

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of	)	DOCKET UT-100820
	)	
QWEST COMMUNICATIONS	)	ORDER 18
INTERNATIONAL INC. AND	)	
CENTURYTEL, INC.	)	ORDER GRANTING STAFF'S
	)	MOTION FOR SECOND
For Approval of Indirect Transfer of	)	EXTENSION OF TIME TO
Control of Qwest Corporation, Qwest	)	RESPOND TO CENTURYLINK'S
Communications Company LLC, and	)	PETITION TO RELEASE
Qwest LD Corp.	)	ESCROWED FUNDS AND
	)	ELIMINATE FUTURE ESCROW
	)	PAYMENTS
.....	)	

1 **PROCEEDING.** On May 13, 2010, Qwest Communications International, Inc. (Qwest) and CenturyTel, Inc. (CenturyLink) filed a joint application with the Washington Utilities and Transportation Commission (Commission) for expedited approval of the indirect transfer of control of Qwest's operating subsidiaries, Qwest Corporation, Qwest LD Corp., and Qwest Communications Company LLC to CenturyLink.

2 **PROCEDURAL HISTORY.** On March 14, 2011, the Commission entered Order 14, approving the acquisition of Qwest by CenturyLink, subject to several conditions, one of which required CenturyLink to separate its broadband deployment commitment of \$80 million from general corporate funds and place those monies in an irrevocable escrow account over a three year period.<sup>1</sup> The Commission directed CenturyLink to deposit the first installment of \$30 million into the escrow account within 30 days after the transaction's close.<sup>2</sup> The next two payments would be due on

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<sup>1</sup> Order 14 – Final Order Approving and Adopting, Subject to Conditions, Multiparty Settlement Agreements and Authorizing Transaction, ¶ 249.

<sup>2</sup> *Id.*

the transaction's anniversary in 2012 and 2013, respectively.<sup>3</sup> The Commission authorized CenturyLink to petition the Commission quarterly for reimbursement of monies from the escrow account.<sup>4</sup> Since the transaction closed on April 1, 2011, the second broadband escrow installment would have been due on April 1, 2012. However, CenturyLink requested and the Commission granted a sixty-day extension of time, until May 31, 2012, within which to satisfy that requirement.

3 **PETITION FOR RELEASE OF FUNDS AND ELIMINATION OF ESCROW REQUIREMENT.** On March 30, 2012, CenturyLink filed a Petition for Release of Funds from Broadband Escrow Account and Elimination of Requirements for Future Escrow Payments (Escrow Petition).<sup>5</sup> Specifically, CenturyLink is seeking Commission approval to discontinue further payments into the broadband escrow account. CenturyLink contends that it has made substantial progress in achieving its broadband deployment commitment in Washington.<sup>6</sup> In fact, CenturyLink asserts that its broadband expenditures already exceed \$55 million for the first two escrow installments.<sup>7</sup>

4 The Commission asked parties to respond to CenturyLink's Escrow Petition by April 13, 2012. On that day, the Commission's regulatory staff (Staff)<sup>8</sup> filed a Motion for

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<sup>3</sup> Order 14 – Final Order Approving and Adopting, Subject to Conditions, Multiparty Settlement Agreements and Authorizing Transaction, ¶ 249.

<sup>4</sup> *Id.* at ¶ 250.

<sup>5</sup> Escrow Elimination Petition, ¶ 2. While CenturyLink has styled its request for disbursement as a petition, the request is more akin to a compliance filing. As such, the request will be processed as a compliance filing on a separate track from the Petition. The Company's petition to eliminate the requirement of future escrow payments is in essence a motion to amend Order 14.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at ¶ 3. CenturyLink states that it has expended more than \$57 million on expansion of fiber-based high speed Internet services in 2011 in Washington State. *Id.* at ¶ 8.

<sup>8</sup> In formal proceedings, such as this, the Commission's regulatory staff participates like any other party, while the Commissioners make the decision. To ensure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners' policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

Extension of Time to Respond to CenturyLink's Escrow Petition (Staff's Motion).<sup>9</sup> Specifically, Staff requested that the Commission extend the response deadline to May 7, 2012.<sup>10</sup> The Commission granted this request.<sup>11</sup>

5 **STAFF'S MOTION FOR SECOND EXTENSION OF TIME.** On May 4, 2012, Staff filed a Motion for Further Extension of Time to Respond to CenturyLink's Escrow Petition (Staff's Second Motion). Staff asserts that it needs additional time due to constrained resources.<sup>12</sup> According to Staff, its review and response of CenturyLink's Escrow Petition should be completed by July 13, 2012.<sup>13</sup> Recognizing the potential for prejudice to CenturyLink this delay may cause, Staff proposes suspension of CenturyLink's obligation to deposit its second escrow installment by May 31, 2012, until the Commission rules on CenturyLink's Escrow Petition.<sup>14</sup> Staff states that CenturyLink and Public Counsel do not object to this request.

6 **COMMISSION DECISION.** Pursuant to WAC 480-07-385(2), the Commission will grant a motion for extension of time to which all of the parties agree unless it is inconsistent with the public interest or the Commission's administrative needs. Neither is the case here. Additional time to analyze the data provided by CenturyLink will help Staff provide the Commission with an informed response to CenturyLink's Escrow Petition. Further, since the Commission has not yet adopted a procedural schedule, Staff's Second Motion for an Extension of Time is not contrary to the administrative needs of the Commission. Thus, Staff's Motion should be granted.

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<sup>9</sup> Staff informally alerted the presiding officer that a motion would be forthcoming several days prior to the deadline.

<sup>10</sup> Staff's Motion, at ¶ 1.

<sup>11</sup> See Order 17.

<sup>12</sup> Staff's Second Motion, at ¶ 1.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at ¶ 2.

**ORDER**

**THE COMMISSION ORDERS That:**

- 7 (1) Staff's Motion for Further Extension of Time to Respond to CenturyLink's Petition to Release Escrowed Funds and Eliminate Future Escrow Payments is granted. Commission Staff's response is due July 13, 2012.
- 8 (2) CenturyLink's second escrow installment requirement is suspended pending Commission review and determination.

Dated at Olympia, Washington, and effective May 7, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARGUERITE E. FRIEDLANDER  
Administrative Law Judge