

Q&A With CenturyLink's Danny Pate and Jeff Oberschelp

CenturyLink is entering the FTTH arena with a splash, building gigabit networks in two mid-sized cities. Depending on customer response, these may prove to be the opening salvos in a larger deployment.

With the acquisition of Embarq and Qwest, the rural telephone company CenturyTel became CenturyLink, a Tier One telecommunications provider. Though the company has extensive fiber-to-the-neighborhood infrastructure, over which it offers its Prism IPTV service, its fiber-to-the-premises assets are restricted mainly to greenfield subdivisions – so the announcement last May of a new, gigabit-capable network in West Omaha, Neb., was welcome news. (As of press time, the Omaha deployment was in its final stages.) In October, CenturyLink followed up with an announcement that it would deploy similar technology in Las Vegas, connecting residents beginning in late 2013 and small businesses in early 2014.

In a statement, Jeff Oberschelp, CenturyLink vice president and general manager for Las Vegas, said, “1 Gbps symmetrical speed provides a tremendous economic advantage for small businesses because it allows them to purchase their IT infrastructure through the cloud while substantially lowering operating costs. This

capability is key to growing a vibrant startup and tech community in Las Vegas.”

Recently, **BROADBAND COMMUNITIES** had the opportunity to interview both Oberschelp and Danny Pate, CenturyLink vice president and general manager for Omaha, about the two FTTP projects. Following are the highlights of that discussion.

BROADBAND COMMUNITIES: *Now that you've deployed fiber in Omaha, what kind of feedback are you getting from customers?*

Danny Pate: We are still early in our trial in Omaha in terms of operational effectiveness and customer experience, so longer-term assessments will need to be made, but we are very encouraged by performance to date. The response from our customers and the Omaha community has been very positive.

BBC: *Are Omaha customers being converted to fiber automatically, or do they have to request upgraded services first?*

DP: CenturyLink upgraded its existing fiber architecture in west Omaha to FTTP technology directly to each home or business. All current customers in our fiber pilot footprint will receive the fiber optic connections. As a result, we have a growing number of customers who are choosing to upgrade their current high-speed Internet service to a higher speed and/or bundle those with new products.

Oberschelp says, “This [1 Gbps] capability is key to growing a vibrant startup and tech community in Las Vegas.”



Jeff Oberschelp, CenturyLink VP and general manager, Las Vegas



Danny Pate, CenturyLink VP and general manager, Omaha

BBC: *Can Omaha residents in the fiber footprint get FTTP services if they were not previously CenturyLink customers?*

DP: We have provided an FTTP network for approximately 48,000 households that are a mix of current and potential customers.

WHAT HAPPENS IN VEGAS

BBC: *How did you select Las Vegas for an FTTP buildout?*

Jeff Oberschelp: We received a positive response to the launch of our Prism TV service in 2011 and wanted to show our commitment by offering our Las Vegas customers new broadband technology that they can use to enhance their quality of life, now and into the future.

BBC: *How large is the Las Vegas pilot area?*

JO: The initial installation this fall will be available to a few thousand homes throughout the Las Vegas area, and that number will significantly increase into 2014. We are not disclosing the number of homes in our launch footprint.

BBC: *Will the deployment eventually be citywide?*

JO: Expansion of our 1 Gbps service throughout Las Vegas will be dependent on customer demand during our initial launch phase in 2013 and 2014.

BBC: *Did CenturyLink receive concessions from the city of Las Vegas of the type that Google received from the Kansas City governments?*

JO: We are receiving great support of our 1 gigabit service launch from city officials, who are helping to expedite the inspections and permits we need to begin our fiber upgrades throughout the city. We have also received full support from government leaders, including Mayor Goodman and Governor Sandoval, who have pledged to help us communicate this service offering to our customers.

BBC: *Are the technology and services in Las Vegas the same as in Omaha, or are you testing different alternatives?*

JO: We are extending our advanced fiber network in Las Vegas directly to homes using fiber-to-the-premises technology, just as we did in Omaha.

BBC: *What inspired these two projects?*

JO: Customers within the 1 Gbps area in Omaha were previously served

by pre-DOCSIS hybrid fiber-coax, so we decided to upgrade that fiber architecture to fiber-to-the-premises technology and offer gigabit service. Las Vegas is an extension of our gigabit trial in Omaha to test the potential in the marketplace for this kind of service.

BBC: *What kinds of results are you looking for before deciding whether to go forward on a larger scale?*

JO: The company will evaluate the Omaha and Las Vegas 1 Gbps offers before determining further deployment of this advanced technology, considering such factors as positive community support, competitive parity in the marketplace and the ability to earn a reasonable return on our investment.

BBC: *Do you have any ideas about how people will use gigabit networks? Are you surveying or tracking to find out what they are doing?*

JO: With 1 Gbps technology, the opportunities are endless. We are not tracking our customers' use of the service, but we know they will enjoy using this next-generation broadband technology. ❖