



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE JOINT PETITION OF) ORDER
QWEST COMMUNICATIONS COMPANY, LLC AND)
CERTAIN OF ITS COMPETITIVE LOCAL EXCHANGE)
CARRIER AND INTEREXCHANGE CARRIER)
AFFILIATES FOR ALL APPROVALS REQUIRED FOR)
INTERNAL CORPORATE RESTRUCTURING) DOCKET NO. TM13121182

Parties of Record:

Colleen Foley, Esq., Saul Ewing LLP, on behalf of Petitioners
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On December 18, 2013, Qwest Communications Company, LLC ("QCC") and the affiliates regulated and/or certified in New Jersey (collectively "Petitioners"), by their counsel and pursuant to N.J.S.A. 48:2-51.1, N.J.S.A. 48:3-7, N.J.A.C. 14:1-5.14, and any other applicable statutes and regulations, filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting Board approval to effectuate a corporate restructuring of Petitioners' Competitive Local Exchange Carrier ("CLEC") and Interexchange Carrier ("IXC") corporate entities. Following the reorganization, Petitioners will continue to provide service to all of their customers at the same terms, rates and conditions on which they currently offer such services to customers in the state.

BACKGROUND

QCC 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 is a direct wholly-owned subsidiary of CenturyLink, Inc. ("CenturyLink"). In New Jersey, QCC operates as an interexchange carrier ("IXC") and competitive local exchange carrier ("CLEC") pursuant to approvals previously granted by the Board.¹

¹ See In the Matter of the Petition of Qwest Communications Corporation Requesting Authority to Provide Local Exchange Telecommunications Services throughout the State of New Jersey, Docket No. TE09121421, Order dated June 29, 2001. In 2009, Qwest Communications Corporation converted to a Delaware limited liability company (Qwest Communications Company LLC).

ECI 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. In New Jersey, ECI operates as a switchless reseller and therefore not required to have a certificate of authority.

DISCUSSION

According to the petition, the proposed corporate restructuring will be implemented through several interrelated steps where QCC will become a direct wholly-owned subsidiary of CenturyLink, Inc., and QCC 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 QCC becomes a direct subsidiary of CenturyLink, all customers from various CLEC and IXC affiliates of CenturyLink Inc., including ECI, will be transferred to QCC, and those entities will be merged into QCC, liquidating and distributing assets and liabilities to QCC, thereafter, QCC will change its corporate name to "CenturyLink Communications, LLC."

Petitioners note that the proposed transactions will not result in any changes in rates, terms or conditions and therefore will be transparent to customers. QCC's customers will continue to be served by QCC, operating under its new corporate name, CenturyLink Communications, LLC. ECI's customers already receive service from ECI under the "CenturyLink" brand; thus, the only change customers will experience is to receive service that is more clearly and uniformly identified as a CenturyLink product.

In evaluating this petition, the Board must be satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, that there are no adverse impacts on any of the criteria delineated in N.J.S.A. 48:2-51.1; N.J.A.C. 14:1-5.14(c). Also, under N.J.S.A. 48:3-7 and N.J.S.A. 48:3-10, the Board is required to determine whether the public utility or a wholly owned subsidiary thereof may be unable to fulfill its pension obligations to any of its employees. Petitioners have indicated that there will be no reductions to CenturyLink's New Jersey employees as a result of the proposed restructuring.

The Petitioners assert that the transactions described herein will serve the public interest by enabling Petitioners to simplify and realign CenturyLink's existing corporate structure thereby reducing its reporting and accounting burdens and providing other efficiencies, enabling CenturyLink and its subsidiaries to become stronger competitors to the ultimate benefit of consumers. Moreover, Petitioners assert that the intra-company reorganization will not result in any change in the NJ Certificated Entities' management or day-to-day operations or adversely affect the NJ Certificated Entities' current or proposed operations. Moreover, the *pro forma* changes will not result in any changes in rates, terms or conditions and therefore will be transparent to customers.

The Division of Rate Counsel has reviewed this matter and, by letter dated January 13, 2014, states that it has no objection to a grant of Petitioners' requests because "the Joint Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity." Id. at 2.

FINDINGS AND CONCLUSIONS

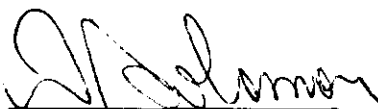
After a thorough review of the petition and all related documents, the Board concludes that there will be no negative impact on rates or service quality since Petitioners' New Jersey customers

will continue to receive the same services at the same rates and under the same terms and conditions. Also, the Board is satisfied that positive benefits will flow to customers based on the record presented by Petitioners, as the transaction will strengthen Petitioners' competitive posture in the telecommunications market, as the reorganization will result in a more streamlined corporate structure that will enable Petitioners to more efficiently achieve potential operational, administrative and strategic objectives. In addition, the Board is persuaded that Petitioners will make every effort to minimize any potential adverse impact to employees in New Jersey.

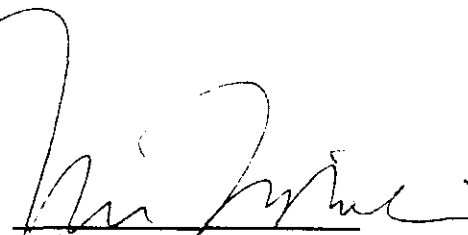
Accordingly, the Board **FINDS** that the proposed reorganization will have no material impact on the rates of current customers, or on employees. The Board also **FINDS** that the reorganization will have no negative impact on the provision of safe, adequate and proper service, and will positively benefit competition. Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board **FINDS** that the proposed reorganization is in accordance with the law and in the public interest. The Board **HEREBY APPROVES** the request by Petitioners for the reorganization and **HEREBY ORDERS** that Petitioners shall notify the Board of the closing of the proposed transaction within seven (7) days of consummation. This Order shall become effective upon service in accordance with N.J.S.A. 48:2-40.

DATED: 2/19/14

BOARD OF PUBLIC UTILITIES
BY:



DIANNE SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST: 
KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities


IN THE MATTER OF THE JOINT PETITION OF QWEST COMMUNICATIONS COMPANY,
LLC AND CERTAIN OF ITS COMPETITIVE LOCAL EXCHANGE CARRIER AND
INTEREXCHANGE CARRIER AFFILIATES FOR ALL APPROVALS REQUIRED FOR
INTERNAL CORPORATE RESTRUCTURING
DOCKET NO. TM13121182

SERVICE LIST

Colleen Foley, Esq.
Saul Ewing LLP
1037 Raymond Boulevard, Suite 1520
One Riverfront Plaza
Newark, NJ 07102
cfoley@saul.com

Sue Benedek, Esq.
Associate General Counsel
240 North Third Street, Suite 300
Harrisburg, PA 17101
sue.benedek@centurylink.com

Stefanie A. Brand, Esq.
Director, Division of Rate Counsel
140 Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
sbrand@rpa.state.nj.us

James F. Murphy
Division of Telecommunications
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
james.murphy@bpu.state.nj.us

Rocco Della Serra
Division of Telecommunications
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
rocco.della-serra@bpu.state.nj.us

Alex Moreau
Deputy Attorney General
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, New Jersey 07101
alex.moreau@dol.lps.state.nj.us