

INFORMATION ONLY



**MT. HOOD CABLE
REGULATORY COMMISSION**

Serving Multnomah County and the Cities of
Fairview, Gresham, Portland, Troutdale and Wood Village

December 10, 2015

Karen Stewart
State & Local Government Affairs Director
CenturyLink
310 SW Park Ave, 11th Floor
Portland, OR 97205

Re: Notice and Opportunity to Cure: Customer Service Standards: Third Quarter 2015

Dear Karen:

In accordance with Section 19.2 of the franchise agreement with CenturyLink, this letter provides CenturyLink a 30-day written notice of the Mt. Hood Cable Regulatory Commission's (MHCRC) intent to exercise Section 19.1 of the franchise agreement on behalf of the City of Portland. MHCRC staff determined that CenturyLink has not adhered to applicable customer service obligations regarding telephone answering and appointment standards.

Under Section 10.1 of the franchise, CenturyLink must comply with the City's Consumer Protection Policy as set forth in Portland City Code Chapter 3.115 (aka Customer Service Standards). The standards which CenturyLink failed to meet include:

- Customer Service Standards Section III(B) - Under Normal Operating Conditions, telephone answer time by trained company representatives, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under Normal Operating Conditions, measured on a calendar quarterly basis.
- Customer Service Standards Section IV – Under Normal Operating Conditions, the cable operator is deemed to have honored a scheduled appointment when a technician arrives within the agreed upon time (at a maximum, a four hour time block) and, if the subscriber is absent when the technician arrives, the technician leaves written notification of arrival and return time. This standard shall be met no less than ninety five (95) percent of the time under Normal Operating Conditions, measured on a calendar quarterly basis.

On November 16, 2015, MHCRC staff received CenturyLink's quarterly Customer Service Report for the period July 1 through September 30, 2015. CenturyLink reported a 3rd Quarter 2015 telephone answering statistic of 87% and an appointments met statistic of 91.4%. Based on this information, MHCRC staff believes CenturyLink has not met the applicable Customer Service Standards outlined above.

Under §19.2(B) and (C) of the franchise agreements, CenturyLink must document a cure within the 30-day notice period. If a cure is not reasonably possible within the 30-day period, then CenturyLink must document what good faith efforts it has undertaken to cure the asserted



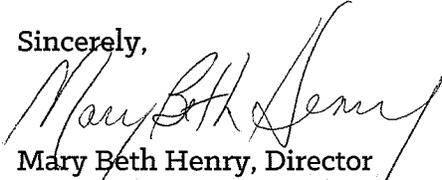
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violation. This documentation must be provided no later than 30-days from the date of this letter, in the form of a curative plan satisfactory to the MHCRC. If CenturyLink fails to cure or to undertake adequate efforts, and continue those efforts in good faith, towards a cure of these violations, the MHCRC, on behalf of the City, may exercise the remedies available under Section 19 of the franchise.

Please contact Rebecca Gibbons or me if you have questions.

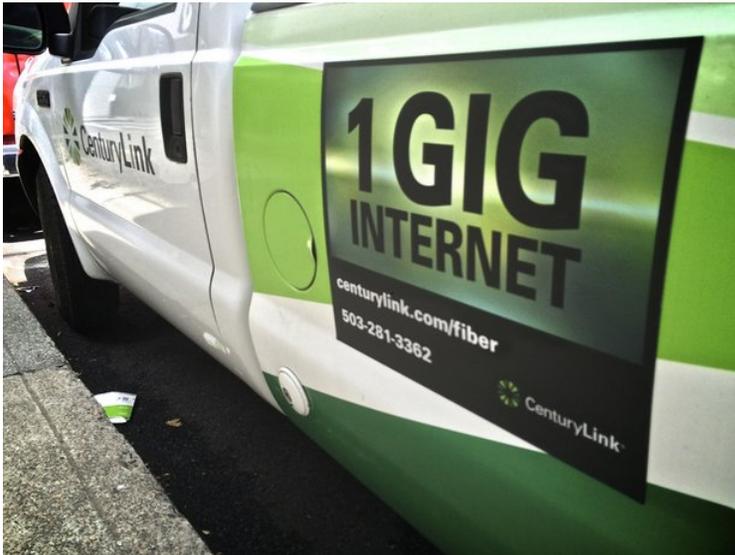
Sincerely,



Mary Beth Henry, Director

Cc: Mt. Hood Cable Regulatory Commission
Ben Walters, MHCRC legal counsel

CenturyLink warned by regulators over long hold times and missed appointments



CenturyLink's fiber network is boosting Internet speeds and adding cable TV service. But regulators say customer service has slipped. (Mark Graves/The Oregonian)



[\[http://connect.oregonlive.com/staff/MikeRogoway/index.html\]](http://connect.oregonlive.com/staff/MikeRogoway/index.html) By **Mike Rogoway** | The Oregonian/OregonLive

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on December 13, 2015 at 6:28 AM, updated December 13, 2015 at 6:29 AM

CenturyLink badly wanted her business. That seemed obvious to Barbara Bachmeier, from the advertisements flooding her mailbox and the salesman who knocked on the door of her Southwest Portland home.

When she decided to sign up for CenturyLink's new cable TV service earlier this month, though, the company suddenly seemed a lot less eager. Bachmeier said CenturyLink first told her it couldn't connect her until July. When she complained, the company said it could do it faster – but no sooner than seven weeks.

When Bachmeier called CenturyLink seeking explanations, she said she waited on hold for 45 minutes at a time. So she called city regulators to complain.

"They can't labor under the wrong impression that this is accepted business practice in Portland, because it's not," Bachmeier said.

Portland agrees. The Mt. Hood Cable Regulatory Commission issued a warning to CenturyLink on Thursday, notifying the company that it isn't meeting the customer service standards laid out in its franchise agreement with the city.

Local regulators don't have oversight over CenturyLink's Internet service, but the state has authority over landline service and municipal regulators monitor its cable TV service quality. CenturyLink is falling short in two areas, according to the cable commission:



- 90 percent of customer calls must be answered within 30 seconds, according to its franchise agreement. The city finds 87 percent of calls met that standard in the third quarter of the year.
- 95 percent of technician appointments must occur within a four-hour appointment window. Portland says CenturyLink is showing up 91 percent of the time.

CenturyLink blamed the lapses on "high demand" for its new services.

"We've hired new technicians and continue to bring in additional crews from across the country to meet the demand," the company wrote. "We take our franchise agreement and the City's notice very seriously and are working to comply with the policies."

After Bachmeier complained to the city and to The Oregonian/OregonLive about her troubles scheduling an appointment with CenturyLink, the company called her and scheduled a Saturday installation for her new service. This time, Bachmeier said, the installation was prompt, professional and complete.

"My experience this morning probably could not have been better," she wrote in an email after her installation was complete.

As its landline phone business washes away under a wave of new technologies, CenturyLink is investing heavily in new technologies to break into the market for superfast Internet service and cable TV.

It now offers **gigabit Internet service in many parts of Portland**

[\[http://www.oregonlive.com/silicon-forest/index.ssf/2015/11/centurylink_maps_its_portlands.html\]](http://www.oregonlive.com/silicon-forest/index.ssf/2015/11/centurylink_maps_its_portlands.html) – 40 times faster than standard broadband connections – and **a new cable TV service called Prism**

[\[http://www.oregonlive.com/silicon-forest/index.ssf/2015/05/centurylink_launches_cable_tv.html\]](http://www.oregonlive.com/silicon-forest/index.ssf/2015/05/centurylink_launches_cable_tv.html) to compete with Comcast.

Sellwood resident Dick Harmon thinks CenturyLink is over its skis. He wanted to dump Comcast's Internet service after successive price increase and had been satisfied for years with CenturyLink's phone service. When technicians installed his new Internet connection on December 4, though, Harmon said they inadvertently disconnected his home phone service.

After a week of wrangling, Harmon said he still doesn't have his home phone back. He said he thinks CenturyLink began promoting its new services before it had developed the capacity to deploy them.

"I think what happened internally is they bought their own B.S. on the marketing side," Harmon said. "My view is it's poor corporate planning and lousy competence."

Cable regulators' warning is the first step in a long process that gives CenturyLink several opportunities to improve its performance before facing financial penalties.

Such warnings are historically infrequent, according to Mary Beth Henry, the cable commission's manager, but occur more commonly with newly granted franchises or after a company is sold. The commission's last penalty was a \$30,000 sanction imposed on Comcast for failing to resolve problems with its phone answering standards in 2012 and 2013.

In 2000 and 2001, AT&T Broadband – which held regional cable franchises now controlled by Comcast – faced hundreds of thousands of dollars in fines after repeated failures to improve its customer service. Clark County regulators threatened more than \$1 million in penalties as the problem persisted, but AT&T sold its cable business to Comcast and performance improved.

-- Mike Rogoway

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