

**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 UT-250544

ORDER 06

INITIAL ORDER

APPROVING SETTLEMENT

**BACKGROUND**

<sup>1</sup> On July 7, 2025, Qwest Corporation d/b/a CenturyLink QC (CenturyLink or Company) filed with the Washington Utilities and Transportation Commission (Commission) an Application for an Order Authorizing the Transfer of Assets or Determination that an Order Authorizing the Transfer Is Not Required (Application) under chapter 80.12 Revised Code of Washington (RCW) and chapter 480-143 Washington Administrative Code (WAC) and any other authority as may be deemed necessary to effectuate the transaction.<sup>1</sup> On July 8, 2025, CenturyLink filed its current financial statements and a copy of the Asset Purchase Agreement.<sup>2</sup>

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<sup>1</sup> Application of Qwest Corp., d/b/a CenturyLink QC, Docket UT-250544, *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* (July 7, 2025) (Redacted) (hereinafter “CenturyLink Application”). CenturyLink is subject to Commission jurisdiction under an Alternative Form of Regulation (AFOR) that the Commission approved in Docket UT-240029. *See In the Matter of the Petition of the CenturyLink Companies – Qwest Corporation; Centurytel of Washington; Centurytel of Interisland; Centurytel of Cowiche; and United Telephone Company of the Northwest to Be Competitively Classified Pursuant to RCW 80.36.320*, Order 08, Docket No. UT-240029, Attachment A, Second Full Multiparty Settlement Agreement, Docket UT-240029, Attachment A, Plan for Alternative Form of Regulation (AFOR) for the Washington State CenturyLink ILECs (Feb. 7, 2025) (Prior to the Commission’s approval of CenturyLink’s currently effective AFOR, CenturyLink was subject to an earlier AFOR approved and extended by the Commission in Docket UT-130477).

<sup>2</sup> *See* CenturyLink’s Response to BR-2, Attachment A (Current Financial Statements), Attachment B (Asset Purchase Agreement) (Jan. 5, 2026). The contents of CenturyLink’s Response to BR-2, Attachments A and B, were originally filed in this Docket by CenturyLink on July 8, 2025; *see also* Robert Bass, Exh. RB-3 (Purchase Agreement) (Aug. 22, 2025).

- 2 The Application involves CenturyLink’s sale to Forged Fiber 37, LLC (AT&T) of a significant portion of its fiber network, which it calls its “mass market fiber-to-the-home business” (the Transaction). The transferred fiber assets constitute a substantial portion of CenturyLink’s fiber assets in Washington and a majority of its “last mile” modern fiber optic facilities capable of providing voice and broadband services, as well as the bulk of its associated broadband operations serving residential and small business customers.<sup>3</sup> CenturyLink provides a more detailed description and a diagram illustration of the fiber assets that are subject to the Transaction in the Direct Testimony and Exhibits of CenturyLink witness Peter J. Gose.<sup>4</sup>
- 3 CenturyLink relies on some of the fiber assets that are being transferred under the Transaction to provide telephone voice service to customers as “Plain Old Telephone Service” (POTS) over a “Passive Optical Network” (PON) (POTS over PON).<sup>5</sup> This service is subject to Commission jurisdiction under an Alternative Form of Regulation (AFOR), which the Commission approved in Docket UT-240029. CenturyLink states in its Application that it provides other services to customers in Washington that are not regulated by the Commission, such as broadband internet access services and “VoIP” or “Voice over Internet Protocol” voice service.
- 4 The Commission convened a virtual prehearing conference on August 11, 2025, before Administrative Law Judges (ALJs) Connor Thompson and Ann Paisner.<sup>6</sup> On August 22, 2025, the Commission issued Order 01, Prehearing Conference Order and Notice of

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<sup>3</sup> Settlement Testimony of Jonathon Church, Exh. JC-1CT at 5:11-14 (citing Direct Testimony of Peter J. Gose, Exh. PJG-1TC at 16:7-10); *see also* Church, Exh. JC-1CT at 3:17-20 (citing AT&T, AT&T to Acquire Lumen’s Mass Markets Fiber Business (May 21, 2025), available at <https://about.att.com/story/2025/lumen-mass-markets-fiber-business.html> (last visited Jan. 15, 2026)); Lumen, Lumen Tech. Advances Enterp. Focus with Sale of Consumer Fiber-to-the-Home Business to AT&T (May 21, 2025), available at <https://ir.lumen.com/news/news-details/2025/Lumen-Technologies-Advances-Enterprise-Market-Focus-with-Sale-of-Consumer-Fiber-to-the-Home-Business-to-ATT/default.aspx> (last visited Jan. 15, 2026)); *see also* Gose, Exh. PJG-3C (Map: Washington Fiber Assets to be Sold to AT&T).

<sup>4</sup> Gose, Exh. PJG-1TC at 5:6-15:9 and PJG-4C through PJG-12C.

<sup>5</sup> *See* Gose, Exh. PJG-1CT at 5:6-6:24; Joint Testimony, Exh. PJG-RB-1TC at 5:1-6. While CenturyLink has used the acronym “POP” in testimony as an acronym for “POTS over PON,” the Commission declines to do so to avoid confusion.

<sup>6</sup> ALJ Connor Thompson was withdrawn, and ALJ Ann Paisner was assigned as the presiding officer in this Docket by the Commission through a Notice issued on August 15, 2025. *Notice of Withdrawal and Substitution of Presiding Officer*, Docket UT-250544 (Aug. 15, 2025).

Hearing (Order 01) that established a procedural schedule setting an evidentiary hearing for February 2-3, 2026.<sup>7</sup>

- 5 Both CenturyLink and AT&T submitted pre-filed direct testimony and exhibits from their respective witnesses on August 22, 2025. CenturyLink and AT&T witnesses Peter J. Gose and Robert Bass each recommend Commission approval and provide that the Transaction is consistent with the public interest and meets the Commission’s standard for public service company asset transfer approvals under RCW 80.12.020 and WAC 480-143-170.<sup>8</sup>
- 6 The procedural schedule was suspended on November 26, 2025, after Commission staff (Staff) in this docket communicated to the parties and the presiding ALJ in this proceeding that Staff, CenturyLink, and AT&T (Settling Parties) had reached a full multiparty settlement in principle, which the Public Counsel Unit of the Washington State Attorney General’s Office (Public Counsel) was not likely to oppose.<sup>9</sup> The parties further consented to the hearing being presided over by ALJ Paisner, sitting without the Commissioners, and to the issuance of an initial order by the ALJ after a hearing convened on the proposed settlement.<sup>10</sup>
- 7 On December 2, 2025, Public Counsel sent an email to ALJ Paisner and all of the parties to this matter confirming its intention not to oppose the proposed settlement.
- 8 On December 3, 2025, the Commission issued a Notice Suspending and Revising Procedural Schedule and Notice of Hearing in this docket, which allowed for a settlement hearing to be scheduled at a later date.
- 9 On December 5, 2025, CenturyLink filed the full multiparty Settlement Agreement, including seven conditions described in Attachment A (Settlement Agreement) in this docket along with the supporting Joint Testimony and exhibits from witnesses on behalf

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<sup>7</sup> Order 01 at 8 ¶ 23.

<sup>8</sup> Gose, Exh. PJG-1CT at 17:13-23:14; Direct Testimony of Robert Bass, Exh. RB-1TC at 3:1-13:19.

<sup>9</sup> WAC 480-07-740(2)(c) (“Parties should inform the presiding administrative law judge as soon as they reach a settlement in principle and request that the commission suspend the procedural schedule or make other arrangements for filing and review of the parties’ settlement agreement after the parties have executed it.”).

<sup>10</sup> WAC 480-07-330(2) (“When serving alone as the presiding officer, the administrative law judge will enter one or more initial orders, unless the parties and the commission agree to waive an initial order, or applicable law prohibits entry of an initial order.”); *see also* WAC 480-07-825.

of CenturyLink and AT&T (the Companies). On the same date, Staff filed Settlement Testimony in support thereof. The Settlement Agreement resolves all the issues in this proceeding and is attached to this Order as Appendix A.

- 10 On December 17, 2025, the Commission issued Order 05 in this docket, which modified the procedural schedule and set the date for both the virtual settlement hearing and virtual public comment hearing for January 5, 2026. Order 05 also modified the notice period for the virtual public comment hearing to the 15-day period for shortened notice contemplated in chapter 480-120 WAC.
- 11 On January 5, 2026, the Commission convened a hearing on the proposed settlement presided over by the ALJ in this proceeding. All of the parties stipulated to the admission of the prefiled testimony and exhibits in this docket. The Settling Parties each individually provided statements in support of the Commission’s approval of the proposed settlement.<sup>11</sup>
- 12 Public Counsel stated its position that it does not oppose the settlement but acknowledged that the evidence in this case favors finding that the Transaction will not harm customers and also noted that CenturyLink’s customers, and telecommunications in Washington broadly, will benefit from the terms of the Settlement Agreement. In particular, Public Counsel highlighted the Settlement Agreement terms that promote expansion of fiber optic cable to improve access to and quality of internet service across Washington state, maintain CenturyLink’s “Price for Life” service option, maintain POTS over PON service, improve technician and budget spending ratios to customer lines, commits investment to address voice service quality issues, and provide bill credit for missed technician appointments. Public Counsel also highlighted as beneficial the reporting obligations in the Settlement agreement that enable the Commission to monitor and address issues that may arise.<sup>12</sup>
- 13 ALJ Paisner asked several questions regarding the asset transfer and the conditions described in the Settlement Agreement. The Settling Parties’ witnesses provided responses and additional clarity to the record regarding the Transaction and Settlement terms.

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<sup>11</sup> Roberson, TR 34:5–40:2; Sherr, TR 40:6–43:20; Busch, TR 43:23–45:11.

<sup>12</sup> Robinson O’Neill, TR 45:15–50:9.

14 Over the course of the proceeding, written comments were submitted by 95 commenters.<sup>13</sup> Some of those commenters also offered comments in person at the January 5, 2026, virtual public comment hearing, where 22 individuals provided comments.<sup>14</sup> Almost all of the customers who provided comments, either in person or in writing, expressed frustration and concerns about the poor quality of service they received from CenturyLink, including: (1) the repeated failure of the Company's technicians to show up for service appointments at the customer's address; (2) CenturyLink's failure to remove abandoned equipment that was no longer functional or was left after service was provided by CenturyLink technicians; (3) dissatisfaction with receiving two separate bills for internet and voice services as a result of the Transaction where both services were previously billed together; and (4) increased concern that Century Link's service quality will continue to deteriorate after the sale of assets to AT&T.<sup>15</sup>

15 In addition many commenters do not believe the Transaction will result in any improvements to service quality and expect it to lead to increased rates for both voice and internet services.<sup>16</sup> Some commenters express concern over whether the Price for Life service will remain available.<sup>17</sup> Several commenters complain about being without service, including emergency 911 service, for multiple weeks, and about how CenturyLink technicians have failed to show up for several appointments.<sup>18</sup> Customers expressed concerns over the possible cessation of legacy copper wire voice services, which they wish to continue to receive.<sup>19</sup> One commenter expressed an interest in expansion of fiber internet services to their location where such services do not presently exist.<sup>20</sup>

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<sup>13</sup> See Offer of Public Comment Exhibit, BR-1, Attachments A-R (Jan. 8, 2026).

<sup>14</sup> See CenturyLink Asset Transfer Public Comment Hearing Recording, Docket UT-250544 (Jan. 6, 2026).

<sup>15</sup> See BR-1, Attachments A-R; CenturyLink Asset Transfer Public Comment Hearing Recording, Docket UT-250544 (Jan. 6, 2026).

<sup>16</sup> BR-1, Attachment A at 1, 15-16.

<sup>17</sup> *Id.* at 6, 19, 26, 30, 32, 33.

<sup>18</sup> *Id.* at 6, 8-11, 24, 26-28, 34.

<sup>19</sup> *Id.* at 6 19, 29.

<sup>20</sup> *Id.* at 35.

16 Adam Sherr represents CenturyLink. Richard Busch, Busch Law Firm PLLC, represents AT&T. Jeff Roberson, Assistant Attorney General, represents Staff. Tad Robinson O'Neill, Assistant Attorney General, Seattle, Washington, represents Public Counsel.

**THE PROPOSED FULL MULTIPARTY SETTLEMENT AGREEMENT<sup>21</sup>**

**A. The Seven Conditions in the Proposed Settlement Agreement**

17 The proposed Settlement Agreement and supporting testimony and exhibits were filed in this docket on December 5, 2025. The Settlement Agreement includes seven conditions, which are each described below. CenturyLink and AT&T filed supporting testimony and exhibits jointly, while Staff filed its supporting Settlement Testimony separately.

**1. Condition 1: General Conditions.**

18 The Commitments in Condition 1 requires CenturyLink to retain books and records pertaining to CenturyLink's compliance with the Settlement Agreement on a rolling three-year basis with respect to each obligation until the earlier of (a) three years since the time the obligation has been satisfied or (b) seven years from the date of the Agreement. CenturyLink is required to provide access to these records to the Commission. These conditions require CenturyLink to seek amendment to the order approving the transaction if any changes occur to the substantive transaction conditions and terms affecting Commission regulated services. CenturyLink is also required to respond in a reasonably timely manner of up to five (5) business days with supporting details and applicable data to Commission and Commission Staff requests and inquiries related to the conditions and reporting requirements of the Settlement Agreement.

19 Staff provides in its Settlement Testimony that the terms of Condition 1 will ensure the Commission has timely access to the information necessary to determine whether the Companies comply with the Settlement Agreement.<sup>22</sup> The Companies provide in their

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<sup>21</sup> The Settlement Agreement, including the seven conditions in its Attachment A, is included as Appendix A to this Order. Appendix A is incorporated into, and made part of, this Order by this reference. In this Order, we briefly summarize the Settlement's proposed commitments. To the extent any arguable inconsistency exists between our summary and the terms of the Settlement, the terms of the Settlement control.

<sup>22</sup> Church, Exh. JC-1CT at 11:12-12:2.

Joint Testimony that this condition is intended to promote transparency and accountability, which supports a “no harm” finding.<sup>23</sup>

**2. Condition 2: Voice Maintenance Commitment.**

- 20 Condition 2 of the Settlement Agreement establishes requirements for CenturyLink to maintain an access line-to-technician ratio and a maintenance budget-to-customer ratio, both of which it must maintain for seven years following the close of the asset transfer transaction.
- 21 Section 2.1 of Condition 2 establishes the required number of technician staff that CenturyLink must maintain to serve its customers based on the number of CenturyLink’s residential and business customer lines in Washington. This section also requires CenturyLink to achieve the required ratio within six months of the closing date of the transaction, to act in good faith to reach compliance as quickly as possible, and to maintain at least 184 technicians during that six-month period.
- 22 Section 2.2 of Condition 2 establishes the required “maintenance budget” minimums that CenturyLink must maintain for seven years following the closing of the transaction based on the number of residential and small business access lines CenturyLink has in Washington. The “maintenance budget” shall mean funds, including labor costs, dedicated to maintaining, repairing, rehabilitating, or replacing broken, damaged, or deteriorated voice facilities causing or reasonably anticipated to cause customer service outages or impairments. At the January 5, 2026, settlement hearing, CenturyLink clarified that the terms of Condition 2 encompass all maintenance activities that CenturyLink would undertake.<sup>24</sup>
- 23 CenturyLink is required annually to spend the maintenance budget calculated in Section 2.2 on maintaining its facilities or repairing, rehabilitating, or replacing broken, damaged or deteriorated facilities serving residential and small business customers in Washington causing or reasonably anticipated to cause customer service outages or impairments to voice services. While these requirements establish a floor on CenturyLink’s annual maintenance expenditures, CenturyLink is free to spend more than these amounts to maintain and enhance service.

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<sup>23</sup> Gose & Bass, Exh. PJG-RB-1TC at 10:12-16.

<sup>24</sup> Gose, TR 58:10–20.

- 24 In addition, Section 2.3 of Condition 2 requires CenturyLink to make a one-time incremental investment of \$2 million in excess of what CenturyLink would have otherwise spent toward the repair, rehabilitation, and replacement of aging POTS facilities. CenturyLink and Staff clarified at the hearing that the required reporting CenturyLink must submit pursuant to the Settlement Agreement will enable Staff to verify whether CenturyLink has complied with this condition.<sup>25</sup> This investment must be used to repair, rehabilitate, or replace broken, damaged, or deteriorated POTS facilities not currently causing, but reasonably anticipated to cause, customer service outages or impairments in the next 12 months. These investments must be completed within 12 months of the close of the transaction.
- 25 The Companies provide in their Joint Testimony that the commitments in Condition 2 demonstrate a net benefit to CenturyLink’s regulated voice customers, and not simply “no harm,” because of the required expansion of technician, repair, and maintenance resource investments available to address and prevent customer service concerns.<sup>26</sup>
- 26 Staff views Condition 2 as ensuring that additional funding will be dedicated to repairs, maintenance, rehabilitation, and replacement of CenturyLink’s voice service facilities that cause or are reasonably anticipated to cause customer service outages or impairments.<sup>27</sup> Staff notes the many service quality complaints it has received from CenturyLink customers to the Commission’s Consumer Protection Division and expects the commitments in Condition 2 to address those complaints.<sup>28</sup> Staff also notes that it worked with the Companies to set more stringent technician and budget ratios in Condition 2 based on customer access line count data provided in Exhibit PJG-RB-2C.<sup>29</sup> Staff also explains that it used CenturyLink’s historical expenditure on maintenance and repairs to establish the current average spend per access line, which will allow Staff to confirm CenturyLink compliance with the commitments in Condition 2, section 2.2 for the maintenance budget-to-customer ratio requirements.<sup>30</sup> Staff further notes that even if the access line counts decline, plateau, or even increase, under Condition 2, CenturyLink will be required to append an increased amount per access line with a maximum spending cap that will require the company to expend substantially more money toward

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<sup>25</sup> Gose, TR 59:12–24; Church, TR at 60:6–9.

<sup>26</sup> Gose & Bass, Exh. PJG-RB-1TC at 11:15-13:12; *see also* Exh. PJG-RB-2C.

<sup>27</sup> Church, Exh. JC-1CT at 12:14-18.

<sup>28</sup> *Id.* at 13:2-7.

<sup>29</sup> *Id.* at 13:9-18.

<sup>30</sup> *Id.* at 15-16.

maintenance compared to the status quo.<sup>31</sup> Finally, Staff maintains that it used the gain that CenturyLink will receive from the Transaction as a proxy to derive the one-time incremental investment that should directly benefit CenturyLink’s Washington customers, to support a finding that the Transaction satisfies the no harm standard.<sup>32</sup>

**3. Condition 3: Capital Expenditures and Additional Network Investment Commitment.**

27 Condition 3 requires AT&T to spend a minimum aggregate of \$80 million on deploying fiber broadband infrastructure capable of providing one gigabit symmetrical service in Washington, “provided that economic and local regulatory factors – including permitting requirements, fees, and design-and-build exactments, and staffing availability – support economic deployment and speed to market.”<sup>33</sup> For two years beginning in 2027, by March 1, AT&T will file a report on the previous calendar year’s capital expenditures to meet the requirement of this condition.

28 If AT&T is unable to meet this obligation by the end of the second year, it will provide an additional report and recommendations to the Commission outlining areas of concern that would help with the deployment of modern infrastructure deployment.<sup>34</sup> In addition, for a period of two years following the closing of the transaction, this condition requires AT&T to provide the Commission each Broadband Data Collection filing that CenturyLink submits to the Federal Communications Commission (FCC) in the same format and on the same schedule as CenturyLink provides to the FCC. Filings must be made within 30 calendar days of the date such filing is provided to the FCC. Staff clarified at the settlement hearing that these FCC filings are made twice per year on March 1st and September 1st, indicating that CenturyLink will submit these filings with the Commission within 30 days of those dates for each of the two years.<sup>35</sup>

29 Staff believes Condition 3 will ensure Washington does not see a drop in broadband investment after the Transaction, and allows the Commission to monitor fiber investment

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<sup>31</sup> *Id.* at 16:8-11.

<sup>32</sup> *Id.* at 17:6-19; Church, Exh. JC-6HC.

<sup>33</sup> Settlement Agreement, Attachment A at ¶ 3A. AT&T clarified at hearing that “one gigabit symmetrical service” describes internet service upload and download speeds, and that this speed is substantially higher than what many people currently receive for internet service. *See* Bass, TR 60:25–61:23.

<sup>34</sup> Settlement Agreement, Attachment A at ¶ 3A.

<sup>35</sup> Church, TR 65:5–11.

in Washington state in a timely manner.<sup>36</sup> Staff based its assessment regarding Condition 3 on broadband investment data from CenturyLink for a status quo comparison.<sup>37</sup> CenturyLink and AT&T (the Companies) echo Staff's view that Condition 3 will not slow broadband deployment in Washington and add that the expenditure required under Condition 3 is materially greater than Lumen's capital expenditures on fiber in Washington in 2025.<sup>38</sup>

30 At the hearing, AT&T noted that the time required to deploy fiber optic cable as described in Condition 3 will depend on various factors such as local government permitting authorizations, including obtaining right-of-way access. AT&T indicated it has successfully accomplished similar fiber broadband deployment in other states as a basis for its confidence in complying with Condition 3, and provided that it is in AT&T's interest, and that it is planning, to deploy the fiber broadband expansion to serve additional customers as soon as possible.<sup>39</sup>

#### 4. Condition 4: ILEC<sup>40</sup> Obligation to Serve.

31 Condition 4 outlines several commitments in Paragraphs A through H. Paragraph A of Condition 4 establishes that until the Commission has relieved CenturyLink of its voice service obligation to Plain Old Telephone Service (POTS) over Passive Optical Network (PON) (POTS over PON) customers in the discontinuance process outlined in the AFOR approved in Docket UT-240029, AT&T shall guarantee that CenturyLink may use the transferred fiber assets serving all of its POTS over PON voice customers. The service provided to those customers may be either (i) POTS over PON service customers, or (ii) VOIP<sup>41</sup> service of at least 25 megabits per second download speed and 3 megabit per second upload speed without any additional cost to the customer for CenturyLink to

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<sup>36</sup> Church, Exh. JC-1CT at 18:12-17.

<sup>37</sup> *Id.* at 18:19-19:5.

<sup>38</sup> Gose & Bass, Exh. PJG-RB-1CT at 14:3-17; Gose & Bass, Exh. PJG-RB-2C.

<sup>39</sup> Bass, TR 62:19–64:14.

<sup>40</sup> "ILEC" refers to incumbent local exchange carrier. CenturyLink operates as the ILEC in its service territory in Washington. *See* Application at ¶ 9.

<sup>41</sup> While CenturyLink does not define "VOIP" or "VoIP" as acronyms in any of its filings in this docket, it refers to "VoIP" in its July 7, 2025, Application as an example, along with broadband Internet access, of services that it provides that are not regulated by the Commission, in contrast to telephone service subject to the AFOR Order approved initially by the Commission in Docket UT-130477 and later in Docket UT-240029. CenturyLink Application at ¶ 4.

access the fiber connectivity for the VOIP service.<sup>42</sup> CenturyLink shall provide such VOIP service at a price no greater than 120 percent of the rate for local flat-rated voice service for such customers. If CenturyLink elects to provide VOIP service in place of POTS over PON service CenturyLink must provide the onetime connection fees and device costs.<sup>43</sup>

- 32 In addition, if any POTS over PON service is provided to a critical government line and the owner of that critical government line indicates that VOIP is not a reasonable alternative for POTS over PON service, CenturyLink must make a filing with the Commission describing plans to transition that line to a non-VOIP alternative. CenturyLink clarified at the settlement hearing that one such alternative could be through its experimental Air-Line device, which functions by converting a cellular radio signal to power analog telephones tied to the service location.<sup>44</sup> Staff notes that the access provision of Condition 4 ensures that customers relying on assets being sold in the Transaction will continue to receive equivalent, adequate, and affordable voice service options post-Transaction, and guarantees that access until the Commission has relieved CenturyLink of its service obligation to POTS over PON customers in the discontinuance process outlined in the Company's AFOR approved in Docket UT-240029.<sup>45</sup>
- 33 Paragraph B of Condition 4 requires that if CenturyLink discontinues service consistent with the detailed process within Docket UT-240029, or otherwise no longer uses copper for at least six months due to its reliance on other technologies, that CenturyLink must remove above ground pedestals, cross boxes, and copper equipment and line on poles that will no longer be used for the provision of telephone service. Any removal or other decommissioning must comply with any permit conditions on public rights-of-way imposed by a local government and in cooperation with the pole owner. Staff notes that this requirement for CenturyLink to remove unused legacy telephone service equipment will promote expansion of modern infrastructure by minimizing the costs and the amount

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<sup>42</sup> Gose, TR 66:18–69:7 (clarifying that CenturyLink access will not lead to additional charges to customers).

<sup>43</sup> Settlement Agreement, Attachment A at ¶ 4A; Gose, TR 67:7–14.

<sup>44</sup> Gose, TR 67:20–71:13; *see also* Church, TR 71:20–72:16.

<sup>45</sup> Church, Exh. JC-ITC at 20:1-20; *see also In the Matter of the Petition of the CenturyLink Companies – Qwest Corporation; Centurytel of Washington; Centurytel of Interisland; Centurytel of Cowiche; and United Telephone Company of the Northwest to Be Competitively Classified Pursuant to RCW 80.36.320*, Order 08, Docket No. UT-240029, Attachment A, Second Full Multiparty Settlement Agreement at ¶ 9 (Feb. 7, 2025).

of make-ready work for new entrants into the telecommunications market.<sup>46</sup> CenturyLink clarified at the settlement hearing that there will be no additional cost to customers to remove the unused equipment.<sup>47</sup>

- 34 Paragraph C provides that CenturyLink will update and maintain its website so that standalone voice service is clearly defined as an available service, and can easily be requested and ordered on its website. The Companies provide in their Joint Testimony that this part of Condition 4 ensures that consumers can continue to subscribe to CenturyLink standalone voice service.<sup>48</sup>
- 35 Paragraph D states the “Price for Life Commitment,” which requires both CenturyLink and AT&T to honor the “Price for Life” terms and conditions as they currently exist. Additionally, the Companies must send a mailer to each “Price for Life” customer reminding them of those terms and conditions within one month after the Transaction closes. During the settlement hearing CenturyLink clarified that the Price for Life rate will not change for its current Price for Life customers.<sup>49</sup> However, customers will receive two separate bills, one from CenturyLink for voice service and the other from AT&T for internet services.<sup>50</sup> CenturyLink also clarified that Price for Life customers will receive a mailer notifying them of the sale and the change in method of billing.<sup>51</sup>
- 36 Paragraph E provides that for a period of five years following the close of the Transaction, if a CenturyLink customer’s service is impacted for ten or more calendar days, within 24 hours and at no additional cost to the customer, CenturyLink will offer to provide the customer with alternative service through Air-Line or HughesNet.<sup>52</sup> If the customer does not have fixed internet service or mobile service is insufficient for Air-Line, a replacement line will be provided to the customer until their service is restored. If neither of these options are available due to the lack of fixed internet, mobile internet, or satellite because of line-of-sight issues, CenturyLink will within two business days

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<sup>46</sup> Church, Exh. JC-1TC at 21:1-9.

<sup>47</sup> Gose, TR 74:2–16.

<sup>48</sup> Gose & Bass, Exh. PJG-RB-1CT at 16:13-16.

<sup>49</sup> Gose, TR 74:24–25.

<sup>50</sup> Gose, TR 74:24–75:9.

<sup>51</sup> *See id.*

<sup>52</sup> HughesNet is a geosynchronous satellite voice service option. *See* Gose, TR 75:10–14.

contact nearby providers to assess and provide support to expedite the deployment of alternative services.

- 37 Staff explains in footnote in its Supporting Testimony that Air-Line is an experimental CenturyLink Product that relies on either a wireless connection or a broadband connection to form an access line, and that HughesNet is a satellite service provider that CenturyLink has used to establish an access line for remote customers. As Air-Line is experimental, it is optional for customers to accept this technology and so may decline CenturyLink's offer for an Air-Line replacement line.<sup>53</sup> Staff also notes that while this component of Condition 4 may not directly address current service quality issues, Staff views it as a step in the right direction and ensures that service quality is not negatively impacted due to the Transaction.<sup>54</sup>
- 38 Paragraph F provides that CenturyLink will not initiate disconnection procedures for customers who refuse to pay and have been without service for 30 days or more, regardless of whether the customer is in a group trouble ticket or an individual trouble ticket. Staff notes that this component of Condition 4 will ensure customers suffering from service interruptions will not be disconnected, even if the customer refuses to pay.<sup>55</sup>
- 39 Paragraph G provides that for a period of five years following the close of the transaction, CenturyLink customers will receive a \$40 missed appointment credit for each instance in which the company schedules an appointment and a technician does not arrive at a confirmed appointment during the 4-hour appointment window.
- 40 Paragraph H provides that nothing in this settlement precludes any party from advocating any position regarding the relief sought in the pending service quality adjudication in Commission Docket UT-240117.

### **5. Condition 5: Reporting.**

- 41 For seven years following the closing of the Transaction, CenturyLink is required under Condition 5 to file annually with the Commission, by July 1 of each year, a compliance report consisting of its financial statements to the extent and in the manner that each CenturyLink ILEC prepares such statements in the ordinary course of its business as well as on a Washington state basis. CenturyLink must also include a breakdown of the

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<sup>53</sup> Church, Exh. JC-1CT at 22, fn. 20; *see* Church, Exh. JC-7C.

<sup>54</sup> Church, Exh. JC-1CT at 21:18- 22:7.

<sup>55</sup> *Id.* at 22:9-14.

Capital Expenditures and the funds expended in accordance with its maintenance budget-to-customer ratio during the previous calendar year. CenturyLink must also provide additional details upon Staff or Public Counsel request.

42 In addition, CenturyLink is required under Condition 5 to make annual compliance filings, on July 1 or the next available business day, with the Commission establishing compliance with the customer line-to-technician and maintenance budget-to-customer ratio requirements. All compliance filings shall include a declaration from CenturyLink's director of network operations and/or an individual in an equivalent role that can attest under penalty of perjury that the facts set forth in the compliance filing are true to the best of their knowledge. CenturyLink is required to provide additional details upon Staff or Public Counsel request.

#### **6. Condition 6: Major Outage Reporting.**

43 CenturyLink is required under Condition 6 to provide the Commission any of the notification Federal Communications Commission Network Outage Reporting System (NORS) reports or any such subsequent similar report that may supersede NORS, that it files with the FCC for reportable Washington outages simultaneously with the filing of those reports with the FCC. This requirement will apply to AT&T if it begins to offer voice service in Washington state. At the settlement hearing, CenturyLink clarified that it will report to the Commission any outage that meets the FCC NORS reporting criteria simultaneously with the FCC report.<sup>56</sup>

#### **7. Condition 7: Interconnection Agreement and Wholesale Transparency.**

44 This condition establishes that CenturyLink will continue to offer wholesale services and negotiate in good faith for Interconnection Agreements and continue to honor existing Interconnection agreements according to their terms.

#### **B. Settling Parties' Support for the Settlement Agreement**

45 The Companies provide in their Joint Testimony that even without the conditions included in Attachment A of the Settlement Agreement, the Transaction serves the public interest through AT&T's provision of additional investment resources, expertise and experience in expanding broadband and high-speed fiber internet access to Washington customers and building upon CenturyLink's fiber assets in Washington.<sup>57</sup> The

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<sup>56</sup> Gose, TR 76:21–77:3.

<sup>57</sup> Gose & Bass, Exh. PJG-RB-1TC at 5:10-22.

Companies state that they expect broadband customers in the fiber footprint transferred to be able to benefit from new converged offerings from AT&T, which in turn may prompt beneficial competition from other providers that could lead to lower prices and improved broadband speeds. The Companies explain that CenturyLink will be able to reduce debt, improve its balance sheet, and focus their mass market efforts on their legacy voice network.<sup>58</sup>

46 The Companies also note in the Joint Testimony that benefits of the Transaction relating to CenturyLink’s “unregulated broadband business” will accrue to the public, even though only a relatively small number of the facilities transferred in the transaction are being used to provide the Commission-regulated POTS over PON voice service to Washington customers.<sup>59</sup> Even so, the Companies insist that CenturyLink voice customers will benefit substantially from the Transaction, and will not merely not be harmed, whether they are served by the legacy copper network that is not subject to the Transaction, or by POTS over PON services provided over the fiber assets subject to the Transaction.<sup>60</sup>

47 The Companies state that CenturyLink, primarily through its voice commitments in Condition 2, sections 2.1, 2.2, and 2.3, is committing an extraordinary sum of budget, capital and workforce to maintaining, repairing, rehabilitating and replacing components of its legacy voice network in Washington.<sup>61</sup> The Companies provide further that AT&T primarily through Condition 3, is committing to ensuring that Washington consumers continue to benefit from broadband infrastructure improvements, and that AT&T will invest more in the next two years toward this end than Lumen (CenturyLink’s parent company) would be able to invest absent the Transaction.<sup>62</sup>

48 The Companies further detail that no harm will result from the Transaction through Condition 4, which guarantees that current POTS over PON CenturyLink customers within the Transaction perimeter will continue to have voice service options over the transferred fiber facilities, will enjoy protection of the Price for Life programs, will be provided with missed appointment credits, and will continue to be offered standalone

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<sup>58</sup> *Id.* at 6:7-17. The Companies’ Joint Testimony discusses in footnote two that Lumen, the parent company of CenturyLink, will save approximately \$300 million annually in interest expense upon the close of the Transaction. *Id.* at 6, fn. 2.

<sup>59</sup> *Id.* at 6:17-7:2.

<sup>60</sup> *Id.*

<sup>61</sup> *Id.* at 19:15-21.

<sup>62</sup> *Id.* at 20-1-4.

legacy voice service.<sup>63</sup> The Companies note that the Settlement Agreement will require them to meet robust reporting obligations. The Companies also note that of the many states where AT&T is acquiring fiber assets from CenturyLink, only Minnesota's state commission reviewed the Transaction, and that it has approved a similar settlement to the one being reviewed in this docket.<sup>64</sup>

49 In their Settlement Testimony, Staff witness Jonathon Church recommends the Commission approve the Settlement Agreement and subject asset transfer without additional conditions. Staff believes the Settlement Agreement conditions will benefit CenturyLink's Washington customers through improvements to finances, technician staffing, and service quality, and as such the Transaction demonstrates no harm to customers and is consistent with the public interest.<sup>65</sup>

50 Staff discusses how Settlement Agreement Condition 4 allows CenturyLink continued access to the transferred assets to continue to offer voice service to its existing customers.<sup>66</sup> In Staff's analysis of whether the current Transaction meets the "no harm" standard for asset transfers under RCW 80.12.020(1) and WAC 480-143-170, Staff netted the transaction's costs to the public, property owners, and affected customers against the benefits accruing to those same groups. Staff considered three main areas of concern or potential harm:

- 1) The impact the proposed transfer will have on the locations that rely (now or in the future) on the assets being sold.
- 2) The impact the proposed transfer will have on service quality.
- 3) The loss of investment in Washington state and the ILEC's networks.

Staff explains its view in its Settlement Testimony that these three areas of concern and potential harm to customers are all addressed by the seven conditions in the Settlement Agreement, which are designed to minimize those concerns of harm to the public and ensure Commission oversight. Staff explains that the conditions address three main

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<sup>63</sup> *Id* at 20:4-10.

<sup>64</sup> *Id* at 20:18-21:19; *see also* Exh. PJG-RB-3; *see also* Church, Exh. JC-5.

<sup>65</sup> Church, Exh. JC-1CT at 2:16-3:13.

<sup>66</sup> Church, Exh. JC-1CT at 5:16-7:7, 20:8-20; Church, Exh. JC-4C, CenturyLink second supplemental response to Staff Data Request No. 2 and Confidential Attachment Staff 2 (Confidential Fiber Connectivity Agreement).

categories of public concerns of 1) investment and fiber deployment; 2) obligation to serve; and 3) reporting.

51 First, Staff believes the investment and fiber deployment components of the Settlement Agreement will ensure the Transaction will not hinder deployment of service to customers by requiring that CenturyLink make a substantial investment to ensure proper maintenance of its remaining network and that AT&T expand fiber availability over the next two years.<sup>67</sup>

52 Second, Staff states that the obligation to serve conditions ensure continued oversight, preserve continuity of service, and that the business will continue to operate with retail and wholesale services provided at the same rates, terms, and conditions that existed pre-transaction. Following the close of the transaction, the Companies will be better positioned and will invest in and maintain infrastructure services and benefits for existing and new customers receiving services over the transferred fiber assets.<sup>68</sup>

53 Third, the reporting conditions will allow the Commission to monitor the Transaction after closing, and to verify investments, pricing, staffing levels, service quality, and service elements. This ensures information transparency and compliance with terms, and continuity of service for customers. For these reasons, the Staff finds no harm will result from the transaction and recommends the Commission approve it without condition.<sup>69</sup>

## DISCUSSION

54 The Commission will approve a settlement “when doing so is lawful, the settlement terms are supported by an appropriate record, and when the result is consistent with the public interest in light of all the information available to the commission.”<sup>70</sup> The Commission may approve a settlement without conditions, approve it with conditions, or reject it.<sup>71</sup>

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<sup>67</sup> Church, Exh. JC-1CT at 25:8-22.

<sup>68</sup> Church, Exh. JC-1CT at 26:1-7. However, Staff notes in its Settlement Testimony CenturyLink’s statement that while it may utilize the fiber to provide POTS over PON service to new customers, it will not be adding new POTS over PON customers. *See id.* at 6:7-8; Church, Exh. JC-3.

<sup>69</sup> Church, Exh. JC-1CT at 26:15-17.

<sup>70</sup> WAC 480-07-750(2).

<sup>71</sup> *Id.*

55 The requirement for public service companies to obtain Commission approval prior to the sale or disposition of any part of, or the whole, is stated in RCW 80.12.020(1) as follows:

No public service company shall sell, lease, assign or otherwise dispose of the whole or any part of its franchise, properties or facilities whatsoever, which are necessary or useful in the performance of its duties to the public, and no public service company shall, by any means whatsoever, directly or indirectly, merge or consolidate any of its franchises, properties or facilities with any other public service company, without having secured from the commission an order authorizing to do so.

56 The Commission’s regulations addressing transfers of property are found at chapter 480-143, WAC. WAC 480-143-120 provides that a “public service company may not complete a transfer of property necessary or useful to perform its public duties unless the company first applies for, and obtains, commission approval.” “Applications must describe transfers in detail and must include the public service company’s current financial statements and copies of all transfer instruments.”<sup>72</sup> Under WAC 480-143-170, if, “upon examination of any application and accompanying exhibits, or upon a hearing concerning the same, the commission finds the proposed transaction is not consistent with the public interest, it shall deny the application.”<sup>73</sup>

57 When reviewing public service company transactions under these regulatory requirements, the Commission has determined that the transaction must “at least demonstrate no harm to the public interest.”<sup>74</sup> The Commission also looks to the new owner’s financial and managerial fitness to run the operations.<sup>75</sup> When the Washington state legislature revised RCW 80.12.020 to add the requirement that the Commission find a “net benefit to customers” for electric and gas company asset transfers, it did not extend that additional requirement to telecommunication companies, thus leaving in place the “no harm” standard for telecommunication company asset transfer reviews.

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<sup>72</sup> WAC 480-143-120.

<sup>73</sup> WAC 480-143-170.

<sup>74</sup> *In the Matter of the Application of Northwest Water Services, LLC, for the Sale and Transfer of 50 Percent Membership to Kelly Wynn*, Docket No. UW-191063, Order 01 (Feb. 6, 2020).

<sup>75</sup> *See e.g., In the Matter of the Application of Solmar Water System, Inc., for the Sale and Transfer of Fifty Percent Ownership to Katie M. O’Claire*, Docket UW-210783, Order 01 ¶ 5-6 (Nov. 12, 2021).

58 In addition, CenturyLink’s provision of voice telecommunications services is subject to Commission jurisdiction under an “Alternative Form of Regulation” (AFOR) that the Commission approved in Docket UT-240029, and which states the following regarding “Transfers of Property:”

The waiver of the Transfer of Property provisions in Chapter 80.12 RCW and Chapter 480-143 WAC does not apply to the sale of exchanges (wire centers) or access lines. In the event of a transfer of control in the ownership of CenturyLink, CenturyLink or any successor entities will continue to be bound by the terms of this AFOR.<sup>76</sup>

59 While the provisions of CenturyLink’s AFOR articulate certain limitations over the extent to which CenturyLink must obtain Commission approval for certain asset transfers, no party in this docket is arguing at present that CenturyLink is not subject to Commission jurisdiction under chapter 80.12 RCW and chapter 480-143 WAC for the current transfer of the fiber assets at issue this docket.<sup>77</sup>

60 Further, in the Joint Testimony supporting the Settlement filed by CenturyLink and AT&T (Joint Testimony), CenturyLink provides that it relies on certain facilities subject to the instant transfer of assets to AT&T to serve CenturyLink voice service customers that receive traditional Plain Old Telephone Service (POTS) over a Passive Optical Network (PON) (POTS over PON).<sup>78</sup> Those customers will remain CenturyLink voice service customers after the close of the transaction, and CenturyLink will continue to be subject to its regulatory obligation to serve those POTS over PON customers.<sup>79</sup>

61 No party in this docket currently argues that the settlement agreement or underlying transaction involves subject matter that is not subject to Commission jurisdiction under RCW 80.12.020 and WAC 480-143-120 and 480-143-170. As Staff provides in its Settlement Testimony, the affected wire centers are located in the incumbent local exchange carrier (ILEC) service territories of CenturyTel of Washington, Inc. and United

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<sup>76</sup> See *In the Matter of the Petition of the CenturyLink Companies – Qwest Corporation; Centurytel of Washington; Centurytel of Interisland; Centurytel of Cowiche; and United Telephone Company of the Northwest to Be Competitively Classified Pursuant to RCW 80.36.320*, Order 08, Docket No. UT-240029, Attachment A, Plan for Alternative Form of Regulation (AFOR) for the Washington State CenturyLink ILECs at ¶ 9 (Feb. 7, 2025).

<sup>77</sup> See also Gose, Exh. PJG-1CT at 5:6-6:24.

<sup>78</sup> Gose & Bass, Exh. PJG-RB-1TC at 5:1-4.

<sup>79</sup> *Id.* at 5:4-6; see also Gose, Exh. PJG-1CT at 5:6-6:24.

Telephone Company of the Northwest, which are two CenturyLink ILEC affiliates.<sup>80</sup> The Commission therefore finds that the property being transferred is necessary or useful under WAC 480-143-170, and we apply the “no harm” standard in determining whether the transaction is lawful under RCW 80.12.020(1) and WAC 480-143-120 and -170.

62 The Commission considers the status quo in determining whether no harm will be caused by the transaction. Here, we find that the record demonstrates that CenturyLink’s customers stand to benefit from approval of the Settlement Agreement as compared to CenturyLink’s current voice service status quo. Accordingly, and for the reasons detailed below, the Commission agrees with the Settling Parties that the Transaction will not harm the public interest. In addition, we agree with the Settling Parties that the Transaction will better position both CenturyLink and AT&T to invest in and maintain infrastructure services and benefits for customers receiving voice services over the transferred fiber assets, which demonstrates managerial fitness.<sup>81</sup>

63 The commitments in Conditions 2, 3, and 4 will require CenturyLink to devote more resources toward resolution and prevention of voice service quality issues than it would absent the Settlement Agreement. These benefits are designed to address or resolve service quality issues indicated in the ongoing complaints about the Company’s repeated and persistent service quality issues, extended interruptions, and lack of reliable services.<sup>82</sup> The service quality improvement and reporting conditions provide strong indication of a likely benefit to customers and provide ample basis to approve the Settlement Agreement.

64 As the Settling Parties discuss in testimony, the Conditions require the Companies to take actions that are designed to improve the quality of voice services to customers and to ensure effective Commission oversight to monitor compliance as well as outages. The benefits of these actions will accrue to CenturyLink’s voice customers receiving voice services over the transferred fiber assets, as well as to customers receiving voice services over CenturyLink’s legacy copper network.

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<sup>80</sup> Settlement Agreement at ¶ 1; Gose & Bass, Exh. PJG-RB-1TC at 10:4–6.

<sup>81</sup> See Church, Exh. JC-1CT at 26:1-7; see also CenturyLink’s Response to BR-2, Attachment A (Current Financial Statements), Attachment B (Asset Purchase Agreement) (Jan. 5, 2026). However, Staff notes in its Settlement Testimony CenturyLink’s statement that while it may utilize the fiber to provide POTS over PON service to new customers, it will not be adding new POTS over PON customers. See Church, Exh. JC-1CT at 6:7-8; Church, Exh. JC-3.

<sup>82</sup> See CenturyLink Asset Transfer Public Comment Hearing Recording, Docket UT-250544 (Jan. 6, 2026); BR-1, Attachments A-R (Jan. 8, 2026).

- 65 In particular, the commitments in Condition 2, the Voice Maintenance Commitment, will “ensure that additional funds are dedicated to maintaining, repairing, rehabilitating, or replacing broken, damaged, or deteriorated voice facilities that cause, or are reasonably anticipated to cause, customer service outages or impairments.”<sup>83</sup> Similarly the reporting commitments the Companies make in Conditions 1, 5, and 6 will function to ensure the Commission’s ability to monitor compliance and take any enforcement action that may be warranted.
- 66 As Staff discusses in its Settlement Testimony, the Commission’s Consumer Protection division has complained against CenturyLink for service quality issues, suggesting a need for improvements to CenturyLink’s network. The provisions in Condition 2 regarding technician and maintenance budget ratios to customer service lines will obligate CenturyLink to take actions to increase the Company’s ability to address service quality concerns that have continued to be the subject of other dockets before the Commission and raised by members of the public in this docket.<sup>84</sup> These commitments will ensure capacity to address these issues and address the safety and reliability of telecommunications services that are in need of improvement.<sup>85</sup>
- 67 In addition, the investment and expenditure commitments in Condition 3 will ensure that the Companies will take actions toward improving and expanding the current broadband internet network available to customers and will minimize the likelihood of a drop in broadband investment after the transaction. Commission Staff will be able to monitor AT&T’s progress and better understand and optimize effectiveness and efficiency of efforts to expand modern infrastructure and serve the public’s telecommunications needs.
- 68 The commitments in Condition 4 are also aimed at improving service quality by ensuring that CenturyLink may continue to access the transferred network to provide reliable service, obligating CenturyLink to remove equipment no longer in use for telephone service, ensuring availability of standalone voice service, maintaining the status quo terms for Price for Life service customers, providing disconnection protection for customers without service who refuse to pay, compensating customers for missed appointments, and addressing the service quality concerns of the separate service quality adjudication in Docket UT-240117 currently pending before the Commission.<sup>86</sup> These

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<sup>83</sup> Church, Exh. JC-1CT at 12:14-18.

<sup>84</sup> See BR-1, Attachments A-R.

<sup>85</sup> Church, Exh. JC-1CT at 13-17.

<sup>86</sup> *Id.* at 19:7-21.

commitments will ensure that both copper and fiber voice customers will continue to have equivalent and adequate, if not improved, voice service following the close of the Transaction.

- 69 As Staff clarifies in its Settlement Testimony, Condition 4 will also ensure that CenturyLink will be able to continue to offer affordable voice service to customers that currently rely on the transferred fiber assets. Condition 4 guarantees such voice service access until the Commission has relieved CenturyLink of its service obligation to POTS over PON customers in the discontinuance process outlined in CenturyLink's AFOR approved in Docket UT-240029.<sup>87</sup>
- 70 The commitments in Conditions 5 and 6 require reporting to the Commission to enable Staff oversight to monitor the Companies' compliance with the settlement agreement terms as well as service outages. Condition 7 ensures no harm to the public by preserving the status quo regarding wholesale services and ensures that CenturyLink continues to negotiate interconnection agreements in good faith.
- 71 We agree with the parties that the seven conditions in the Settlement Agreement address the public interest concerns associated with the transfer of fiber assets from CenturyLink to AT&T and its potential consequences to ratepayers. The Conditions in the proposed Settlement Agreement, along with the supporting evidence in the record, demonstrate the Parties' awareness of the public interest and the ways in which the public could be impacted by the Transaction.
- 72 The Settlement Agreement speaks to the service quality issues detailed in the many public comments submitted in this docket concerning service quality impacts that may result from the Transaction. Accordingly, we agree with the parties that the Settlement Agreement and its Conditions are consistent with the public interest and should result in service quality improvements for customers, better positioning for the parties, and improved regulatory efficiency. We also find for the same reasons that the Transaction meets or exceeds the "no harm" standard and is consistent with the public interest. Finally, the Commission finds that early resolution of the parties' dispute conserves

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<sup>87</sup> Church, Exh. JC-1CT at 20:8-20; *see* Docket UT-240029, Attachment A, 2025 Plan for Alternative Form of Regulation (AFOR) for the Washington State CenturyLink ILECs at ¶ 9.

valuable party and Commission resources that would otherwise be devoted to litigation expenses.<sup>88</sup>

73 For these reasons, we determine that the Settlement Agreement is lawful, supported by an appropriate record, consistent with the public interest and the legal requirements set forth in WAC 480-07-750, WAC 480-143-120, WAC 480-143-170, and no harm standard for asset transfers pursuant to RCW 80.12.020(1). We therefore accept the proposed Settlement Agreement without further condition and approve CenturyLink’s application to transfer certain fiber assets of CenturyLink to AT&T. We also look forward to receiving information pursuant to the Settlement’s reporting requirements and expect to see service quality improvements and reduced response times.

74 We note that this Order only approves the transfer of ownership, but neither approves, nor disapproves the reasonableness of the purchase price of any fees, charges rates, or accounting allocations related to the transaction. The Commission reserves the right to review those fees, rates, or accounting allocations in future proceedings.

#### FINDINGS AND CONCLUSIONS

75 (1) The Commission is an agency of the State of Washington vested by statute with authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including telecommunication companies.

76 (2) Qwest Corporation, d/b/a CenturyLink QC (CenturyLink) is engaged in the business of providing telecommunication services within Washington State as a public service company. As a public service company, CenturyLink is subject to Commission jurisdiction. CenturyLink is subject to Commission jurisdiction under the Alternative Form of Regulation (AFOR), which the Commission approved in Docket UT-290024. The Commission also has jurisdiction over the subject matter of this proceeding regarding the transfer of CenturyLink assets to Forged Fiber 37 LLC (AT&T).

77 (3) On July 7, 2025, CenturyLink filed with the Commission an Application for an Order Authorizing the Transfer of Assets or Determination that an Order Authorizing the Transfer Is Not Required under chapter 80.12 Revised Code of

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<sup>88</sup> WAC 480-07-700 (“The commission supports parties’ informal efforts to resolve disputes without the need for contested hearings when doing so is lawful and consistent with the public interest.”).

Washington (RCW) and chapter 480-143 Washington Administrative Code (WAC) and any other authority as may be deemed necessary to effectuate the transaction. The Transaction involves the sale of certain fiber assets from CenturyLink, a public service telecommunications company subject to Commission jurisdiction, to AT&T.

- 78 (4) On December 5, 2025, the Settling Parties filed the Settlement Agreement, with seven conditions included therein in Attachment A, which proposes to resolve all issues in this docket and is attached to this Order as Appendix A. Public Counsel does not oppose the Settlement Agreement.
- 79 (5) We find that the property being transferred is necessary or useful to perform its public duties as contemplated in WAC 480-143-170 and RCW 80.12.020(1).
- 80 (6) After reviewing the Conditions in the proposed Settlement Agreement, we adopt the reasoning discussed in paragraphs 60 through 74 above as demonstrating that the Transaction will not harm and will provide benefits to the public.
- 81 (7) On January 5, 2026, at a virtual settlement hearing before the presiding Administrative Law Judge, the Settling Parties provided statements in support of the Settlement Agreement, and Public Counsel provided a statement indicating its lack of opposition and recognition of public benefits of the Settlement Agreement.
- 82 (8) The Commission held a virtual public comment hearing on January 5, 2026, where the public and customers were provided the opportunity to comment on the Settlement Agreement proposed by the Settling Parties.
- 83 (9) We find the lack of opposition to the Settlement Agreement from any party in this proceeding indicates that such agreement is consistent with the public interest.
- 84 (10) We find that the record does not establish that any term of the Settlement Agreement would harm customers, and the Conditions all appear to benefit customers, and we consider that in finding the Settlement Agreement consistent with the public interest.
- 85 (11) The record supports a finding that the public interest is served by approving this Settlement Agreement, which is attached to this Order as Appendix A. The Commission agrees with the positions proffered by the Settling Parties in their respective supporting testimonies, and find that the Settlement Agreement is lawful, supported by an appropriate record, and consistent with the public interest in light of all the information available to the Commission.

- 86 (12) We find that the Settlement Agreement complies with WAC 480-07-750.
- 87 (13) We find that the application meets the requirements of chapter 80.12 RCW and the rules and regulations of the Commission in chapter 480-143 WAC.
- 88 (14) After reviewing the Application filed in Docket UT-250544 on July 7, 2025, and giving due consideration, the Commission finds that the Application of the Transfer of certain fiber assets from CenturyLink to AT&T is consistent with, and demonstrates no harm to, the public interest and should be approved, subject to the Conditions in the Settlement Agreement.

**ORDER**

THE COMMISSION ORDERS:

- 89 (1) The Commission approves the Settlement Agreement filed by the parties on December 5, 2025, which is attached as Appendix A to, and is incorporated into, this Order, and adopts the Settlement Agreement as the final resolution of the disputed issues in this docket.
- 90 (2) The Commission authorizes the transfer of certain fiber assets to Forged Fiber 37, LLC (AT&T), consistent with RCW 80.12.020, subject to the conditions contained in Attachment A of the Settlement Agreement. No material change, revision, or amendment to the Settlement Agreement shall become effective without the Commission's prior written approval.
- 91 (3) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates or determination of costs, on any matters that may come before it. Nor shall this Order be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 92 (4) The Commission is authorized to accept filings that comply with the requirements of this Order.
- 93 (5) The Commission retains jurisdiction to enforce the terms of this Order and delegates to the Executive Director and Secretary the authority to confirm compliance with this Order.

DATED at Lacey, Washington, and effective January 23, 2026.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Ann Paisner

ANN PAISNER

Administrative Law Judge

**NOTICE TO PARTIES**

This is an initial order. The action proposed in this initial order is not yet effective. If you disagree with this initial order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this initial order, and you would like the order to become final before the time limits expire, you may send a letter to the Commission, waiving your right to petition for administrative review.

WAC 480-07-825(2)(a) provides that any party to this proceeding has 20 days after the entry of this initial order to file a petition for administrative review (Petition). Section (2)(b) of the rule identifies what you must include in any Petition as well as other requirements for a Petition. WAC 480-07-825(2)(c) states that any party may file an answer (Answer) to a Petition within 10 days after service of the petition.

WAC 480-07-830 provides that before the Commission enters a final order any party may file a petition to reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. The Commission will not accept answers to a petition to reopen unless the Commission requests answers by written notice.

RCW 80.01.060(3) provides that an initial order will become final without further Commission action if no party seeks administrative review of the initial order and if the Commission fails to exercise administrative review on its own motion.

Any Petition or Response must be electronically filed through the Commission's web portal as required by WAC 480-07-140(5).

**APPENDIX A  
SETTLEMENT AGREEMENT**