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August 27, 2015

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
Boise, Idaho 83702-5983

Re: CenturyLink's acceptance of the FCC CAF II support for Idaho

Dear Ms. Jewell:

CenturyLink today notified the Federal Communications Commission ("FCC") of its acceptance of the state-level offer of Connect America Fund Phase II ("CAF II") support for Idaho. CenturyLink is committing to provide access to broadband service capable of at least 10 Mbps downstream/1 Mbps upstream for 12,367 households and businesses in designated rural high cost census blocks across CenturyLink's Idaho service area over the next several years.

This six year build-out commitment will help to further bridge the rural broadband divide in America and in the state of Idaho. Greater broadband availability and faster speeds will provide new opportunities in rural Idaho, drive economic development, expand distance learning activities, enhance tele-medicine applications and augment public safety capabilities.

Under the terms of the CAF II state-level offer CenturyLink will, before the end of 2021, bring qualifying broadband to the required number of households and businesses. Support from this phase of the program, along with CenturyLink's capital investment will allow CenturyLink to provide broadband access to the funded locations within the FCC designated eligible census blocks.

CenturyLink will be providing annual updates on CenturyLink's six year build-out progress at the state level during this period. Once the initial build-out plan is finalized, CenturyLink anticipates that construction will likely begin in early 2016, weather permitting. Fortunately, the FCC, recognizing the challenge of such a large undertaking, allows flexibility in choosing locations within the CAF II eligible areas to meet the state-level broadband deployment targets and the timing within the program.

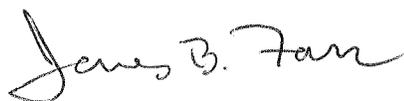
Last year the Idaho Public Utilities Commission filed important comments with the FCC to help maximize the amount of federal funds that would be made available to fund broadband deployment in high cost rural areas in Idaho. CenturyLink's believes these comments were very instrumental to the FCC in making the important decisions related to the CAF II program. As a result, 22,379 households and businesses located in high cost rural areas within the CenturyLink and Frontier service areas in Idaho will benefit from the CAF II program. This represents about \$11.5 million a year in federal funding for 6 years.

The FCC's CAF II program is an important next step in delivering new and faster broadband service to rural areas that are otherwise uneconomic to serve. However, there will remain customers in rural areas without adequate broadband even after CAF II is implemented. The FCC has encouraged states to examine ways that can complement the FCC CAF program with state funds to achieve even greater availability. CenturyLink is also committed to partnering with the Commission and Legislature, as needed, to craft policies that encourage broadband investment, and ensure that public interest requirements are sufficiently funded.

With this acceptance, I want to bring to your attention one additional matter that needs urgent attention by the FCC; the need for continued federal support for extremely high cost areas that were not included in the CAF II state-level offer. In the near future we will be discussing with you how you can help accelerate the process of getting additional funds allocated by the FCC in order to ensure citizens in the most remote high cost areas of the state are not impacted in this transition.

I look forward to meeting with you soon to discuss these and any other matters relating to the Connect American Fund program.

Sincerely,

A handwritten signature in cursive script that reads "James B. Farr". The signature is written in dark ink and is positioned below the "Sincerely," text.