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January 15, 2014

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce**
Docket No. P6441,5971,6258,5732,6478,6237,5096/PA-13-1167

Dear Dr. Haar:

Attached are the comments of the Minnesota Department of Commerce in the following matter:

In the Matter of the Joint Application of Qwest Communications Company, LLC
dba CenturyLink QCC, together with its affiliates relevant to the Application for
Approval of an Internal Corporate Restructuring of Interexchange Carrier and
Competitive Local Exchange Carrier Affiliates

The petition was filed on December 20, 2013:

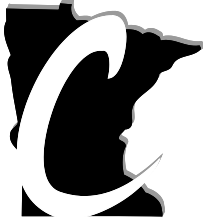
Jason D. Topp
Senior Corporate Counsel – Regulatory
200 South 5th Street, Room 2200
Minneapolis, MN 55402

The Department recommends approval, and is available to answer any questions the Commission may have.

Sincerely,

/s/ BRUCE L. LINSCHIED
Financial Analyst

BLL/sm
Attachment



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE

DOCKET NO. P6441,5971,6258,5732,6478,6237,5096/PA-13-1167

I. BACKGROUND

On December 20, 2013, the Minnesota Department of Commerce (Department) received a copy of a joint application (Joint Application) from Qwest Communications Company, LLC (QCC) and its affiliates relevant to the Joint Application (Joint Applicants) to the Minnesota Public Utilities Commission (Commission) requesting an order of the following actions before the proposed closing date of April 1, 2014:

- 1) Approval, if necessary, for a transaction that consolidates the relevant affiliates Competitive Local Exchange Carriers (CLECS) and relevant affiliated interexchange carriers (IXCs) into QCC, and QCC becomes a direct subsidiary of CenturyLink, Inc. (the Reorganization);
- 2) A declaration that the slamming rules contained in Minn. Stat. §§ 237.661 and 662 and any related customer notification requirement do not apply to the Reorganization; and
- 3) Approval, to the extent necessary, of a name change of QCC to CenturyLink Communications, LLC.

A. JOINT APPLICANTS

The entities subject to the Reorganization are all subsidiaries of CenturyLink, Inc. (see attached Organizational Structure Diagrams). Currently, QCC and CenturyTel Fiber Company II, LLC dba Lightcore, a CenturyLink company, are authorized to provide both IXC and CLEC services in Minnesota. CenturyTel Long Distance, LLC dba CenturyLink Long Distance, Embarq Communications, Inc. dba CenturyLink Communications and Qwest LD Corp. dba CenturyLink LD are authorized to provide IXC services. CenturyTel Acquisition LLC dba CenturyLink

Acquisition and CenturyTel Solutions, LLC dba CenturyLink Solutions are authorized as CLECs.¹

B. THE REORGANIZATION

Under the Reorganization, the Joint Applicants will be consolidated into the surviving entity, QCC, which will become a first tier subsidiary of CenturyLink, Inc. QCC will change its name to CenturyLink Communications, LLC as the Reorganization closes. Ultimate ownership and control of the Joint Applicants and the surviving entity by CenturyLink, Inc. will be unchanged as a result of the Reorganization. The Reorganization will be an intra-company transaction and will not impact CenturyLink's incumbent local exchange carriers in Minnesota.

Joint Applicants state that the Reorganization will reduce the number of internal CenturyLink-affiliated corporate IXC and CLEC entities in Minnesota and will simplify operations through a series of internal corporate transactions:

- 1) QCC is currently an indirect subsidiary of CenturyLink, Inc. and will become a direct wholly-owned subsidiary of CenturyLink, Inc., and customer transfers to QCC will occur;
- 2) IXC and CLEC affiliates of CenturyLink, Inc. will merge into QCC, liquidating and distributing assets and liabilities to QCC;
- 3) Upon consummation of the Reorganization, the merged operations will be QCC operations, and the customers of the other Joint Applicants will be customers of QCC; and
- 4) The proposed effective date (Effective Date) of the Reorganization is planned to be April 1, 2014.

C. PUBLIC INTEREST

Joint Applicants state that QCC and its affiliates are committed to ensuring that the Reorganization is transparent to customers, and services to customers will be provisioned under the current "CenturyLink" brand. The Reorganization will not result in any changes to the terms and conditions of services or any rate increases for customers. Customers will receive a courtesy notice of the Reorganization through their monthly bills. The Joint Applicants:

- 1) Cite the May 15, 2001 order amending carrier change rules to provide a streamlined process for compliance with Section 258 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, which states that "a change in corporate structure that is invisible to the affected subscribers does not

¹ The Joint Applicants received Commission approval to provide regulated telecommunications services in the following dockets: QCC- Docket Nos. 94-883 and 99-939, CenturyTel Fiber/Lightcore- Docket No. 05-747, CenturyTel Long Distance- Docket No. 98-1901, Embarq Communications- Docket No. 05-1319, Qwest Long Distance- Docket No. 03-508, CenturyTel Acquisition- Docket No. 05-455, and CenturyTel Solutions- Docket No. 00-1424.

constitute a sale or transfer for purposes of Section 258 that implicates the streamline process;” and

- 2) State that, consistent with this FCC decision, it would be appropriate for the Commission to waive any applicable customer notification or authorization that might be deemed to apply. The Joint Applicants prominently provision services to customers under the “CenturyLink” brand, and a courtesy notice to transaction will be provided in customer bills; and
- 3) Request that given the thousands of pages of tariff filings nationwide, CenturyLink Communications, LLC be allowed six months from the closing to file tariffs that conform and embody the rates of the merged entities in order to fulfill the intention that customer’s rates, terms and conditions of service are not changed. In the interim between the closing of the Reorganization and the filing of the new tariff pages, the Joint Applicants request that the Commission order provide that CenturyLink Communications, LLC shall honor the tariffs of the merging companies until conforming tariffs are filed.

II. STATEMENT OF ISSUES

- A. Does the Reorganization require Commission approval?
- B. Is the proposed Reorganization in the public interest?
- C. Whether QCC has satisfied the applicable regulatory requirements to change the name on its Certificate of Authority.
- D. Do the slamming rules contained in Minn. Stat. §§ 237.661 and 662 and any related customer notification requirement apply to the Reorganization?
- E. Will customers be adequately notified?

III. LEGAL REFERENCES

Minn. Stat. §237.74, subd. 12 provides that no telecommunications carrier shall construct or operate any line, plant, or system, or any extension of it, or acquire ownership or control of it, either directly or indirectly, without first obtaining from the commission a determination that the present or future public convenience and necessity require or will require the construction, operation, or acquisition, and a new certificate of territorial authority.

Minn. Rule Part 7812.0300, Subp. 2 requires an applicant's full legal name for certification. A change in the name in the certificate of authority under which a company operates needs Commission approval so that certificates of authority reflect the current name of the company operating under that authority.

Minn. Rule Part 7812.0300, Subpart 6 requires that a company file and obtain approval of tariffs to reflect any changes in terms or conditions of service.

Minn. Stat. §237.661 describes the anti-slamming duties of the local telephone company and the soliciting carrier, the penalty for slamming, and the verification procedures necessary for evidence of a customer's authorization of a change in carrier.

Minn. Stat. §237.662 provides the notice and disclosure requirement of long-distance providers.

IV. ANALYSIS

A. COMMISSION APPROVAL IS NEEDED FOR THE REORGANIZATION.

The Commission has established a consistent precedent for requiring approval for any change of ownership affecting Minnesota telephone companies and telecommunications carriers. Commission approval is required for transactions where the ultimate ownership or control of either a telephone company or telecommunications carrier authorized to operate in Minnesota changes, or a telephone company's or a telecommunications carrier's Minnesota operations are affected by a merger or acquisition transaction. Commission approval is not required for corporate reorganizations in which ultimate ownership or control does not change and the operating company is not impacted by the reorganization.²

Commission action is required for the Reorganization. CenturyLink, Inc. remains the ultimate parent of the Joint Applicants as they are merged into QCC and QCC's name is changed to CenturyLink Communications, LLC, but the operating company serving customers does change. That is, not only does the name of the company serving customers change, but the actual entity serving customers changes for six of the seven Joint Applicants, and Commission action is required for the Reorganization.

B. THE PROPOSED REORGANIZATION IS IN THE PUBLIC INTEREST.

CenturyLink, Inc. remains the ultimate parent of the Joint Applicants, and the Reorganization does not change CenturyLink Inc.'s consolidated financial, managerial and technical resources available to CenturyLink Communications, LLC. Customers will continue to be served through an operating company, CenturyLink Communications, LLC, under the control of a parent company with a long tradition of service to Minnesota customers subject to the Commission's oversight.

Although former customers of the Joint Applicants will be served by CenturyLink Communications, LLC as a result of the Reorganization, the provision of reliable service to customers should continue. Customers will receive a notice of the transactions through their monthly bills. The rates, terms and conditions of service will not change a result of the

² *In the Matter of an Application for Approval of a Corporate Reorganization by Winstar Wireless, Inc.*, Docket No P5246/PA-00-925, August 25, 2000.

Reorganization, and CenturyLink Communications, LLC's tariff will be updated to reflect the rates currently tariffed to the Joint Applicants. The Commission should approve the Reorganization as being in the public interest.

C. ALTHOUGH IT STILL MUST FILE A TARIFF AND REGISTER ITS NEW NAME WITH THE MINNESOTA SECRETARY OF STATE, QCC HAS EFFECTIVELY COMPLIED WITH THE REQUIREMENTS FOR A NAME CHANGE TO CENTURYLINK COMMUNICATIONS, LLC.

The Department reviews each name change request for the relevant consumer, legal and policy issues. Name changes need to be monitored so that only authorized companies provide telecommunications service in Minnesota. Although CenturyLink Communications, LLC must file a complete tariff reflecting the new name, it has otherwise complied with the requirements of Minn. Rules Part 7812.0300, subpt. 6 and with the implied requirements of Minn. Rule Part 7812.0300.

- 1) CenturyLink Communications, LLC must be registered with the Minnesota Secretary of State.
- 2) CenturyLink Communications, LLC intends to amend its tariffs to reflect the change in name. CenturyLink Communications, LLC requests six months from the closing of the Reorganization to file tariffs that conform to and embody the rates of the merged entities in order to fulfill the intention that customers' rates, terms and conditions of service not change. CenturyLink Communications, LLC's proposal appears reasonable given the magnitude of filing thousands of tariff pages nationwide. A Commission order that provides that CenturyLink Communications, LLC shall honor the tariffs of the merging companies until conforming tariffs are filed will memorialize the commitment not to change the rates, terms and conditions of service.
- 3) QCC has appropriately sought prior Commission approval for the Reorganization and the name change on its Certificate of Authority to CenturyLink Communications, LLC.

D. THE SLAMMING RULES CONTAINED IN MINN. STAT. §§ 237.661 ARE NOT APPLICABLE FOR A COMMISSION APPROVED CHANGE IN THE OPERATING COMPANY SERVING THE CUSTOMER.

CenturyLink is requesting a declaration that the slamming rules contained in Minn. Stat. §237.661 do not apply to the Reorganization. Slamming occurs when the customers chosen telecommunications carrier is changed to another telecommunications carrier without the prior authorization from the customer. The Commission does not have the authority to waive the statute. However, in the context of acquisitions or internal restructuring, as is being done in this case, the customers chosen telecommunications carrier can be changed without the customer's authorization if prior Commission approval of the change is received. Since CenturyLink is seeking to receive prior Commission approval of the transaction to change the operating companies serving affected customers, there is no slamming that will occur. To the extent

CenturyLink would like a statement in the PUC order that it has complied with the applicable regulations to memorialize that slamming has not occurred, the Department has no concerns.

E. CUSTOMER NOTIFICATION OF THE TRANSACTION WILL OCCUR.

CenturyLink is also requesting a declaration that the slamming rules requiring the customer notice and disclosure requirement for long distance providers pursuant to Minn. Stat. §237.662 do not apply to the Reorganization. As stated above, the Commission does not have the authority to waive the statute. However, the statute does not appear to be applicable to the instant transaction. Minn. Stat. §237.662 concerns information provided when soliciting a customer to purchase, and when the customer agrees to purchase, long distance telecommunications service. An internal reorganization that changes the operating company serving the customer is not contemplated in this statutory provision. Century has committed to providing what it calls a “courtesy notice” in customer bills. With any notice on this transaction, there may be customer confusion created since the Joint Applicants already provide services to customers under the “CenturyLink” brand. Further, since the rates, terms and conditions of service will continue unchanged by the Reorganization, the notice is not a significant issue. However, CenturyLink’s proposal to provide customers with information on the transaction in customer bills is satisfactory in that it satisfies the requirement to disclose the change in provider, but does not unnecessarily call attention to an event that should be transparent in all other respects.

V. COMMISSION ALTERNATIVES

1. Approve the Reorganization of the Joint Applicants into CenturyLink Communications, LLC and the name change of Qwest Communications Company, LLC dba CenturyLink QCC to CenturyLink Communications, LLC.
 - a. A tariff reflecting the name change must be submitted within six months from the closing of the Reorganization.
 - b. CenturyLink Communications, LLC must be registered with the Minnesota Secretary of State.
 - c. CenturyLink Communications, LLC shall honor the tariffs of the merging companies until conforming tariffs are filed within six months of the closing of the Reorganization.
 - d. With Commission approval prior to the closing of the transaction, no slamming occurs and the CenturyLink Communications, LLC is in compliance with the provisions in Minn. Stat. §237.661.
 - e. Customer notification concerns are satisfied by a notice in customer bills, as proposed by CenturyLink Communications, LLC.

2. Approve with modifications.
3. Reject the application.

VI. RECOMMENDATION

The Department recommends Alternative 1.

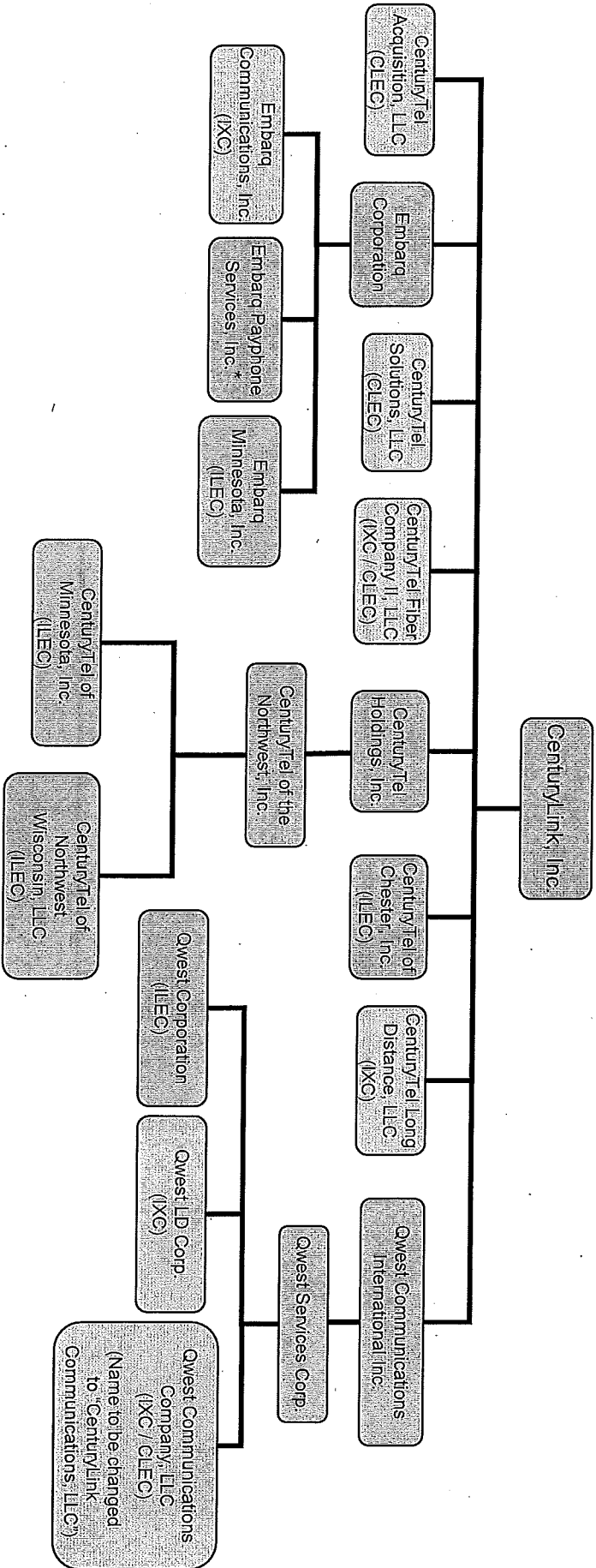
Approve the Reorganization of the Joint Applicants into CenturyLink Communications, LLC and the name change of Qwest Communications Company, LLC dba CenturyLink QCC to CenturyLink Communications, LLC.

- A tariff reflecting the name change must be submitted within six months from the closing of the Reorganization.
- CenturyLink Communications, LLC must be registered with the Minnesota Secretary of State.
- CenturyLink Communications, LLC shall honor the tariffs of the merging companies until conforming tariffs are filed within six months of the closing of the Reorganization.
- With Commission approval prior to the closing of the transaction, no slamming occurs and the CenturyLink Communications, LLC is in compliance with the provisions in Minn. Stat. §237.661.
- Customer notification concerns are satisfied by a notice in customer bills, as proposed by CenturyLink Communications, LLC.

/sm

MINNESOTA
Organizational Structure Diagrams

Entities Prior to Corporate IXC / CLEC Restructuring



 Highlighted entities subject to the proposed corporate restructuring.

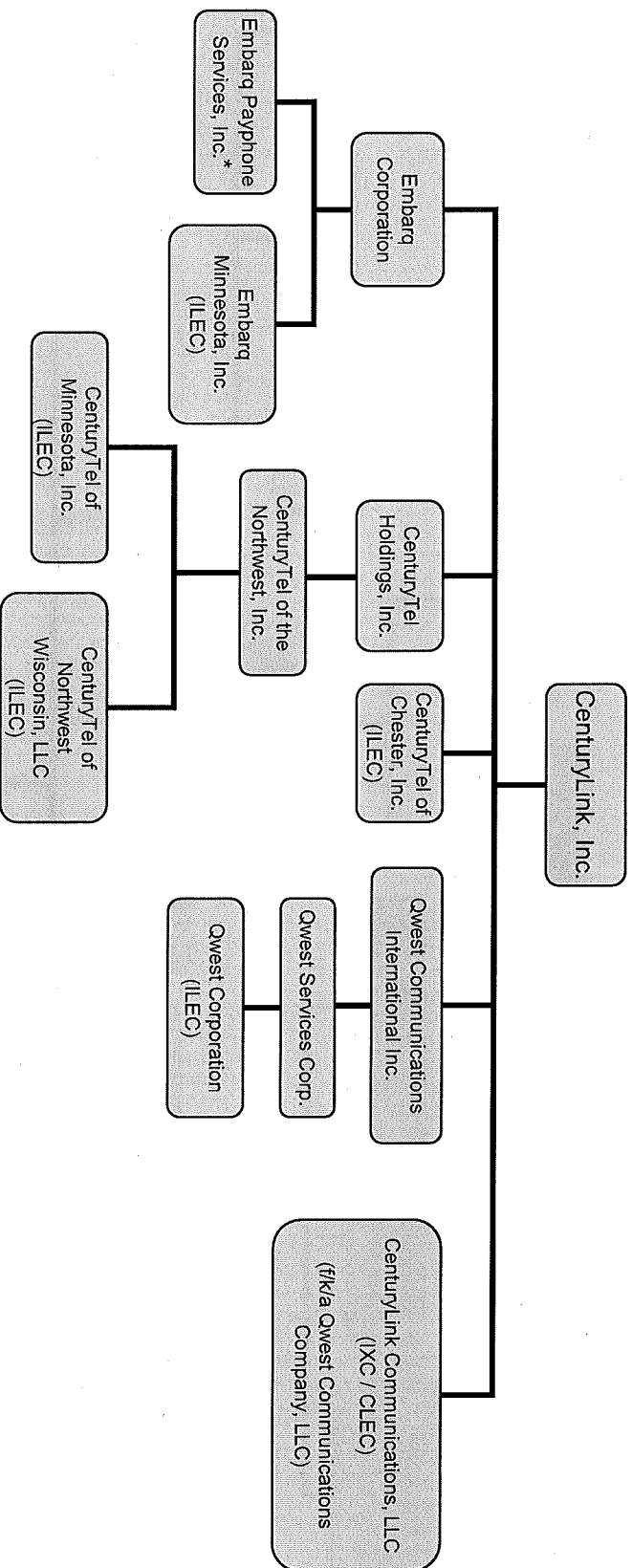
The ILEC subsidiaries of CenturyLink, Inc. are not impacted by this proposed transaction. The ILECs are merely identified on the organizational diagram for illustrative purposes only.

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

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

MINNESOTA
Organizational Structure Diagrams

Entities After Corporate IXC / CLEC Restructuring



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

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

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

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Comments**

Docket No. P6441,5971,6258,5732,6478,6237,5096/PA-13-1167

Dated this 15th day of **January 2014**

/s/Sharon Ferguson

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Linda	Chavez	linda.chavez@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 55101-2198	Electronic Service	No	OFF_SL_13-1167_PA-13-1167
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_13-1167_PA-13-1167
JoAnn	Hanson	joann.hanson@centurylink.com	CenturyLink	200 S 5th St Ste 2200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-1167_PA-13-1167
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_13-1167_PA-13-1167
Jason	Topp	jason.topp@centurylink.com	CenturyLink	200 S 5th St Ste 2200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-1167_PA-13-1167