

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of)	DOCKET UT-100820
)	
QWEST COMMUNICATIONS)	ORDER 21
INTERNATIONAL INC. AND)	
CENTURYTEL, INC.)	
)	FINAL ORDER GRANTING
For Approval of Indirect Transfer of)	CENTURYLINK’S PETITION FOR
Control of Qwest Corporation, Qwest)	WAIVER OF MERGER-RELATED
Communications Company LLC, and)	CONDITIONS REGARDING OSS
Qwest LD Corp.)	ISSUES
)	
.....)	

1 **PROCEEDING.** On May 7, 2015, CenturyLink, Inc. (CenturyLink or the Company) filed a Petition for Waiver of Merger-Related Conditions Regarding Operations Support Systems (OSS) Issues (OSS Waiver Petition). CenturyLink requests a waiver of two conditions the Washington Utilities and Transportation Commission (Commission) imposed upon the Company in its Order 14, which conditionally approved CenturyLink’s merger with Qwest Communications International Inc. (Qwest). Specifically, the Commission required that CenturyLink file a report detailing the competitive local exchange carrier (CLEC) testing and voting process it employed during the OSS conversion process, 60 days prior to placing the OSS into production. The Commission also indicated that, based on the report it received, it might require third-party testing of the OSS replacement prior to implementation of the system.¹

2 **BACKGROUND.** On March 14, 2011, the Commission entered Order 14, approving the acquisition of Qwest by CenturyLink, subject to several conditions, two of which are at issue in CenturyLink’s OSS Waiver Petition. Based on concerns raised by several CLECs during the proceeding that the Company would replace the legacy Qwest OSS too quickly with systems lacking in functionality and capability,² the Commission imposed two conditions:

- CenturyLink would file a report detailing all aspects of the acceptance testing process used during the Qwest legacy OSS replacement, including identification of all CLEC participants in the testing and voting process, the identification and

¹ Order 14, ¶ 121.

² *Id.*, ¶ 118.

explanation of all disputes arising between the CLECs and the combined company, and a comprehensive synopsis of the outcomes. The Company would file the report with the Commission no less than 60 days prior to the planned replacement (60 Day Report). The 60 Day Report would also include verification from CenturyLink management responsible for implementing the OSS replacement that the replacement meets all requirements within the settlements between CenturyLink and Integra Telecom of Washington, Inc. (Integra), the Commission's regulatory staff (Staff),³ and the Public Counsel Section of the Washington Office of the Attorney General, as well as the Commission imposed conditions.

- Depending on the contents of the OSS replacement report, the Commission also reserved the right to require third-party testing of any replacement OSS prior to implementation.

3 **OSS WAIVER PETITION.** The Company intends to convert two legacy Qwest OSSs to existing CenturyLink OSSs.⁴ CenturyLink states that the legacy Qwest billing system known as Integrated Access Billing System (IABS) will be replaced with Carrier Access Billing System (CABS), and the CenturyLink Online Request Application (CORA) ordering system, used for Access Service Requests (ASRs), will be replaced with Electronic Administration and Service order Exchange (EASE).⁵ Both CABS and EASE are currently in use and operational in various legacy CenturyLink and Embarq service areas.⁶ The Company has noticed the changes, which are expected to be implemented in mid-2016, to CLECs and other customers via the Change Management Process (CMP).⁷ CenturyLink asserts that the additional conditions contained within paragraphs 120 and 121 of Order 14 do “not enhance the process, but rather would simply add time to the end of the process, delaying implementation of a proven industry standard OSS that is already being used by the companies that operate in CenturyLink’s other markets.”⁸

³ In formal proceedings, such as this, the Commission's regulatory staff functions as an independent party with the same rights, privileges, and responsibilities as other parties to the proceeding. There is an “*ex parte* wall” separating the Commissioners, the presiding Administrative Law Judge, and the Commissioners’ policy and accounting advisors from all parties, including regulatory staff. RCW 34.05.455.

⁴ OSS Waiver Petition, ¶ 7.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*, ¶ 8.

⁸ *Id.*

- 4 According to CenturyLink, the CLECs' concerns with the replacement of the legacy Qwest OSS centered around diminished wholesale service quality and incentives for CenturyLink to hamper competition with an inferior OSS.⁹ The Company argues that the last four years have shown these concerns to be unfounded.¹⁰ Wholesale service quality, as evidenced by the Company's Performance Assurance Plan, has not diminished nor has CenturyLink rushed the OSS conversion.¹¹
- 5 CenturyLink asserts that the Company's CMP "is a long-standing process for change management...and is the forum in which the OSS changes are proposed, discussed, and approved, and it provides a consistent and [predictable] process across all legacy Qwest states and provides for input from all CLECs."¹² The Company states that testing of the replacement OSS will last for 120 days, and the test participants will vote whether to accept the replacement system.¹³ By CenturyLink's calculations, the additional 60 Day Report condition imposed by the Commission would add a minimum of 53 days to the targeted conversion date without providing a benefit to CLECs.¹⁴
- 6 Waiver of the 60 Day Report would nullify the third-party testing possibility contained within paragraph 121 of Order 14. CenturyLink argues that the third-party testing was made conditional upon the information the Commission received in the 60 Day Report.¹⁵ Absent the 60 Day Report, the Company asserts that the Commission would not have a basis for imposing third-party testing of the OSS replacement.¹⁶ This provision, added by the Commission, was not required by any other state commission or the FCC, and CenturyLink contends that it does not enhance the transition process.¹⁷ The third-party

⁹ *Id.*, ¶ 16.

¹⁰ *Id.*, ¶ 17.

¹¹ *Id.*, ¶ 18. Pursuant to the CLEC settlement agreements in this proceeding, CenturyLink was only required to wait 30 months to implement the conversion. It has been over 4 years since the Commission entered Order 14.

¹² *Id.*, ¶ 25.

¹³ *Id.*, ¶ 26. The CMP would typically include testing for 30 days, but the merger guidelines from the Federal Communications Commission (FCC), state commissions, and the settling parties expanded this period to 120 days.

¹⁴ *Id.*, ¶¶ 27-28.

¹⁵ *Id.*, ¶ 32.

¹⁶ *Id.*

¹⁷ *Id.*, ¶ 33.

testing possibility, if imposed, could actually delay the implementation of the replacement OSS for all states since the conversion will be performed for all states at the same time.¹⁸

7 **COMMENTS.** Staff and Integra filed comments addressing CenturyLink’s OSS Waiver Petition. Staff states that the CLECs in this proceeding are the parties with the knowledge and interest to best determine whether they need the two conditions CenturyLink would like waived.¹⁹

8 Integra asserts that it does not oppose CenturyLink’s waiver request, and based on its active participation in the CMP, Integra states that the transition process should proceed smoothly.²⁰ Integra has reviewed and commented on CenturyLink’s Consolidation Plan, and from those comments, the Company released a revised Consolidation Plan based on Integra’s feedback.²¹ Integra argues that CORA, the Company’s current system for processing ASRs, and EASE, CenturyLink’s proposed replacement for CORA, “are closely aligned with the industry standard Access Service Ordering Guidelines with very little customization or company specific business rules.”²²

9 Additionally, Integra places more Local Service Requests (LSRs) with CenturyLink than it does ASRs.²³ The Company is not seeking a waiver of the provisions in paragraphs 120 and 121 for the LSR OSS, only for the OSS that would handle ASRs.²⁴

10 **COMMISSION DECISION.** We grant CenturyLink’s petition to waive the merger conditions in paragraphs 120 and 121 relating to the conversion of the legacy Qwest billing system known as IABS to CABS and the legacy Qwest ordering system used for ASRs known as CORA to EASE. The two conditions in paragraphs 120 and 121 were included to address concerns that the OSS replacements CenturyLink adopted would have little to no input from the CLECs, that the conversion would be hastily undertaken, and that the opportunity might be used to gain a competitive advantage. We accept the parties assertions that these concerns have not materialized.

¹⁸ *Id.*

¹⁹ Staff’s Comments at 2.

²⁰ Integra’s Comments at 2.

²¹ *Id.*

²² *Id.* at 3.

²³ *Id.*

²⁴ *Id.*

- 11 With regard to the CLECs concerns about lack of input, we find that CenturyLink has reasonably kept potentially affected carriers informed of its Consolidation Plan and the comments received from at least one CLEC in a revised Consolidation Plan. As Integra has admitted, this process has proved useful.
- 12 Neither has the Company attempted to hastily convert the legacy systems. CenturyLink was required to wait 30 months before replacement of the OSS systems. It is now more than four years following the Commission's approval of the merger, and the actual replacement isn't expected to occur until the middle of 2016. This time frame greatly transcends the restricted timeframe requirements of the Commission's Order 14.
- 13 Finally, the Commission requested comments from parties to the merger proceeding regarding the Company's request for a waiver. The only CLEC to respond, Integra, does not oppose the request. If the CLECs that participated in the merger proceeding remained concerned about CenturyLink's proposed OSS modifications towards CABS or EASE, one or more carriers would have voiced this concern to the Commission. However, no such comments were received.
- 14 Accordingly, CenturyLink's OSS Waiver Petition, requesting waiver of the conditions in paragraphs 120 and 121 of Order 14 with regard to the Company's conversion of its ASR ordering system and billing system, is granted.

FINDINGS OF FACT

- 15 Having discussed above in detail the evidence received in this proceeding concerning all material matters, and having stated findings and conclusions upon issues in dispute among the parties and the reasons therefore, the Commission now makes and enters the following summary of those facts, incorporating by reference pertinent portions of the preceding detailed findings:
- 16 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with authority to regulate rates, rules, regulations, practices, and account of public service companies, including telecommunications companies.
- 17 (2) On March 14, 2011, the Commission entered Order 14, authorizing CenturyLink to acquire indirect control of Qwest in Docket UT-100820, subject to several multiparty settlement agreements and additional Commission-imposed conditions.

- 18 (3) Based on concerns raised by several CLECs during the proceeding, the Commission imposed two conditions in paragraphs 120 and 121 of Order 14. The first requires CenturyLink to file a report detailing all aspects of the acceptance testing process used during the legacy Qwest OSS replacement, including identification of all CLEC participants in the testing and voting process, the identification and explanation of all disputes arising between the CLECs and CenturyLink, and a comprehensive synopsis of the outcomes. The Company would file the report with the Commission no less than 60 days prior to the planned replacement.
- 19 (4) The Commission also reserved the right to require third-party testing of any replacement OSS prior to implementation.
- 20 (5) On May 7, 2015, CenturyLink filed a Petition for Waiver of Merger-Related Conditions Regarding OSS Issues.
- 21 (6) The legacy Qwest billing system known as IABS will be replaced with CABS, and the CORA ordering system used for ASRs will be replaced with EASE.
- 22 (7) The Company has noticed the changes to CLECs and other customers, expected to be implemented in mid-2016, via the CMP.
- 23 (8) Integra, the only CLEC to file comments on CenturyLink's waiver request, does not oppose the waiver, and based on its active participation in the CMP process, Integra states that the transition process should proceed smoothly.

CONCLUSIONS OF LAW

24 Having discussed above all matters material to this decision, and having stated detailed findings, conclusions, and the reasons therefore, the Commission now makes the following summary conclusions of law, incorporating by reference pertinent portions of the preceding detailed conclusions:

- 25 (1) The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of, and parties to, this proceeding.
- 26 (2) The concerns that warranted the additional conditions in paragraphs 120 and 121 of Order 14, with regard to the conversion of the legacy Qwest billing system and the legacy Qwest ordering system for ASRs, have not materialized.

- 27 (3) Commission should approve CenturyLink's request for a waiver of the conditions in paragraphs 120 and 121 regarding the transition of the legacy Qwest billing system and the legacy Qwest ordering system for ASRs.

ORDER

THE COMMISSION ORDERS That:

- 28 (1) CenturyLink's Petition for Waiver of Merger-Related Conditions Regarding OSS Issues is granted.
- 29 (2) The Commission retains jurisdiction to effectuate the terms of this Order.

Dated at Olympia, Washington, and effective July 21, 2015.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner

NOTICE TO PARTIES: This is a Commission Final Order. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-07-850, or a petition for rehearing pursuant to RCW 80.04.200 and WAC 480-07-870.