

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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Audrey Partridge	Commissioner
John Tuma	Commissioner

In the Matter of the Joint Application of Forged
Fiber 37, LLC (“AT&T NetworkCo”), Qwest Corporation dba
CenturyLink QC, CenturyLink of Minnesota, Inc. and
CenturyLink Communications, LLC Regarding Transfer of
Control of Lumen’s Minnesota Mass Markets Fiber
Business

Docket Nos. P421, 430, 5096/PA-25-279

Comments of the Legal Services Advocacy Project

Introduction

The Legal Services Advocacy Project (“LSAP”) respectfully submits these comments in response to the Revised-Notice of Comment Period, issued by the Minnesota Public Utilities Commission (“PUC” or “Commission”) in the above-referenced docket on July 22, 2025. LSAP is a statewide division of Mid-Minnesota Legal Aid, providing policy, legislative, and administrative advocacy on behalf of Legal Aid statewide. Legal Aid’s clients include low-income Minnesotans, elderly Minnesotans and Minnesotans with disabilities.

Summary of the Legal Services Advocacy Project’s Position

1. 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;
2. The Commission should reject the Applicants request that approval be granted by November 14, 2025; and
3. If the Commission decides to approve the transfer of the assets, the Commission should condition such approval on ensuring that regulated customers of Lumen are protected from service degradation or disconnection.

Comments

I. The Transfer Requires Commission Approval

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 a staggering \$5.75 in assets.

A. Section 237.23 Requires the Commission to Approve the Transfer

Section 237.23 provides that “[t]elephone 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.” 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.

The statute also requires that “the proposed purchaser of said property shall...join in the application filed with the commission for the approval.” This mandate supports the position that Commission approval is a prerequisite to any sale.

Finally, under section 237.23, an entity “subject to the provisions of this chapter” purchasing or acquiring “property, capital stock, bonds, securities, or other obligations...of any telephone company doing business within the state” must obtain “the consent of the commission.” LSAP understands that AT&T will be providing niche service and thus is subject to the requirements of section 237.23 and must obtain PUC approval for its acquisition of Lumen assets.

B. Section 237.74 Authorizes the Commission to Approve the Transfer

Under section 237.74, subdivision 12, no company may “operate...or acquire ownership or control” of any “line, plant, or system, or any extension of it of it” without obtaining a certificate of need and a new “certificate of territorial authority.” Because AT&T will be providing niche service, it must obtain the requisite approval and certificate.

C. Section 237.081 Prompts Commission Approval of the Transfer

Minnesota Statutes, section 237.081 authorizes the Commission to investigate “[w]henever the commission believes that a service is inadequate or cannot be obtained or that an investigation of any matter relating to any telephone service should for any reason be made.” Because the impact of such an enormous transfer of resources on Lumen’s ability to maintain its network and maintain or improve service quality is unknown, it is incumbent upon the Commission to invoke its authority under section 237.081 to investigate any possible adverse repercussions on ratepayers of this deal.

D. Public Interest Consideration Requires Commission Approval of the Transfer

As a former PUC Commissioner asserted, “**all matters** that come before the Commission...require a thoughtful public interest assessment by the Commission.”¹ The PUC’s fundamental charge is to ensure the public interest, and it purposefully and protectively wields that critical authority when necessary.²

¹ In Re AT&T Corp., No. P-442, 3123/PA-99-10, 1999 WL 1455081 (Dec. 20, 1999) (CONCURRENCE TO THE AT&T/MEDIAONE MERGER ORDER (P-442, 3123/PA-99-1021) BY COMMISSIONER EDWARD GARVEY (emphasis added)).

² See, e.g., In Re Citizens Utilities Co., No. P-5316 407/PA99-1239, 2000 WL 1481014 (July 24, 2000) (invoking the Commission’s “public interest authority” to “enforce certain conditions, as necessary, to tilt the balance and result in a sale that is in the public interest.”).

This obligation includes matters coming before the Commission under sections 237.23 and 237.74.³ Indeed, the PUC has clearly set forth the requirement that “the exercise of the power of the commission under § 237.23 of Minnesota Statutes to grant or withhold consent to the transfer of telephone company property from one company to another requires of the commission a determination that the transfer in question is in all respects in the public interest.”⁴

Determining whether this sale of assets is in the public interest is squarely within the Commission’s purview and at the center of its evaluation of any proposed transfer of assets. The Commission should find that, under its current statutory powers and duties, its approval of this transfer is necessary.

E. The Applicants’ Rationale for Contending that the Transfer Does Not Need Commission Approval is Weak and Unpersuasive

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.”⁵ 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.⁶ The Applicants

³ In Re A&T& Corp., No. P-442, 3123/PA-99-10, 1999 WL 1455081 (Dec. 20, 1999) (concluding that the transaction under review “meets the public interest standard of Minn. Stat. §§ 237.23 and 237.74.”).

⁴ Re Bass Lake Rural Tel. Co., 54 P.U.R.3d 262 (May 11, 1964) (PUC determination of whether a proposed sale and purchase is in the public interest). *See also*, In the Matter of the Joint Application of the New Ulm Telecom, Inc. to Purchase All the Issued & Outstanding Shares of Cap. Stock of W. Tel. Co. & Sanborn Tel. Co., No. 570, 1986 WL 1299636, at *1 (Dec. 23, 1986) (PUC determination of whether the sale and purchase of capital stock will adversely affect the public interest or the operation of the companies involved in the transfer).

⁵ AT&T NetworkCo and Lumen, *Initial Filing, In the Matter of the Joint Application of Forged Fiber 37, LLC, Qwest Corporation dba CenturyLink QC, CenturyLink of Minnesota, Inc. and CenturyLink Communications, LLC Regarding Transfer of Control of Lumen’s Minnesota Mass Markets Fiber Business*, July 7, 2025, at 3.

⁶ *Id.* at FN 3 (citing Docket No. P5246/PA-00-925, *Order, In the Matter of an Application for Approval of a Corporate Reorganization by Winstar Wireless, Inc.*, issued August 25, 2000).

claim a parallel between that case and this one, based on the fact that 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.⁷

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.

II. The Commission Should Not Fast-Track Its Investigation and Should Deny the Applicants’ Request to Approve the Transfer by November 14, 2025

The PUC’s mission is to protect the public interest by “ensuring safe, reliable, and sustainable utility services at just and reasonable rates.”⁸ While it may be in the Applicants’ (and shareholders’) interest to have approval of their proposed transaction fast-tracked, it is far

⁷ See, e.g., In the Matter of the Joint Application of Garden Valley Tel. Co. d/b/a Garden Valley Techs. & Onvoy, LLC d/b/a Inteliquent for Approval to Transfer Certain Assets of Onvoy, LLC d/b/a Inteliquent to Garden Valley Tel. Co. d/b/a Garden Valley Techs., No. P-409/PA-20-343, 2020 WL 2309629 (Apr. 10, 2020) (sale of incumbent telephone company assets); In the Matter of the Joint Petition of Embarq Minnesota, Inc. DBA CenturyLink & Emily Coop. Tel. Co. for the Sale of A Portion of CenturyLink’s Crosby Exch. to the Emily Coop. Tel. Co., No. P-430/PA-14-472, 2014 WL 4539670, (Sept. 12, 2014) (transfer of incumbent telephone company assets); In Matter of Joint Request of Us W. Commc’ns, Inc. & Heartland Telecommunications Co. of Iowa for Approval to Transfer Prop. & Auth., No. P-421/PA-96-803, 1996 WL 750158 (Sept. 9, 1996) (sale of incumbent telephone company assets).

⁸ Minnesota Public Utilities Commission, *About the PUC*; at <https://mn.gov/puc/about-us/>.

from apparent that approval is in the ratepayers' interest or the public interest. Specifically, it is 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 safe, reliable, and sustainable service by the regulated company. Chapter 237 requires that Commission to consider the state's telecommunications goals, which include "supporting universal service," "maintaining just and reasonable rates," and "maintaining and improving service quality."⁹ Whether the divestiture of \$5.75 billion in assets will directly or indirectly impact the provision of universal service, the maintenance of just and reasonable rates and, most pressing, the maintenance and improvement of service quality is an open question.

As recently as September 17, 2024, the Commission found that "CenturyLink failed in its duty to provide safe and adequate service."¹⁰ The Commission found complaints regarding deficiencies causing problems reaching 911, prolonged outages and other interruptions of service, failures in response to requests for repairs, and failure to make necessary repairs to be meritorious.¹¹ These deficiencies tend to fall disproportionately on rural customers.¹²

At a minimum, the Commission should ensure this transfer will not result in further degradation of service or dereliction of maintenance and repair obligations. With such defective compliance with service quality rules so fresh, there should be heightened scrutiny of any actions that could impact service and service quality. The Commission must ensure that

⁹ Minn. Stat. § 237.011.

¹⁰ In the Matter of A Formal Complaint Regarding the Servs. Provided by the Qwest Corp. d/b/a CenturyLink in Minnesota, on Behalf of the Commc'ns Workers of Am., No. P-421/C-20-432, 2024 WL 4264880 (Sept. 17, 2024).

¹¹ *Id.*

¹² Office of Administrative Hearings, FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION, In the Matter of Formal Complaint Regarding the Services Provided by the Qwest Corporation d/b/a CenturyLink in Minnesota, on Behalf of Communications Workers of America, MPUC P-421/C-20-432 (March 13, 2014) (finding that "customers...most commonly located in the rural periphery...are not receiving adequate service.).

this dramatic transfer of assets will not create another round of service problems for ratepayers. Such an investigation cannot be conducted with any degree of necessary diligence in the short time frame requested by the Applicants.

The Commission operates under a process that is “orderly and deliberative...”¹³ Rushing a decision by November 14 on an application for a transfer of this complexity and scale that was filed on July 7 is hardly “orderly and deliberative.” The Commission should reject the Applicants’ request that a Commission decision on the transfer be made by November 14.

III. If the Commission Approves the Transfer, It Should Impose Certain Conditions to Protect Ratepayers

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

¹³ In Re Minnesota Power & Light Co., No. E-015/GR-94-001, 1995 WL 406031 (May 31, 1995).

Conclusion

The proposed transfer of \$5.75 billion in assets from Lumen to AT&T NetworkCo is no minor transaction. The Commission has the authority and the responsibility to approve this transfer. The Commission's obligations under law and long-standing practice demand that it conduct a thorough review of the transaction to ensure that it will have no impact on the regulated entity's ongoing obligations under law to provide adequate service, adhere to service quality rules (especially in light of the fact that merely one year has passed since it found to negligent and breached its obligations).

The Commission should not fast-track its examination nor alter its usual deliberative process. The Commission should reject the Applicants' request for approval by November 14.

Finally, if the Commission chooses to approve the transfer, it should condition its approval on commitments by Lumen to service quality, including commitments to maintain its workforce that is responsible for maintaining service and service quality.

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Respectfully submitted:

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