20161010154036 Filed Date: 10/10/2016 State Corporation Commission of Kansas

## BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of Petition of CenturyLink and Dex Media, Inc. for a Waiver of or Exemption from the Commission's Directive Regarding Distribution of Telephone Directories

Docket No. 16-UTDT-568-MIS

## DEX MEDIA, INC.'S RESPONSE TO STAFF'S REPORT AND RECOMMENDATION

COMES NOW Dex Media, Inc. ("Dex Media") and hereby submits its Response to the Report and Recommendation filed on September 29, 2016 by the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission", respectively). In support of its Response, Dex Media states as follows:

1. CenturyLink is a local exchange carrier ("LEC"), pursuant to K.S.A. 66-1,187(h), regulated by the Kansas Corporation Commission ("Commission") as a public utility. Dex Media is the "official" publisher of directories for CenturyLink affiliates in Kansas¹ pursuant to publishing contracts.² CenturyLink does not pay Dex Media for publishing telephone directories on its behalf. Rather, Dex Media bears the entire cost of publishing and distributing the directories from revenues received for yellow pages ads.

<sup>&</sup>lt;sup>1</sup> Dex Media and its predecessors and affiliates have been in the business of publishing telephone directories since 1886. In addition to Kansas, Dex Media publishes directories for incumbent LECs in over 40 other states and the District of Columbia, serving over 500 markets nationwide.

<sup>&</sup>lt;sup>2</sup> In Kansas, Dex Media acquired the publishing business of CenturyLink's predecessor companies, including Qwest, pursuant to agreements executed in 2002 and Embarq, pursuant to agreements executed in 2003. CenturyLink does not have any direct financial interest in Dex Media.

2. CenturyLink is required to issue a telephone directory in accordance with the requirements of the Commission's May 1, 1967 Directive, which states that a:

Commission Conference was held on April 27, 1967 and it was determined that all telephone companies operating in the State of Kansas issue at least annually a dated telephone directory.

The Directive is not codified in the Commission's Rules and there is no statutory mandate for the issuance of directories.

- 3. On June 10, 2016, CenturyLink and Dex Media filed a Joint Petition requesting a permanent waiver of, or exemption from, the requirements of the May 1, 1967 Directive concerning the issuance of telephone directories.
- 4. CenturyLink and Staff have engaged in a series of meetings and discussions, and discovery has been issued and responded to. On September 29, 2016, Staff filed a Report and Recommendation in this proceeding, in which it recommended that the Commission grant a partial waiver of the Directive, and specified other conditions.
- 5. As noted in the petition, Dex Media and its predecessors have been publishing directories since 1886. In Kansas, Dex Media acquired the directory publishing businesses of the predecessor companies of CenturyLink<sup>3</sup> in 2002 and 2003. While CenturyLink has outsourced its directory functions to Dex Media pursuant to publishing contracts, the two companies work closely together, particularly on regulatory matters that affect or could affect either or both companies.

<sup>&</sup>lt;sup>3</sup> United Telephone Company of Eastern Kansas d/b/a CenturyLink, United Telephone Company of SouthCentral Kansas d/b/a CenturyLink, and Embarq Missouri, Inc. d/b/a CenturyLink; which will be referred to collectively herein as "CenturyLink."

6. Dex Media has appreciated the opportunity to work with CenturyLink in relation to this docket, which may lead to a relaxation of regulatory requirements in Kansas. While only CenturyLink is directly subject to the regulatory requirements at issue, it is Dex Media that now has much of the expertise relevant to the issues, in Kansas and over 40 other states.<sup>4</sup>

Accordingly, Dex Media has shared its knowledge and experience regarding directory business generally, the market changes, and regulatory changes such as those proposed here, and hopes to continue to do so until this matter is resolved.

7. Further to their ongoing relationship, CenturyLink has shared a draft of its Response to Staff's Report and Recommendation with Dex Media. Dex Media has reviewed CenturyLink's Response and discussed the same with CenturyLink, and wishes to express its support for the CenturyLink responsive comments to Staff's Report and Recommendation.

WHEREFORE, Dex Media hereby files this Response to Staff's Report and Recommendation for the Commission's consideration and for any such further relief that the Commission may deem just and appropriate.

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<sup>&</sup>lt;sup>4</sup> Dex Media also bears the entire cost of compliance under the contracts.

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ATTORNEYS FOR DEX MEDIA, INC.

## **VERIFICATION**

STATE OF MISSOURI ) )ss. COUNTY OF TACKSON )

Anne E. Callenback of lawful age, being first duly sworn, on oath deposes and states:

That she is counsel to Dex Media in the above-referenced matter; that she has read the above and foregoing document, knows and understands the contents thereof and states that the statements and allegations contained therein are true and correct, according to her knowledge, information and belief.

Further affiant sayeth not.

Subscribed and sworn to before me this \_\_\_\_\_day of October, 2016.

My Appointment Expires:

Notary Public in and for said County and State

ANDREA J. CHILTON
Notary Public - Notary Seal
STATE OF MISSOUR!
Jackson County
My Commission Expires: Nov 14, 2017
Commission # 13404320

Kallenbach

## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the above and foregoing pleading has been emailed, faxed, hand-delivered and/or mailed, First Class, postage prepaid, this October 2016, to:

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