BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Joint Application of	Docket No. UT-100820
QWEST COMMUNICATIONS INTERNATIONAL INC. AND CENTURYTEL, INC.	MOTION OF SPRINT NEXTEL CORPORATION TO COMPEL FULL RESPONSES TO DATA REQUESTS
For Approval of Indirect Transfer of control of Qwest Corporation, Qwest Communications Company LLC, and Qwest LD Corp.	

A. MOTION TO COMPEL

Pursuant to WAC 480-07-405(3) and 480-07-425(1), Sprint Nextel Corporation ("Sprint) hereby respectfully moves to compel responses by Qwest Communications International, Inc. ("QC") and CenturyTel, Inc. ("CenturyLink") to data requests ("DRs") numbers 5, 13, 14, 41 and 42 propounded by Sprint in this proceeding. The data requests which are the subject of this motion are attached hereto as Appendix A. In general, these requests seek information relevant to the competitive impact of a QC and CenturyLink merger including synergy information.

B. INFORMATION CONFERENCE WITH OPPOSING COUNSEL TO RESOLVE DISPUTES.

2 Sprint has made a good-faith effort to resolve these matters informally by conferring with counsel CL and QC on August 4, 2010 in a telephonic exchange. Thereafter, on August 5, 2012 Sprint circulated a memo recapping the results of the discovery conference, which

resulted in some compromises in what Sprint was requesting and in what QC and CenturyLink agreed to provide. The parties exchanged subsequent email exchanges in the following days in an attempt to narrow the disputes further but issues remain with respect to five data requests to DRs 5, 13, 14, 41 and 42, which Sprint needs responses to in order to complete its analysis and prepare its testimony for this docket. However, Sprint has not received responses to various other DRs promised by QC and CenturyLink as a result of the attempts to narrow the disputes. These include responses to DRs 3, 6, 12, 17, 24, 27, 28, 29, 32-36, 44 and 47. Sprint reserves its rights to bring an additional motion to compel on the above-identified DRs if no responses are forthcoming or the responses are unsatisfactory.

C. ARGUMENT.

1. BACKGROUND.

- Sprint is certificated as a competitive local exchange carrier ("CLEC") and an interexchange carrier ("IXC") by the Commission and currently provides local, intraexchange and interexchange telecommunications services in the State of Washington. Sprint's wireless affiliates are licensed by the Federal communications Commission ("FCC") and provide wireless telecommunications services in Washington. In its capacities as a CLEC, IXC and wireless carrier, Sprint is a customer of, and a competitor to, QC and CenturyLink.
- 4 On May 13, 2010, QC and CenturyLink and their respective subsidiaries and affiliates filed a joint application for expedited approval with the Commission of the indirect transfer of control of QC's operating subsidiaries, Qwest Corporation, Qwest LD Corp. and Qwest Communications Company, LLC to CenturyLink. Over objection from QC and CenturyLink, Sprint was allowed to intervene in this matter pursuant to Order 04, which recognized that Sprint had a "substantial interest" in the subject matter of this proceeding.

To provide telecommunications services to its customers in Washington, Sprint purchases services from both QC and CenturyLink pursuant to interconnection agreements and tariffs. The telecommunications services Sprint offers in Washington also compete with the Qwest and CenturyLink service offerings. Thus, whether the merger of QC and CenturyLink is approved by the Commission as being in the public interest will affect Sprint both as a customer and competitor of the companies.

2. <u>THE INFORMATION SPRINT SEEKS IS RELEVANT TO THE</u> COMMISSION'S PUBLIC INTEREST DETERMINATION.

In its Order approving the Verizon/Frontier merger in docket UT-090842 (pp. 52 and 53), the Commission stated that its public interest determinations in approving a change of control transaction are broad and include consideration of "the impact on competition at the wholesale and retail level, including whether the transaction might distort or impair the development of competition." To determine this impact on competition, parties like Sprint need to develop a factual record on issues such as competitive harm and possible benefits. For instance, the Commission may find that to cure the harm to competition posed by the merger it will require the companies to reduce access rates to spur competition as the FCC and this Commission continually have stressed. Access rates and revenues directly impact competition at the wholesale and retail level and are therefore squarely relevant to this investigation. While QC and CenturyLink do not want access charges to be considered in the context of this merger approval, the Commission staff in this docket clearly believes that access charges are relevant in reviewing the merger. (See Staff Response Regarding Late-Filed Petitions to Intervene of Sprint Nextel Corporation ¶ 4). Information regarding access revenues is relevant to determine whether and to what degree access savings by and between CenturyLink and QC should be shared with access customers like Sprint. Nonetheless, QC and CenturyLink have refused to provide complete responses to Sprint data requests on this topic.

3. DATA REQUEST NO. 5.

In this request, Sprint seeks revenues for various services provided over the networks operated by QC and CenturyLink in Washington. Sprint agreed to narrow its request such that QC and CenturyLink not be required to provide revenue numbers for specific services. But Sprint is still interested in obtaining information on total revenues produced by QC and CenturyLink networks in the state. As discussed above, such information is relevant to the Commission's broad public interest determinations that include examining the impact on competition at the wholesale and retail levels. DR 5 asks for total revenues and QC and CenturyLink agreed to provide only intrastate revenue. Limiting Sprint's analysis to only intrastate revenues does not allow for a complete analysis of the competitive impact of the merger, as both CenturyLink and QC provide multiple services over the same network used for interstate and intrastate service. Moreover, access to total revenues will allow the Commission to determine the overall impact that any access reductions may have on the future combined companies. Therefore, interstate revenues from Washington services are relevant to a determination of the competitive impact of the merger and they should be produced.

4. DATE REQUESTS 13 AND 14.

These data requests seek interstate switched access charges and total special access charges for QC and CenturyLink imposed upon each of the affiliated IXC that will be part of the proposed merger. These entities maintain their objections to providing access charge information. Yet, this information is relevant and likely to lead to admissible evidence

regarding the impact on competition at the wholesale and retail level. Responses to these MOTION OF SPRINT NEXTEL CORPORATION

requests should be required because they will allow Sprint to demonstrate the amount of access charge savings that the merged company will retain when access charge payments become intracompany payments rather than payments from QC entities to CenturyLink entities and vice versa. Any access savings can impact competition as QC and CenturyLink will be able to utilize the savings to develop and market competitive alternatives in the marketplace with which carriers like Sprint must compete. Moreover, an answer to this request will give specific insight into the calculation of synergies resulting from the transaction in Washington.

The fact that the Commission does not regulate interstate switched access charges and special access charges is not material to the consideration of the proposed merger's impact on competition as a whole in Washington. Knowledge of the entire scope of savings of the Washington affiliates of QC and CenturyLink will inform the Commission's competitive analysis. Savings that QC and CenturyLink generate from services the Commission does not regulate still have an impact on the merged company's ability to impact competition in areas the Commission does regulate and will provide insight into synergy calculations. Given the Commission's broad public interest standard, the requests seeking interstate switched access charges and special access charges imposed upon the QC and CenturyLink affiliates must be compelled.

5. DATE REQUESTS 41 AND 42.

These requests seek the number of local access lines and total revenues from those lines that Qwest and its affiliates have in CenturyLink territories in Washington and vice versa. Qwest provided a limited response to #41 designated as "highly confidential." This designation precludes Sprint's in-house counsel and expert witness from having access to this information. For all practical purposes, this is a nonresponse and the designation should be

changed to "confidential". CenturyLink provided an approximate number of customers that it has in Qwest territory in Washington but did not provide the number of access lines, nor did it provide the amount of revenues associated with the access lines. These requests are relevant as they will be helpful in determining the merger's impact on actual competition in the state. If the merger is approved, Qwest competitive entry into CenturyLink territories and CenturyLink competitive entry into Qwest territory will disappear. The two parties will not be helpful in constraining prices and promoting competition in the other's territory. Revenue and customer counts for the competitive ventures of QC and CenturyLink are crucial in analyzing the merger's impact upon competition in Washington. Sprint readily agrees to maintaining information provided in a full response as confidential as long as it is fully responsive to the request, unlike the current response. For the reasons previously expressed, these responses are relevant and should be provided in order to develop testimony to inform the Commission of the full competitive impact of the proposed merger.

D. CONCLUSION

10 The Commission's rules, WAC 480-07-400(4), require data requests to "seek information that is relevant to the issues in the adjudicative proceeding or may lead to the production that is relevant." To that end the Commission has a broad standard for allowing discovery if the information "appears reasonably calculated to lead to the discovery of admissible evidence." The data requests at issue in this motion (numbers 5, 13, 14, 41 and 42) clearly satisfy this broad standard and the motion should be granted. Sprint reserves its rights to bring an additional motion to compel DRs 3, 6, 12, 17, 24, 27, 28, 29, 32-36, 44 and 47 if no responses are forthcoming or the responses are unsatisfactory.

RESPECTFULLY SUBMITTED this 12th day of August, 2010.

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Appendix A

INTERVENOR: Sprint Nextel

REQUEST NO: 005

Please provide the total revenues generated per legal filing entity for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state. In addition please respond to the following revenue questions:

- a. For each ILEC or ILEC affiliate provide total revenue for broadband Internet access (include the underlying transport, e.g., DSL and the ISP service) for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
- b. For each ILEC or ILEC affiliate provide total revenue for wireless service for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
- c. For each ILEC or ILEC affiliate provide total revenue for long distance service for the years ending 12-31-08 and 12-31-09 and the most recently available month- end for YTD 2010 within the state.
- d. For each ILEC or ILEC affiliate provide total revenue for any products or services provided outside the ILEC serving territory for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
- e. For each ILEC or ILEC affiliate provide total revenue for video entertainment, cable television, video satellite dish or comparable service for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
- f. For each ILEC or ILEC affiliate provide total revenue for residential and business customer premises equipment for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
- g. For each ILEC or ILEC affiliate provide total revenue for other services such as maintenance contracts, consulting services, security services or comparable services for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
- h. For each ILEC or ILEC affiliate provide total revenue for LAN, WAN or other comparable private network service for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.

RESPONSE:

Qwest objects to subparts a - h of this request because they are not reasonably calculated to lead to the discovery of admissible or relevant evidence.

Subject to and without waiving its objections, Qwest states in response to this request for revenue that the Washington total gross intrastate

this request for revenue that the Washington total gross intrastate revenue for 2008 and 2009 for QC, QCC and QLDC as reported in Annual Reports to the WUTC are:

Entity	<u>2008</u>	2009
QC	656,042,778	574,734,938
QCC	33,395,511	32,412,848
QLDC	24,661,564	22,072,535

Respondent: Kevin MacWilliams, Lead Finance Business Analyst Witness: None

Docket No. 100820

Response to Sprint Data Request No. 5

Respondent: John Felz Witness: Clay Bailey

Response Date: July 23, 2010

- 5. Please provide the total revenues generated per legal filing entity for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state. In addition please respond to the following revenue questions:
 - a. For each ILEC or ILEC affiliate provide total revenue for broadband Internet access (include the underlying transport, e.g., DSL and the ISP service) for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
 - b. For each ILEC or ILEC affiliate provide total revenue for wireless service for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
 - c. For each ILEC or ILEC affiliate provide total revenue for long distance service for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
 - d. For each ILEC or ILEC affiliate provide total revenue for any products or services provided outside the ILEC serving territory for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
 - e. For each ILEC or ILEC affiliate provide total revenue for video entertainment, cable television, video satellite dish or comparable service for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
 - f. For each ILEC or ILEC affiliate provide total revenue for residential and business customer premises equipment for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
 - g. For each ILEC or ILEC affiliate provide total revenue for other services such as maintenance contracts, consulting services, security services or comparable services for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.
 - h. For each ILEC or ILEC affiliate provide total revenue for LAN, WAN or other comparable private network service for the years ending 12-31-08 and 12-31-09 and the most recently available month-end for YTD 2010 within the state.

RESPONSE: CenturyLink objects to subparts a, b, c, e, f, g, and h this request because they are not reasonably calculated to lead to the discovery of admissible or relevant evidence. The products and services indicated in those subparts – broadband, wireless, long distance, video, customer premises equipment, and maintenance services – are not regulated by the Commission, and as such the revenues related to those services and products are not relevant to any issue in this proceeding. For subsection d, CenturyLink objects because the request is overbroad. Only the intrastate revenue for services regulated by the Commission is relevant to the Commission's consideration of this matter. Subject to and without waiving its objections, the 12-31-08 and 12-31-09 intrastate revenues for CenturyTel of Washington, Inc., CenturyTel of InterIsland, Inc., CenturyTel of Cowiche, Inc. and United Telephone Company of the Northwest are included in the companies' annual Commission reports provided in response to Sprint Request 18.

INTERVENOR: Sprint Nextel

REQUEST NO: 0013

Provide the interstate switched access charges for the 2009 calendar year for each ILEC legal entity in the state imposed on each of the affiliated IXCs that will be part of the proposed merger. (e.g., total interstate switched access charges Qwest charged CenturyLink affiliated IXC, total interstate switched access charges CenturyLink charged Qwest affiliated IXC, etc.) Provide the charges separately by IXC and by ILEC legal entity.

RESPONSE:

Qwest objects to this request because the total level of access charges imposed is not reasonably calculated to lead to the discovery of admissible or relevant evidence. See also, Qwest's objections to Data Requests 3 and 4.Qwest. Subject to and without waiving its objections, Qwest states that Qwest and each of its affiliates pay and receive payment from CenturyLink and eaach of its affiliates for interstate switched access services pursuant to the tariffs filed by each entity with the Commission.

Respondent: Legal Witness: None

Docket No. 100820

Response to Sprint Data Request No. 13

Respondent: John Felz

Witness: None

Response Date: July 23, 2010

13. Provide the interstate switched access charges for the 2009 calendar year for each ILEC legal entity in the state imposed on each of the affiliated IXCs that will be part of the proposed merger. (e.g., total interstate switched access charges Qwest charged CenturyLink affiliated IXC, total interstate switched access charges CenturyLink charged Qwest affiliated IXC, etc.) Provide the charges separately by IXC and by ILEC legal entity.

OBJECTION:

CenturyLink objects to this request because the total level of access charges imposed is not reasonably calculated to lead to the discovery of admissible or relevant evidence. See also, CenturyLink's objections to Data Requests 3 and 4.

RESPONSE:

Subject to and without waiving its objections, CenturyLink states that CenturyLink and each of its affiliates pay and receive payment from Qwest and each of its affiliates for intrastate switched access services pursuant to the tariffs filed by each entity with the Commission.

INTERVENOR: Sprint Nextel

REQUEST NO: 0013

Provide the interstate switched access charges for the 2009 calendar year for each ILEC legal entity in the state imposed on each of the affiliated IXCs that will be part of the proposed merger. (e.g., total interstate switched access charges Qwest charged CenturyLink affiliated IXC, total interstate switched access charges CenturyLink charged Qwest affiliated IXC, etc.) Provide the charges separately by IXC and by ILEC legal entity.

RESPONSE:

Qwest objects to this request because the total level of access charges imposed is not reasonably calculated to lead to the discovery of admissible or relevant evidence. See also, Qwest's objections to Data Requests 3 and 4.Qwest. Subject to and without waiving its objections, Qwest states that Qwest and each of its affiliates pay and receive payment from CenturyLink and eaach of its affiliates for interstate switched access services pursuant to the tariffs filed by each entity with the Commission.

Respondent: Legal Witness: None

INTERVENOR: Sprint Nextel

REQUEST NO: 0014

Provide the total special access charges for the 2009 calendar year for each ILEC legal entity in the state imposed on each of the affiliated IXCs that will be part of the proposed merger. (e.g., total intrastate and interstate special access charges Qwest charged CenturyLink affiliated IXC, total intrastate and interstate special access charges CenturyLink charged Qwest affiliated IXC, etc.) Provide the charges separately by IXC and by ILEC legal entity.

RESPONSE:

Qwest objects to this request because it is not reasonably calculated to lead to the discovery of admissible or relevant evidence.

Without waiver of this objection, Qwest's intrastate special access charges can be found in Qwest's Private Line Transport Services Catalog which can be located at: http://tariffs.qwest.com:8000/Q Tariffs/WA/index.htm

Respondent: Candace Mowers - Public Policy Witness: None

Docket No. 100820

Response to Sprint Data Request No. 14

Respondent: John Felz

Witness: None

Response Date: July 23, 2010

14. Provide the total special access charges for the 2009 calendar year for each ILEC legal entity in the state imposed on each of the affiliated IXCs that will be part of the proposed merger. (e.g., total intrastate and interstate special access charges Qwest charged CenturyLink affiliated IXC, total intrastate and interstate special access charges CenturyLink charged Qwest affiliated IXC, etc.) Provide the charges separately by IXC and by ILEC legal entity.

OBJECTION:

CenturyLink objects to this request because the total level of access charges imposed is not reasonably calculated to lead to the discovery of admissible or relevant evidence. See also, CenturyLink's objections to Data Requests 3 and 4.

RESPONSE:

Subject to and without waiving its objections, CenturyLink states that CenturyLink and each of its affiliates pay and receive payment from Qwest and each of its affiliates for intrastate access services pursuant to the tariffs filed by each entity with the Commission.

INTERVENOR: Sprint Nextel

REQUEST NO: 0041

List the number of local access lines and total revenues received from those access lines that Qwest and its affiliates have in CenturyLink ILEC territories in the state.

RESPONSE:

Please see Highly Confidential Attachment A.

Respondent: Robert Brigham, Qwest

Witness: None

WASHINGTON
Docket No. UT-100820
Sprint Set 1, No. 41
Highly Confidential
Attachment A

[HIGHLY CONFIDENTIAL BEGING

[HIGHLY CONFIDENTIAL

ENDS]

Docket No. 100820

Response to Sprint Data Request No. 41

Respondent: Legal Witness: None

Response Date: July 23, 2010

41. List the number of local access lines and total revenues received from those access lines that Qwest and its affiliates have in CenturyLink ILEC territories in the state.

RESPONSE:

Please refer to the answers and objections, if any, of Qwest to this request, which are incorporated herein by reference.

INTERVENOR:

Sprint Nextel

REQUEST NO:

0042

List the number of local access lines and total revenues received from those access lines that CenturyLink and its affiliates have in Qwest ILEC territories in the state.

RESPONSE:

Please refer to the answers and objections, if any, of CenturyLink to this request, which are incorporated herein by reference.

Respondent: Legal Witness: None

Docket No. 100820

Response to Sprint Data Request No. 42

Respondent: John Felz

Witness: None

Response Date: July 23, 2010

42. List the number of local access lines and total revenues received from those access lines that CenturyLink and its affiliates have in Qwest ILEC territories in the state.

RESPONSE:

Subject to and without waiving this objection, to the extent not otherwise objectionable, CenturyLink responds as follows:

CenturyLink provides certain Ethernet services to a small number of customers (less than 20) in the Olympia, Tumwater and Spokane markets in Qwest territory.