

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of the Joint Petition for Approval
of Indirect Transfer of Control of Qwest
Operating Companies to CenturyLink

**FINDINGS OF FACT,
CONCLUSIONS OF LAW,
AND RECOMMENDATION**

TABLE OF CONTENTS

STATEMENT OF ISSUES.....	2
FINDINGS OF FACT.....	3
I. Background.....	3
A. Parties.....	3
B. Procedural History.....	5
II. Nature of the Proposed Transaction.....	11
III. Summary of Public Comments.....	16
IV. Settlement Agreements.....	16
A. 360 networks.....	17
B. DOC.....	17
C. CWA.....	26
D. Integra.....	27
V. Is the Proposed Transaction in the Public Interest under Minn. Stat.	
§§ 237.23 and 237.74, subd. 12?.....	36
A. Positions of the Parties.....	36
B. Would the post-merger company have the financial, technical,	
and managerial resources to enable the Qwest and CenturyLink	
Operating Companies to continue providing reliable, quality	
telecommunications services in Minnesota?.....	39
1. Financial Resources.....	39
2. Managerial Resources	42
3. Technical Resources.....	43

C.	What impact would the transaction have on Minnesota customers and on competition in the local telecommunications market?.....	44
1.	Impact on Retail Customers.....	44
2.	Impact on Competition in the Local Market.....	45
D.	What impact would the transaction have on Commission authority?.....	51
VI.	What, if any, additional conditions are necessary to ensure that the proposed transaction is in the public interest?.....	51
A.	Joint CLECs' Proposed Conditions.....	51
1.	36-Month Extension of Current Wholesale/Commercial Agreements at Current Rates, Terms and Conditions.....	53
2.	Ability to Port ICAs.....	60
3.	Additional OSS Commitments.....	64
4.	Use of Rural Exemption.....	72
5.	Commitment to Single Point of Interconnection per LATA....	77
6.	Directory Listing and Directory Assistance Practices.....	79
7.	Moratorium on Non-Impairment and Forbearance Filings....	81
8.	Commitment to Implement APAP.....	83
B.	Level 3's Additional Proposed Conditions.....	87
1.	Leveraging of Billing Disputes.....	87
2.	Rural CLEC Arbitrage.....	88
3.	Uniform 3-Year Extension of ICAs.....	89
4.	8YY Traffic.....	90
5.	Billing Dispute Deadlines.....	90
6.	ISP-Bound Traffic.....	91
C.	Joint Wireless Carriers' Proposed Conditions.....	92
1.	Reduction of Access Charges.....	92
2.	Consolidation/Porting of Existing ICAs.....	95
3.	Extension of Existing ICAs for 48 Months.....	96
4.	One-Day Number Porting.....	97
5.	Enforcement Provisions for Merger Conditions.....	97
D.	Suburban Rate Authority Concerns.....	98
	CONCLUSIONS OF LAW.....	100
	RECOMMENDATION.....	101
	APPENDIX A (Summary of Public Comments)	