

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

Joint Application of Qwest Communications International Inc. and CenturyTel, Inc. for Approval of Indirect Transfer of Control of Qwest Corporation, Qwest Communications Company LLC, and Qwest LD Corp.

DOCKET NO. UT-(new)

**JOINT APPLICATION FOR EXPEDITED APPROVAL
OF INDIRECT TRANSFER OF CONTROL**

1. Qwest Communications International Inc. (“QCII”) and CenturyTel, Inc (“CenturyLink”),¹ respectfully request the approval of the indirect transfer of control of QCII’s operating subsidiaries, Qwest Corporation (“Qwest Corp”), Qwest LD Corp (“QLDC”) and Qwest Communications Company LLC (“QCC”) (collectively “Qwest”) to CenturyLink (the “Transaction”).² This Transaction meets the requirements of Chapters 80.12 RCW and 480-143 WAC, and will result in a combined company with greater network and financial resources to provide voice, broadband data, and other advanced communications services to Washington customers. The combination will

¹ CenturyTel, Inc. will change its name to CenturyLink, Inc. with shareholder approval on May 20, 2010.

² Applicants acknowledge that the Transaction will result in various CenturyLink subsidiaries becoming affiliates of the Qwest entities. Those subsidiaries include the following entities operating in Washington: CenturyTel of Washington, Inc., CenturyTel of Inter-Island, Inc., CenturyTel of Cowiche, Inc., CenturyTel Long Distance, LLC, CenturyTel Solutions, LLC, CenturyTel Fiber Company II, LLC, United Telephone Company of the Northwest, and Embarq Communications, Inc., collectively referred to as the “CenturyLink Washington Operating Subsidiaries.” However, the Transaction does not result in any change in control of the CenturyLink Washington Operating Subsidiaries, or in a merger or consolidation of the CenturyLink Washington Operating Subsidiaries with any Qwest operating entity, and they are not therefore listed as applicants in this Application. Nonetheless, the full impact of the Transaction on the CenturyLink Washington Operating Subsidiaries is described herein in the event that it is argued that these entities have some how “merged” as a result of the Transaction.

result in a company that will have the national breadth and local depth to provide a compelling array of products and services to its customers. The Applicants therefore request that the Commission approve this Joint Application (“Application”) expeditiously to allow Applicants to timely consummate the Transaction. In support, the Applicants state as follows:

I. INTRODUCTION

2. The Transaction combines two leading communications companies with customer-focused, industry-leading capabilities, together with complementary networks and operating footprints.³ The Transaction is a stock-for-stock transaction that requires no new financing or refinancing and adds no new debt.⁴ It will provide the combined company with greater financial resources and access to capital enabling it to invest in networks, systems and employees that can reach more customers with a broad range of innovative products and voice, data and entertainment services over an advanced network. The combination creates a robust, national, approximately 180,000 mile fiber network that will allow CenturyLink to deliver strategic and customized product solutions to business, wholesale, and government customers throughout the nation by combining Qwest’s significant national fiber-optic network and data centers and CenturyLink’s core fiber network. The Transaction provides the financial, managerial and operational strength to better position the company to offer more customers the full array of broadband products and video entertainment that will enable the company to compete against cable companies and technology substitution within its local regions. The Transaction is consistent with the public interest and should be approved.

³ Attached as Exhibit A is a map showing Applicants’ Washington operating footprints.

⁴ Attached as Exhibit B is a chart showing the pre- and post-Transaction corporate structure.

II. THE TRANSACTION

3. On April 21, 2010, Qwest Communications International, Inc., CenturyTel, Inc., and SB44 Acquisition Company (“Acquisition Company”) entered into an Agreement and Plan of Merger (“Merger Agreement”) which describes the transaction subject to this Application.⁵ CenturyLink is a publicly traded holding company with incumbent local exchange carrier operations in 33 states, including Washington. Qwest Communications International Inc. is a publicly traded holding company with incumbent local exchange carrier operations in 14 states and nationwide competitive local exchange and interexchange operations. Acquisition Company is a direct wholly-owned subsidiary of CenturyLink created to effectuate this Transaction. Under the terms of the Merger Agreement, QCII and Acquisition Company will merge, after which QCII will be the surviving entity and the separate corporate existence of Acquisition Company will cease.⁶ Also following completion of the Transaction, four directors from the QCII Board will be added to the CenturyLink Board of Directors, including Edward A. Mueller, QCII’s Chairman and Chief Executive Officer (CEO). This addition will increase the number of CenturyLink directors from 13 pre-Transaction to 17 post-Transaction.
4. Under the terms of the Merger Agreement, QCII will become a wholly-owned, first tier subsidiary of CenturyLink. Exhibit B attached to this Application depicts the pre- and post-Transaction corporate structure. As shown, there will be no change in corporate structure of the respective CenturyLink and Qwest operating entities as a result of the

⁵ A copy of the Merger Agreement is available at <http://www.centurylinkqwestmerger.com/downloads/sec-filings/Qwest-8K%204-22-10.pdf> and a copy is attached as Exhibit C.

⁶ QCII will adopt the By-Laws and Certificate of Incorporation of Acquisition Company.

Transaction. QCII's operating subsidiaries, Qwest Corp, QCC, and QLDC will remain subsidiaries of QCII. Further, because this Transaction is a combination of the parent company only, it is not a transaction in which local exchanges, companies, or assets are being sold, combined or transferred to a new provider.

5. The Transaction is a tax free, stock-for-stock business deal with no new debt or refinancing required. Shareholders of QCII will receive 0.1664 shares of CenturyLink for each share of QCII common stock owned at closing. Upon closing, the shareholders of pre-merger CenturyLink will own approximately 50.5% of post-merger CenturyLink and the shareholders of pre-merger QCII will own approximately 49.5% of post-merger CenturyLink. CenturyLink will issue new stock to acquire QCII; it is not paying cash or financing the Transaction through debt.
6. The Transaction is a straightforward combination and strengthening of companies that will maintain and enhance current operations. In fact, it has none of the financial or tax structure complexities or characteristics of other recent transactions that have been the subject of criticism by some state commissions. To the contrary, this Transaction does not involve the sale and transfer of regulated companies, exchanges or assets from one entity to another or the issuance of new debt or refinancing.
7. The Transaction contemplates a parent-level transfer of control of QCII only. Qwest Corp, QCC, QLDC, and the CenturyLink Washington Operating Subsidiaries⁷ will

⁷ The CenturyLink Washington operating subsidiaries are: CenturyTel of Washington, Inc., CenturyTel of Inter-Island, Inc., CenturyTel of Cowiche, Inc., CenturyTel Long Distance, LLC, CenturyTel Solutions, LLC, CenturyTel Fiber Company II, LLC, United Telephone Company of the Northwest, and Embarq Communications, Inc., collectively referred to as the "CenturyLink Washington Operating Subsidiaries" or in the case of CenturyTel of Washington, Inc., CenturyTel of Inter-Island, Inc., CenturyTel of Cowiche, Inc., and United Telephone Company of the Northwest, collectively referred to as the "CenturyLink Washington ILECs."

continue as separate carriers and each will continue to have the requisite managerial, technical and financial capability to provide services to its customers. Immediately upon completion of the Transaction, end user and wholesale customers will continue to receive service from the same carrier, at the same rates, terms and conditions and under the same tariffs, price plans, interconnection agreements, and other regulatory obligations as immediately prior to the Transaction; as such, the Transaction will be seamless to the customers. Any subsequent service or price changes will be made, just as they are now, in accordance with all applicable rules and laws.⁸ Moreover, the Transaction does not alter or change the jurisdiction of the Commission over Qwest Corp, QCC, QLDC, or the CenturyLink Washington Operating Subsidiaries, and they remain subject to the same obligations after closing of the Transaction.

III. PARTIES

A. DESCRIPTION OF CENTURYLINK

8. CenturyLink is a publicly traded Louisiana corporation with headquarters at 100 CenturyLink Drive, Monroe, Louisiana. CenturyLink is included in the Fortune 500's list of America's largest corporations.⁹ CenturyLink is a leading provider of high-quality voice and broadband services over its advanced communications networks to consumers

⁸ In view of the current rapidly changing communications market, any provider, including post-Transaction CenturyLink, must constantly review its pricing strategy and product mix to respond to marketplace demands. While rates, terms and conditions will be the same immediately after the Transaction as immediately before the Transaction, prices and product mixes necessarily will change over time as marketplace, technology, and business demands dictate. The affected entities will make such changes only following full compliance with all applicable rules and laws.

⁹ CenturyLink's most recent 10K filing to the Securities and Exchange Commission is available at: <http://ccbn.10kwizard.com/xml/download.php?repo=tenk&ipage=6796970&format=PDF>. It is attached as Exhibit D to this application.

and businesses in 33 states.¹⁰ CenturyLink serves approximately 7 million access lines nationwide, 2.2 million broadband subscribers, and over 553,000 video subscribers.¹¹ CenturyLink has a successful history of providing services to rural America and has evolved into a company that serves every segment of the consumer and business markets through a complete array of voice and data services.

9. CenturyLink has a local, community-based approach to serving its customers. This community-based approach focuses on allocating decision-making and accountability close to its customer base, under the philosophy that services, bundles and pricing should suit the customer needs of the particular local area or market. This local market focus allows flexibility in the development of products and bundles to be offered in different geographic areas and has been a proven success. CenturyLink intends to continue and extend its local market focus under the newly combined company.
10. CenturyLink has an established track record of successfully integrating companies, including its most recent acquisition of Embarq Corporation. Previous to the Embarq acquisition, CenturyLink had executed five other transactions wherein it acquired more than two million access lines. In addition, CenturyLink acquired fiber assets in 2003 and 2005. CenturyLink employs a best-in-class view towards company integration, combining the finest talent and most efficient and successful practices of the two merging companies. In consideration of the talent pool of employees, services, innovation, and commitment to service quality that currently resides in both CenturyLink and Qwest, the

¹⁰ In addition to Washington, CenturyLink has incumbent local exchange carrier operations in Louisiana, Oregon, Idaho, Montana, Wyoming, Nebraska, Minnesota, Iowa, New Mexico, Colorado, Nevada, Ohio, Indiana, Michigan, Illinois, Wisconsin, Pennsylvania, New Jersey, Tennessee, Virginia, North Carolina, South Carolina, Florida, Georgia, Alabama, Mississippi, Texas, Arkansas, Oklahoma, Missouri, Kansas, and California.

¹¹ As of December 31, 2009.

combined and integrated company will have an augmented supply of human and technological resources to service rural and urban customers.

11. The CenturyLink Washington ILECs provide local exchange services, serving approximately 200,000 access lines in the state. The remaining CenturyLink Washington Operating Subsidiaries provide CLEC and interexchange carrier services in the state. The CenturyLink Washington ILECs also provide interconnection services to CLECs through numerous interconnection agreements approved by this Commission.

B. DESCRIPTION OF QWEST

12. Qwest Communications International Inc. is a publicly traded Delaware corporation, with headquarters at 1801 California Street, Denver, Colorado. QCII, through its operating subsidiaries, offers a complete suite of communications services to consumers and businesses, including local, long distance, high speed data, and, through sales relationships with Verizon Wireless and DIRECTV, wireless and video services. QCII is in the Fortune 500's list of America's largest corporations.¹² With its industry-leading national fiber-optic network and world-class customer service, Qwest is the choice of 95% of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers.
13. As a subsidiary of QCII, Qwest Corp provides incumbent local exchange services in 14 states, serving approximately 10.3 million local access lines.¹³ Qwest Corp is authorized by this Commission to provide local exchange services, serving approximately 1.6

¹² QCII's most recent 10K filing to the Securities and Exchange Commission is available at: <http://www.fuelteam.wallst.com/modules/secfilings/drawFiling.asp?docKey=136-000119312510032428-1CV9M1AOLSA5RAV3V7GT46DI4S&formType=10-K&date=2/16/2010&docFormat=PDF>. It is attached as Exhibit E to this application.

¹³ Access lines as of December 31, 2009. In addition to Washington, Qwest is an incumbent local exchange provider in Colorado, Oregon, Idaho, Montana, Wyoming, Nebraska, North Dakota, South Dakota, Minnesota, Iowa, Utah, Arizona, New Mexico.

million access lines as well as intrastate interexchange services in Washington. Qwest Corp provides regulated retail and wholesale services under the jurisdiction of this Commission, as well as interconnection services to CLECs through numerous interconnection agreements approved by this Commission.

14. QCC is authorized by this Commission to provide long distance and competitive local exchange services. In addition to Washington, QCC provides facilities-based and resold interexchange and competitive local exchange operations nationwide.¹⁴
15. The Commission has also authorized QLDC to provide interexchange services. QLDC is the entity formed by Qwest as part of the approval processes under Section 271 and 272 of the Telecom Act to provide interLATA services originating in Washington.
16. Communications and correspondence for the proceeding herein should be sent to the following individuals:

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¹⁴ QCC is authorized to provide interexchange services in all states and is authorized as a competitive local exchange carrier in the District of Columbia and all states except Alaska.

IV. STANDARD OF REVIEW

17. Chapter 80.12 RCW grants the Commission authority to approve the transfer requested in this Application. In approving this Transaction, the Commission must consider whether the Transaction is consistent with the public interest. As addressed below, the transfer of control of the parent of Qwest Corp, QCC, and QLDC satisfies all applicable criteria.

V. THE TRANSACTION IS CONSISTENT WITH THE PUBLIC INTEREST

18. The Transaction is consistent the public interest and will provide benefits to consumers of the combined company without a resulting net harm. The communications industry has changed dramatically in the last several years, and the industry continues to experience change at a frenetic pace. Competition, and particularly intermodal competition, is widespread with wireless and wireline carriers competing vigorously for customers. Local wireline carriers face increasing competition from other wireline providers, such as CLECs and cable operators, that offer combinations of voice, video and data services. As a result of this robustly competitive market environment and the rapidly changing fundamentals of the wireline business, carriers such as Qwest and CenturyLink must adapt to compete more effectively. Wireline businesses now require greater strategic flexibility to bring new products and expanded services to the marketplace more quickly and to enhance customer service. These evolving market dynamics place unique pressures on companies such as Qwest and CenturyLink. The financial strength and flexibility, the more diverse mix of product offerings, the increased scale, the stronger product portfolio and the approximately 180,000-mile fiber network combine to position the post-Transaction CenturyLink to better compete against cable

companies and technology substitution within its local regions—and nationally—to meet the unique needs of business, wholesale, government and residential customers.

19. Qwest and CenturyLink have complementary local and long distance markets and a strong tradition of customer-centric approach. CenturyLink's regional operating model and targeted marketing focus coupled with Qwest's industry-leading network and strong business, government and wholesale focus will position the combined company to improve and expand deployment of innovative IP products and services to business customers, to expand broadband availability and increased broadband speeds to consumers, to deploy additional fiber-to-the-cell-tower capabilities, and to offer new video choices to better serve customers.

20. The communications industry has been and is expected in the future to be the subject of rapid and fundamental changes in technology, customer preferences, and the competitive landscape. Rapid changes in technology and customer preferences require equally rapid responses and execution strategies by telecommunications carriers. To respond rapidly and succeed most effectively in this competitive market environment, carriers must have a strategic focus on providing products and services that differentiate them in the market, and they need sufficient scale to execute upon their strategic focus. Even a carrier that knows its customers' preferences cannot compete effectively in today's marketplace without sufficient size and scope to match those preferences with suitable products or services offered at affordable rates. The Transaction will result in a combined enterprise that can achieve greater economies of scale and scope than the two companies operating independently. This, in turn, will enhance the ability of the post-Transaction enterprise to

focus more strategically and rapidly respond to customer preferences in providing a full portfolio of quality, advanced communications services that will differentiate the company in the markets it serves.

21. Additionally, with CenturyLink's distinctive expertise in serving smaller, rural areas and Qwest's industry-leading national fiber-optic network, data centers, and enterprise business experience, the post-Transaction enterprise will be positioned to capitalize on its collective knowledge of its local customers' preferences and to deliver innovative technology and product offerings to both its urban and rural markets. Customers will benefit from increased access to those offerings, and the post-merger CenturyLink will benefit from retaining and attracting customers whose needs are satisfied by its offerings, service quality and customer care. The public interest will be served by the Transaction as it will allow the new company to bring to bear the combined resources of Qwest and CenturyLink on the shared, singular focus of delivering a full portfolio of services that meet the targeted needs of the consumer, business, and wholesale customers served.

22. Consumers of communications services, including both residential consumers and businesses, have more choices than ever before in the market for local and long distance calling, high speed Internet and other data, video, and wireless services. Intermodal competition to provide these services is now widespread. The two companies combined will be a national telecommunications company serving approximately 17 million access lines, over 5 million broadband customers, over 1.4 million video subscribers, and 850,000 wireless customers.¹⁵ As such, the Transaction will enable the combined

¹⁵ Pro Forma combined customer statistics as of December 31, 2009.

company to become a stronger competitor. At the same time, the public interest in preserving competition is not harmed as there is no meaningful reduction in competition especially since there is virtually no overlap in the companies' incumbent local exchange operations. And, where competition exists currently between Qwest and CenturyLink for government or enterprise customers, there is an abundance of other providers from which customers may choose, and thus the Transaction will not lessen competition materially in these markets.

23. Ensuring the continuation of high quality service and customer experience pre- and post-merger is vitally important. Qwest and CenturyLink understand that continuing to meet customer needs is its top priority. The Transaction will not change that focus. To the contrary, the customer service, network and operations functions that are critical to each company's success today will continue to be key focuses when the Transaction is complete. The post-Transaction company will be staffed to ensure that continuity.

24. As indirect subsidiaries of CenturyLink post-Transaction, Qwest Corp, QCC, and QLDC will maintain and enhance their capability to provide high quality telecommunications services and to introduce advanced services. Similarly, CenturyLink's operating subsidiaries will continue to provide high quality telecommunications services and to introduce advanced services post-Transaction. The increased scale, more diverse mix of offerings, and stronger product pipeline of the combined company will provide a compelling array of products and services to better serve its post-Transaction customers.

25. Furthermore, because this is a parent-level transaction only, with no change in the regulated entities, the Transaction will not result in the Commission losing any of its

current authority over the regulated companies. To the contrary, immediately upon completion of the Transaction the Commission retains exactly the same regulatory authority over Qwest Corp, QCC, QLDC and the CenturyLink Washington Operating Subsidiaries that the Commission possesses immediately prior to the Transaction. Nor does the Transaction result in any change to the regulatory status and current obligations of Qwest Corp, QCC, QLDC and the CenturyLink Washington Operating Subsidiaries. Instead, Qwest Corp, QCC, QLDC and the CenturyLink Washington Operating Subsidiaries will remain subject to the same price regulation structure, service quality and performance obligations, tariffing requirements, and other applicable orders, rules and regulations as they do now. Moreover, because the Transaction results in no direct change to the operating entities, it is seamless to customers. For example, there is no change in services or rates as result of the Transaction, and Qwest Corp, QCC, QLDC and the CenturyLink Washington Operating Subsidiaries will continue to provide local exchange service and to offer long distance service subject to the same rules, regulations and applicable tariffs or catalog terms as they now do.¹⁶ Likewise, the terms and prices for existing wholesale services under Qwest Corp's and the CenturyLink ILECs' access tariffs will be unchanged, and there is no impact on the terms of any existing interconnection agreements or on any obligations under the laws governing interconnection.

26. As it has pre-Transaction, CenturyLink will maintain and evolve comprehensive compensation and benefit programs to allow the post-Transaction company to recruit and

¹⁶Future rate changes will continue to be governed by the same rules and procedures as today. In every case, the end user and wholesale obligations and regulatory requirements are subject to future modification by Commission and legislative decisions.

retain highly qualified and motivated employees. While the dynamics of the labor and benefits markets—irrespective of the Transaction—may necessitate changes to the company’s compensation and benefit plans from year-to-year, the Transaction itself will not result in compensation and benefit changes that would hamper CenturyLink’s ability to remain competitive in the market for employees.

27. The Transaction will in no way affect the obligations created in the CenturyTel/Embarq merger order.¹⁷ CenturyLink restates here its commitment to comply with and abide by all applicable conditions and obligations on behalf of itself and all of its subsidiaries operating in Washington. Neither will the Transaction affect any unexpired terms or conditions established in the Embarq separation docket.¹⁸ Again, CenturyLink restates here its commitment to comply with and abide by any such unexpired terms or conditions on behalf of itself and all of its relevant subsidiaries operating in Washington.

28. Because the Transaction occurs at the holding company level, it also will not affect operation of the Qwest AFOR.¹⁹ On July 24, 2007, the Commission issued Order 06 in Docket UT-061625, accepting Qwest’s settlement regarding the conditions of its Washington AFOR, with certain conditions. Subsequent orders in that docket approved additional conditions of the AFOR regarding a carrier to carrier service quality plan, a rural broadband expansion plan, and a four year AFOR timeline. This AFOR will remain

¹⁷ *In the Matter of the Joint Application of Embarq Corporation and CenturyTel, Inc., For Approval of Transfer of Control of United Telephone Company of the Northwest d/b/a Embarq and Embarq Communications, Inc.*, Docket No. UT-082119, Order No. 5.

¹⁸ *In the Matter of the Request of Sprint Nextel Corporation for an Order Declining to Assert Jurisdiction Over or, in the Alternative, Application for Approval of the Transfer of Control of United and Sprint Long Distance, Inc. from Sprint Nextel Corporation to LTD Holding Company*, WUTC Docket No. UT-051291, Order 06

¹⁹ *In the Matter of the Petition of Qwest Corporation, For an Alternative Form of Regulation Pursuant to RCW 80.36.135*. Docket No. UT-061625, and applicable orders.

in place until November 30, 2011, and the post-merger company will continue to comply with all pricing, service quality, reporting and other requirements as defined in the AFOR. The AFOR review will start on February 28, 2011, nine months prior to the fourth anniversary of the AFOR. During this period, Qwest and Commission Staff will conduct a review of the provisions of the AFOR to determine if changing conditions warrant its modification.

29. In sum, nothing in the Transaction will change any of the terms of the AFOR. The Transaction will not result in customer disruption or confusion; the combined entity's services will continue to be offered under the same regulatory regime that exists today. Any changes to such services will require regulatory approval commensurate with the form of regulation which applies to those services pre-merger, subject to future Commission or legislative modifications.

VI. THE COMBINED COMPANY WILL MAINTAIN FINANCIAL, MANAGERIAL AND OPERATIONAL STRENGTH

A. FINANCIAL STRENGTH OF THE COMBINED COMPANY

30. One of the Transaction's key benefits is the resulting financial condition of the combined company. A financially stronger company can continue to provide high quality services in rural areas, compete against cable telephony providers, wireless carriers, VoIP offerings, and CLECs, develop more advanced broadband and IP-based services, and provide a more viable third alternative to the large business and enterprise services offered by AT&T and Verizon.

31. The Transaction offers the financial strength and flexibility for the operating subsidiaries of the post-Transaction CenturyLink to continue providing outstanding service and

enhanced offerings to customers, while delivering returns to shareholders. For the twelve months ended December 31, 2009, the combined company would have had pro forma revenue of nearly \$20 billion, pro forma EBITDA of approximately \$8.2 billion, and pro forma free cash flow of approximately \$3.4 billion, excluding synergies. The combined company's pro forma net leverage would have been 2.2 times EBITDA for the 12 months ended December 31, 2009, including synergies on a full run-rate basis and excluding integration costs. The Transaction requires no new financing or refinancing and adds no new debt.

32. These attributes help insure that CenturyLink will continue to have a sound capital structure and significant free cash flow generation that will provide the fiscal stability to pursue necessary strategies and to deliver industry leading products and services to customers. As subsidiaries of the combined company, this financial strength will continue to allow Qwest Corp, QCC, QLDC, and the CenturyLink Washington Operating Subsidiaries to have the financial stability and access to capital necessary to continue to invest in networks, systems and employees and to provide reliable services in the ever-increasingly competitive telecommunications marketplace.

B. MANAGERIAL AND TECHNICAL CAPABILITIES OF THE COMBINED COMPANY

33. The combined company's senior leadership team will consist of proven leaders with extensive experience in the telecommunications industry and a successful track record of integration. To that end, Glen F. Post, III, the current CEO and President of CenturyLink, will continue to be the CEO and President of the post-merger CenturyLink.

R. Stewart Ewing, Jr. the current Chief Financial Officer (CFO) of CenturyLink, will

continue to be the CFO of the post-merger CenturyLink. Karen A. Puckett, the current Chief Operating Officer (COO) of CenturyLink, will continue to be COO of post-merger CenturyLink. Finally, Christopher K. Ancell, currently the Executive Vice President of Business Markets Group for QCII, will be the President of the Business Markets Group for post-merger CenturyLink. These executives among them have nearly 100 years of experience in the telecommunications industry, and many years of leadership at their respective companies.

34. CenturyLink has demonstrated the very best in managerial and technical capability to serve rural and urban America, including the 200,000 access lines in its existing ILEC operating area in Washington. As mentioned, Qwest and CenturyLink understand that continuing to meet customer needs is its top priority and that focus will not change. To the contrary, the customer service, network and operations functions that are critical to each company's success today will continue to be key focuses, and the local operations of Qwest Corp and the CenturyLink Washington ILECs will continue to be managed by employees with extensive knowledge of the local telecommunications business and with a commitment to the needs of the local community. Similar to the CenturyTel/Embarq transaction, the planned integration for this Transaction will combine the best managerial and technical talent from both companies to serve all of the combined company's market segments. Adopting the best operational practices from the merging companies will further enhance the already strong customer centric commitment of the combined company.

35. Moreover, CenturyLink has a demonstrated ability to acquire and successfully integrate companies and to combine operational systems and practices, while continuing to provide

high quality service to customers. For example, integration activities related to the Embarq transaction show the successful results of careful planning and seamless execution. Financial and other operating systems have been converted and integrated. A phased billing system conversion has enabled legacy-Embarq customers to convert to CenturyLink's state of the art customer service and billing system with no degradation of the customer experience. The CenturyLink brand was launched with minimal customer confusion and popular products were expanded throughout the combined footprint.

36. In sum, the Transaction will enhance the managerial and technical capabilities of the companies to enable them to continue to provide high quality services to rural and urban areas of Washington.

VI. REQUEST FOR EXPEDITED PROCEEDINGS

37. The Applicants respectfully seek expedited approval of this Application. By combining two companies with complementary network footprints and unparalleled commitment to serving local customers, including rural customers, the Transaction will create significant economies of scale and scope and give the combined firm greater financial strength and flexibility to compete and to ensure that the combined enterprise is well positioned to weather future economic downturns. Expedited treatment is requested to allow the Applicants to more quickly integrate the companies in order to bring those benefits to consumer, business, and wholesale customers and shareholders sooner.

38. Competitors of CenturyLink and Qwest now have the benefit of planning their competitive responses to the prospective combined company and trying to capitalize on any delay or perceived uncertainty. Expedited treatment of this Application will allow

the new company to promptly engage and quickly respond to the ever-changing telecommunications marketplace.

39. Accordingly, CenturyLink and Qwest respectfully request the Commission to complete its review of this Application by December 31, 2010. In furtherance of expedited treatment of this Application, Applicants request that the Commission shorten the notice period for scheduling of a prehearing conference from 20 to 14 days pursuant to WAC 480-07-440 and RCW 34.05.434.

VII. CONCLUSION

40. The Transaction is a straightforward, parent-level stock-for-stock transfer of control of QCII. It does not involve complex financial or tax structures nor result in additional debt or new financing or refinancing conditions. Qwest Corp, QCC, QLDC, and the CenturyLink Washington Operating Subsidiaries will continue to provide services just as they do today but through a parent with even greater financial strength, a stronger customer-centric and regional operating model, and a robust, national fiber network that will enable it to reach more customers with a broader range of voice, broadband data, and other advanced communications services. Applicants therefore respectfully request that, pursuant to Chapters 80.12 RCW and 480-143 WAC and any other applicable law, the Commission approve: (1) The indirect transfer of control of QCII's operating subsidiaries; (2) the request for expedited approval; and (3) any other relief or approvals required by Washington law.

Respectfully submitted this 13th day of May, 2010



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