

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Joint Application of Qwest Communications Company, LLC and Certain of its IXC Subsidiaries and Affiliates for all Approvals Required For Internal Corporate Restructuring; Informal Adjudication of Merger; and for Name Change

Docket No. 13-2204-02

JOINT APPLICATION

Qwest Communications Company, LLC d/b/a CenturyLink QCC (“QCC”), Qwest LD Corporation d/b/a CenturyLink LD (“QLDC”), and Embarq Communications, Inc. d/b/a CenturyLink Communications (“ECI”) (collectively referred to as “Applicants”)¹ request all approvals necessary to effectuate an internal corporate restructuring of Applicants’ CLEC and IXC subsidiaries and affiliates.² This is a purely internal transaction to CenturyLink, and the Applicants request informal adjudication of the merger pursuant to R746-349-7. Applicants also request the Public Service Commission of Utah (“Commission”) deem inapplicable or waive any subscriber authorization provisions regarding customer consent and/or notification in connection with this *pro forma* internal corporate restructuring. Further, Applicants seek approval to change QCC’s name to CenturyLink Communications, LLC. This Application meets the requirements and is filed pursuant to Utah Code Ann §§ 54-4-28, 54-4-29 and 54-4-30.

The proposed transactions will reduce the number of internal corporate IXC and CLEC entities and will simplify operations. Specifically, through a series of proposed internal corporate transactions, QCC, currently an indirect subsidiary of CenturyLink, Inc., becomes a direct wholly-owned subsidiary of CenturyLink, Inc. QCC will be the only CenturyLink, Inc.

¹ Since QLDC and ECI are Interexchange Carriers (“IXC”) they are not required to be certificated in Utah. QLDC and ECI are being included as applicants simply because they are being merged into QCC, a certificated entity in Utah. CenturyLink does not concede that QLDC and ECI are required to be applicants, but include these entities to the extent the Commission believes the transaction described in this Application requires approval under Utah Code Ann §§ 54-4-28, 54-4-29 and/or 54-4-30.

² QCC is certificated in Utah as a Competitive Local Exchange Carrier (“CLEC”) and IXC. QLDC and ECI are each an IXC.

affiliate with both CLEC certificates of public convenience and the ability to operate as an IXC in all 50 states, the District of Columbia, and Puerto Rico. After QCC becomes a direct subsidiary of CenturyLink, Inc., the IXC affiliates of CenturyLink, Inc. will merge into QCC, liquidating and distributing assets and liabilities to QCC. Upon consummation of the reorganization, the merged operations will be QCC operations; the customers of QLDC and ECI will be customers of QCC and QCC becomes their sole provider.

For Utah, therefore, QCC becomes a direct subsidiary of CenturyLink, Inc. QLDC and ECI, the two Utah IXC affiliates, are merged into QCC. CenturyLink requests immediate approval of the proposed transaction so the new corporate structure can be effective on April 1, 2014. Also on April 1, 2014, QCC will change its name to CenturyLink Communications, LLC.

A rational internal reorganization of these affiliated CLEC and IXC entities into one entity is in the public interest. This *pro forma* internal corporate restructuring will consolidate these entities into one company which will allow CenturyLink to increase efficiencies, reduce administrative burdens associated with the current structure and operations, and compete more effectively. Accordingly, the proposed transactions satisfy the applicable standard of review.

The proposed internal corporate transactions will be transparent to Applicants' customers. There will be no change in the rates and other terms and conditions or billing for any of the Applicants' services as a result of the internal corporate transactions. CLEC and IXC services will continue to be provided pursuant to the same contract or price lists currently in place. The Commission will continue to have the same oversight after the consolidation that it currently has with QCC. Moreover, ***the proposed internal corporate restructuring that is the subject of this Application will not involve or have any impact on the customers or operations***

of Qwest Corporation d/b/a CenturyLink QC, the Applicants' affiliated incumbent local exchange carrier in Utah.

I. THE APPLICANTS

QCC is a direct wholly-owned subsidiary of Qwest Services Corp. ("QSC"), which, in turn, is a direct wholly-owned subsidiary of Qwest Communications International Inc. ("QCII"). QCII is a direct wholly-owned subsidiary of CenturyLink, Inc. In 2011, CenturyLink, Inc. completed an acquisition of QCII, whose subsidiaries had nationwide CLEC and IXC operations.³ In Utah, QCC operates as an IXC and a CLEC, with a certificate of public convenience previously granted by the Commission.⁴

Similar to QCC, QLDC is also a direct wholly-owned subsidiary of QSC. As stated above, QSC is a direct wholly-owned subsidiary of QCII. QCII is a direct wholly-owned subsidiary of CenturyLink, Inc. In Utah, QLDC operates as an IXC.

ECI is a direct, wholly-owned subsidiary of Embarq Corporation, which, in turn, is a direct wholly-owned subsidiary of CenturyLink, Inc. ECI operates as an IXC in 49 states (excluding Alaska). In Utah, ECI operates as an IXC.

II. DESIGNATED CONTACTS

Communications and correspondence relating to this Application should be sent to:

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and

³ The CenturyLink, Inc. acquisition of QCII was approved by the Commission in Docket No. 10-049-16.

⁴ QCC CPCN 2204

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III. DESCRIPTION OF THE TRANSACTION

The proposed corporate restructuring will be implemented through several interrelated steps. While the ultimate ownership and control of Applicants by CenturyLink, Inc. will be unchanged as a result of these steps, the transactions will effectuate transfers of control of QCC and its other subsidiaries and affiliates. Organization charts depicting both the existing and proposed corporate structures as it relates to Utah are attached hereto as Exhibits A and B.

Applicants seek any and all authority and approval to effectuate the following internal corporate transactions:

1. QCC and its interests will be transferred to CenturyLink, Inc., becoming a direct, wholly-owned subsidiary of CenturyLink, Inc.

QCC (a certificate holder) is a wholly-owned subsidiary of QSC, which, in turn, is a wholly-owned subsidiary of QCII, which, in turn, is a wholly-owned subsidiary of CenturyLink, Inc.⁵ As a first step in the restructuring, QCC will become a direct, wholly-owned subsidiary of CenturyLink, Inc.

2. QLDC and ECI merge into QCC.

QLDC is a direct, wholly-owned subsidiary of QSC, which, in turn, is a direct subsidiary of QCII, which, in turn, is a direct subsidiary of CenturyLink, Inc. QLDC operates as an IXC in 14 states, including Utah.⁶ QLDC and its customers will be merged into to QCC, liquidating and distributing all assets and liabilities to QCC. ECI⁷, an IXC in Utah, is a direct, wholly-owned subsidiary of Embarq Corporation, which, in turn, is a direct wholly-owned subsidiary of

⁵QCII and QSC are not certificated by the Commission.

⁶ Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

⁷ ECI has one direct, wholly owned subsidiary (i.e., Embarq Communications of Virginia, Inc.).

CenturyLink, Inc. ECI and its customers will be transferred to QCC, liquidating and distributing all its assets and liabilities to QCC. These transfers will be seamless, as all customers are served by “CenturyLink” today and will be after the transaction is completed.

3. QCC will change its name to Centurylink Communications, LLC.

CenturyLink plans to have any required state commission approvals completed so the new corporate structure can be effective on April 1, 2014. Also on April 1, 2014, QCC will change its name to CenturyLink Communications, LLC. Like QCC, CenturyLink Communications, LLC will operate with the common “CenturyLink” brand. Applicants request the Commission approve the name change effective April 1, 2014. Applicants will file evidence that QCC’s name was changed to CenturyLink Communications, LLC after such filing is made with the Utah Secretary of State.

The Commission should also be aware that numerous additional subsidiaries, that are not certificated or an IXC in Utah, will be subject to the proposed internal corporate transaction and will be merged into QCC.⁸

IV. IMPACT ON CUSTOMERS

It is important to reiterate that this transaction has no impact whatsoever on QC, the CenturyLink ILEC operating in Utah.

QCC and its subsidiaries and affiliates are committed to ensuring that the internal restructuring described in this Application is transparent to customers. To that end, none of the

⁸ (1) CenturyTel Solutions, LLC; (2) CenturyTel Fiber Company II LLC; (3) Madison River Communications Corp.; (4) CenturyTel Acquisitions LLC; and (5) CenturyTel Long Distance.⁹*In the Matter of 2000 Biennial Review – Review of Policies and Rules Concerning Unauthorized Changes of Consumers’ Long Distance Carriers; Implementation of the Subscriber Carrier Section Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers*, First Report and Order in CC Docket No. 00-257, Fourth Report and Order in CC Docket No. 94-12916, FCC Rcd 11218 (2001).

steps described above will result in rate increases for customers, nor will the terms and conditions of services provided change due to the proposed transactions. Customers will still receive bills from CenturyLink. For this and the following reasons, any applicable anti-slamming and/or customer notification or consent requirements should be waived.

On May 15, 2001, the FCC issued an order amending its carrier change rules to provide a streamlined process for compliance with Section 258 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996.⁹ The Order states that “a change in corporate structure that is invisible to the affected subscribers does not constitute a sale or transfer for purposes of Section 258 that implicates this streamlined process.”¹⁰ Consistent with this FCC decision, it would be appropriate for the Commission to waive any applicable customer notification or authorization that might be deemed to apply.

The Applicants prominently provision services to customers under the “CenturyLink” brand. Notification and authorization are thus not necessary. As described above, the rates, terms and conditions of service provided by these IXCs and QCC will not change as a result of the proposed transaction. Accordingly, and in order to facilitate the timely consummation of these transactions, the Applicants request that this Commission waive any anti-slamming or any customer notification requirements to the extent applicable.

V. GRANT OF THE REQUESTED AUTHORITY IS IN THE PUBLIC INTEREST

⁹*In the Matter of 2000 Biennial Review – Review of Policies and Rules Concerning Unauthorized Changes of Consumers’ Long Distance Carriers; Implementation of the Subscriber Carrier Section Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers*, First Report and Order in CC Docket No. 00-257, Fourth Report and Order in CC Docket No. 94-12916, FCC Rcd 11218 (2001).

¹⁰ *Id.* At ¶13, n.24 (“indeed, in such cases, required notice of a change that is imperceptible to the affected subscribers might cause confusion where there would otherwise be none.”)

A rational streamlining of these affiliated CLEC and IXC corporate entities is in the public interest. The proposed transactions will dissolve multiple CLEC/IXC corporate entities and will simplify the existing internal corporate structure. The proposed internal corporate structure reduces administrative costs and enables CenturyLink, Inc. to manage its CLEC and IXC business operations more efficiently. A more efficient corporate structure will allow QCC and its subsidiaries and affiliates to devote additional resources to meeting the demands of consumers. Thus, the proposed internal corporate restructuring will benefit consumers and enable the Applicants to compete more effectively.

VI. CONCLUSION

Applicants respectfully request the Commission expeditiously approve this Application and grant all approvals required to implement the proposed internal corporate restructuring.

Specifically, Applicants request the following:

1. Approve the Application so the new corporate structure can be effective on April 1, 2014;
2. Conduct this proceeding under the informal adjudication process as permitted by R746-349-7;
3. Waive any subscriber authorization provisions regarding customer consent and/or notification in connection with this internal corporate restructuring; and
4. Approve the name change of QCC to CenturyLink Communications, LLC as addressed in this Application.

Respectfully submitted this 19th day of December, 2013.



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