

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of

**QWEST CORPORATION, D/B/A
CenturyLink QC,**

**For an Order Authorizing the Transfer
of Assets or a Determination That an
Order Authorizing the Transfer Is Not Required**

DOCKET NO.: UT-250544

DIRECT TESTIMONY

OF

ROBERT BASS

ON BEHALF OF

FORGED FIBER 37, LLC (“AT&T”)

August 22, 2025

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I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Robert Bass. My business address is 20309 North Creek Parkway, Building L, Bothell, WA 98011. My business email address is rb3794@att.com.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by AT&T Services, Inc., a sister company of Forged Fiber 37, LLC, which is an indirect wholly owned subsidiary of AT&T Inc. (collectively referred to herein as “AT&T”). AT&T is acquiring a significant portion of the Mass Markets fiber-to-the-home business of Lumen Technologies, Inc. (“Lumen Technologies”), the parent company of Qwest Corporation d/b/a CenturyLink QC (“CenturyLink”), in the transaction that is the subject of this Application (the “Transaction”). For AT&T, I work as Assistant Vice President, National External Affairs and Pacific Northwest States.

Q. HOW LONG HAVE YOU BEEN EMPLOYED BY AT&T?

A. I have been employed by AT&T since 1998.

Q. PLEASE STATE YOUR QUALIFICATIONS TO PROVIDE TESTIMONY IN THIS PROCEEDING.

A. My career includes working over 27 years at AT&T, with leadership roles in Sales, Regulatory, and External and Legislative Affairs with state responsibility in Alaska, Hawaii, Minnesota, Nevada, Oregon and Washington. I currently work as Assistant Vice President, National External Affairs and Pacific Northwest States. As part of my role, I have the state responsibility for Alaska, Oregon and Washington. Additionally, I

1 manage AT&T's bipartisan relationships with national political organizations across the
2 political spectrum, and lead the Legislative Tracking Reporting and Compliance team at
3 AT&T. My bio is attached as Exhibit RB-2.

4 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

5 **A.** I graduated from the University of Nevada, Reno in 1997 with a Bachelor of Arts in
6 Political Science and a minor in American History. I have also completed 30 credit
7 hours towards a Master of Business Administration degree.

8 **Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE WASHINGTON**
9 **UTILITIES AND TRANSPORTATION COMMISSION?**

10 **A.** No.

11 **Q. IS ANYONE ELSE FILING DIRECT TESTIMONY IN THIS DOCKET ON**
12 **BEHALF OF AT&T?**

13 **A.** No.

14 **Q. PLEASE SUMMARIZE THE CONTENTS OF YOUR TESTIMONY.**

15 **A.** First, I will describe the business of AT&T and our strategic focus on connectivity.
16 Second, I will describe the Transaction. Third, I will describe certain public interest
17 benefits of the Transaction, including how the Transaction will stimulate investment,
18 expand world-class connectivity, create new jobs, and make high-speed fiber internet
19 access more widely available.

1 **Q. HOW WILL THIS TRANSACTION BENEFIT WASHINGTON CONSUMERS?**

2 **A.** AT&T will acquire a significant portion of the Mass Markets fiber-to-the-home business
3 of Lumen Technologies. Our financial resources, expertise, and experience will take
4 Lumen Technologies' Mass Markets fiber internet business to the next level. Combining
5 our demonstrated incentive and ability to deploy fiber quickly and efficiently with Lumen
6 Technologies' existing fiber assets, local resources, and expertise will generate
7 immediate and long-term consumer benefits. Thousands of Washington households will
8 gain access to broadband fiber service much faster than they otherwise would, and they
9 will get the benefit of our converged broadband and wireless offerings as well. Our
10 additional fiber and converged offerings will benefit *all* fixed and mobile broadband
11 consumers, regardless of whether they choose AT&T, by prompting competitive
12 responses from other providers, intensifying the already vibrant competition in both
13 broadband and wireless. Furthermore, the Transaction will do no harm to customers of
14 regulated voice service in Washington. CenturyLink will remain the provider for
15 regulated voice service, and AT&T will offer CenturyLink fiber connectivity for at least
16 three years to enable CenturyLink to provide services to the relatively few voice
17 customers CenturyLink serves with POTS over PONs.

18 **II. AT&T BUSINESS AND FIBER FIRST STRATEGY**

19 **Q. PLEASE PROVIDE AN OVERVIEW OF THE BUSINESS OF AT&T.**

20 **A.** With annual revenues exceeding \$120 billion in 2024, AT&T is one of the largest
21 telecommunications companies in the world and a leading provider of connectivity services.
22 Our Consumer Wireline business provides wireline broadband services, fixed wireless
23 broadband services, and legacy telephony voice communication services to residential

1 customers; our Business Wireline division offers advanced fiber services, fixed wireless
2 services, IP Voice and managed professional services, as well as legacy voice and data
3 services and related equipment, to enterprises; and our Mobility business provides
4 nationwide wireless service and equipment to residential and business customers.

5 **Q. WHAT ROLE DOES FIBER PLAY IN THE BUSINESS OF AT&T?**

6 **A.** AT&T, the nation's largest provider of residential broadband fiber services, is pursuing
7 a fiber-first strategy. We are building a fiber network to reach as many homes as
8 possible as fast as possible. For seven consecutive years, we have added one million or
9 more AT&T Fiber customers. We build an average of 3,300 route miles of local fiber –
10 enough to cross the United States – each month. We have invested more than
11 \$20 billion to deploy fiber since 2020. We have already surpassed our goal of passing
12 30 million customer locations by the end of 2025, and plan to double that over the next
13 five years to 60 million customer locations.¹ Below I further describe the structure of
14 the Transaction.

15 **Q. WHY DOES AT&T PLACE SUCH A STRONG EMPHASIS ON FIBER?**

16 **A.** Rapid deployment of Mass Markets fiber creates the opportunity for us to increase both
17 broadband sales *and* mobile wireless sales from converged offerings that combine
18 mobile and fixed broadband into a single package. Converged customers are happier
19 customers. Average revenue per customer is higher; customer acquisition costs are
20 lower; and retention is better. The economic success of such converged offerings

¹ Press Release, AT&T Inc., AT&T Expands Nation's Largest Fiber Network, Now Reaching More Than 30 Million Fiber Locations (June 10, 2025), <https://about.att.com/story/2025/30-million-fiber-locations.html>; Press Release, AT&T Inc., AT&T To Accelerate Fiber Network Expansion Following Passage of the One Big Beautiful Bill Act (July 3, 2025), <https://about.att.com/story/2025/accelerating-fiber-network-expansion-one-big-beautiful-bill-act.html>.

1 provides us with a particularly strong incentive to expand the reach of our fiber network
2 aggressively to make the converged offerings available to more and more customers.
3 Indeed, the incentive of higher returns on invested capital is so powerful that we
4 currently offer our existing fiber customers a 20% discount off their wireless bill when
5 they add wireless and vice versa. We currently offer wireless service in all geographies
6 in Washington covered by the Transaction.

7 **Q. DOES AT&T HAVE THE TECHNICAL QUALIFICATIONS TO DEPLOY AND**
8 **OPERATE A MASS MARKETS FIBER NETWORK?**

9 **A.** Yes. Our employees include some of the best scientists and engineers who conduct
10 research in a variety of areas, including IP networking, advanced network design and
11 architecture, network and cybersecurity, network operations support systems, and data
12 analytics. We invest heavily in research and development, spending \$955 million in
13 2024 alone to create new services and invent tools and systems to manage secure and
14 reliable networks.

15 **III. TRANSACTION DESCRIPTION**

16 **Q. PLEASE PROVIDE AN OVERVIEW OF THE TRANSACTION.**

17 **A.** On May 21, 2025, AT&T agreed to acquire a significant portion of the Mass Markets
18 fiber-to-the-home business of Lumen Technologies in Arizona, Colorado, Florida, Idaho,
19 Iowa, Minnesota, Nebraska, Nevada, Oregon, Utah and Washington (the “Business”). As
20 of May 21, 2025, the Business had about 1 million fiber customers and reached more
21 than 4 million fiber locations.

1 **Q. WHAT ASSETS WILL AT&T ACQUIRE FROM LUMEN TECHNOLOGIES?**

2 **A.** The Business that AT&T is acquiring from Lumen Technologies includes those portions
3 of the Mass Markets fiber assets as further described below, as well as certain Lumen
4 Technologies Mass Markets fiber internet customers.

5 **Q. WHAT LUMEN TECHNOLOGIES ASSETS ARE EXCLUDED FROM THE**
6 **TRANSACTION?**

7 **A.** CenturyLink (and the other ILEC subsidiaries of Lumen Technologies) will keep their
8 traditional copper circuit-switched telephone networks and their copper-based, lower-
9 speed broadband businesses, as well as their customers subscribing to these services
10 (including a relatively small number of voice customers receiving traditional Plain Old
11 Telephone Service (“POTS”) over a Passive Optical Network (“PON”) (“POTS over
12 PON”)). AT&T understands that CenturyLink also will remain subject to the regulatory
13 obligations associated with these businesses. CenturyLink (and the other ILEC
14 subsidiaries of Lumen Technologies) will retain their over-the-top VoIP subscribers.
15 Lumen Technologies also will continue to operate its enterprise business, including dark
16 fiber, Ethernet transport and termination, colocation products, and interoffice transport
17 facilities.

18 **Q. WILL AT&T OWN THE ENTIRETY OF WHAT IS NOW LUMEN**
19 **TECHNOLOGIES’ MASS MARKETS FIBER NETWORK?**

20 **A.** No. The high-level allocation of Lumen Technologies’ current fiber network between
21 AT&T and CenturyLink after closing is as follows. Lumen Technologies will transfer to
22 AT&T:

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6 It is my understanding that, in his Direct
7 Testimony, CenturyLink witness Peter Gose provides a detailed description of the fiber to
8 the premises architecture, including each of the elements that will be transferred to
9 AT&T.

10 **Q. WILL AT&T PROVIDE ANY SERVICES TO LUMEN TECHNOLOGIES OVER**
11 **THE MASS MARKETS FIBER ASSETS THAT AT&T IS ACQUIRING?**

12 **A.** Yes. CenturyLink uses to provide telephone
13 service to about customers in Washington through POTS over PON.
14 CenturyLink's existing POTS over PON voice customers will remain CenturyLink's
15 customers, and AT&T will not acquire them. AT&T will enter into a Fiber Connectivity
16 Services Agreement pursuant to which AT&T will provide fiber connectivity to Lumen
17 Technologies' ILEC subsidiaries, including CenturyLink, for at least 3 years.

18 **Q. HOW MANY LUMEN TECHNOLOGIES FIBER CUSTOMERS IN**
19 **WASHINGTON ARE AFFECTED BY THE TRANSACTION?**

20 **A.** The Lumen Technologies fiber assets involved in the Transaction pass about
21 locations and include about fiber broadband subscribers in Washington. A
22 majority of these locations are in the Seattle-Tacoma-Bellevue area, with additional
23 locations in the Spokane-Spokane Valley, Bellingham, Bremerton-Silverdale, and

1 Vancouver areas. Fiber passing about customer locations in Washington will
2 remain with Lumen Technologies.

3 **Q. WILL ANY LUMEN TECHNOLOGIES EMPLOYEES MOVE TO AT&T?**

4 **A.** It is expected that certain employees will receive offers to move from Lumen
5 Technologies or its affiliates to AT&T as part of this Transaction. AT&T is excited to
6 bring the knowledge and expertise of these individuals to our team – helping us bring the
7 best internet connectivity technology available, AT&T Fiber, to even more customers.
8 At this time, the exact number of employees to be made offers has not been finalized.

9 **Q. PLEASE DESCRIBE THE TRANSACTION STRUCTURE THAT IS SET OUT IN**
10 **THE PURCHASE AGREEMENT.**

11 **A.** A copy of the Purchase Agreement is attached as Exhibit RB-3. Two indirect wholly-
12 owned subsidiaries of AT&T Inc. – Forged Fiber 37, LLC and AT&T DW Holdings, Inc.
13 (solely with respect to certain guarantee obligations) – entered into a Purchase Agreement
14 with Lumen Technologies and five indirect wholly-owned subsidiaries of Lumen
15 Technologies – Q Fiber, LLC, 49 Percent Qwest Sub2, LLC, CenturyLink of Minnesota,
16 Inc., CenturyLink of Nevada, LLC, and CenturyLink of Florida, Inc. (collectively, the
17 “Sellers”). The Purchase Agreement governs the acquisition by Forged Fiber 37, LLC of
18 all the equity interests of five newly formed, wholly owned indirect subsidiaries of the
19 Sellers (collectively, the “TargetCos”). Following a series of pre-closing restructuring
20 transactions by Lumen Technologies and the Sellers, the TargetCos will own the
21 Business. At closing, Forged Fiber 37, LLC will acquire the TargetCos from the Sellers
22 in return for cash consideration of \$5.75 billion, subject to adjustments for working
23 capital and other negotiated purchase price adjustments specified in the Purchase

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1 Agreement. The TargetCos, which collectively own the Business, will become wholly-
2 owned subsidiaries of Forged Fiber 37, LLC, and then immediately thereafter, be merged
3 with and into Forged Fiber 37, LLC.

4 Following the Transaction, Forged Fiber 37, LLC will be a wholesale provider of
5 broadband services to internet service providers such as AT&T, who will in turn provide
6 broadband service to retail residential and small business customers.

7 **IV. PUBLIC INTEREST BENEFITS**

8 **Q. HOW WILL THE AT&T/LUMEN TECHNOLOGIES TRANSACTION BENEFIT**
9 **CONSUMERS?**

10 **A.** Let me first address public benefits more broadly, ignoring for the moment that this case
11 is more narrowly focused on whether the sale of a small segment of the assets that
12 CenturyLink uses to provide POTS over PON voice service to customers will do
13 harm to the public. AT&T's financial resources, expertise, and experience will take
14 Lumen Technologies' Mass Markets fiber internet business to the next level. Combining
15 our demonstrated incentive and ability to deploy fiber quickly and efficiently with Lumen
16 Technologies' existing fiber assets, local resources, and expertise will generate
17 immediate and long-term consumer benefits.

- 18 • Because we already offer mobile wireless in every area where Lumen
19 Technologies offers fiber today, millions of customers nationwide already served
20 by Lumen Technologies' residential broadband fiber will be eligible for any
21 applicable discounted converged offerings.

- Many more will benefit from our accelerated build-out of residential fiber internet in Lumen Technologies' territory. We project that between now and 2029 AT&T will be able to *double* the number of households that Lumen's fiber would have served.

So, millions more households will gain access to broadband fiber service much faster than they otherwise would – and they will get the benefit of our converged offerings as well.

Q. WHAT ARE SOME OF THE BENEFITS OF THE AT&T FIBER EXPERIENCE FOR CONSUMERS?

A. Fiber networks generally offer best-in-class performance for broadband connections that consumers rely on to work, learn, access health care, and connect with each other with greater speed and reliability than alternative broadband technologies. AT&T Fiber offers unique benefits, including All-Fi, which allows customers to enjoy wall-to-wall internet connectivity around the house. Optional mesh Wi-Fi extenders can help eliminate in-home dead zones. ActiveArmor advanced internet security comes with All-Fi Pro to provide more privacy and safety features. Smart Home Manager offers customers an easy way to personalize and manage their network, and associated experience, from their devices. We stand behind our fiber offering with a guarantee to fix qualifying service outages fast and credit the customer with a full day of service. AT&T Fiber is available in more households than any other fiber provider, rated as America's fastest internet with the most reliable speeds, and #1 in customer satisfaction.

1 **Q. HOW WILL A CONVERGED FIBER/WIRELESS OFFERINGS HELP**
2 **CONSUMERS IN WASHINGTON?**

3 A. Combining the Lumen Technologies Mass Markets fiber business and AT&T Mobility
4 under common ownership will give Washington residents access to converged wireline
5 and wireless broadband services from a single provider. Converged offerings from a
6 single provider allow continuous, reliable connectivity, coupled with greater customer
7 convenience. Unsurprisingly, more than 75% of our customers value the ease of working
8 with one company that can provide seamless wireless and broadband connectivity.
9 Customers will be immediately eligible for any applicable discounted converged
10 offerings. Today, we offer our existing fiber customers a 20% discount off their wireless
11 bill when they add wireless and vice versa.

12 **Q. WILL CONSUMERS WHO CHOOSE NOT TO SUBSCRIBE TO AT&T FIBER**
13 **STILL BENEFIT FROM THE AT&T/LUMEN TECHNOLOGIES**
14 **TRANSACTION?**

15 A. Yes. Our additional fiber and converged offerings will benefit *all* fixed and mobile
16 broadband consumers in these Lumen Technologies areas, regardless of whether they
17 choose AT&T, by prompting competitive responses from other providers, intensifying
18 the already vibrant competition in both broadband and wireless. In areas where we have
19 offered our converged package, cable, fiber, and fixed wireless broadband providers have
20 all consistently responded by dropping prices and improving speeds. Allowing our fiber
21 offerings to drive competition in Lumen's territory is therefore extremely likely to create
22 competition that benefits *all* broadband customers in that territory.

1 **Q. DOES AT&T EXPECT TO INCREASE THE NUMBER OF BROADBAND FIBER**
2 **CUSTOMERS IN WASHINGTON?**

3 A. Yes. We expect to significantly grow the number of broadband fiber customers within
4 the acquired fiber footprint, using our extensive distribution and the strengths of AT&T
5 Fiber. Over time, we expect to increase fiber customer penetration within the acquired
6 footprint to levels more consistent with our current penetration of AT&T Fiber.²

7 **Q. DOES AT&T EXPECT TO DEPLOY ADDITIONAL BROADBAND FIBER IN**
8 **WASHINGTON?**

9 A. Yes. Although we are still developing specific plans, we expect the Transaction will
10 bring increased infrastructure investment and result in faster deployment of high-speed
11 fiber internet access to Washington consumers. Combining Lumen Technologies' fiber
12 assets in Washington with AT&T's significant financial resources, technical and
13 managerial expertise, and experience from successfully operating the nation's largest
14 consumer fiber business, will expand investment in critical connectivity infrastructure.
15 We will build fiber in CenturyLink's territory far faster than CenturyLink has in the past
16 or potentially could in the future. The faster fiber networks can reach more locations in
17 Washington, the faster people will experience the benefits that fiber networks offer.

² Interview with AT&T Inc. CFO and Senior Executive Vice President Pascal Desroches at Mizuho Technology Conference (June 10, 2025), <https://investors.att.com/~media/Files/A/ATT-IR-V2/financial-reports/t-usq-transcript-2025-06-10.pdf> ("Currently, the penetration for – of that fiber footprint that was acquired [from Lumen] is about 25%. We see no reason why, with our distribution network and additional investments, we can't get it to 40%.").

1 **Q. CAN YOU SPEAK TO THE PUBLIC INTEREST CONSIDERATIONS SPECIFIC**
2 **TO THE RELATIVELY FEW POTS OVER PON CUSTOMERS LUMEN WILL**
3 **RETAIN?**

4 A. Yes. Based on reading the Application, I understand the scope of the Commission's
5 review in this case is (at most) whether the Commission should approve the transfer of
6 some of the assets that CenturyLink uses to provide POTS over PON voice service to
7 about customers. As discussed above, CenturyLink is retaining the customer
8 relationship for voice (remaining the provider to the customer) and is retaining most of
9 the facilities used to serve those customers. AT&T is purchasing only

10
11 . AT&T will continue to offer CenturyLink fiber connectivity to enable
12 CenturyLink to provide services to these customers for at least 3 years. While the parties
13 are still finalizing the underlying agreement, I understand that

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18 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

19 A. Yes.
20
21