

January 25, 2011

Filing Center Public Utility Commission of Oregon 550 Capitol Street, NE Salem, Oregon 97308-2148

Re: In the Matter of CENTURYLINK, INC., Application to Approve the Indirect Transfer of

Control of Qwest Corporation;

Docket No. UM 1484

DOJ File No. 860105-GP0071-10

Dear Filing Center:

Enclosed for filing please find the Public Utility Commission of Oregon's Opening Brief in the above-titled matter.

Thank you for your attention.

Very truly yours

Stephanie S. Andrus

Assistant Attorney General

Of counsel for Staff of the OPUC

Enc.

c. service list

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1484

In the Matter of

CENTURYLINK, INC.

Application for an Order to Approve the Indirect Transfer of Control of QWEST CORPORATION

OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

1	I. Introduction.	
2	On May 24, 2010, CenturyLink, Inc. ("CenturyLink") filed an application with the	
3	Commission asking for approval of the indirect merger of CenturyLink and Qwest	
4	Communications International, Inc. ("Qwest") under ORS 759.375, ORS 759.380, OAR 860-	
5	027-0025, and any other applicable law or rule ("the Application"). Several competitive local	
6	exchange carriers ("CLECs"), wireless carriers, Tillamook County, Lincoln County, and Lincoln	
7	City intervened in the above-captioned contested case proceeding initiated to address	
8	CenturyLink's request. In August 2010, most of the intervenors and Commission Staff	
9	("Staff"), filed testimony opposing the Application. ²	
10	On November 9, 2010, Integra, CenturyLink, and Qwest filed a stipulation with the	
11	Commission under which Integra agreed to support the merger between CenturyLink and Qwest	
12	in Oregon as well as in thirteen other states. On December 2, 2010, Staff, the Citizens' Utility	
13	Board of Oregon ("CUB"), CenturyLink, and Qwest filed a stipulation with the Commission	
14	under which Staff and CUB agreed to recommend approval of the Application, subject to	
15	conditions that address concerns raised by Staff, CUB, and other parties to the proceeding	
16	("Stipulation").	
17	Staff, CUB, CenturyLink, and Qwest stipulated to the imposition of 53 conditions on	
18	CenturyLink and Qwest if the merger is completed. (Staff will refer to the post-merger entity as	
19	the "Merged Company"). The only issue on which these parties do not agree is whether the	
20	Commission should approve the Application subject to two additional conditions – one imposing	
21		
22	¹ Intervenors include tw telcom of Oregon, Ilc., Covad Communications Company, Level 3 Communications, LLC, 360networks (USA) inc., Charter Fiberlink Or-CCVII, LLC, XO	
23	Communications Services, Priority One, Integra companies (Integra Telecom of Oregon, Inc., Advanced Telecom, Inc., Electric Lightwave, LLC, Eschelon Telecom of Oregon, Inc., Oregon	
24	Telecom Inc., and United Telecommunications, Inc., d/b/a Unicom), TRACER, Sprint Nextel, T-Mobile, Warm Springs Telecommunications Company, Tillamook County, Lincoln City, the	
25	Citizens' Utility Board, and Parker Communications. On October 9, 2010, 360networks (USA) withdrew from the docket after entering into an agreement with the Applicant.	
26	² See Intervenor Testimony filed on August 24, 2010 and Staff Testimony filed on September 3,	

2010.

OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON Page 1 -SSA/nal/2498465-v1

I	a reporting requirement regarding DSL service and subscriptions and the other, a "most-favored
2	state" ("MFS") condition. Staff and CUB recommend that the Commission approve the
3	Application subject to these two conditions. CenturyLink asks the Commission to approve the
4	Application without them.
5	Covad Communications Company, tw telecom of Oregon, Ilc, Level 3 Communications,
6	LLC, and Charter Fiberlink OR-CCVII ("Charter"), LLC., ("Joint CLECs"), Sprint Nextel, Inc.
7	("Sprint"), and Charter (individually) ³ filed objections to the Stipulation grounded on assertions
8	the 53 stipulated conditions do not sufficiently protect wholesale competitors. These parties
9	recommend that the Commission approve the Application subject to the stipulated conditions,
10	only if the Commission imposes additional conditions that they believe protect wholesale
11	competitors.
12	Tillamook and Lincoln counties, Lincoln City, and Parker Telecommunications ("Coasta
13	Intervenors"), also object to the Stipulation. They ask the Commission to impose two additional
14	conditions that they believe address their concerns regarding the availability and quality of
15	service in Lincoln and Tillamook counties.
16	Staff does not recommend that the Commission condition its approval of the Application
17	on the imposition of the additional conditions recommended by the Joint CLECs, Charter, Sprint
18	and the Coastal Intervenors. The 53 conditions in the Stipulation and two conditions
19	recommended by Staff and CUB are adequate to ensure the merger satisfies Oregon's statutory
20	criteria for approval.
21	II. The Transaction.
22	According to the Application, CenturyLink is a publicly-traded Louisiana corporation
23	with headquarters in Monroe, Louisiana. CenturyLink serves approximately 7 million access
24	lines nationwide, 2.2 million broadband subscribers, and over 553,000 video subscribers in 33
25	
26	³ Charter filed joint testimony with Joint CLECs and also filed its own testimony opposing the Stipulation.

OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

1	states. CenturyLink's Oregon incumbent Local Exchange Carriers (TLECs) are
2	telecommunication utilities as defined in ORS 759.005 and are subject to traditional rate
3	regulation. Combined, CenturyLink's ILECs serve approximately 109,000 access lines in the
4	state.
5	Qwest is a subsidiary of QCII, which is a publicly traded corporation headquartered in
6	Denver, Colorado. Qwest provides ILEC services in 14 states, serving approximately 10.3
7	million access lines. Qwest serves approximately 802,200 access lines, as well as intrastate
8	interexchange services, in Oregon.
9	Both CenturyLink and Qwest provide regulated retail and wholesale services under the
0	jurisdiction of this Commission, as well as interconnection services to Competitive Local
1	Exchange Carriers ("CLECS") through numerous interconnection agreements approved by the
2	Commission.
3	CenturyLink created a wholly-owned subsidiary for the purpose of completing the
4	merger ("Acquisition Company"). Under the terms of the merger agreement, CenturyLink and
5	QCII will merge, after which QCII will be the surviving entity and the Acquisition Company will
6	cease. QCII will become a wholly-owned first-tier subsidiary of CenturyLink. CenturyLink
7	asserts that they will be no change in corporate structure of the respective companies as a result
8	of the merger. Qwest will remain a subsidiary of QCII.
9	CenturyLink has asked the Department of Justice/Federal Trade Commission, Federal
20	Communications Commission ("FCC") and 21 other states to approve the proposed merger
21	(hereinafter referred to as the "Transaction").
22	III. Standard of review.
23	The Commission's standard of review is established pursuant to ORS 759.375 and ORS
24	759.380. Under those statutes, the Commission reviews the proposed transaction to determine
25	whether it serves the public interest by doing no harm. ⁴

Page 3 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON SSA/nal/2498465-v1

⁴ See OPUC Order No. 10-067 at 6 (Docket No. UM 1431).

26

Department of Justice 1162 Court Street NE Salem, OR 97301-4096 (503) 947-4520 / Fax: (503) 378-6829

1	IV.	The Stipulation.
2		CUB, Staff, Qwest, and CenturyLink recommend that the Commission approve
3	Centur	ryLink's application subject to 53 stipulated conditions. These parties have also agreed
4	that St	aff and CUB will recommend that the Commission approve the Stipulation subject to two
5	additio	onal conditions and that CenturyLink and Qwest will ask the Commission to approve the
6	Transa	action without these additional conditions.
7		Under the stipulated conditions, the Merged Company must:
8		 not change the operation structure of the two merging companies, (which includes four ILECs operating in Oregon), without Commission approval (condition 4);
10		 provide the Commission access to all books of account and to all documents and data relating to the Transaction, submit standard Annual Report forms and results
11		of operations reports for all operating companies, report on the integration of CenturyLink and Qwest and costs and savings of the integration, notify the
12		Commission of material changes to the Transaction, report on certain post-merger financial conditions, share prices, its consolidated balance sheet, intercompany
13		payables and receivable, and dividend payments declared by CenturyLink, report on retail service quality in accordance with OAR 860-023-0055, switching infrastructure in Oregon, switch replacements, capital expenditures in the year
14		after the Transaction, and provide Staff the detailed Form-477 data on the Merged Company's four operating companies that is currently provided to the FCC for
15		their service areas (conditions 1, 3, 11, 12, 19, 20, 22, and 23);
16		 notify all customers of the merger and change of parent company and notify OTAP/Lifeline customers the merger will not affect their OTAP/Lifeline credits
17		(condition 5);
18		 agree that the Commission may review the reasonableness of the financial aspects of the Transaction in any rate proceeding or earnings review under an alternate
19		form of regulation (condition 2);
20		 not request recovery of acquisition costs, an acquisition premium, transition, transaction, branding, or transaction-related costs, or a cost of capital that is
21		higher than it would have been absent the merger (conditions 8, 9,10, and 17);
22		 not encumber the assets of Qwest's Oregon operating companies that are necessary or useful to the public without Commission approval (condition 16);
23		
24		 maintain Commission-regulated intrastate service currently offered by Qwest in Exchange and Network Tariff No. 33 and Private Line Transport Services Tariff No. 31 for three years, unless otherwise authorized by the Commission (condition
25		6);
26		

1	•	follow the terms and conditions of Qwest's UM 1354 price plan, except with respect to reporting conditions described above and, with some exceptions, the requirements of ORS 759.380 and 759 (conditions 7 and 18);
2	•	expend \$45 million in broadband deployment in Applicant and Qwest areas in
3	·	Oregon over a five year period beginning January 1, 2011, and report to the Commission regarding broadband deployment, including the additional number of households capable of receiving broadband (condition 13);
5	•	provide to the Commission 90 days advance notice of conversion of major
6	•	Qwest/Applicant retail operations support systems that impact Oregon operations (condition 27);
7	•	maintain minimum Commission retail service quality standards (condition 22);
8	•	honor any and all promotional discount offers made by Qwest pre-merger (condition 14);
9	_	notific anatomore in the mean manager Organic areas and muc manager Continuity Links
10	•	notify customers in the pre-merger Qwest areas and pre-merger CenturyLink areas, in advance, if Merged Company changes carriers used to provide intrastate long-distance service and for 90 days after the transaction, waive intrastate long-
11		distance carrier change charges (condition 42);
12	•	comply with all applicable federal and Oregon safety standards and requirements (condition 24);
13		
14	•	provide a list of persons to contact in Merged Company's organization regarding safety and pole attachment matters (condition 25);
15	•	construct a physical communication link between Lincoln City and Newport (condition 27);
16		
17	•	comply with all applicable affiliated interest requirements (conditions 51-53);
18	•	designate a representative to serve on the Commission's OTAP Advisory Committee and at least one liason to the OTAP Manager, maintain sufficient staff
19		levels to effectively communicate with OTAP staff, provide advance notice to OTAP Staff of billing system consolidation or changes and of changes to Qwest's
20		mechanized OTAP reporting system; and contact OTAP Staff regarding discrepancies regarding customers approved or not approved for OTAP/Lifeline
21		in pre-merger Qwest and Applicant areas (conditions 43-48 and 50); and
22	•	not have outstanding debt to the Commission with respect to RSPF surcharge collection, remittance, and reporting requirements (condition 49).
23	The re	maining stipulated conditions that are not discussed above—part of condition 27,
24	and 28-41—a	re designed to protect CenturyLink's and Qwest's wholesale competitors. These
25	conditions wil	ll be discussed below.
26	///	

V. The Commission should adopt CUB and Staff's recommended DSL reporting and MFS conditions.

CenturyLink asserts that Staff's recommended condition requiring the Merged Company to annually report to the Commission regarding the number of DSL subscriptions and number of complaints regarding DSL service that it has obtained in the previous year is beyond the Commission's jurisdiction, is not competitively neutral, is not designed to address an identified harm, and is not necessary for the Commission to effectively monitor CenturyLink's commitment to increase broadband availability in Oregon. CenturyLink asserts that the most-favored state condition is not necessary to ensure the transaction "is in the public interest and does no harm."

a. DSL reporting requirement.

CenturyLink's jurisdictional objection appears to be based on a misunderstanding of Staff's recommendation. Staff recommends that the Commission require the Merged Company to file the annual reports as a condition of the merger. Whether the Commission has jurisdiction to impose such a condition absent the merger is not at issue.

If the Commission adopts Staff's recommendation, and conditions approval of the Application on CenturyLink's willingness to accede to the condition, CenturyLink can choose whether it is willing to go forward with the merger notwithstanding the requirement that it file an annual report for five years regarding its DSL subscriptions in Oregon and any complaints it has received regarding its Oregon DSL service. In other words, the choice will be CenturyLink's as to whether it wishes to proceed with the merger and operate in Oregon subject to reporting requirement, or not.

Any argument that provision of broadband service is outside the scope of the Application is not well taken. CenturyLink repeatedly touted the improved provision of broadband service in

⁶CTL/1100, Jones/2.

Page 6 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON SSA/nal/2498465-v1

⁵ CTL/1100, Jones/2.

1	suppor	t of the	Application. For example, CenturyLink's vice president of state regulatory affairs
2	testifie	d that tl	he merged companies' "greater potential to effectively reach more types of
3	custom	ers wit	h a broader range of products, services and connectivity solutions than either
4	compa	ny coul	d standing alone," benefited customers:
5			* * * The combined enterprise will have over 17 million telephone access
6			lines and serve over five million high-speed internet customers across 37 states. It creates a truly nationwide platform for high-speed internet
7			deployment by merging Qwest's long-haul fiber network with
8			CenturyLink's complementary long-haul fiber network and its core metropolitan rings. Combined, it gives CenturyLink approximately
9			180,000 route miles of fiberwhich will enable a more diverse mix of product offerings and an enhanced ability to reach customers with those products. The combined network will be a key differentiator in our
10 11			industry and it will heighten the ability to advance the deployment of high speed Internet services as well as for the customer-desired "triple play" of
12			broadband, voice and video. ⁷
13		Mr. Jo	nes' testimony also includes the following:
14		Q.	Please summarize your testimony [regarding the Application].
15		A.	The Transaction is in the public interest.
16			* * * *
17			CenturyLink will become stronger, and more diverse and flexible, by leveraging
18			the complementary financial, operational and network strengths of each of the two companies. This will help to ensure and accelerate the continued deployment of
19			advanced, broadband services to the benefit of both residential and business customers and competition in general. The combined company's expertise in
20			bringing high-speed broadband services to market, together with the robust, nationwide fiber network, will also improve its competitive potential in the
21		Staff A	enterprise business market. ⁸ isagrees with CenturyLink's assertion that the reporting requirement is not
22	nacass		ause CenturyLink has already stipulated to extensive reporting requirements
23		•	
24	regardi	ng us c	proadband deployment. CenturyLink has committed to reporting to the
25	⁷ CTL/1	IOO Ion	es 11-12.
26		100, 3011	03 11-12,
Page	7 - O	-	nes/19-20. G BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON 8465-v1

1	Commission the progress of its build-out of broadband infrastructure, which will include a report
2	regarding the number of houses that will become capable of receiving broadband. A report
3	regarding the physical capability to provide broadband service, alone, is not sufficient to monitor
4	CenturyLink's provision of that service in Oregon. To the extent that CenturyLink has
5	committed to accelerated and improved access to broadband as a benefit to customers, the
6	Commission should have the ability to monitor whether the Merged Company fulfills that
7	commitment.
8	b. MFS condition.
9	Staff and CUB urge the Commission to adopt the following condition:
10	CenturyLink agrees that the Conditions may be expanded or modified as a
11	result of regulatory decisions in other states and the FCC, including decisions based upon settlements, that impose conditions or commitments related to this
12	merger proposal. CenturyLink agrees that the Commission may adopt any commitments or conditions from other states and the FCC that are adopted after
13	the final order in UM 1484 is issued that are related to addressing harms of this transaction if:
14	The commitment or condition does not result in the combined company being required to provide a "net benefit" and either:
15	•
16	 i. The Commission or Staff had not previously identified the harm to Oregon ratepayers and such harm is applicable to Oregon; or
17	ii. The commitments or conditions in a final order of another state and the
18	FCC are more effective at preventing a harm previously identified by the Commission or Staff.
19	Should new commitments or conditions meeting the requirements of subsections
20	 i. or ii. of this paragraph occur, CenturyLink will commit to the following process to facilitate a prompt decision from the Commission under this section:
21	a) Within fifteen (15) calendar days after a final order adopting a new
22	condition or stipulation with new or amended commitments by a commission in another state jurisdiction and the FCC, CenturyLink will send a copy of the
23	stipulation and commitment to Oregon Commission Staff and to all parties in UM 1484.
24	b) CenturyLink will notify the Commission that they have received the
25	last such final order from other states and the FCC adopting new conditions,
26	9 Stipulation, Attachment 1, Condition 13.

Page 8 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON SSA/nal/2498465-v1

stipulations or commitments (the "Final Filing") within fifteen (15) calendar days 1 of receipt and send it to Staff and all UM 1484parties. 2 c) Within fifteen calendar days after the last such filing from the other states and the FCC ("Final Filing"), any party to this proceeding may file with the 3 Commission its response, including its position as to whether any of the covenants, commitments and conditions from the other jurisdictions (without 4 modification of the language thereof except such non-substantive changes as are necessary to make the commitment or condition applicable to Oregon), meets the 5 two requirements set forth above, and should be adopted in Oregon. Any party filing such a response should serve it upon the UM 1484 parties. 6 7 Witnesses for CUB and Staff explained why the MFS condition is important and 8 appropriate. CUB witness Gordon Feighner testified: 9 By conducting regulatory proceedings early in the merger process, a state may fail to identify risks that come to light through longer, more extensive discovery processes 10 in other states. A state that has its proceeding early in the regulatory process might then inadvertently omit a condition that would mitigate a risk common to all the 11 states in which merger/transaction applications have been filed. It is unfair that a state should be penalized by agreeing to a shorter regulatory process (which benefits the 12 applicants), when those same applicants agree to conditions to mitigate that risk in other states after the docket in the early-going state has closed. 10 13 Because the MFS condition is designed to only capture conditions in other states that 14 address harms present in Oregon but not identified by Oregon parties in this proceeding, or that 15 more effectively address harms in Oregon than the conditions stipulated to by Oregon parties, 16 CenturyLink's arguments opposing the condition are misplaced. First, given the limitations in 17 the condition, it will not be used to confer benefits on customers in Oregon. Instead, a condition 18 from other states or the FCC will be imported only if it addresses a harm that was not identified 19 20 in the Oregon proceeding or if it more effectively addresses a harm that was identified. 21 The MFS condition is also not unfairly one-sided. CenturyLink asserts that an appropriate off-setting or corresponding condition would allow CenturyLink to ask Oregon to 22 remove a condition if another jurisdiction concluded the condition is not necessary to address 23 potential harm. This assertion also ignores the limitations of the MFS condition proposed by 24 Staff and CUB, which only allows Oregon to adopt a new condition if it addresses a harm not 25 26 10 CUB/200, Feighner/3.

OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

Page 9 -

1	discovered during the Oregon proceeding, or addresses a harm that was discovered more
2	effectively.
3	Further, as CenturyLink notes, this Stipulation was a result of a negotiation based on the
4	particular circumstances in this state. Whether another jurisdiction finds a particular harm is not
5	present in that jurisdiction is not necessarily probative of whether that potential harm is present
6	in Oregon.
7	CenturyLink's argument that a MFS will discourage concessions by merging companies
8	is the flip side of Staff and CUB's concern about being the first jurisdiction to decide whether to
9	approve a merger request. CenturyLink's willingness to agree to the MFS condition is a
10	reasonable concession in exchange for Oregon's processing of its Applicant prior to the
11	conclusion of other jurisdictions. If CenturyLink is not willing to agree to such a condition,
12	Oregon's option is simply to go last.
13	CenturyLink's argument that the condition is not appropriate because the proceedings
14	initiated in other jurisdictions to review the Transaction are complete or nearing completion also
15	misses the mark. 11 If this is the case, CenturyLink is at little risk that the MFS condition will be
16	invoked.
17	Finally, CenturyLink's complaint that the condition was recently expanded to include
18	conditions imposed by the FCC is not compelling. The FCC is probably the best positioned to
19	identify harms of the Transaction presented to wholesale customers. It makes no sense for the
20	Commission to ignore the expertise of the FCC simply because it has not included the FCC in
21	MFS conditions adopted in previous cases.
22 23	VI. The Commission should not impose the conditions recommended by competitive carriers.
24	Charter, Sprint, and the Joint CLECs each filed objections to the Stipulation, asking the
25	Commission to not approve it and the Application unless the Commission imposes additional
26	¹¹ See CTL/100, Jones/7-8.

Page 10 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON SSA/nal/2498465-v1

1	conditions protecting wholesale competitors. In summary, the competitive carriers urge that the
2	Commission, as conditions of approval of the Application, require the Merged Company to:
3	• permit a competitor to adopt, or opt-into, any interconnection agreement to which Qwest is a party, in the same state, or in any state in which Qwest is an ILEC; or, as urged by Sprint, allow for the porting of interconnection agreements between
5	states or between Qwest and CenturyLink entities (Charter Fiberlink/14 Pruitt/1; Sprint's Objections/6-7);
6 7	 commit to discontinue using the rural exemption to avoid Section 251 obligations (Sprint's Objections/8; Charter Fiberlink/14, Pruitt/1);
, 8 9	 allow CLECs to utilize a single point of interconnection per LATA for all the CenturyLink's entities operating within that LATA (Sprint Objections/8; Charter Fiberlink/14, Pruitt/1);
10	 provide non-discriminatory access to directory listing and directory assistance functions. (Charter Fiberlink/14, Pruitt/1);
11	 use and offer to wholesale customers the legacy Qwest OSS for at least three years (Joint CLECs/23, Gates/51);
12	 conduct third-party testing on replacement OSS that replaces a Qwest system and
13 14	benchmark the replacement OSS to ensure that it performs at current performance levels (Joint CLECs/23, Gates/51);
15	 agree that the "Applicable Time Periods" for non-UNE commercial and wholesale agreements and tariffs should be the "Defined Time Period" initially proposed by Joint CLECs, or at a minimum, three years (Joint CLECs/23, Gates/51);
16 17	 agree to be subject to the Additional PAP (Joint CLECs/23, Gates/51);
18	 lengthen the voluntary moratorium on Qwest requests to reclassify wire centers as "non-impaired" and requests for forbearance for the "Defined Time Period initially proposed by the Joint CLECs (Joint CLECs/23, Gates/51):
19	
20	 extend CenturyLink's interconnection agreements as well as Qwest's (Sprint's Objections/4-6);
21	 extend Qwest's interconnection agreements by four years, rather than three as required by stipulated condition 28 (Sprint's Objections/6); and
22	
23	 reduce CenturyLink's intrastate access rates to the level of Qwest's ILEC intrastate rates and reduce all access rates to the level of Qwest's interstate rates (Sprint's Objections/8-10).
24	Staff understands the concerns underlying the objections to the Stipulation. However,
25	they are adequately addressed by the Stipulation. Additionally, Staff does not support several of
26	
Page	the additional conditions listed above because they appear likely to confer benefits on certain 11 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON SSA/nal/2498465-v1

1	entities, rather than ensuring that these entities are not harmed by the Transaction, or are
2	unnecessary because the stipulated conditions provide adequate protection. The stipulated
3	conditions are a more careful balance of the interests of CenturyLink, Qwest, and other entities
4	and are designed to satisfy the statutory standard.
5	a. Require CenturyLink to retain Qwest's Operations Support Systems for three years, rather than two as required by the Stipulation.
7	Stipulated condition 27 requires CenturyLink to use and offer to wholesale customers
8	Qwest's existing (legacy) operations support systems ("OSS") for two years after the Transaction
9	is complete, or until July 1, 2013, whichever is later. This condition also specifies that to the
10	extent CenturyLink replaces or retires legacy Qwest OSS Interface after this time, CenturyLink
11	must first obtain acceptance of the replacement interface by a majority of CLEC and CMRS
12	carriers.
13	The Joint CLECs assert that the Commission should require CenturyLink to retain
14	Qwest's OSS for three years because two years "does not cover the minimum synergy
15	timeframe, and as a result, CLECs would face significant risk of harm related to OSS post
16	merger[.]"12 The Joint CLECs state that "[w]holesale customers therefore need sufficient
17	conditions in place throughout the time that merger-related changes are occurring in order to
18	insulate them from the tendencies of the Merged Company to seek OSS synergies and
19	unwarranted market advantages at the expense of competitors and competition."13
20	The Joint CLECs' concerns are addressed by the requirement in condition 27 that
21	CenturyLink obtain acceptance by a majority of CLEC and CMRS carriers of any replacement
22	OSS until completion of merger-related OSS integration and migration activity. (Condition 27
23	specifies that whether this majority is obtained is determined by an actual vote.) In fact,
24	condition 27 offers greater protection than a prohibition on OSS replacement for a period of
25	12 T 1 T CT FIG. 102 CT 1 11 10
26	¹² Joint CLECs/23, Gates/11-12. ¹³ Joint CLECs/23, Gates/14.
ъ	10 OPENING PRICE DATES OF THE PUBLICATION OF COLD MARKON OF CREEKING

Page 12 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON SSA/nal/2498465-v1

- 1 three years because condition 27 protections apply for as long as merger-related OSS integration
- 2 and migration activity is undertaken and completed, which may be longer than three years.
- 3 And, CenturyLink has agreed that the Commission will be the arbiter of when the integration and
- 4 migration activity is complete, in the event of a dispute between CenturyLink and others.

b. Require third-party testing on replacement OSS.

The Joint CLECs ask the Commission to require that the Merged Company contract with a third-party to test any OSS that replaces legacy Qwest OSS. They also ask the Commission to

require CenturyLink to "benchmark" the legacy Qwest OSS to ensure that any replacement

9 performs as well as the legacy Qwest OSS.

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

Staff recommends that the Commission adopt the collaborative approach to OSS testing and replacement set forth in condition 27. Under that condition, CenturyLink has agreed to give CLECs 270 days advance notice of plans to replace legacy Qwest OSS. As noted above, "[t]he replacement or retirement of a Qwest OSS Interface may not occur without sufficient acceptance of the replacement interface by CLEC and [commercial mobile radio service] CMRS carriers to help assure the replacement interface provides the level of wholesale service quality provided by Qwest prior [to the merger]." Further, CLECs are invited to participate in the testing of the replacement OSS.

The Joint CLECs' assertion that the FCC has declared that third-party testing is the most probative evidence that OSS functions are operationally ready, aside from actual commercial usage, is not supported by the FCC order excerpted in the Joint CLECs' testimony. In that excerpt, the FCC states that in the absence of reliable data regarding commercial usage, the FCC will consider "the results of carrier-to-carrier testing, independent third-party testing, and internal testing" to assess commercial readiness of a BOC's OSS. The FCC does not assert, as the Joint CLECs claim, that the FCC considers third-party testing superior to carrier-to-carrier testing. Instead, the FCC simply states that persuasive testing will provide objective means to evaluate

Page 13 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON SSA/nal/2498465-v1

¹⁴ Stipulation, Att. 1, condition 27c.

1	readiness and that the persuasiveness of third-party testing depends on the qualifications of the
2	third party. 15
3	Furthermore, the Joint CLECs' request to benchmark legacy Qwest's current OSS does
4	not appear necessary to protect the CLECs' interests. Stipulated condition 34 requires the
5	Merged Company to comply with all wholesale performance requirements and remedy/penalty
6	regimes, including the Qwest Performance Assurance Plan ("QPAP"). This condition also
7	requires the Merged Company to track key wholesale performance levels to facilitate pre-and
8	post-merger comparisons. Furthermore, if a CLEC identifies deficiencies, the condition makes
9	clear the CLEC can bring the matter to the Commission.
10	c. Require the Merged Company to waive right to seek rural exemption.
11	, Charter urges the Commission to condition its approval of the Application on
12	CenturyLink's agreement to waive its right to seek exemption for rural telephone companies
13	under Section 251(f)(1), and to waive its right to seek suspensions and modifications for rural
14	carriers under section 251(f)(2) of the Act. 16 Charter asserts that CenturyLink has used the Act?
15	rural exemption in an anti-competitive manner to avoid its section 251(b) and (c) obligations. 17
16	The condition recommended by Charter is not necessary. Stipulated condition 31
17	specifies that CenturyLink and all of its affiliates will comply with 47 U.S.C. sections 251 and
18	252, and that CenturyLink will "not seek to avoid any of its obligations on the grounds that
19	Qwest Corporation is exempt from any of the obligations pursuant to sections 251(f)(1) and
20	251(f)(2)."
21	The Transaction does not facilitate CenturyLink's use of the rural exemption.
22	Accordingly, it is not appropriate to use the Transaction as vehicle to insulate CLECs from
23	CenturyLink's use of the exemption. Whether CenturyLink's operating companies will be
24	
25	15 Joint CLECs/23, Gates/18.
26	¹⁶ Charter Fiberlink/14, Pruitt/14-16.
	¹⁷ Charter Fiberlink/14, Pruitt/14-16.

Page 14 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON SSA/nal/2498465-v1

1	eligible for the rural exemption turns on the criteria of the Act, and this is where CLECs should
2	find protection from non-competitive use of the rural exemption.
3	d. Require merged Company to extend Qwest interconnection agreements by four years, rather than three.
5	Sprint recommends that the Commission require CenturyLink to extend Qwest's
6	interconnection agreements ("ICAs") by four years to reduce the costs CLECs incur to enter into
7	the agreements. Sprint acknowledges that CenturyLink has agreed to extend Qwest ICAs by
8	three years, but asserts a "four-year extension is more appropriate as it will give interconnecting
9	parties like Sprint additional time to work under the existing ICAs."18 Sprint's observation that
10	four years is longer than three years is not a compelling reason to require a four-year, rather than
11	three-year, extension and this proposed condition should be rejected.
12	e. Extend the interconnection agreements of CenturyLink's ILECs operating in
13	Oregon.
14	Sprint asks the Commission to require CenturyLink to extend existing CenturyLink ICAs
15	in addition to extending the Qwest ICAs. Sprint asserts this condition is necessary to spread the
16	benefits realized from the merger to wholesale customers and also, to shield competitors from
17	costs associated with negotiating ICAs after current ICAs expire. The interests that Sprint seeks
18	to protect are not those that are appropriately protected in connection with the Application.
19	First, Oregon statute requires the Commission to ensure the merger does not cause harm
20	to customers; it does not require the Commission to ensure benefits of the merger are passed
21	through to customers. Second, to the extent that competitors may need to negotiate new ICAs
22	with CenturyLink's operating companies, this need does not arise from the merger. Instead, it is
23	a consequence of existing ICAs expiring according to their terms.
24	<i>///</i>
25	<i>///</i>
26	¹⁸ Sprint/1, Pruitt/26.
Page	15 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

f. Require the Merged Company to allow competitors to port interconnection agreements

Sprint urges the Commission to require CenturyLink to agree to allow competing carriers

Charter urges the Commission to adopt a different porting requirement. Charter asks the

to consolidate/port existing ICAs within the Merged Company. In support of the request, Sprint

notes that as a wholesale customer, Sprint should be able to benefit from the synergies of the

Commission to require CenturyLink to "permit[] a competitor to adopt, or opt-into, any

interconnection agreement to which Qwest is a party, in the same state, or in any state to which

Qwest is an ILEC, subject to state-commission required terms and pricing being included in the

ported agreement."²⁰ Charter states that the porting condition will address its concern that

"interconnection agreement terms may not be stable over the foreseeable future because the

Merged Company may use its size and market power to force competitors like Charter into

The porting condition recommended by Charter is not necessary to address the harm

identified by Charter. Applicant has agreed to extend Qwest contracts for a period of three years.

Accordingly, CenturyLink will not be able to force Charter, or other competitors into negotiating

Instead, Sprint's recommendation is for the purpose of spreading benefits to customers.

Link are based in part on the unique operations of the respective companies. Forcing the

operating companies of these entities to implement the terms of the other's ICAs without

Furthermore, the proposed condition could burden the Merged Company. Owest and Century

allowing the Merged Company the opportunity to first determine how and the extent to which it

Sprint's recommended porting condition is unrelated to a harm posed by the Transaction.

2

1

3 4

> 5 6

newly merged company. 19

negotiations of a new agreement."21

7

8

9 10

11

12

13

14

15

16

17

18

19 20

21

23

22

24

25

¹⁹ Sprint's Objections/6.

SSA/nal/2498465-v1

²⁰ Charter/Fiberlink/14, Pruitt/11-12. 26 ²¹ Charter/Fiberlink/11, Pruit/11.

Page 16 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

new contract terms with Qwest for a reasonable period of time.

1162 Court Street NE Salem, OR 97301-4096 (503) 947-4520 / Fax: (503) 378-6829

Department of Justice

1	will combine the operations of the CenturyLink and Qwest operating companies is not	
2	varranted.	
3	g. Require the Merged Company to commit to Single Point of Interconnection per LATA.	
5	Charter urges the Commission to require that CenturyLink agree to give competitors the	
6	option to interconnect with the Merged Company at a single point of interconnection per local	
7	area and transport area ("LATA"). ²² This proposed condition does not address a potential harm	
8	of the Transaction. If the Transaction is approved, the Merged Company will be required to	
9	provide competitors a point of interconnection for each ILEC, as Qwest and CenturyLink are	
10	equired to do today. Charter has not shown that it is appropriate to require, as a condition of	
11	approval of this Transaction, that competitors be benefited by a more beneficial point of	
12	nterconnection obligation than is required by law.	
13 14	h. Require the Merged Company to comply with federal and state law regarding access to directory assistance and listings.	
15	Charter recommends that the Commission impose a condition requiring CenturyLink to	
16	comply with federal and state law as it relates to their directory assistance and directory listings	
17	esponsibilities in all their ILEC territories just as Qwest does today."23 This proposed condition	
18	s not necessary because it is redundant to one of the stipulated conditions. Stipulated condition	
19	1 states that CenturyLink and all of its ILECs will comply with U.S.C. Sections 251 and 252.	
20	i. Require Merged Company to extend commercial and wholesale agreements	
21	and intrastate tariffs.	
22	Stipulated condition 28b requires CenturyLink to extend by 18 months Qwest's	
23	ommercial and wholesale agreements, at terms and conditions in place on the Transaction	
24	losing date ("Closing Date"). The condition also specifies that the contract terms offered under	
25		
26	²² Charter Fiberlink/14, Pruitt/13.	
Dage	3 Charter Fiberlink/14, Pruitt/17. 7 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON	
rage	7 - OF EMING DRIEF DE STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON	

1	these agreements will be offered to contract holders for an additional 18 months. Stipulated
2	condition 28c requires CenturyLink to extend Qwest's intrastate tariffs, without increasing rates
3	or modifying terms and conditions, for at least 12 months after the Closing Date.
4	The Joint CLECs ask the Commission to require CenturyLink to modify these conditions
5	to require CenturyLink to agree to extend wholesale and commercial agreements and intrastate
6	tariffs by at least three years and up to five years, and to maintain the terms and conditions of all
7	in place as of the date of the Application, as opposed to those in place on the Closing Date.
8	Commercial agreements arise under 47 U.S.C. section 271 or because the BOC
9	voluntarily offers such agreements. Most of these agreements relate to services that formerly
10	were within the scope of unbundled network elements under section 251(c), but subsequently
11	have been found by the FCC to not meet the impairment standard. A BOC is free to offer such
12	elements at rates that are market-based, and accordingly, it is not necessarily appropriate to apply
13	to these agreements the same conditions applied to ICAs.
14	Furthermore, the extension of the wholesale and commercial agreements and tariffs to
15	which CenturyLink has already stipulated does benefit competitors. As a general matter, prices
16	for commercial/wholesale agreements can be altered and services can be terminated at any time,
17	consistent with their terms. CenturyLink's commitment to extend the terms of existing
18	commercial/wholesale agreements and tariff conditions by a certain period provides the
19	competitors a benefit to which they are not entitled absent the merger.
20	Requiring CenturyLink to extend Qwest's intrastate tariff terms and conditions is also not
21	appropriate. Intrastate tariffs basically govern two types of services used by competitive
22	carriers- switched and special access. If the Transaction is finalized, these services will still be
23	regulated under the Qwest price plan. Under this plan, switched access rates are capped until at
24	least September 2013 and future changes are an issue in the ongoing Oregon Universal Service
25	Fund reform docket. The Qwest price plan allows the company to increase DSI rates by an

Page 18 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON SSA/nal/2498465-v1

1 inflation factor. The Commission has already determined DS3 services are competitive and 2 deregulated DS3 rates years ago. 3 The Joint CLECs also ask the Commission to require CenturyLink to toll the extension of 4 the ICAs from the date CenturyLink filed its Application, rather than from the Closing Date. 5 The primary rationale underlying this request appears to center around the timing of one carrier's Regional Commitment Program ("RCP") plan effective dates.²⁴ The RCP plan covers special 6 access services and is offered in Qwest's interstate tariffs. Therefore, it is the FCC that 7 8 determine whether conditions are needed to address concerns related to the RCP plan. 9 Additionally, the Joint CLECs' allegations that Qwest has attempted to game the timing 10 of the extension by raising rates for certain services prior to the closing date were addressed by 11 Qwest and CenturyLink witnesses. These witnesses rebutted the Joint CLECs' assertion the 12 price changes were made for the purpose of locking competitors into higher rates over the 13 extended period for the ICAs. 14 The Joint CLECs also urge the Commission to extend the terms of interstate tariffs by three to five years and at minimum, three years.²⁵ A condition extending these tariffs is not 15 16 necessary. Applicant has agreed to freeze interstate tariffs for a period of 12 months in the 17 settlement agreement it entered into with Integra. Because a company cannot discriminately 18 offer tariffs rates to only one customer, all carriers will be eligible to receive service at the frozen 19 rates. 20 To the extent the Joint CLECs want an extension of the interstate tariffs beyond the 12 21 months agreed to by CenturyLink, the FCC is the proper authority to address the issue. The Joint 22 CLECs assert that the Commission previously approved a condition covering interstate tariffs in 23 the Frontier/Verizon merger, but that condition was not part of a global settlement with Staff. It 24 25 ²⁴ Joint CLECs/23, Gates/29-33. 26 ²⁵ Joint CLECs/23, Gates/28-30.

> Department of Justice 1162 Court Street NE Salem, OR 97301-4096 (503) 947-4520 / Fax: (503) 378-6829

Page 19 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

1	was negotiated by a group of carriers as a supplemental stipulation and then accepted by the		
2	Commission.		
3	j. Require the Merged Company to lower intrastate and interstate access rates		
4	Sprint contends that the Stipulation does not address issues raised in its testimony		
5	regarding the need for access rate reductions. ²⁶ This is correct. The administrative law judge		
6	("ALJ") in this proceeding determined that "the level of access charges is not an appropriate		
7	issue to be considered within the scope of this proceeding." The ALJ also concluded that a		
8	carrier may raise the issue to the Commission at any time by petition, and that an independent		
9	investigation into rates is a better mechanism to review rates. ²⁷		
10	Description of the Manager of the Ma		
11	k. Require the Merged Company to adhere to an Additional Performance Assurance Plan.		
12	Stipulated condition 34 requires the Merged Company to maintain wholesale service		
13			
14	quality for services provided by Qwest as of the Closing Date of the Transaction. This condition		
15	specifies that the Merged Company will not seek to modify the Qwest Performance Indicator		
16	Definition ("QPID") or Qwest Performance Assurance Plan ("QPAP") for at least 18 months		
17	from the Closing Date. The condition also specifies that although the Merged Company may		
18	seek to modify the QPAP after 18 months have passed, it may not seek to eliminate or withdraw		
19	the QPAP for an additional three years.		
	Condition 34 requires the Merged Company to compare the quality of Qwest's wholesale		
20	service post-merger with the quality pre-merger, and condition 35 requires the Merged Company		
21	to report these comparisons to Commission Staff quarterly. Condition 34 specifies that if the		
22	Merged Company fails to maintain performance levels in Qwest legacy areas, the Merged		
23	Company must, within 30 days, conduct a root cause analysis to determine why and develop		
24			
25	²⁶ Sprint Objections/8-10.		
26	²⁷ November 3, 2010 Ruling.		

Page 20 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

1	proposals to remedy each deficiency. The Merged Company must submit these proposals to	
2	CLECs, CMRS carriers and Staff for review and comment. If the Merged Company does not	
3	resolve performance deficiencies, a CLEC or CMRS carrier may request a resolution or	
4	wholesale service quality proceeding before the Commission.	
5	Condition 36 requires the Merged Company to provide to wholesale carriers, on a going-	
6	forward basis, information such as contact lists and account manager information. Condition 37	
7	requires the Merged Company to make available to each wholesale carrier in the legacy Qwest	
8	ILEC service territory the types and level of data, information, and assistance for legacy Qwest's	
9	wholesale business practices and procedures and OSS functions that legacy Qwest made	
10	available as of the Closing Date. Condition 38 requires the Merged Company to ensure that	
11	wholesale and CLEC operations are sufficiently staffed by trained employees and supported,	
12	relative to wholesale order volumes.	
13	The Joint CLECs assert that these conditions are not sufficient to ensure that the quality	
14	of wholesale service in legacy Qwest areas does not degrade after the Transaction is finalized.	
15	The Joint CLECs ask the Commission to impose an additional Performance Assurance Plan	
16	("APAP"). The APAP is a five year plan that also would require the Merged Company to	
17	monitor its wholesale service quality, but includes financial penalties to incent the Merged	
18	Company "to not pursue merger savings at the expense of wholesale service quality[.]"28	
19	The Joint CLECs have failed to establish that the stipulated conditions are not sufficient	
20	protection against degradation of wholesale service quality. Further, the CLECs' proposal to	
21	subject the Merged Company to financial penalties has not been sufficiently vetted in this	
22	proceeding. In an affidavit filed on January 7, 2011, Qwest senior director of public policy,	
23	Michael Williams, asserted that his analysis of Oregon data shows that the proposed APAP	
24	would lead to substantial penalties even if performance did not vary between test periods. ²⁹ The	
25	-	
26	 Joint CLECs/23, Gates/45. Michael Williams Affidavit submitted on January 7, 2011 and corrected on January 12, 2011. 	
Page	21 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON	

1	Commission should not subject to the Merged Company to performance incentives that may	
2	have unintended consequences.	
3	l. Require the Merged Company to agree not seek to reclassify any Qwest wire center as impaired.	
5	Stipulated condition 39 specifies that CenturyLink will not seek to reclassify any Qwest	
6	Oregon wire centers for purposes of section 251 of the Act, or file a petition under section 10 of	
7	the Act seeking forbearance from any section 251 or 271 obligation or dominant carrier	
8	regulation in any Qwest Oregon wire center before June 1, 2012. The Joint CLECs assert that	
9	the moratorium in condition 39 is too short and ask the Commission to lengthen the period to	
10	three to five years, but no less than three years.	
11	The modification to condition 39 does not address a potential harm of the Transaction.	
12	Whether a Qwest wire center will satisfy the criteria for impairment will turn on the level of	
13	competition. Neither request can be granted until a certain level of competition is present, and	
14	competitive carriers are protected from an inappropriate request by the terms of Act. The	
15	Transaction does not present the harm that a request for reclassification or for forbearance will	
16	be improperly granted.	
17	Applicant has voluntarily agreed to not request that a legacy Qwest wire center be re-	
18	classified as impaired or seek forbearance from any section 251 or 271 obligation in a Qwest	
19	wire center until June 1, 2012, notwithstanding whether CenturyLink could show the criteria for	
20	either request are satisfied. This commitment is sufficient.	
21	VII. The Commission should not impose the conditions recommended by the Coastal Intervenors.	
22	intervenors.	
23	The Coastal Intervenors recommend that the Commission impose conditions in addition	
24	to the 53 contained in the Stipulation. They urge the Commission to require the Merged	
25	Company to:	
26		

1	from that service area; and			
2	(2) connect Oregon internet data traffic at an Oregon internet ex			
4	is on CenturyLink's or Owest's network.	and of the connection		
5	Condition 26 requires CenturyLink to construct a physical communication link between			
6	6 the Cities of Lincoln City and Newport, Oregon within 24 months following	g the close of the		
7	7 Transaction. It also requires CenturyLink to meet with Staff and other inte	rested parties during		
8	8 the engineering phase to make certain that Staff is satisfied that the facility	is sized adequately to		
9	9 handle the expected demand.			
10	The Coastal Intervenors object to this condition on the ground it do	es not sufficiently		
11	address their concerns regarding availability and quality of service in Tillar	mook and Lincoln		
12	counties. These parties ask the Commission to require CenturyLink to also	construct diverse		
13	routing for the former Embarq service area in Lincoln and Tillamook Counties, with a self-			
14	healing fiber ring architecture for traffic to and from that service area. These parties also ask the			
15	Commission to require CenturyLink to connect Oregon internet data traffic at an Oregon internet			
16	exchange when the intranet traffic both originates and terminates in Oregon and at least one end			
17	of the connection is on CenturyLink or Qwest's network. 30			
18	8 Staff does not recommend that the Commission impose these condi	tions. The		
19	9 construction of a physical communication link addresses concerns regarding	g lack of network		
20	o redundancy. To the extent that stakeholders want additional protection, it is	s not necessarily		
21	1 appropriate to impose those costs on the Merged Company. CLECs in the	affected areas are also		
22	2 able to address the redundancy issues. ³¹ The Commission should not requi	re the CenturyLink or		
23 24	Furthermore, the ALJ has ruled that "questions regarding the specific resources or managerial decision to be made by [] the merged com-	ic direction of pany with		
25 26	³⁰ Coastal Intervenors Objections/5-6.			
20	31 Staff/100, Dougherty/31.			

Page 23 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON SSA/nal/2498465-v1

1	respect to the provision of particular services to a particular service area[,]" are beyond the scope of this docket. ³² condition of the merged entities and are beyond the scope of this docket.		
2	The fact that the Merged Company agreed to a particular condition advocated by Staff based on		
3			
4	its knowledge of the coastal situation should not result in expansion of the condition, especially		
5	in light of the ALJ's ruling.		
6	With respect to the conditions regarding internet service providers, if the Application is		
7	approved, ISP operators can contract with the incumbent for Special Access services using the		
8	physical facility required by stipulated condition 26. These services would be provided at		
	existing tariff rates. ³³		
9	VIII. Conclusion.		
10	For the foregoing reasons, the Commission should approve the Stipulation and impose		
11	the two conditions recommended by Staff and CUB. The Commission should decline to impose		
12	the additional conditions recommended by competitive carriers and the Coastal Intervenors.		
13	, ,		
14	DATED this 25 th day of January 2011.		
15	Respectfully submitted,		
16	JOHN R. KROGER		
17	Attorney General		
18			
19	Stephanie S. Andrus, #92512		
20	Senior Assistant Attorney General Of Attorneys for Staff of the Public Utility		
21	Commission of Oregon		
22			
23			
24	³² See August 26, 2010 Ruling, Disposition: Petition to Intervene Granted in Part and Denied in Part at 4-5, quoting UM 1416 March 12, 2009 Ruling (ALJ relying on previous Commission		
25	order in merger proceeding of Embarq and CenturyTel to describe the limitations on issues the Coastal Intervenors could raise).		
26	22		

Page 24 - OPENING BRIEF BY STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON SSA/nal/2498465-v1

³³ See Staff/100, Dougherty/31.

1	CERTIFICATE OF SERVICE		
2	I certify that on January 25, 2011, I served the foregoing Brief upon the parties in this		
3	proceeding by electronic mail and by sending a true, exact and full copy by regular mail, postage		
4	prepaid, or by hand-delivery/shuttle, to the parties accepting paper service.		
5	W	W CENTUDY! TANK	
6	CHARLES L BEST (HC) ATTORNEY AT LAW 1631 NE BROADWAY #538	CENTURYLINK RHONDA KENT 805 BROADWAY 8TH FL	
7	PORTLAND OR 97232-1425 chuck@charleslbest.com	VANCOUVER WA 98660 rhonda.kent@centurylink.com	
8	W	W	
9	360NETWORKS(USA) INC MICHEL SINGER NELSON 370 INTERLOCKEN BLVD STE 600	CENTURYLINK, INC. WILLIAM E HENDRICKS ATTORNEY	
10	BROOMFIELD CO 80021-8015	805 BROADWAY ST VANCOUVER WA 98660-3277	
11	PENNY STANLEY 370 INTERLOCKEN BLVD STE 600	tre.hendricks@centurylink.com	
12	BROOMFIELD CO 80021-8015 penny.stanley@360.net	W CHARTER FIBERLINK OR - CCVII LLC MICHAEL R MOORE	
13	W ATER WYNNE LLP	12405 POWERSCOURT DR ST LOUIS MO 63131	
14	ARTHUR A BUTLER (C)(HC) 601 UNION STREET, STE 1501	michael.moore@chartercom.com	
15	SEATTLE WA 98101-3981 aab@aterwynne.com	W CITIZENS' UTILITY BOARD OF OREGON	
16	JOEL PAISNER ATTORNEY	GORDON FEIGHNER (C) ENERGY ANALYST 610 SW BROADWAY, SUITE 308	
17	601 UNION ST STE 1501 SEATTLE WA 98101-2327	PORTLAND OR 97205 gordon@oregoncub.org	
18	jrp@aterwynne.com	ROBERT JENKS (C)	
19	W CENTRAL TELEPHONE INC RICHARD STEVENS	EXECUTIVE DIRECTOR 610 SW BROADWAY STE 308 PORTLAND OR 97205	
20	PO BOX 25 GOLDENDALE WA 98620	bob@oregoncub.org	
21	rstevens@gorge.net	G. CATRIONA MCCRACKEN (C) LEGAL COUNSEL/STAFF ATTY	
22	W CENTURY FARM COURT JOHN FELZ	610 SW BROADWAY - STE 308 PORTLAND OR 97205	
23	DIRECTOR REGULATORY OPERATIONS 5454 W 110TH ST KSOPKJ0502	catriona@oregoncub.org RAYMOND MYERS (C)	
24	OVERLAND PARK KS 66211 john.felz@centurylink.com	ATTORNEY 610 SW BROADWAY - STE 308	
25		PORTLAND OR 97205 ray@oregoncub.org	

1	W CITIZENS' UTILITY BOARD OF OREGON	W DAVIS WRIGHT TREMAINE LLP
2	KEVIN ELLIOTT PARKS (C) STAFF ATTORNEY	BRIAN NIXON (C) 1919 PENNSYLVANIA AVE STE 200
3	610 SW BROADWAY STE 308 PORTLAND OR 97205	WASHINGTON DC 20006 briannixon@dwt.com
4	kevin@oregoncub.org	MARK P TRINCHERO (C) (HC)
5	W CITY OF LINCOLN CITY DAVID HAWKER	1300 SW FIFTH AVE STE 2300 PORTLAND OR 97201-5682 marktrinchero@dwt.com
6	CITY MANAGER 801 SW HIGHWAY 101	w
7	LINCOLN CITY OR 97367 davidh@lincolncity.org	GRAHAM & DUNN PC JUDITH ENDEJAN (C) 2801 ALASKIAN WAY
8	DOUGLAS R HOLBROOK ATTORNEY	SUITE 300 SEATTLE WA 98121
9	PO BOX 2087 NEWPORT OR 97365	jendejan@grahamdunn.com
10	doug@lawbyhs.com W	W GRAY PLANT MOOTY CRECORY MERZ (CYCLE)
11	COMMUNICATION CONNECTION CHARLES JONES	GREGORY MERZ (C)(HC) ATTORNEY 500 IDS CENTER
12	MANAGER 14250 NW SCIENCE PARK DR - STE B	80 S EIGHTH ST MINNEAPOLIS MN 55402
13	PORTLAND OR 97229 charlesjones@cms-nw.com	gregory.merz@gpmlaw.com W
14	W CONVERGE COMMUNICATIONS	INTEGRA TELCOM INC KAREN L CLAUSON (C)
15	MARSHA SPELLMAN 10425 SW HAWTHORNE LN PORTLAND OR 97225	VICE PRESIDENT, LAW & POLICY 6160 GOLDEN HILLS DR GOLDEN VALLEY MN 55416-1020
16	marsha@convergecomm.com	klclauson@integratelecom.com
17	W CORPORATE LAWYERS PC	W LEVEL 3 COMMUNICATIONS LLC
18	FRANK G PATRICK PO BOX 231119	GREG L ROGERS (C) SR CORPORATE COUNSEL
19	PORTLAND OR 97281 fgplawpc@hotmail.com	1025 ELDORADO BLVD BROOMFIELD CO 80021 greg.rogers@level3.com
20	COVAD COMMUNICATIONS CO KATHERINE K MUDGE	W
21	DIRECTOR, STATE AFFAIRS & ILEC RELATIONS 7000 N MOPAC EXPWY 2ND FL	LINCOLN COUNTY COUNSEL WAYNE BELMONT
22	AUSTIN TX 78731 kmudge@covad.com	225 W OLIVE ST, RM 110 NEWPORT OR 97365 wbelmont@co.lincoln.or.us
23	W DAVIS WRIGHT TREMAINE LLP	W
24	K C HALM (C) (HC) 1919 PENNSYLVANIA AVE NW 2ND FL	MCDOWELL RACKNER & GIBSON PO ADAM LOWNEY (C)
25	WASHINGTON DC 20006-3458 kchalm@dwt.com	419 SW 11TH AVE, STE 400 PORTLAND OR 97205
26		adam@mcd-law.com

1	w	
	MCDOWELL RACKNER & GIBSON PC	QWEST CORPORATION
	WENDY MCINDOO (C)	ALEX M DUARTE
	OFFICE MANAGER	CORPORATE COUNSEL 310 SW PARK AVE 11TH FL
	419 SW 11TH AVE., SUITE 400 PORTLAND OR 97205	PORTLAND OR 97205-3715
	wendy@mcd-law.com	alex.duarte@qwest.com
4	Trondy@med latticom	aloxidadi to@qirabilabiii
	LISA F RACKNER (C)	QWEST CORPORATION
	ATTORNEY	MARK REYNOLDS
	419 SW 11TH AVE., SUITE 400	1600 7TH AVE RM 3206
6	PORTLAND OR 97205 lisa@mcd-law.com	SEATTLE WA 98191 mark.reynolds3@qwest.com
	isa e inca ia mean	markin oyniolass e-qiresticom
7	W	W
	NORTHWEST PUBLIC COMMUNICATIONS	SPRINT COMMUNICATIONS CO LP
8	COUNCIL	DIANE BROWNING
	GREG MARSHALL PRESIDENT	6450 SPRINT PKWY OVERLAND PARK KS 66251
9	2373 NW 185TH AVE - # 310	diane.c.browning@sprint.com
	HILLSBORO OR 97124	didirection of thing ground to the
4 ^	gmarshall@corbantechnologies.com	KENNETH SCHIFMAN
		6450 SPRINT PKWY
1 1	W	OVERLAND PARK KS 66251
	PACIFIC NORTHWEST PAYPHONE	kenneth.schifman@sprint.com
12	RANDY LINDERMAN PMB 300	w
	2373 NW 185TH AVE	SPRINT NEXTEL
13	HILLSBORO OR 97124-7076	KRISTIN L JACOBSON (C)
	rlinderman@gofirestream.com	201 MISSION ST STE 1500
14		SAN FRANCISCO CA 94105
	W	kristin.l.jacobson@sprint.com
15	PARKER TELECOMMUNICATIONS EDWIN B PARKER	T-MOBILE USA INC
	PO BOX 402	DAVE CONN
16	GLENEDEN BEACH OR 97388	12920 SE 38TH ST
	edparker@teleport.com	BELLEVUE WA 98006
17		dave.conn@t-mobile.com
	W	187
18	PRIORITYONE TELECOMMUNICATIONS INC KELLY MUTCH (C)	W TILLAMOOK COUNTY
	PO BOX 758	WILLIAM SARGENT
19	LA GRANDE OR 97850-6462	TILLAMOOK COUNTY COUNSEL
	managers@p1tel.com	1134 MAIN AVE
20		TILLAMOOK OR 97141
	PUBLIC UTILITY COMMISSION OF OREGON	wsargent@oregoncoast.com
21	BRYAN CONWAY (C) PO BOX 2148	TW TELECOM OF OREGON LLC
	SALEM OR 97308-2148	LYNDALL NIPPS (C)
22	bryan.conway@state.or.us	VICE PRESIDENT, REGULATORY AFFAIRS
	, , , -	9665 GRANITE RIDGE DR - STE 500
23	MICHAEL DOUGHERTY (C)	SAN DIEGO CA 92123
	PO BOX 2148	lyndall.nipps@twtelecom.com
24	SALEM OR 97308-2148	UNITED TELEPHONE CO OF THE NORTHWEST
	michael.dougherty@state.or.us	BARBARA YOUNG
25	QSI CONSULTING, INC	902 WASCO ST ORHDRA0305
	PATRICK L PHIPPS (C)	HOOD RIVER OR 97031
26	VICE PRESIDENT	barbara.c.young@centurylink.com
	3504 SUNDANCE DR	
	SPRINGFIELD IL 62711	
Page	3 - CERTIFICATE OF SERVICE – UM 1484	

1	W WSTC	XO COMMUNICATIONS SERVICES INC
2	ADAM HAAS 10425 SW HAWTHORNE LN	REX M KNOWLES REGIONAL VICE PRESIDENT - REGULATORY
3	PORTLAND OR 97225 adamhaas@convergecomm.com	7050 UNION PARK AVE - STE 400 MIDVALE UT 84047
4	5 5	rex.knowles@xo.com
5		
6		Aloma Sane
7		Neoma Lane
8		Legal Secretary
		Department of Justice Business Activities Section
9		Business Activities Section
0		
1		
12		
13		
14		
15		
16		
7		
8		
9		
20		
21		
22		
23		
24		
25		
6		