

CenturyLink

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Becky Owenson Kilpatrick

Senior Corporate Counsel



**FILED WITH
Executive Secretary**

February 12, 2014

IOWA UTILITIES BOARD

Date: February 12, 2014

Executive Secretary
Iowa Utilities Board
1375 East Court Avenue, RM 69
Des Moines, IA 50319-0069

RE: Qwest Communications Company LLC d/b/a CenturyLink QCC
Docket No. SPU-2014-0002 (New Filing)

Dear Executive Secretary:

Enclosed please find Qwest Communications Company LLC d/b/a CenturyLink QCC's Notice of Proposed Internal Corporate Restructuring and Request for All Necessary Approvals.

Also included is a Request for Pro Hac Vice for Becky Owenson Kilpatrick and Entry of Appearance of Counsel.

Respectfully submitted,

/s/ Becky Owenson Kilpatrick

Becky Owenson Kilpatrick
Senior Corporate Counsel
CenturyLink

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

FILED WITH
Executive Secretary
February 12, 2014
IOWA UTILITIES BOARD

IN RE: QWEST COMMUNICATIONS COMPANY, LLC d/b/a CENTURYLINK QCC AND CERTAIN OF ITS CERTIFICATED CLEC AND IXC AFFILIATES PROPOSED INTERNAL CORPORATE RESTRUCTURING	Docket No. SPU-2014-0002
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**NOTICE OF PROPOSED INTERNAL CORPORATE RESTRUCTURING AND
REQUEST FOR ALL NECESSARY APPROVALS**

Qwest Communications Company, LLC d/b/a CenturyLink QCC (“CenturyLink QCC”) and certain of its affiliates registered with the Iowa Utilities Board and/or holding certificates of public convenience and necessity in the state of Iowa (collectively “CenturyLink Affiliates”)¹ respectfully file this notice of a *pro forma* intra-corporate restructuring and request any and all approvals required by the Iowa Utilities Board (“Board”) to effectuate an internal corporate restructuring of Applicants’ Competitive Local Exchange Carrier (“CLEC”) and Interexchange Carrier (“IXC”) subsidiaries and affiliates.² The internal corporate transactions giving rise to this Notice are expected to occur on or about April 1, 2014. Accordingly, the CenturyLink Affiliates respectfully request expeditious approval of any matters raised by this Notice in order to complete these intra-company changes within the contemplated timeframe.

¹ As addressed in detail below, the following entities have been certificated by the Commission and are parties to this Joint Application: (1) Qwest Communications Company, LLC d/b/a CenturyLink QCC; (2) Embarq Communications, Inc. d/b/a CenturyLink Communications (“ECI”); (3) CenturyTel Long Distance, LLC d/b/a CenturyLink Long Distance (“CTLD”); (4) CenturyTel Fiber Company II, LLC (“CTLFC”); and (5) Qwest LD Corporation (“QLD”).

² This internal corporate restructuring involves CenturyLink-affiliated IXCs and CLECs.

Through a series of proposed internal corporate transactions, CenturyLink QCC, currently an indirect subsidiary of CenturyLink, Inc., becomes a direct wholly-owned subsidiary of CenturyLink, Inc. CenturyLink QCC³ will be the only CenturyLink, Inc. affiliate with both CLEC and IXC certificates of public convenience in all 50 states, the District of Columbia, and Puerto Rico. After CenturyLink QCC becomes a direct subsidiary of CenturyLink, Inc. and customer transfers to CenturyLink QCC occur, the various CLEC and IXC affiliates of CenturyLink, Inc. merge into CenturyLink QCC, liquidating and distributing assets and liabilities to CenturyLink QCC. Specific to Iowa, the proposed internal corporate transaction will result in CenturyLink QCC becoming a direct subsidiary of CenturyLink, Inc. After customer transfers to CenturyLink QCC occur, the certificate of public convenience and necessity for Embarq Communications, Inc. d/b/a CenturyLink Communications will be relinquished and the CenturyLink Affiliates will be liquidated and all assets and liabilities distributed to CenturyLink QCC. Ultimately, CenturyLink QCC will change its corporate name to “CenturyLink Communications, LLC.”⁴

The proposed internal corporate transactions will be transparent to all CenturyLink Affiliates’ customers. There will be no substantive change in the rates and other terms and conditions of the services available to the respective customers as a result of the internal corporate transactions. Services will continue to be provided pursuant to the same contracts or tariff provisions currently in place. There will be no change in the Board’s oversight of the consolidated entities’ operations. The internal corporate restructuring will decrease the actual

³ CenturyLink QCC files this Notice contingent upon the Board’s approval of the tariff filed in TF-2014-0007 and the Board’s final issuance of a certificate of public convenience and necessity to CenturyLink QCC as a competitive local exchange carrier in the state of Iowa.

⁴ The name change will be implemented through corporate registration filings and/or any other applicable filings. A *pro forma* notice of CenturyLink QCC’s name change will be filed with the Board when the name change is undertaken.

number of certificated and registered entities subject to the Board's oversight and consolidate these certificated entities into one company subject to the Board's oversight. Finally, the proposed internal corporate restructuring does not involve the customers or operations of any of the CenturyLink-affiliated incumbent local exchange carriers (ILEC) in Iowa.

Accordingly, the proposed internal corporate restructuring is in the public interest. The CenturyLink Affiliates respectfully request any necessary approvals in advance of the expected April 1, 2014 transaction date.

I. THE APPLICANTS

As depicted on Exhibit A, CenturyLink QCC currently is a direct wholly-owned subsidiary of Qwest Services Corp. ("QSC"), which, in turn, is a direct wholly-owned subsidiary of Qwest Communications International Inc. ("QCII"). QCII currently is a direct wholly-owned subsidiary of CenturyLink, Inc. In 2011, CenturyLink, Inc. completed an acquisition of QCII, whose subsidiaries had nationwide CLEC and IXC operations. In Iowa, CenturyLink QCC operates as an IXC and, upon completion of Docket No. TF-2014-0007, as a CLEC, with a certificate of public convenience and necessity granted by the Commission.⁵

Embarq Communications, Inc. d/b/a CenturyLink Communications (ECI) currently is a direct, wholly-owned subsidiary of Embarq Corporation, which, in turn, is a direct wholly-owned subsidiary of CenturyLink, Inc. ECI operates as an IXC in 49 states (excluding Alaska). In Iowa, ECI is registered as an IXC and is certificated to provide CLEC services.⁶

⁵ Company No. 0419.

⁶ Company No. 3840.

CenturyTel Long Distance, LLC d/b/a CenturyLink Long Distance (CTLTD) is a direct, wholly-owned subsidiary of CenturyLink, Inc. In Iowa, CTLTD is registered to provide alternative operator services.⁷

CenturyTel Fiber Company II, LLC (CTLFC) is a direct, wholly-owned subsidiary of CenturyLink, Inc. In Iowa, CTLFC is not a certificated entity.⁸

And finally, Qwest LD Corporation (QLD) is a direct, wholly-owned subsidiary of QSC, which, in turn, is a direct wholly-owned subsidiary of QCII. QCII currently is a direct wholly-owned subsidiary of CenturyLink, Inc. In Iowa, QLD is registered as an interexchange carrier.⁹

II. DESIGNATED CONTACT

Communications and correspondence for the proceeding herein should be sent to the following:

Becky Owenson Kilpatrick
Senior Corporate Counsel
925 High Street, 9 S 9
Des Moines, Iowa 50309
Telephone: 515.286.7995
Facsimile: 515.286.6128

Copies of this Notice have been served upon the Iowa Office of Consumer Advocate, and the Board's Staff Counsel as evidenced by the attached certificate of service.

III. DESCRIPTION OF THE TRANSACTION

The proposed intra-company corporate restructuring will be implemented through several interrelated steps. The ultimate ownership and control of the CenturyLink Affiliates by CenturyLink, Inc. will be unchanged as a result of these steps. Organizational charts depicting

⁷ Company No. 2507.

⁸ Company No. 3265.

⁹ Company No. 3668.

both the existing and proposed corporate structures are attached hereto as Exhibit A and Exhibit B, respectively.

1. CenturyLink QCC and its interests are transferred to CenturyLink, Inc., becoming a direct, wholly-owned subsidiary of CenturyLink, Inc.

CenturyLink QCC currently is a wholly-owned subsidiary of Qwest Services Corp., which, in turn, is a wholly-owned subsidiary of Qwest Communications International, Inc., which, in turn, is a wholly-owned subsidiary of CenturyLink, Inc.¹⁰ After internal restructuring, CenturyLink QCC becomes a direct, wholly-owned subsidiary of CenturyLink, Inc.

2. The two registered IXC's merge into CenturyLink QCC.

ECI is a direct, wholly-owned subsidiary of Embarq Corporation (which holds no certificates), which, in turn, is a direct wholly-owned subsidiary of CenturyLink, Inc. QLD is a direct, wholly-owned subsidiary of Qwest Services Corporation, which, in turn, is a direct subsidiary of Qwest Communications International, Inc., which, in turn, is a direct subsidiary of CenturyLink, Inc. Under the proposed internal corporate transactions, customers of ECI and QLD are seamlessly transferred to CenturyLink QCC given the common "CenturyLink" brand. Thereafter, ECI and QLD merge into CenturyLink QCC, liquidating and distributing all their assets and liabilities to CenturyLink QCC.

3. Other affiliates merge into QCC.

Other subsidiaries and affiliates of CenturyLink, Inc. exist and will be subject to the proposed internal corporate transactions. CTLD, which is registered with the Board to

¹⁰ Qwest Communications International, Inc. is not certificated by this Commission. Similarly, Qwest Services Corp. is not certificated by this Commission.

provide alternative operator services, is a direct, wholly-owned subsidiary of CenturyLink, Inc. CTLFC is a direct, wholly-owned subsidiary of CenturyLink, Inc. Under the proposed internal transaction, both CTLD and CTLFC merge into CenturyLink QCC, liquidating and distributing all their assets and liabilities to CenturyLink QCC.

Finally, as depicted on the attached organization charts, CenturyLink QCC will change its corporate name to “CenturyLink Communications, LLC”. A *pro forma* notice of the name change will be filed with the Board.

IV. LEGAL REVIEW

Iowa law does not require that the Board approve of the proposed intra-company restructuring transaction as a corporate reorganization. However, there are certain administrative requirements that will apply.

1. Transparent to Customers

CenturyLink QCC and its subsidiaries and affiliates are committed to ensuring that the internal restructuring described in this Notice is transparent to customers. To that end, none of the steps described above will result in rate increases for customers, nor will the terms and conditions of services provided change due to the proposed transactions. For this and the following reasons, any customer notification or consents should be deemed inapplicable or waived.

On May 15, 2001, the FCC issued an order amending its 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 1996.¹¹ The Order states that “a change in corporate structure that is invisible to the affected subscribers does not constitute a sale or transfer for purposes of Section 258 that implicates this streamline process.”¹²

The CenturyLink Affiliates prominently provision services to customers under the “CenturyLink” brand. As addressed above, the rates, terms and conditions of services provided by the CenturyLink Affiliates will not change as a result of this proposed intra-company corporate restructuring. Notification and authorization are thus not necessary. Accordingly, and in order to facilitate the timely consummation of these transactions, CenturyLink Affiliates request that this Commission waive any notification or customer consent that may be required in Rule 199 IAC 22.23(3)e.

2. Slamming Rules

As detailed in this Notice, the CenturyLink Affiliates intend to complete a *pro forma* internal restructuring that will be entirely seamless and transparent to customers. Given these facts, this restructuring does not present the type of change in service that the Board’s slamming rules are intended to prevent.¹³ Thus, the Parties respectfully request that the Board find that any

¹¹ *In the Matter of 2000 Biennial Review – Review of Policies and Rules Concerning Unauthorized Changes of Consumers’ Long Distance Carriers; Implementation of the Subscriber Carrier Section Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers*, First Report and Order in CC Docket No. 00-257, Fourth Report and Order in CC Docket No. 94-12916, FCC Rcd 11218 (2001).

¹² *Id.* At ¶13, n.24 (“indeed, in such cases, required notice of a change that is imperceptible to the affected subscribers might cause confusion where there would otherwise be none.”).

¹³ *See, In re AT&T Corp. and AT&T Communications of the Midwest, Inc.*, Order Approving Joint Application for Discontinuance of Service and Authorizing Transfer of Certificate, Docket No. SPU-2012-0007; *In re Terrill Telephone Company and Terrill Telephone Cooperative*, Order Approving Joint Application for Discontinuance of Service and Transfer of Certificate, Docket No. SPU-00-1, *In re GTE Midwest Inc. and Iowa Telecommunications Services, Inc.*, Order Terminating Docket, Granting Waiver, Designating as ETC, and Permitting Adoption of Price Plan, Docket No. SPU-99-29; and *In re US West Communications, Inc. and Citizens Telecommunications Company of Iowa*, Order Approving Partial Settlement, Authorizing Transfer of Certificate, Allowing Discontinuance of Service, Waiving 199 IAC 18.2, Designating as ETC and Permitting Adoption of Price Plan, Docket Nos. SPU-99-31, WRU-00-29-3047.

transfer of customers to CenturyLink QCC is not subject to the “slamming rules”, or in the alternative waive these rules.

3. Filing of Tariff

As required by Rule 199 IAC 22.2(3), CenturyLink QCC will file an updated tariff of its terms and conditions with the Board within sixty (60) days of the completions of the reorganization. The tariff will contain substantially the same terms and conditions as currently provided by each of the CenturyLink Affiliates. There will be no change in the rates or substantive terms and conditions under which the CenturyLink Affiliates currently serve their customers because of the reorganization.

V. THE CORPORATE RESTRUCTURING IS IN THE PUBLIC INTEREST

Multiple affiliated CLEC and IXC entities create intra-company operating inefficiencies and unnecessary administrative processes – both for the company and the Board. A rational streamlining of these affiliated corporate entities is in the public interest.

The proposed transactions will dissolve multiple corporate entities and will simplify the existing internal corporate structure. The proposed internal corporate structure reduces administrative costs and enables CenturyLink, Inc. to manage its CLEC and IXC business operations more efficiently. A reduction in the number of certificated and registered entities also will reduce the number of carriers subject to regulation by this Board, thereby conserving public resources. However, there will be no change in the Board’s oversight of the consolidated entities’ operations. A more efficient corporate structure will allow CenturyLink QCC and its subsidiaries and affiliates to devote additional resources to meeting the demands of consumers. Thus, this proposed internal corporate restructuring will benefit consumers and the State of Iowa.

VI. CONCLUSION

WHEREFORE, the CenturyLink Affiliates respectfully request that the Iowa Utilities Board expeditiously grant any and all approvals and waivers that may be required to implement the proposed internal corporate restructuring as addressed in this Notice, and grant any other relief deemed appropriate in advance of the expected April 1, 2014 transaction date.

Dated: February 12, 2014

Respectfully submitted,

By:

*/s/ Becky Owenson Kilpatrick
pro hac vice application pending*

/s/ David S. Sather

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