



# PUBLIC NOTICE

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**DA 10-993**  
**Released: May 28, 2010**

## **APPLICATIONS FILED BY QWEST COMMUNICATIONS INTERNATIONAL INC. AND CENTURYTEL, INC., D/B/A/ CENTURYLINK FOR CONSENT TO TRANSFER OF CONTROL**

### **PLEADING CYCLE ESTABLISHED**

**WC Docket No. 10-110**

**Comments/Petitions to Deny Due: July 12, 2010**  
**Replies/Oppositions Due: July 27, 2010**

On May 10, 2010, Qwest Communications International Inc. (Qwest) and CenturyTel, Inc. d/b/a CenturyLink (CenturyLink) (together, Applicants) filed a series of applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 214, 310(d), and Section 2 of the Cable Landing License Act, 47 U.S.C. § 35,<sup>1</sup> seeking Commission approval for various transfers of control of licenses and authorizations held by Qwest and its subsidiaries from Qwest to CenturyLink.

Qwest, a publicly traded Delaware corporation, is a full-service communications provider offering an array of telecommunications and broadband Internet services, including fiber-optic Internet service, digital switched telephone service, private-line dedicated high-speed data connections, switched data networking services, long-distance services, and voice over Internet Protocol (VoIP) services, through its wholly owned operating companies.<sup>2</sup> It currently has approximately 10.3 million access lines in 14 states,<sup>3</sup> and approximately 3 million broadband customers. Qwest subsidiary QC, through sales relationships with Verizon Wireless and DirecTV, also sells wireless services and multichannel video

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<sup>1</sup> See Qwest Communications International Inc., Transferor, and CenturyTel, Inc. d/b/a CenturyLink, Transferee, Application for Transfer of Control Under Section 214 of the Communications Act, as Amended (filed May 10, 2010) (Application). On May 20, 2010, the transferee's company name changed to CenturyLink, Inc. *Id.* at 38 n.63. The Applicants also have other applications and petitions pending before the Commission, which may be granted prior to consummation of the proposed transaction. They request that any grant include authority for CenturyLink to acquire control with respect to all licenses and authorizations issued or assigned to Qwest or its subsidiaries during the pendency of the Application and prior to the consummation of the proposed transaction, and of all applications or petitions pending at the time of consummation of the proposed transaction. *Id.* at 40-41.

<sup>2</sup> The Qwest subsidiaries providing domestic interstate telecommunications services pursuant to Section 214 authority are El Paso County Telephone Company; Qwest Communications Company, LLC (QCC); Qwest Corporation (QC); Qwest Communications Corporation of Virginia; and Qwest LD Corp.

<sup>3</sup> Qwest's service territories are in Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

services. Qwest subsidiary QCC operates a national fiber-optic network, and competes nationally with AT&T, Verizon, and others for enterprise and government customers. QCC also operates an extensive wholesale business, selling access to its network to other carriers, cable companies, ISPs, and resellers. Capital Research and Management Company (CRMC), a Los Angeles-based U.S. entity, directly controls an approximate 12% interest in Qwest.<sup>4</sup> No other individual or company currently owns or controls 10% or more of Qwest's stock.

CenturyLink, a publicly traded Louisiana corporation, is a holding company that conducts its business operations principally through wholly owned subsidiaries that offer communications services, including local and long-distance voice, wholesale local network access, broadband Internet, and information, entertainment, and fiber transport services through copper and fiber networks, to consumers and businesses in 33 states.<sup>5</sup> CenturyLink provides incumbent local exchange services to approximately 7 million telephone access lines, and provides broadband Internet access services to over 2.2 million customers. In certain local and regional markets, CenturyLink also provides telecommunications services as a competitive local exchange carrier; offers security monitoring; and provides other communications, professional, business, and information services. CenturyLink also operates a wholesale business, selling access to its network to other carriers, cable companies, Internet service providers, and resellers, as well as selling database services on a wholesale basis. CRMC directly controls an approximate 12% interest in CenturyLink. No other individual or entity currently owns or controls 10% or more of CenturyLink's stock.

On April 21, 2010, CenturyLink, Qwest, and SB44 Acquisition Company (Merger Sub) – a Delaware corporation and wholly owned subsidiary of CenturyLink created to effectuate this transaction – entered into an Agreement and Plan of Merger (Merger Agreement), whereby Merger Sub and Qwest will merge in a stock-for-stock exchange. As a result of the merger, the separate corporate existence of Merger Sub will cease, and Qwest will continue to operate as a wholly owned subsidiary of CenturyLink. The transaction contemplates only a parent-level transfer of control of Qwest, and, according to Applicants, will not effectuate any change in control of CenturyLink, nor will it alter either company's existing operational structure.

Through the merger of Qwest with Merger Sub, CenturyLink will acquire all outstanding shares of Qwest. Under the terms of the Merger Agreement, Qwest shareholders will receive 0.1664 CenturyLink shares for each share of Qwest common stock that they own at closing. CenturyLink shareholders are expected to own approximately 50.5% of the combined company, and Qwest shareholders are expected to own approximately 49.5% of the combined company. Following the transaction, four directors of the Qwest Board of Directors will be added to the CenturyLink Board of Directors, but a majority of the Board of post-merger CenturyLink will be directors elected by pre-merger CenturyLink's shareholders. CRMC will hold an interest of approximately 12% in post-merger CenturyLink. No other individual or entity will own or control 10% or more of CenturyLink's stock post-consummation.

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<sup>4</sup> CRMC is, in turn, wholly owned by The Capital Group Companies, Inc., also a Los Angeles-based U.S. entity.

<sup>5</sup> The states are Alabama, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington, Wisconsin, and Wyoming.

## SECTION 214 AUTHORIZATIONS

### A. International

The following applications for consent to the assignment or transfer of control of certain international section 214 authorizations have been assigned the file numbers listed below.

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20100510-00183	Qwest Communications Company, LLC	ITC-214-19930315-00261 ITC-214-19960215-00016 ITC-214-19940829-00393 ITC-214-19960916-00448 ITC-214-20030117-00022
ITC-T/C-20100511-00188	Qwest LD Corp.	ITC-214-20021009-00495
ITC-T/C-20100511-00190	Qwest Services Corporation	ITC-214-19971031-00673

### B. Domestic

The Applicants filed applications for consent to the transfer of control of domestic section 214 authority in connection with the proposed transaction. In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, Applicants' domestic transfer of control applications are not subject to streamlined treatment.<sup>6</sup>

## SECTION 310(d) APPLICATIONS

The following applications for consent to the assignment or transfer of control of licenses under section 310(d) have been assigned the file numbers listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0004229927	Qwest Corporation	KAC80
0004231340	Qwest Communications International, Inc.	WQKZ336
0004231345	Qwest Communications Company, LLC	WLC746
0004231348	El Paso County Telephone Company	KNGF367
0004232216	Qwest Learning and Conference Center	WQGX649
0004236172	Qwest Government Services	WQIG458

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<sup>6</sup> See *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd 5517, 5535, para. 34 (2002).

## CABLE LANDING LICENSE APPLICATION

The following application for consent to transfer control of the interest held by Qwest Communications Company, LLC in the Japan-US Cable Network to CenturyLink has been assigned the file number listed below.

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
SCL-T/C-20100510-00012	Qwest Communications Company, LLC	SCL-LIC-19981117-00025

### EX PARTE STATUS OF THIS PROCEEDING

Pursuant to section 1.1200(a) of the Commission's rules,<sup>7</sup> the Commission may adopt modified or more stringent *ex parte* procedures in particular proceedings if the public interest so requires. We announce that this proceeding will be governed by permit-but-disclose *ex parte* procedures that are applicable to non-restricted proceedings under section 1.1206 of the Commission's rules.<sup>8</sup>

We direct parties making oral *ex parte* presentations to the Commission's statement re-emphasizing the public's responsibility in permit-but-disclose proceedings. Parties are reminded that memoranda summarizing the presentation must contain the presentation's substance and not merely list the subjects discussed.<sup>9</sup> More than a one- or two-sentence description of the views and arguments presented is generally required.<sup>10</sup> Other rules pertaining to oral and written presentations are set forth in section 1.1206(b) as well.<sup>11</sup> We urge parties to use the Electronic Comment Filing System (ECFS) to file *ex parte* submissions.

### GENERAL INFORMATION

The applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies. Final action on these applications will not be taken earlier than 31 days following the date of this Public Notice.<sup>12</sup>

Interested parties must file comments or petitions to deny no later than **July 12, 2010**. Persons and entities that timely file comments or petitions to deny may participate fully in the proceeding, including seeking access to any confidential information that may be filed under a protective order (subject to the restrictions contained in the protective order) and seeking reconsideration of decisions. Replies or oppositions to comments and petitions must be filed no later than **July 27, 2010**. All filings concerning matters referenced in this Public Notice should refer to **DA 10-993** and WC Docket No. 10-

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<sup>7</sup> 47 C.F.R. § 1.1200(a).

<sup>8</sup> *Id.* § 1.1206.

<sup>9</sup> *See Commission Emphasizes the Public's Responsibilities in Permit-But-Disclose Proceedings*, Public Notice, 15 FCC Rcd 19945 (2000).

<sup>10</sup> *See* 47 C.F.R. § 1.1206(b)(2).

<sup>11</sup> *Id.* § 1.1206(b).

<sup>12</sup> *See* 47 U.S.C. § 309(b).

110, as well as the specific file numbers of the individual applications or other matters to which the filings pertain.

**To allow the Commission to consider fully all substantive issues regarding the Application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.<sup>13</sup> A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.**

Under the Commission's procedures for the submission of filings and other documents,<sup>14</sup> submissions in this matter may be filed electronically (*i.e.*, though ECFS) or by hand delivery to the Commission's Massachusetts Avenue location.

- **Electronic Filers:**<sup>15</sup> Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/>. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket number. Parties also may submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building.

Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.

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<sup>13</sup> See Section 1.45(c) of the Commission's Rules, 47 C.F.R. § 1.45(c).

<sup>14</sup> See *Implementation of Interim Electronic Filing Procedures for Certain Commission Filings*, Order, 16 FCC Rcd 21483 (2001); see also *Reminder: Filing Locations for Paper Documents and Instructions for Mailing Electronic Media*, Public Notice, 18 FCC Rcd 16705 (2003); *FCC Announces a New Filing Location for Paper Documents and a New Fax Number for General Correspondence*, Public Notice, 16 FCC Rcd 22165 (2001).

<sup>15</sup> See *Electronic Filing of Documents in Rulemaking Proceedings*, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington, D.C. 20554.

One copy of each pleading must be delivered electronically, by e-mail or facsimile, or if delivered as paper copy, by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (according to the procedures set forth above for paper filings), to the Commission's duplicating contractor, Best Copy and Printing, Inc., at [fcc@bcpiweb.com](mailto:fcc@bcpiweb.com) or 202 / 488-5563 (facsimile).

Additionally, filers must deliver courtesy copies by email or facsimile to the following Commission staff:

- 1) Alex Johns, Competition Policy Division, Wireline Competition Bureau, at [alexis.johns@fcc.gov](mailto:alexis.johns@fcc.gov) or (202) 418-1413 (facsimile);
- 2) Jeff Tobias, Mobility Division, Wireless Telecommunications Bureau, at [jeff.tobias@fcc.gov](mailto:jeff.tobias@fcc.gov) or (202) 418-7224 (facsimile);
- 3) David Krech, Policy Division, International Bureau, at [david.krech@fcc.gov](mailto:david.krech@fcc.gov) or (202) 418-2824 (facsimile); and
- 4) Jim Bird, Office of General Counsel, at [jim.bird@fcc.gov](mailto:jim.bird@fcc.gov) or (202) 418-2822 (facsimile).

Copies of the Applications and any subsequently-filed documents in this matter may be obtained from Best Copy and Printing, Inc., in person at 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, via telephone at (202) 488-5300, via facsimile at (202) 488-5563, or via e-mail at [fcc@bcpiweb.com](mailto:fcc@bcpiweb.com). The Applications and any associated documents are also available for public inspection and copying during normal reference room hours at the following Commission office: FCC Reference Information Center, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. The Applications also are available electronically through the Commission's ECFS, which may be accessed on the Commission's Internet website at <http://www.fcc.gov>.

People with Disabilities: To request this Public Notice in accessible formats (computer diskette, large print, audio recording, and Braille) send an email to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (tty).

For further information, contact Alex Johns, Competition Policy Division, Wireline Competition Bureau, at (202) 418-1167; Jeff Tobias, Mobility Division, Wireless Telecommunications Bureau, at (202) 418-1617; or David Krech, Policy Division, International Bureau, at (202) 418-7443.

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