

February 25, 2014

Via: Rose City Delivery Service

Filing Center Oregon Public Utility Commission 3930 Fairview Industrial Dr., SE Salem, OR 97302

> <u>Re:</u> CP-\_Joint Application to Transfer Certificates of Authority and <u>Request for Waiver</u>

Dear:

Enclosed for filing in the above entitled matter please find CenturyLink's Joint Application to Transfer Certificates of Authority and Request for Waiver, along with a certificate of service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Carla M. Butler Paralegal

Enclosure cc: Service List

> 310 SW Park Ave., 11<sup>th</sup> Flr. Portland, OR 97205 Ph. 503.242.5420 Fx. 503.242.8589 carla.butler@centurylink.com

### BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

CP-582, CP-767, CP-1041, CP-1106, CP-1301, CP-1394

Joint Application of Qwest Communications Company, LLC and Certain of its IXC and CLEC Affiliates for Transfer of Certificates Pursuant to OAR 860-032-0005 and Request for Waivers

### JOINT APPLICATION TO TRANSFER CERTIFICATES OF AUTHORITY AND REQUEST FOR WAIVER

Qwest Communications Company, LLC d/b/a CenturyLink QCC ("QCC"), Qwest LD Corporation d/b/a CenturyLink LD ("QLDC"), CenturyTel Fiber Company II, LLC d/b/a Lightcore, a CenturyLink Company ("Lightcore"), CenturyTel Long Distance, LLC ("CTLD"), CenturyTel Solutions, LLC d/b/a CenturyLink Solutions ("Solutions"), and Embarq Communications, Inc. d/b/a CenturyLink Communications ("ECI") (collectively referred to as "Applicants") submit this joint application for transfer of certificates of authority pursuant to OAR 860-032-0005. The Applicants request that the certificates of each of their entities other than QCC be transferred to QCC. QCC is the Transferee and will be the surviving entity.<sup>1</sup>

The transfers are necessary to effectuate an internal corporate reorganization of Applicants' Competitive Local Exchange Carrier (CLEC) and Interexchange Carrier (IXC) affiliates.<sup>2</sup> Applicants are filing this Application in each of the dockets in which the Oregon Public Utility Commission ("Commission") originally granted each of the individual company's

<sup>1</sup> CenturyLink plans to change the name of QCC to CenturyLink Communications, LLC, after April 1, 2014. CenturyLink does not believe it is required to seek approval of the name change, but will provide the Commission courtesy notification of this change when it occurs.

<sup>2</sup> QCC, QLDC, CTLD, ECI, Solutions and Lightcore are certificated in Oregon as Competitive Providers.

certificates of authority. This Application is in lieu of submission of the transfer application form that is available for such transfer requests. An application such as this, in lieu of the usual form which would have to be submitted for each of the five certificate holders involved, provides a more efficient and informative vehicle to accomplish the purpose at hand. Therefore, pursuant to OAR 860-032-0000, the Applicants request a waiver of OAR 860-032-0005(2) that requires applications to be submitted using the prescribed forms.

Applicants also request that the Commission waive the portion of OAR 860-032-0020(11) that requires ninety-days advance notice of the proposed changes to customers and to the Commission. The Applicants are currently in the process of giving notice to customers, but will be unable to give notice ninety days in advance of the date planned to effectuate the corporate changes.<sup>3</sup>

The internal corporate transactions are expected to occur on or about April 1, 2014. Accordingly, Applicants request that the Commission authorize the transfer of certificates and grant the requested waiver in advance of April 1, 2014.

### 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 a merger with QCII, whose subsidiaries had nationwide CLEC and IXC

<sup>&</sup>lt;sup>3</sup> Merger condition #42 in Docket UM 1484, Order No. 11-095 (March 24, 2011) addressed changes in long distance providers similar to those proposed here. It should be noted that the proposed changes will not result in any violations of that condition as customer notice will be given and no PIC changes will be required as a result of the reorganization. Additionally, the condition expires on April 1, 2014 which is the requested effective date for the certificate transfers.

operations.<sup>4</sup> In Oregon, QCC is authorized to provide on a statewide basis the following services: intraexchange (local) switched service and non-switched dedicated transmission (private line) service, as well as interexchange switched (toll) service and dedicated transmission (private line) service.<sup>5</sup>

QLDC is also a direct wholly-owned subsidiary of QSC. In Oregon, QLDC operates as an IXC and is authorized to provide statewide interexchange switched (toll) service and dedicated transmission (private line) service.<sup>6</sup>

Lightcore is a wholly-owned subsidiary of CenturyLink, Inc. The Commission granted Lightcore a certificate to provide intraexchange non-switched, private line service (dedicated transmission service) in certain Oregon exchanges. In addition, Lightcore's certificate included authority to provide interexchange non-switched, private line service (dedicated transmission service) on a statewide basis.<sup>7</sup>

CTLD is also a direct wholly-owned subsidiary of CenturyLink, Inc. The Commission granted CTLD a certificate to provide statewide interexchange switched (toll) service and dedicated transmission (private line) service.<sup>8</sup>

Solutions is also a direct wholly-owned subsidiary of CenturyLink, Inc. The Commission granted Solutions a certificate as a Competitive Provider for intraexchange service

<sup>&</sup>lt;sup>4</sup> The CenturyLink merger with QCII was approved by the Commission in Docket UM 1484, Order No. 11-095 (March 24, 2011).

<sup>&</sup>lt;sup>5</sup> See Docket CP 1041, Order No. 02-387 (June 14, 2002).

<sup>&</sup>lt;sup>6</sup> See Docket CP 1106, Order No. 02-830 (November 25, 2002).

<sup>&</sup>lt;sup>7</sup> See Docket CP 1394, Order No. 08-150 (March 4, 2008).

<sup>&</sup>lt;sup>8</sup> See Docket CP 582, Order No. 99-255 (April 9, 1999).

in the local exchanges of Frontier Communications Northwest, Inc., Qwest Corporation, United Telephone Company of the Northwest, and CenturyTel of Oregon.<sup>9</sup>

Last, 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 Oregon, ECI is authorized to provide interexchange switched (toll) service and dedicated transmission (private line) service.<sup>10</sup>

# **II. DESIGNATED CONTACTS**

Communications and correspondence relating to this Application for all Applicants should be sent to:

William E. Hendricks Senior Corporate Counsel CenturyLink 902 Wasco Street Hood River, OR 97031 Tel.: 541-387-9430 Fax: 541-387-9753 Tre.Hendricks@CenturyLink.com

and

**Ron Trullinger** 310 SW Park Ave., 11th Floor Portland, OR 97205 Tel: 503-242-5089 Fax: 503-242-8589 Ron.Trullinger@CenturyLink.com

 <sup>&</sup>lt;sup>9</sup> See Docket CP 767, Order No. 00-286 (June 31, 2000).
<sup>10</sup> See Docket CP 1301, Order No. 05-1016 (September 16, 2005).

## **III. DESCRIPTION AND PURPOSE OF THE REORGANIZATION**

The proposed reorganization will reduce the number of internal corporate IXC and CLEC entities and will simplify operations.<sup>11</sup> Specifically, through a series of internal corporate transactions, QCC, currently an indirect subsidiary of CenturyLink, Inc., will become a direct wholly-owned subsidiary of CenturyLink, Inc. QCC will be the only CenturyLink, Inc. affiliate with certificates of public convenience that allow it to operate as a CLEC and an IXC in all 50 states, the District of Columbia, and Puerto Rico. After QCC becomes a direct subsidiary of CenturyLink, Inc., the IXC and CLEC affiliates of CenturyLink, Inc. will merge into QCC, liquidating and distributing assets and liabilities to QCC. After the reorganization, the customers of QLDC, CTLD, ECI, Lightcore and Solutions will be customers of QCC and QCC will become their sole provider. QCC will then be renamed CenturyLink Communications, LLC. CenturyLink requests timely approval of the transfer of certificates of public convenience and necessity so the new corporate structure can be effective on April 1, 2014.

A rational internal reorganization of these affiliated CLEC and IXC entities into one entity is in the public interest. The reorganization will consolidate these IXC and CLEC entities which will allow CenturyLink to increase efficiencies, reduce administrative burdens associated with the current structure and operations, and compete more effectively. A more efficient corporate structure will allow QCC and its affiliates to devote additional resources to meeting the demands of consumers.

<sup>&</sup>lt;sup>11</sup> Organizations charts depicting both the existing and proposed corporate structures as they relate to Oregon are attached hereto as Exhibits A and B. The chart also identifies other CenturyLink companies as well.

The proposed internal corporate transactions will be completely transparent to Applicants' customers. There will be no change in the rates and other terms and conditions or rates 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. Following the reorganization, the Commission will continue to have the same oversight that it currently has with QCC. Likewise, the proposed internal corporate reorganization that is the subject of this Application will not have an impact on the customers or operations of Qwest Corporation d/b/a CenturyLink QC, CenturyTel of Oregon, Inc. d/b/a CenturyLink, CenturyTel of Eastern Oregon, Inc. d/b/a CenturyLink, and United Telephone Company of the Northwest d/b/a CenturyLink, the Applicants' affiliated incumbent local exchange carriers in Oregon.

CenturyLink understands that all services it provides must comply with all applicable Commission rules and state law, and with conditions of the certificate. Furthermore, CenturyLink understands that by transferring the authority to provide telecommunications from the entities named above to the surviving entity QCC, the transferring entities will no longer have authority to provide telecommunications services in Oregon.

### IV. REQUEST FOR WAIVER OF OAR 860-032-0020(11)

In discussions regarding the transfer of certificates, Commission Staff indicated to CenturyLink that the requirements in OAR 860-032-0020(11) apply to the reorganization, as customers will be transferred between certificated entities. The rule basically requires that certificated entities planning to transfer customers give notification to the affected customers and the Commission ninety days in advance of the actual transfer of customers. The Applicants are able to meet the notification requirement, but not before the required ninety-day period. Some customer notifications have been made through bill messages starting January 20, but due to billing cycle variations, other customers will be notified at various times, and the last date is expected to be March 20. Therefore, a waiver of the ninety-day notice requirement is needed to enable the Applicants to meet the planned April 1 for reorganization.

The Applicants did not initially interpret this rule to apply to the reorganization. However, in an abundance of caution should the rule apply, the Applicants request a waiver of the ninety-day notification period required by OAR 860-032-0020(11). It is understandable that such an advance notice period would be important to consumers in cases where their service provider was going out of business or selling its customer base to another provider. In those types of cases, customers need adequate time to find another service provider. The same concerns are not relevant in the Applicants' case, however.

The consolidation of the affiliated entities into QCC will not affect customers' services or rates in the near term. The affected customers will be able to continue their current services at the same rates, terms and conditions. They will not be forced to, nor would they have cause to, find a different provider as a result of the transfer. The Applicants are committed to ensuring that the internal reorganization described in this Application is transparent to customers. Although each of the certificate holders is a separate entity, they are all known under the same brand name of CenturyLink.

# **V. CONCLUSION**

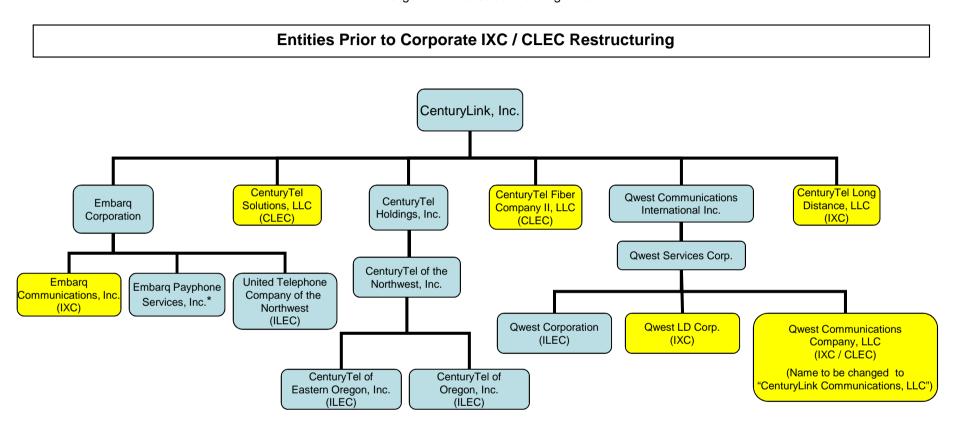
Applicants respectfully request the Commission expeditiously approve this Application and grant the necessary transfers of certificates of authority, as well as the associated waiver requests, so that the new corporate structure can be effective by April 1, 2014.

DATED: February 25, 2014.

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Charles L. Best, OSB No. 78142 Attorney at Law 1631 NE Broadway, Suite 538 Portland, OR 97232-1425 Ph: (503) 287-7160 charlesbestlaw@q.com www.charleslbest.com

**OREGON** Organizational Structure Diagrams



Highlighted entities subject to the proposed corporate restructuring.

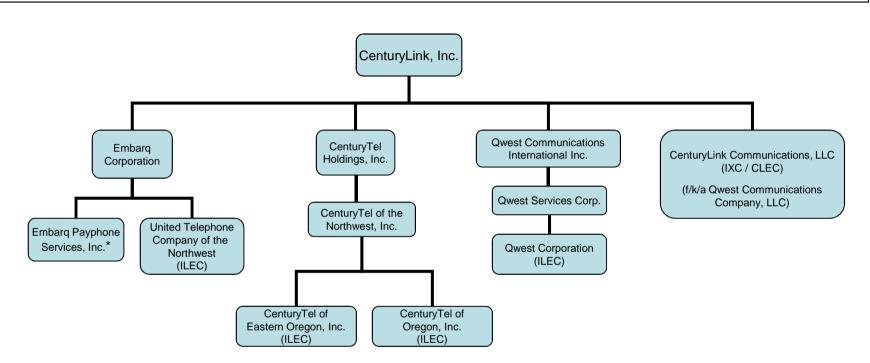
The ILEC subsidiaries of CenturyLink, Inc. are not impacted by this proposed transaction. The ILECs are merely identified on the organizational diagram for illustrative purposes only.

Other CenturyLink, Inc. subsidiaries operating outside this state, which are impacted by the proposed transaction, are not reflected on this organizational diagram.

\*In process of name change to CenturyLink Public Communications, Inc.

**OREGON** Organizational Structure Diagrams





The ILEC subsidiaries of CenturyLink, Inc. are not impacted by this proposed transaction. The ILECs are merely identified on the organizational diagram for illustrative purposes only.

Other CenturyLink, Inc. subsidiaries operating outside this state, which are impacted by the proposed transaction, are not reflected on this organizational diagram.

\*In process of name change to CenturyLink Public Communications, Inc.

# CERTIFICATE OF SERVICE Via E-Mail Transmission

#### CP\_\_\_\_

I hereby certify that on the 25<sup>th</sup> day of February, 2014, a true and correct copy of the foregoing CENTURYLINK'S JOINT APPLICATION TO TRANSFER CERTIFICATES OF AUTHORITY AND REQUEST FOR WAIVER in the above entitled docket, was served upon the following persons via means of e-mail transmission to the e-mail addresses listed below.

Michael Weirich Department of Justice 1162 Court St., NE, Room 100 Salem, OR 97301 <u>michael.weirich@state.or.us</u>

Charles L. Best Attorney at Law 1631 NE Broadway, Suite 538 Portland, OR 97232-1425 <u>charlesbestlaw@q.com</u>

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Ron Trullinger CenturyLink 310 SW Park Ave., 11<sup>th</sup> Flr. Portland, OR 97205 Ron.trullinger@centurylink.com

DATED this 25<sup>th</sup> day of February, 2014.

CENTURYLINK

By: Carla M. Butler 310 SW Park Ave., 11<sup>th</sup> Flr. Portland, OR 97205 Telephone: 503-242-5420 Facsimile: 503-242-8589 e-mail: carla.butler@centurylink.com Paralegal for CenturyLink