

Staff Briefing Papers

Meeting Date November 20, 2025 **Agenda Item ** #5**

Company CenturyLink of Minnesota, Inc., Qwest Communications Company, LLC., Qwest Corporation dba CenturyLink QC, AT&T NetworkCo

Docket No. P421, 430, 5096/PA-25-279

In the Matter of the Joint Application Regarding Transfer of Control of Lumen’s Minnesota Mass Markets Fiber Business

Issues

1. Is Commission approval of the Transaction necessary?
2. If the Commission determines approval is necessary, should the Commission approve the Transaction pursuant to Minn. Stat. §§ 237.23 and 237.74, subd. 12, and any other applicable statutes or rules, including the grant of all consents and approvals from the Commission necessary to carry out the Transaction?

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✓ Relevant Documents

Date

Initial filing of Forged Fiber 37, LLC (“AT&T NetworkCo”), Qwest Corporation dba CenturyLink QC, CenturyLink of Minnesota, Inc., and CenturyLink Communications, LLC

July 7, 2025

Comments of the Legal Services Advocacy Project

August 29, 2025

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

✓ **Relevant Documents**

	Date
Comments of the Communications Workers of America	September 16, 2025
Testimony of the Communications Workers of America (CWA) (Declaration of Lisa Markegard)	September 16, 2025
Comments of the Office of the Attorney General-Residential Utilities Division (RUD)	September 16, 2025
Initial Comments of the Minnesota Department of Commerce	September 16, 2025
Filing of Minnesota Department of Commerce (Declaration of Amrit Hundal)	September 16, 2025
Reply Comments of the Communications Workers of America	September 26, 2025
Reply Comments of (Forged Fiber 37, LLC and Lumen	October 3, 2025
Letter from the Office of the Attorney General-Residential Utilities Division (RUD) and the Minnesota Department of Commerce	October 6, 2025

BACKGROUND

On July 7, 2025, AT&T NetworkCo and Lumen filed a request with the Commission to make a determination that the transfer to AT&T NetworkCo of certain Minnesota assets owned by Lumen located in and around the Twin Cities metropolitan area, and used in Lumen's Mass Markets (i.e. residential and small business) fiber based broadband internet connectivity business (but not including Lumen's traditional regulated telecommunications business or local exchange services) does not require approval of the Commission under established Commission practices. In the alternative, the Applicants requested the Commission approve the transfer pursuant to Minn. Stat. §§ 237.23 and 237.74, sub. 12, and any other applicable statutes or rules, including the grant of all consents and approvals from the Commission necessary to carry out that transfer of control of the identified assets.

On July 16, 2025, the Commission issued a Notice of Comment Period. The Notice requested party comment on the following topics:

- Should the Commission determine that the transaction between Lumen and AT&T NetworkCo does not require Commission approval? Why or why not?
- How, if at all, would such a determination impact future transactions between other companies with certificates of authority?
- Are there other issues or concerns related to this matter?

On July 18, 2025, AT&T and Lumen filed a letter with the Commission expressing concern that certain language in the Commission's July 16th Notice appeared to focus on the process rather than the merits of the request. AT&T and Lumen made the following suggestions to clarify the Commission's Notice:

Issue: Should the Commission determine that the transfer to AT&T NetworkCo of certain Minnesota assets owned by Lumen located in and around the Twin Cities metropolitan area, and used in Lumen's Mass Markets (i.e. residential and small business) fiber based broadband internet connectivity business (but not including Lumen's traditional regulated telecommunications business or local exchange services) does not require approval of the Commission under established Commission practices? In the alternative, should the transfer be ~~considered approved~~ pursuant to Minn. Stat. §§ 237.23 and 237.74, sub. 12, and any other applicable statutes and rules?

Topic(s) Open for Comment:

- Should the Commission determine that the transaction between Lumen and AT&T NetworkCo does not require Commission approval? Why or why not?
- How, if at all, would such a determination impact future transactions between other companies with certificates of authority?
- If the transaction does require Commission approval, should approval be granted?
- Are there other issues or concerns related to this matter?

The suggestions were incorporated, and the Commission issued a Revised-Notice of Comment Period on July 22, 2025.

On August 29, 2025, comments were filed by the Legal Services Advocacy Project (LSAP). The LSAP believes that the Transaction requires Commission approval, approval should not be granted by November 14, 2025, and any approval of the transaction should include significant safeguards for consumers of regulated services.

On September 16, 2025, Comments were filed by the Communications Workers of America (CWA) (including the Declaration of Lisa Markegard), the Office of the Attorney General Residential Utilities Division (RUD), the Minnesota Department of Commerce (Department) (including the Declaration of Amrit Hundal). These parties generally agree that Commission approval is required, and the Commission should deny the request.

On September 26, 2025, reply comments were filed by the CWA. In these reply comments, the CWA indicated that it reached a settlement with AT&T and Lumen that provides sufficient assurances satisfying all previous concerns raised by the CWA's September 16th comments.

On October 3, 2025, reply comments were filed by AT&T (Forged Fiber 37, LLC) and Lumen (Applicants). The Applicants requested that the Commission (1) determine no approval of the Transaction is required; or (2) promptly approve the Transaction, waive public notice and hearing on the Joint Application and any other formal filing requirements, and grant such other relief as the Commission deems necessary and appropriate.

DISCUSSION

1. Is Commission approval of the Transaction necessary?

Legal Services Advocacy Project (LSAP)

The LSAP believes that The Commission should find that the request by AT&T NetworkCo and Lumen (“the Applicants”) to transfer by Lumen of \$5.27 billion in Minnesota assets to AT&T NetworkCo requires Commission approval.

The LSAP indicated that Minnesota Statutes 237.23, 237.74, 237.081, and the overriding requirements that the Commission ensure the public interest and compliance with the state’s telecommunications goals authorizes and compels Commission review and approval of transactions of this nature – especially one involving a transfer of \$5.75 billion in assets.¹

Additionally, the LSAP pointed out that the Applicants argue that Commission approval is not necessary because the transaction does not involve transfer of Lumen’s “regulated business telecommunications business or its local exchange services.”² The Applicants rely on a prior Commission decision issued 25 years ago agreeing with a Department of Commerce recommendation that no PUC approval was required for a corporate reorganization by Winstar Wireless, Inc. The Applicants claim a parallel between that case and this one, because in the 2000 matter there was no change in the regulated company or on its services.

First, whether there is no change in the regulated company or its services is a conclusory statement which warrants investigation and confirmation by the Commission. Second, the “precedent” relied upon by the Applicants to suggest no Commission approval is required is flimsy, unpersuasive, and inapposite.

This transaction is not a “corporate reorganization.” It is a sale of \$5.75 billion in assets. Whether such a massive transfer of assets has no impact on regulated services and regulated customers is a central and unanswered question that calls for PUC investigation and review. Further, there is a long history of the PUC deliberating and determining the impact on regulated customers of transfers of assets by regulated telephone companies.

As such, the Commission should reject the Applicants’ rationale and conclude that it has the statutory obligation to determine whether to approve the sale of Lumen assets.

¹ For the LSAP’s complete discussion of the Commission’s authority please see pages 2 – 4 of LSAP’s August 29, 2025, comments.

² Please see page 4 of LSAP’s August 29, 2025, comments.

Attorney General—Residential Utilities Division (OAG)

The OAG indicated that the Commission has broad authority to regulate telecommunications in Minnesota including this transaction. While Applicants question whether the Commission is required to review the transaction, the transaction is subject to the requirements of section 237.23. The transaction is between AT&T, a company subject to the provisions of chapter 237 through its competitive local exchange carrier (CLEC) status, and Lumen, a telephone company doing business in Minnesota. Further the transaction would transfer Lumen property that is necessary to conduct its telephone business—property that facilitates Plain old telephone service (“POTS”) over passive optical network (“PON”) service. Separately, the Commission could review the transaction under its broad investigatory tools to ensure service is adequate and can be obtained and for “any matter relating to any telephone service.” Last, the Joint Petitioners rely on inapposite past proceedings to argue that the Commission lacks authority.³

Minnesota Department of Commerce (Department)

The Department indicated that state law requires Commission approval of any telephone company property sale when that property is used in the business of providing telephone service. Where approval is required, the Commission approves applications when the applicants establish by a preponderance of the evidence that the transaction is “in all respects in the public interest.” In evaluating whether a transaction is in the public interest, the Commission considers, among other things, whether the transaction supports universal service, maintains just and reasonable rates, maintains or improves service quality, ensures consumer protections are maintained, or promotes competition. In short, the Commission must find that the transaction broadly furthers the public interest where approval is required. Because Joint Applicants acknowledge that the transaction involves transferring facilities used to provide plain old telephone service (“POTS”), Commission approval is required before the transaction closes.

Forged Fiber 37, LLC (AT&T) and Lumen (the Applicants)

The Applicants believe that the Commission should determine that its approval of the Transaction is not necessary, consistent with established Commission practice. Minn. Stat. § 237.23 provides that the Commission’s approval is necessary for “any telephone company, corporation, person, partnership, or association subject to the provisions of this chapter to purchase or acquire” property “of any telephone company doing business within the state.” The statute, however, provides an exception: “Telephone companies may sell and dispose of any property not used by said telephone companies in the conduct of their business at the time of the sale without the consent of the commission.” Context makes clear that this exception

³ For the OAG’s complete discussion of the Commission’s authority please see pages 7 – 12 of the OAG’s September 16, 2025, comments.

authorizes telephone companies to sell property not being used “in the conduct of their business” as a regulated telephone company; otherwise, the scope of the exception would be trivial.

The Applicants indicated the bulk of assets being sold here are not being used by Lumen “in the conduct of their business” as a state-regulated entity. As set forth in more detail in the Joint Application, this Transaction involves AT&T’s acquisition of certain parts of Lumen’s Mass Markets fiber business in and around the Twin Cities metropolitan area, along with certain parts of Lumen affiliates’ Mass Markets fiber businesses in 10 other states. The Transaction does not include Lumen’s traditional regulated telecommunications business (including any local exchange services) or Lumen’s over-the-top Voice Over Internet Protocol (“VoIP”) offering. Nor does it include Lumen’s businesses serving enterprise and carrier customers. Lumen subsidiaries CenturyLink QC and CenturyLink MN will continue to be incumbent local exchange carriers (“ILECs”) in Minnesota and remain subject to the accompanying regulatory obligations throughout their respective service territories. These ILECs will keep their traditional copper telephone networks, their copper-based, lower speed broadband businesses, and a small number of fiber connections, as well as all customers subscribing to these services. The Transaction, in other words, will not result in a change in control of any regulated service providers in Minnesota, or any other discernable changes to the entities insofar as they provide regulated service.

But even if the Commission were to exercise jurisdiction over the Transaction, these features of the Transaction call for a narrowly focused review. Only a small fraction of the assets at issue in this Transaction have even an arguable relationship with telephone service regulated under Chapter 237.⁴

- 2. If the Commission determines approval is necessary, should the Commission approve the Transaction pursuant to Minn. Stat. §§ 237.23 and 237.74, subd. 12, and any other applicable statutes or rules, including the grant of all consents and approvals from the Commission necessary to carry out the Transaction?**

Legal Services Advocacy Project (LSAP)

The PUC’s mission is to protect the public interest by “ensuring safe, reliable, and sustainable utility services at just and reasonable rates.” While it may be in the Applicants’ (and shareholders’) interest to have approval of their proposed transaction fast-tracked, it is far from apparent that approval is in the ratepayers’ interest or the public interest. Specifically, it is

⁴ Please see the Applicants’ October 3, 2025, comments at pages 3-4 for a specific discussion of the portion of regulated customers using some fiber facilities being transferred to AT&T.

imperative that the Commission take the time necessary to examine the ramifications of this sale and determine whether this transaction will have an adverse impact on the provision of safe, reliable, and sustainable service by the regulated company.⁵

LSAP pointed out that given the problems Lumen has demonstrated with respect to the provision of adequate service, the LSAP urges the Commission to condition any approval of the transfer on verifiable commitments by Lumen to maintain adequate levels of service, prevent further degradation in service quality, comply with existing rules and standards, and protect Lumen's workforce to ensure there are no adverse impacts on service and service quality. If the company fails to meet its commitments, the Commission should invoke its enforcement powers under section 237.461

Attorney General—Residential Utilities Division (OAG)

The OAG indicated that the Commission approves applications to transfer the control of a telephone company's assets when the transaction is "in all respects in the public interest." In evaluating whether a transaction is in the public interest, the Commission considers whether the transaction supports universal service, maintains just and reasonable rates, maintains or improves service quality, or ensures consumer protections are maintained "in the transition to a competitive market for local telecommunications service.

The OAG believes that the transaction as proposed by Lumen and AT&T lacks any assurances or guarantees to provide service that meets the state's standards. Plain old telephone service ("POTS") over passive optical network ("PON") customers may lose access to this service after three years if the transaction is approved. Further, the fact that these customers may be stuck without telephone service in three years contrasts with recent legislation that provides a process to determine that telephone customers have an adequate alternative before relieving telephone companies of their obligation to serve. Finally, there is no discussion in the application about how Lumen will meet not only its obligations outlined in docket 20-432 but continue to provide appropriate service while losing technicians.⁶

Minnesota Department of Commerce (Department)

The Department believes that applying the section 237.23 standard, Joint Applicants have not met their burden to demonstrate the transaction furthers the public interest. The record shows

⁵ For the LSAP's complete discussion of whether the Application should be approved, please see pages 5 – 7 of LSAP's August 29, 2025, comments.

⁶ For the OAG's complete discussion of the whether the Application should be approved, please see pages 12 – 23 of the OAG's September 16, 2025, comments.

that the claimed benefits are not meaningful and the transaction poses risks to Lumen's ability to comply with its existing POTS service quality obligations, including the Commission's 20-432 service quality order. Because Joint Applicants have not met their burden, the Commission should deny approval or refer the matter for a contested-case proceeding.

The Department believes that the Applicants' assertion that the transaction will generate significant benefits by supporting fiber deployment and generating competition. The Applicants also claim that combining Lumen's assets with AT&T's resources and expertise will create new jobs and deliver other benefits by enabling more consumers and small businesses to leverage high-speed connectivity. Finally, Joint Applicants claim that Minnesota consumers will benefit from "converged wireline and wireless broadband services." These putative benefits, however, are vague and speculative. And, if realized, are unlikely to reach rural Minnesota consumers that need them most.

Beyond offering limited benefits, the transaction may leave Lumen's operating companies with inadequate financial resources and staff to meet their ongoing service quality obligations to POTS customers. The transaction also may undermine their ability to provide consumers with timely assistance or comply with the 20-432 service quality order.

The Department believes that the Applicants have not met their burden to establish the transaction will further the public interest consistent with the statutory standard. As a result, the Commission should deny transaction approval and permit Joint Applicants to re-apply when they are prepared to demonstrate the transaction furthers the public interest. In the alternative, if the Commission concludes that "all significant issues have not been resolved to its satisfaction," it could refer this matter to the court of administrative hearings for a contested-case proceeding. If the Commission does refer the matter for a contested-case proceeding, the Department would likely retain specialized technical assistance.⁷

Communications Workers of America (CWA)

The CWA indicated that it has reached a settlement with Lumen and AT&T that provides sufficient assurances satisfying all concerns previously raised by CWA in its comments filed on September 16, 2025. This transaction-related settlement, alongside Lumen's proposed settlement in Docket P421/C-20-432 addressing service quality, leads CWA to support the Commission's approval of the transaction. Furthermore, CWA remains committed to advocating for universal service and ensuring that all Minnesotans have access to reliable telecommunications services.

⁷ For the Department's complete discussion of the whether the Application should be approved, please see pages 5 – 15 of the OAG's September 16, 2025, comments.

Forged Fiber 37, LLC (AT&T) and Lumen (the Applicants)

Public Interest

The Applicants indicated the Parties agree that if the Transaction requires approval, the Commission does so under a public interest standard. The Department and OAG, however, contend the Applicants have not demonstrated sufficient public interest benefits. The Applicants respectfully disagree. The public interest standard focuses on two key factors: (1) “whether service will be preserved”; and (2) “whether a transaction will provide possible benefits to Minnesota consumers. The Transaction clearly meets this standard, as it preserves service and will provide possible benefits to Minnesota customers and therefore should be approved. First, the Transaction plainly will preserve regulated service. No regulated telecommunications service customers or obligations will be transferred to AT&T. And all of Lumen’s existing regulated service customers will continue to receive service in the same manner, from the same provider, with the same prices and terms, as they do today. All existing service and terms will be preserved for the relatively few Lumen customers that receive regulated service using some of the fiber facilities to be transferred to AT&T.

Second, the Transaction will benefit Minnesota customers because it places Lumen in a stronger position to continue providing regulated service into the future. The proceeds of the \$5.75 billion sale will enable Lumen to repay approximately \$4.8 billion of debt, strengthening its balance sheet and improving cash flow by avoiding approximately \$300 million of annual interest expenses. Cash flow will be further augmented by avoiding approximately \$1 billion of annual capital spending that Lumen would otherwise need for expanding and upgrading the fiber network being sold to AT&T. These actions are “a material milestone in ... delivering the balance sheet,” and the Transaction and other matters provide Lumen “with healthy breathing room regarding its maturity obligations, as the credit will not face another significant maturity until 2028.” All of this has been recognized to be in the public interest. Lumen will be in a stronger and more stable financial position after the Transaction, and therefore better positioned to preserve its regulated service in Minnesota in both the Twin Cities metro and Greater Minnesota.

The Applicants indicated that the OAG focuses its concern on whether plain old telephone service (“POTS”) over passive optical network (“PON”) customers will receive service moving forward. Such concerns are misplaced. Lumen has committed to make service available to such customers. Furthermore, Lumen has developed a menu of alternatives to ensure such customers remain served while Lumen has such an obligation.⁸

Lumen Legacy Service Issues

The Applicants point out the Department questions Lumen’s ability to deliver service to its

⁸ For the Applicants’ complete discussion of the whether the Application should be approved, please see pages 5 – 10 of the Applicants’ October 23, 2025, comments.

remaining voice customers or to comply with the Commission's prior order in the Service Quality Docket, which requires Qwest Corporation dba CenturyLink QC to take certain remedial measures to address service quality issues. In reviewing these concerns, it is critical to understand that this Transaction is not a transfer of control of Lumen's ILECs in Minnesota, but rather a sale of portions of Lumen's fiber network. The rest of Lumen's fiber network and all its copper infrastructure will remain with Lumen. Lumen has made clear in the Joint Application and reiterates here that it acknowledges its ongoing obligation to provide service and to comply with the Commission's Order in the Service Quality Docket after this transaction. This obligation includes providing service to its plain old telephone service (POTS) over passive optical network (PON) customers. ⁹

Lumens' Financial Position

Additionally, the Applicants point out that the Department speculated that this transaction would leave Lumen in a weakened financial position resulting in an inability to provide voice service in Minnesota. The facts of this Transaction demonstrate the opposite. Lumen will receive \$5.75 billion from this Transaction. Those funds will reduce company debt by \$4.8 billion and increase annual cash flow by approximately \$1.3 billion. The Commission has previously recognized that transactions that reduce a company's debt and increase its cash flow serve the public interest. In addition to this large infusion from the sale, Lumen will continue to generate most of its existing revenue as it does today. Revenue derived from Lumen's consumer fiber business, the business being conveyed to AT&T, represents only a small portion of Lumen's total revenue. In 2024, Lumen's total revenue was \$13.1 billion, while its nationwide consumer fiber broadband revenue was \$736 million, or 5.6% of Lumen's total revenue. Approximately 95% of those fiber assets will transfer at closing. As such, this Transaction will involve only about 5% of Lumen's revenue—boosting Lumen's financial strength yet leaving most of its total revenues untouched.

Furthermore, post-Transaction, Lumen will continue to have the resources necessary to maintain and repair its copper plant. Again, Lumen expects to improve its cash flow by \$1.3 billion annually. ¹⁰

Technician Workload

The Applicants pointed out that Lumen will have sufficient technician workforce after the Transaction closes. While Lumen and AT&T continue to finalize which employees will be offered

⁹ Please see the Applicants' October 3, 2025, comments at pages 11 for specific number of POTS over PON customers. Also, please see pages 14-15 for further discussion on this issue.

¹⁰ Please see the Applicants' October 3, 2025, comments at pages 12-13 for a Not Public Data discussion regarding the profitability of the fiber business being sold.

positions with AT&T, Lumen expects to have ample technicians available post-sale.¹¹

Call Center Staffing

The Department raised concerns about Lumen's staffing of customer service representatives post-Transaction. Lumen indicated that it will clearly have less need for customer service representatives after a significant percentage of its consumer business moves to AT&T. Lumen provided the Department with its current plans for staffing considering the anticipated reduction in customer call volume. However, call center staffing is a dynamic process that is constantly adjusting as demand for such representatives adjusts. If Lumen's estimates on call center volume are off, Lumen will adjust just as it does today.

Measures to Meet Obligations

In addition, the Applicants addressed the concerns raised by parties related to Lumen's obligations and willingness to meet service obligations to its Minnesota voice customers are adequately addressed without the Commission imposing any conditions on its approval of the Transaction. Nonetheless, because of the concerns raised in this docket, Lumen provides with these comments a series of commitments it is willing to make if this Transaction is approved. These commitments meaningfully address the concerns that have been raised in this docket, and include commitments related to: (1) having enough technicians and budget to operate the network; (2) taking measures to address concerns about POTS facility repair, rehabilitation and replacement; (3) customer service concerns; (4) ensuring continuing service for POTS over PON customers, and (5) addressing rate concerns. Lumen would be willing to support the commitments identified in Attachment A if the Commission deems them necessary to address any lingering concerns.¹²

Carrier of Last Resort

The Applicants pointed out that the Transaction is not and cannot be an "end-run" around the Commission's authority established by the Minnesota Legislature in Minn. Stat. § 237.181. The Commission's full authority over Lumen's POTS service will remain after this Transaction, as will its authority to ensure that affected customers have available alternative providers before granting Lumen relief from carrier of last resort obligations.¹³

Contested Case Proceeding

¹¹ Please see the Applicants' October 3, 2025, comments at pages 12-13 for a Not Public Data discussion regarding technician deployment post-sale.

¹² Please see the Applicants' October 3, 2025, comments at pages 12-13 for a Not Public Data Attachment A Conditions List.

¹³ Please see the Applicants' October 3, 2025, comments at pages 16-18 for the Applicant's complete Discussion of the Carrier of Last Resort Statute Minn. Stat. § 237.181.

Finally, the Applicants address the contested case suggestion from the Department. The Department suggests the Commission may want to order a contested case proceeding. The Department has not identified any contested material facts that require record development to aid the Commission in making its decision, or done anything more than “raise questions or pose alternatives without [a] showing that evidence can be produced which is contrary to the [Joint Application].” Without more, a contested case is not appropriate, particularly since unwarranted delay will only reduce the chances of unlocking the benefits of fiber deployment. The Commission has a sound basis to conclude the Transaction is in the public interest without additional proceedings.

Staff Analysis

Jurisdiction

The POTS over PON customers are the connection that gives the Commission jurisdiction over this matter. The fact that certain assets involved in the transaction were providing local exchange service (POTS over PON) brings this matter under the Commission’s jurisdiction for approval. Staff agrees with the LSAP that Minn. Stat. § 237.23 applies in this circumstance. As was stated by the LSAP, “The assets that Lumen – a regulated company – is selling are being used in the conduct of its business at the time of the sale. Thus, this transaction requires approval from the Commission.”¹⁴ As such, the Commission will need to determine whether the transaction is in the public interest.

Historical Property Acquisition (PA) Dockets

Property acquisition (PA) dockets are a common filing for the Commission to handle on the telecom side of its work. Telecommunications providers routinely make ownership changes or asset transfers. In general, the Commission receives 10 or more PA petitions a year; they generally have all been approved, and in a few cases both the Department and Commission agree no Commission approval is required.¹⁵ All of these dockets have been considered via the Commission’s Consent Agenda process. The table below illustrates that to date in 2025, the Commission has received 12 such petitions, with a handful of them transferring customers or other assets¹⁶:

¹⁴ Please see the LSAP’s August 29, 2025, comments at page 2.

¹⁵ In 2024 the Commission received 10 PA dockets, in 2023, 11 PA dockets, in 2022 13 PA dockets, in 2021 16 PA dockets, and in 2020 10 PA dockets from telecom carriers. The average over the six-year period 2020-2025 is a 12 per year.

¹⁶ A recent purchase of a larger legacy local exchange carrier (LEC) was Verizon’s acquisition of Frontier and its subsidiaries. As a result, Verizon holds a 100% indirect interest in the Frontier MN Operating Companies. This item was on the Commission’s May 22, 2025, consent agenda. The [Order approving](#) the Transaction was issued on May 27, 2025, in Docket No. P405, P407, P5316/PA-24-390.

Docket Number	Company	Description of Filing
25-320	Tri-Co Technologies, LLC	Transfer of ownership. Customers will continue to receive service at same rates, terms and conditions.
25-311	Clarity Telecom, LLC	Transfer certain assets and customer contracts.
25-285	Fiber AssetCo LLC, Crown Castle Fiber LLC	Transfer certain assets and customers.
25-279	CenturyLink of Minnesota, Inc. , Qwest Corporation dba CenturyLink QC, Qwest Communications Company, LLC.	Current docket
25-261	DeltaCom, LLC, PAETEC Communications, LLC , Talk America, LLC, McLeodUSA Telecommunications Services, LLC, Windstream EN-TEL, LLC and affiliates, Lakedale, Inc., Windstream Norlight, LLC, Windstream NTI, LLC	Proforma Changes in Indirect Ownership; No PUC approval required, customers receive service at same rates.
25-252	Securus Technologies, LLC	Transaction will reduce financial debt of Licensee's parent company; proposed reorg does not need PUC approval.
25-232	Crown Castle Fiber LLC, Small Cells HoldCo. Inc. (H)	Ownership change, no changes to customers, local niche services will continue to be provided.

25-173	Zayo Group, LLC, Zayo Midwest, LLC, Zayo Network Services, LLC.	Internal restructuring, assigning certain assets from Zayo Group/Zayo MW to Zayo NE: fiber, customer contracts, rights in third party fiber, and associated telecommunications equipment.
25-143	DeltaCom, LLC, McLeodUSA Telecommunications Services, LLC, Broadview Networks, Inc., Talk America, LLC, PAETEC Communications, LLC, Windstream Norlight, LLC, Windstream Communications, LLC, and affiliates	Reorganization; Department and PUC agree that no PUC approval required.
25-114	ExteNet Asset Entity, LLC, ExteNet LVS, LLC	Transfer assets between petitioners; customer contracts and related telecommunications network infrastructure.
25-113	Zayo Group, LLC, Zayo Midwest, LLC	Assignment of certain assets of Zayo Group to Zayo MW, including the assignment of customers, assets, and infrastructure.
25-103	QuantumShift Communications, Inc.	A change in the equity ownership of QuantumShift, no sale of individual assets or liabilities.

These property acquisition (PA) dockets are generally undertaken to improve the financial standing of the parties involved. These transactions are undertaken because the parties to the transaction mutually benefit from the transaction. As such, customers are, inherently better off because the surviving entity is stronger. A public interest standard is utilized to make an approval determination. The current docket is no different.

Public Interest Considerations

As the record reflects, the overall Lumen proceeds realized from this sale are \$5.75 billion. This allows Lumen to eliminate \$4.8 billion of debt, \$300 million of annual interest expense, and increase annual cash flow by approximately \$1.3 billion. This Transaction appears to strengthen

Lumen's financial position.¹⁷

While the transaction proceeds alone provide significant financial relief to Lumen, there are other specifics of the Transaction that the Commission needs to consider. First the total revenue of Lumen is \$13.1 billion. The nationwide consumer fiber broadband revenue was \$736 million. This represents about 5.6% of the Lumen's total revenue. While some parties raise concerns about Lumen's ability to comply with service quality requirements from Docket 20-432, CWA, the party that initiated 20-432, supports approval of this transaction.

Additionally, there is no reason provided in the record to believe that Lumen's financial position will be worse because of this transaction. As a matter of fact, Staff suggests that the Commission review pages 12 to 13 of the Applicant's October 3, 2025, reply comments. Special attention should be paid to the **Not Public Data** segment. Staff believes this information makes a compelling case that the Transaction is in the public interest.

Finally, Staff believes that the transaction is consistent with the public interest because of the conditions provided in **Not Public Data Exhibit A – Conditions List**.¹⁸ Items contained in this list address concerns related to issues of whether the transaction maintains just and reasonable rates, service quality, and consumer protections. Staff notes that these are very similar (where relevant) to the conditions approved by the Commission for Verizon Communications Inc.'s acquisition of Frontier Communications' Minnesota operating companies. As was noted above, the parties agreed to this acquisition and this item was considered on the Commission's consent agenda.¹⁹

DECISION OPTIONS

Is Commission approval of the Transaction necessary?

1. Determine that Commission approval is required pursuant to Minn. Stat § 237.23. (Department, OAG, and LSAP) **OR**
2. Determine that no approval of the Transaction is required. (Applicants)

¹⁷ Please see the Applicants' October 3, 2025, comments at page 11.

¹⁸ This document was identified by the Applicants as Attachment A on Page 16 of the Applicants' October 3, 2025 reply comments. The document may be found at the end of the Applicants' reply comments.

¹⁹ This item was on the Commission's May 22, 2025, consent agenda. The [Order approving](#) the Transaction was issued on May 27, 2025, in Docket No. P405, P407, P5316/PA-24-390.

If the Commission determines approval is necessary, should the Commission approve the Transaction pursuant to Minn. Stat. §§ 237.23 and 237.74, subd. 12, and any other applicable statutes or rules, including the grant of all consents and approvals from the Commission necessary to carry out the Transaction?

3. Approve the Transaction with all the conditions listed in Not Public Document Exhibit A included in the Applicant's October 3, 2025, reply comments. (Applicants, CWA) **OR**
4. Approve the Transaction without conditions. **OR**
5. Deny the joint application. (Department, OAG, and LSAP)

If the Commission determines that further record development is required, how should the Commission proceed?

6. Refer this matter to the court of administrative hearings for a contested-case proceeding. (Department) **OR**
7. Deny transaction approval and permit the Applicants to re-apply if they can demonstrate the transaction furthers the public interest. (Department)