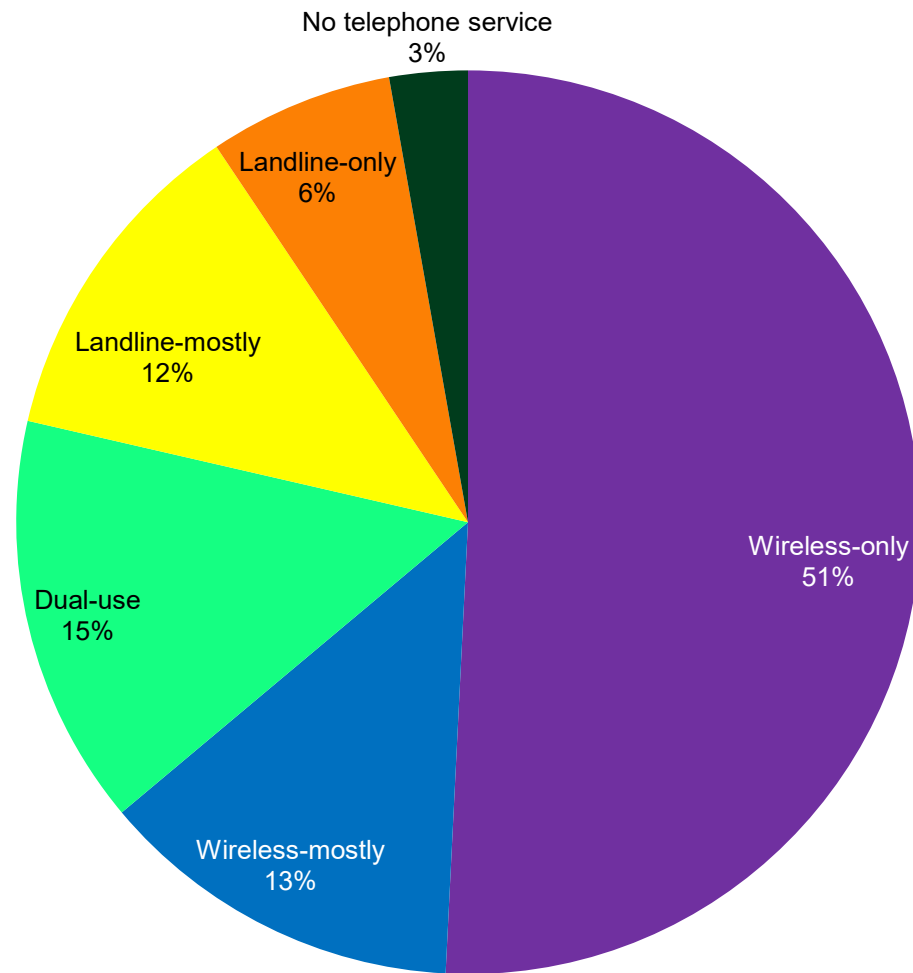
June 2016 Oregon Voice Shares (FCC and PUC data combined)

Share of Oregon Voice Connections June 2016



Oregonians are mostly wireless

Oregon Households, Adults, Year End 2015
per National Center for Disease Control and Prevention National Health Interview Survey



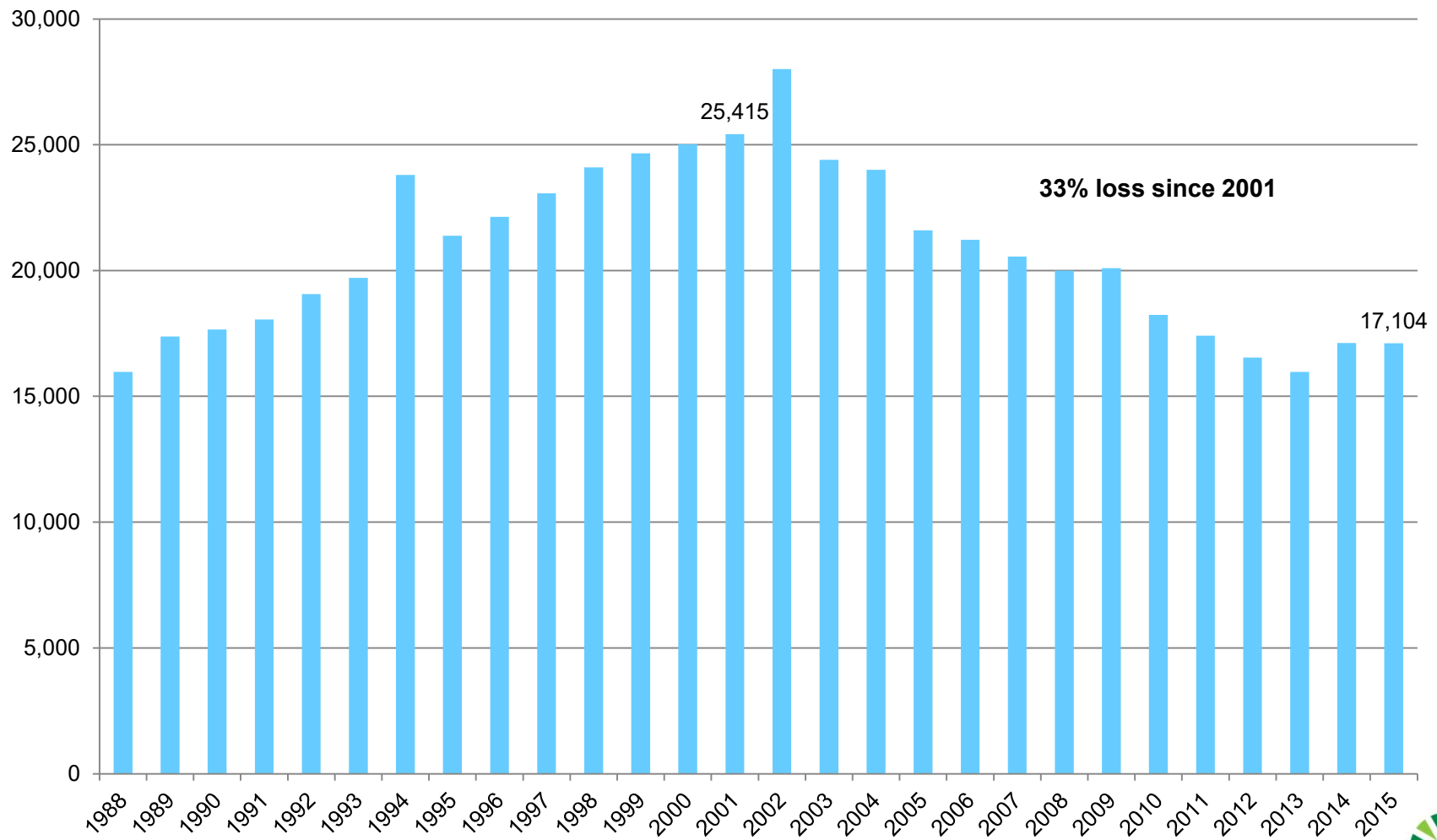
Oregon Incumbents

Data from Oregon PUC 2015 Utility Statistics Report	Number of Incumbent Local Exchange Carriers	Year End 2015 Access Lines	Percent of Total ILEC Access Lines
Small Telecommunications Utilities	15	17,104	2.5%
Telecommunications Cooperatives	11	35,053	5.0%
Frontier (GTE/Verizon/Frontier and AllTel/Citizens)	2	166,998	24.0%
CenturyLink (Qwest, United, Centurytel)	3	478,088	68.6%
TOTAL	31	697,243	100.0%

Small ILECS

Small Telecom Utilities Total Access Lines

Data From OPUC Utility Statistics Reports

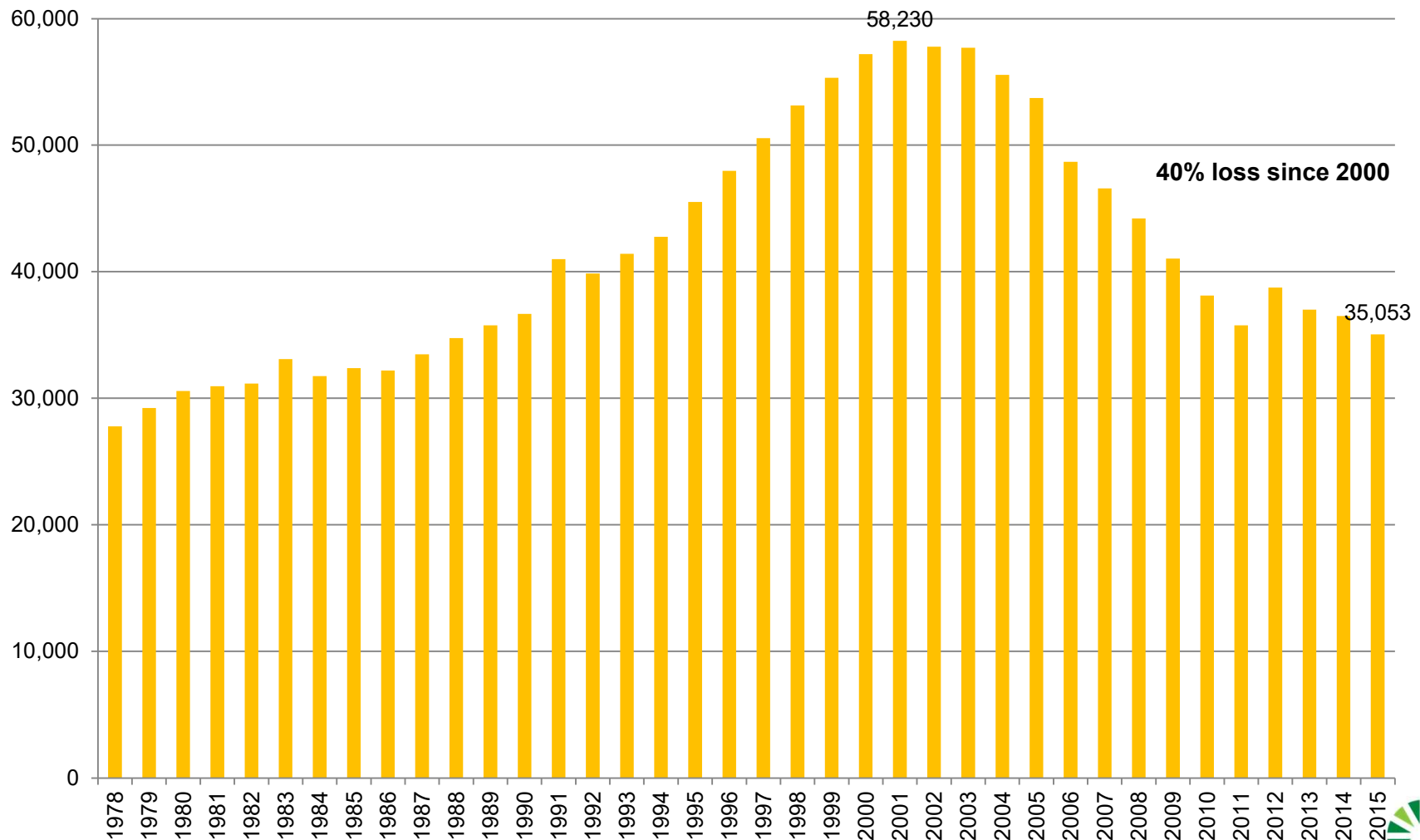


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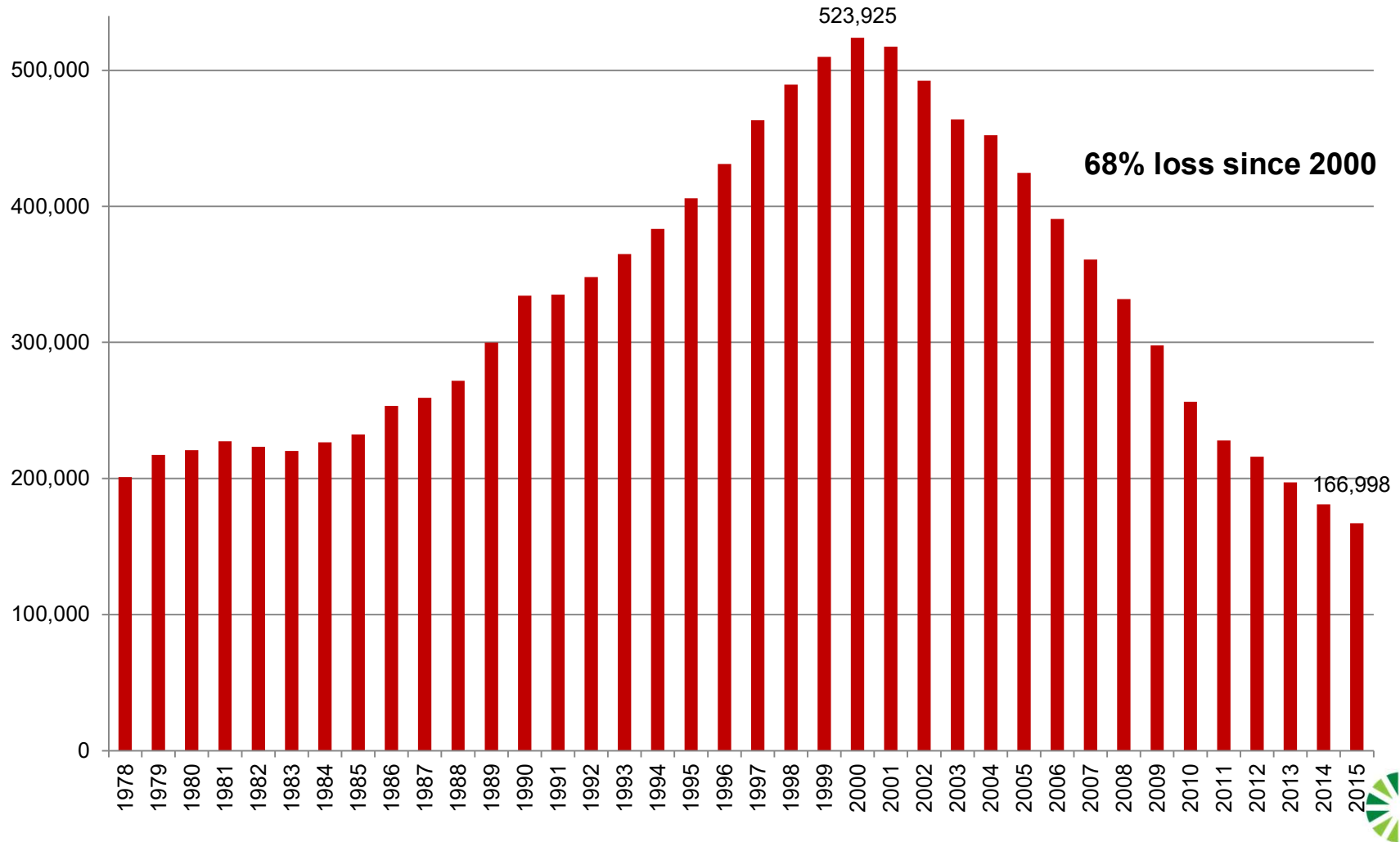
Co-ops

Cooperative Telephone Companies Total Access Lines

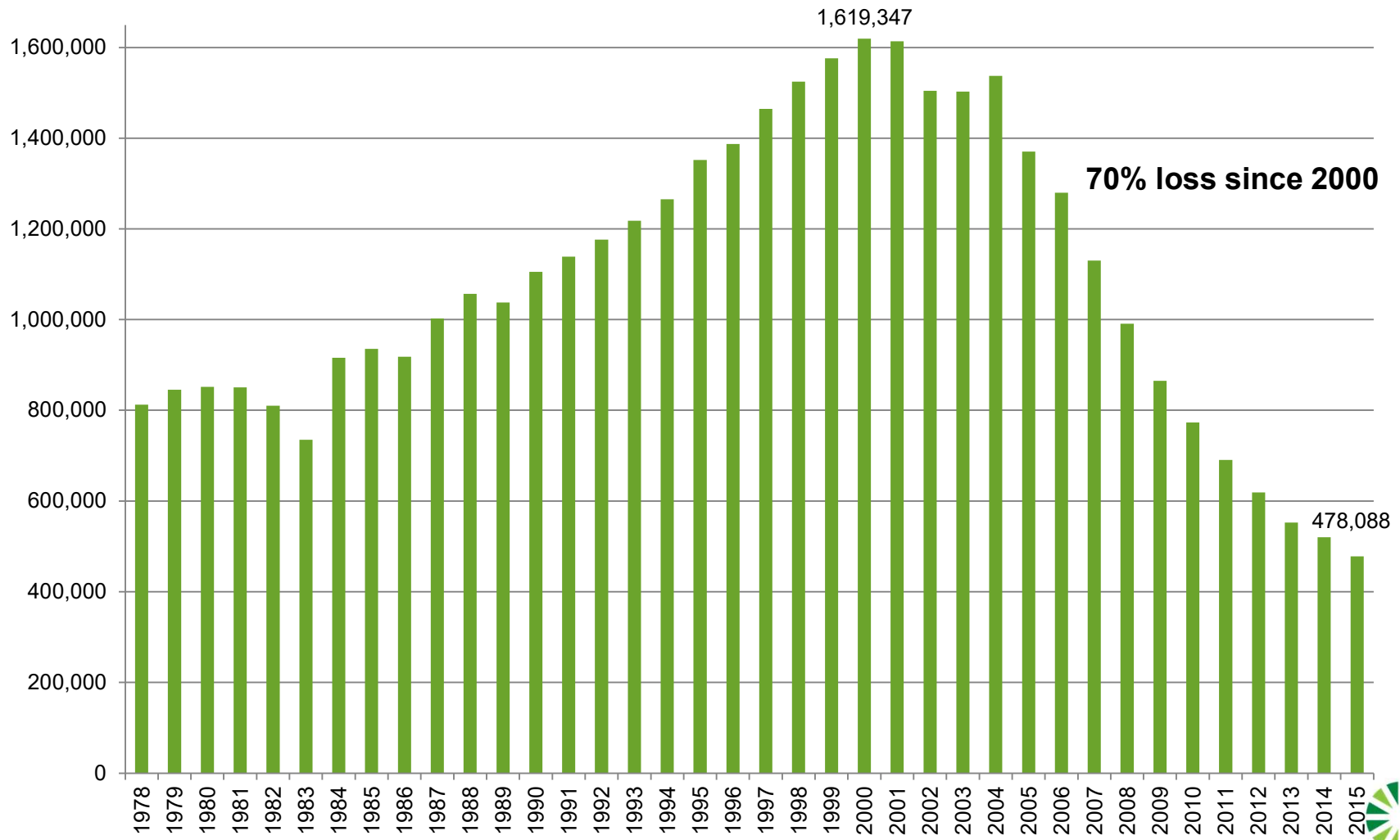
Data From Oregon PUC Utility Statistics Reports



Frontier Total Access Lines Data From Oregon PUC Utility Statistics Reports



CenturyLink Total Access Lines Data from Oregon PUC Utility Statistics Reports



Why the losses?

Choice

Oregonians can chose among a wide variety of

Technologies

and

Providers

Technologies

Plain Old Telephone Service (POTS)



Voice Over Internet Protocol (VoIP)

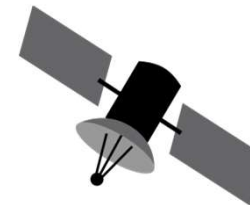
**Interconnected
Nomadic**



Mobile



Satellite



Providers

comspan
communications

Integra

 **bend** broadband™




verizon wireless

exede
INTERNET

at&t

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HughesNet

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windstream® 

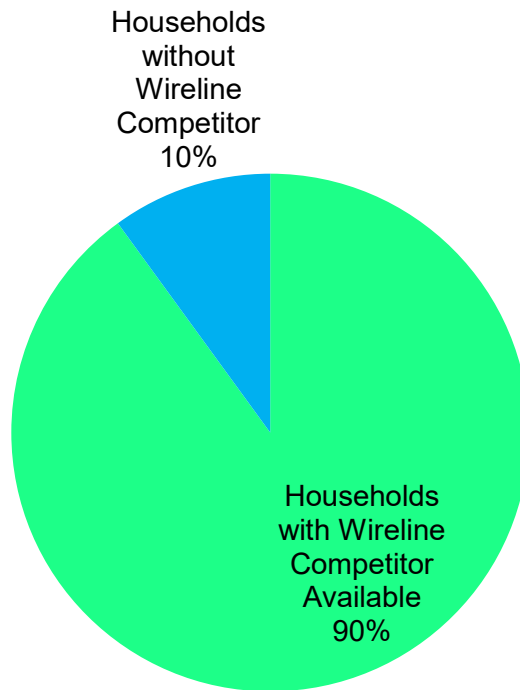
 **skycasters**®

Charter
COMMUNICATIONS

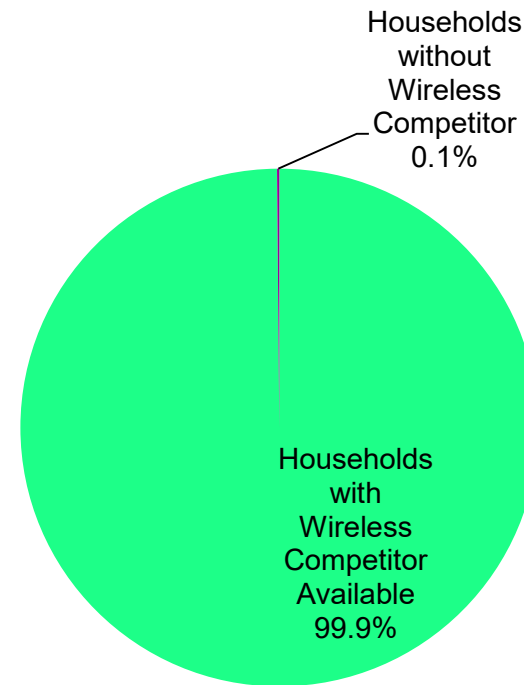

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Competitor Availability

Wireline

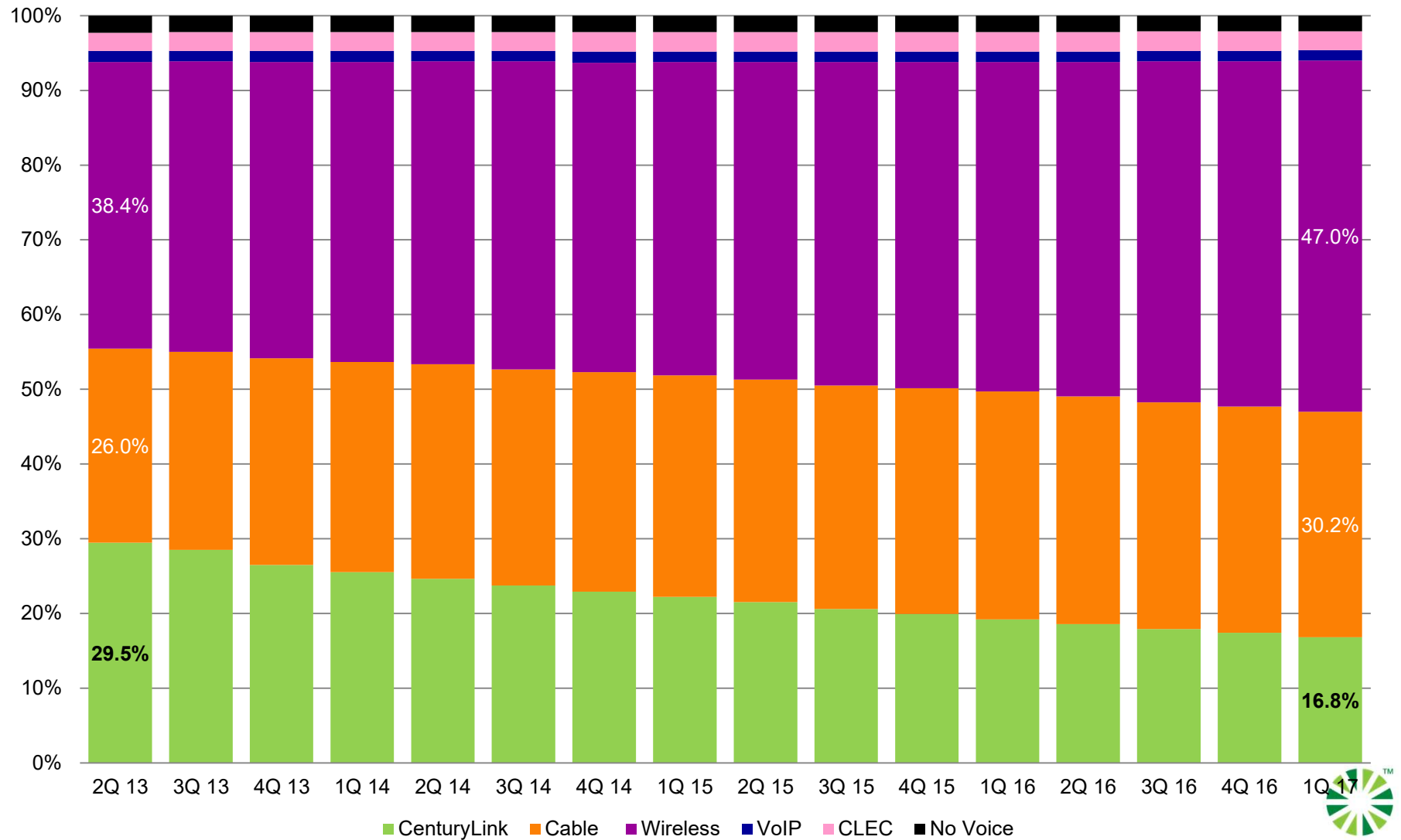


Wireless



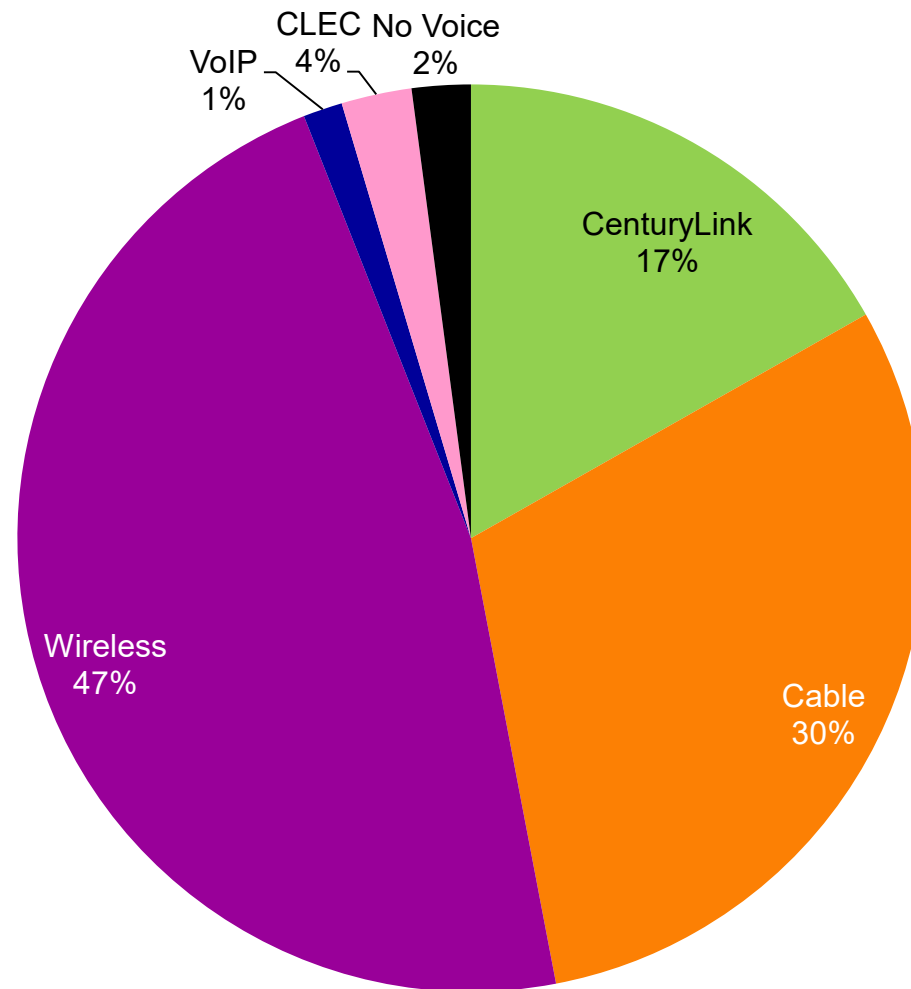
Consumer Market Share in CenturyLink territory

Consumer Voice Service Market Share in CenturyLink's Oregon Serving Area



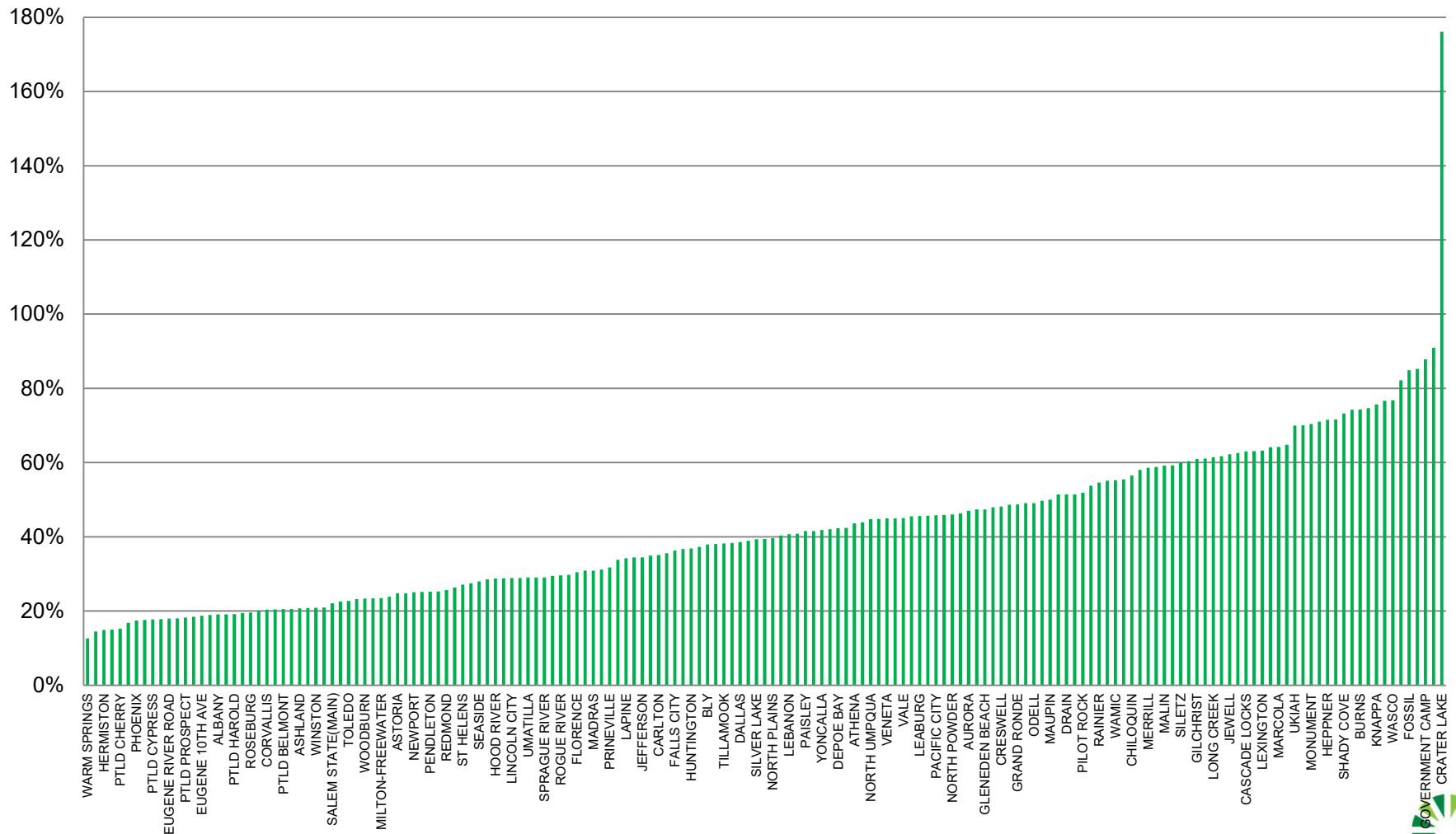
Consumer Market Share in CenturyLink Territory

Consumer Voice Market Share in CenturyLink's Oregon Serving Area 1Q 2017



Access Lines Lost in Every Wire Center Except Crater Lake

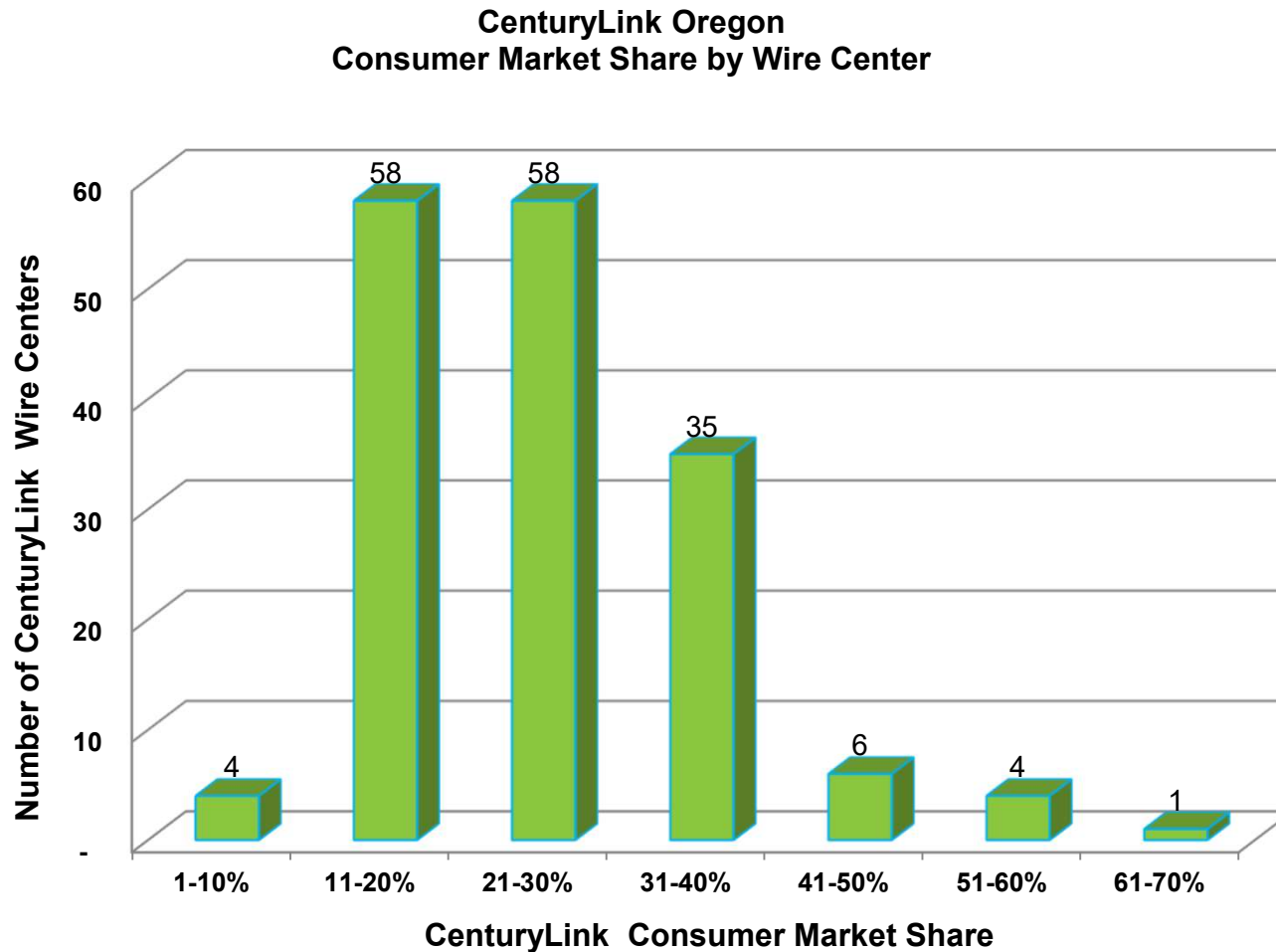
**CenturyLink Percent of Year-End 2001 Total Access Lines Remaining at Year-End 2016
by Wire Center**



CenturyLink™

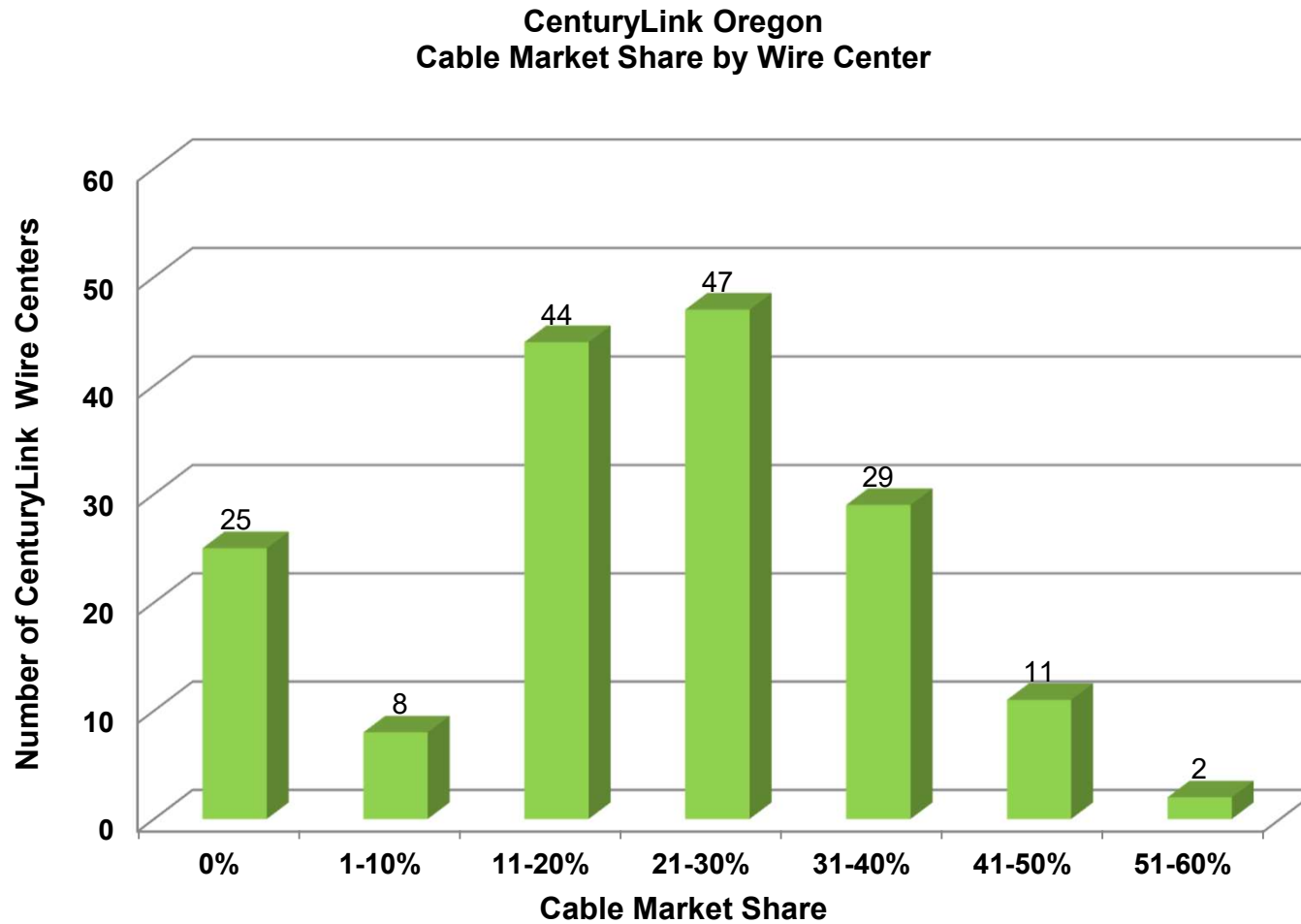
Consumer Market Share - CenturyLink

CenturyLink faces competition for consumers everywhere in Oregon including rural wire centers



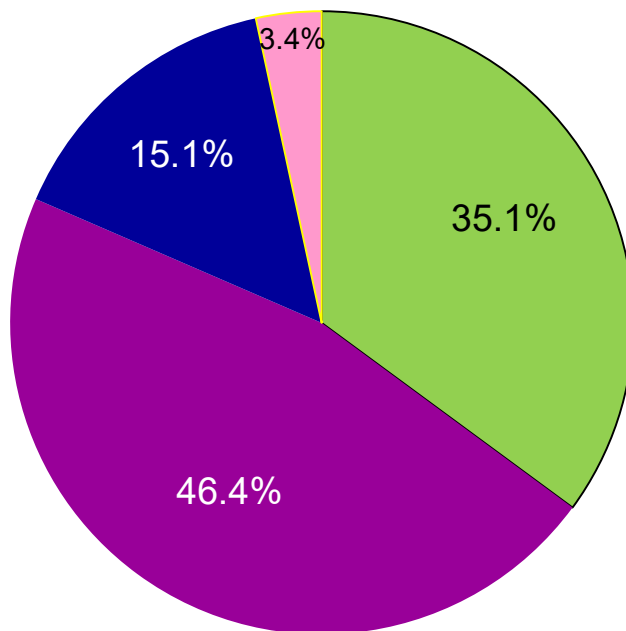
Consumer Market Share - Cable

Cable competition: widespread throughout CenturyLink's Oregon service territory



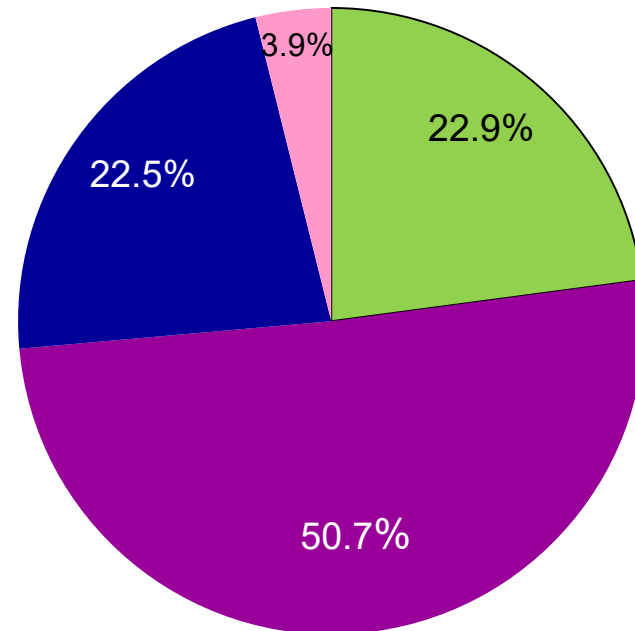
Business Market Share in CenturyLink Territory

Small Business Market Share



■ CenturyLink
■ Cable
■ CLECs
■ VoIP

Commercial Business Market Share



■ CenturyLink
■ Cable
■ CLECs
■ VoIP

OUSF does not compensate for revenue decline

Oregon			
CenturyLink ILECs			
Total Annual Revenue for Oregon Regulated Services			
(\$ 000's)			
	Yr 2001	Yr 2015	Yr 2015 as a % of Yr 2001
	<u>OR Intrastate</u>	<u>OR Intrastate</u>	<u>OR Intrastate</u>
Local Service	455,579	150,906	33.1%
Access Service	91,733	25,399	27.7%
Long Distance	28,550	351	1.2%
Miscellaneous (does not include Uncoll)	31,328	22,196	70.9%
Oregon Universal Service Fund	18,644	17,213	92.3%
Total Oregon PUC Regulated Revenue	625,834	216,065	34.5%

OUSF Supported and Unsupported Wire Centers

CenturyLink Wire Centers	Number of Wire Centers	Average Portion of 2001 TOTAL Access Lines Remaining at Year End 2016
WIRE CENTERS RECEIVING OREGON USF SUPPORT	129	38.3%
WIRE CENTERS RECEIVING NO OREGON USF SUPPORT	37	20.4%

OUSF Supported and Unsupported Wire Centers

