

BEFORE THE WASHINGTON UTILITIES & 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 NO. UT-

APPLICATION OF QWEST CORPORATION, D/B/A CENTURYLINK QC

- 1.** Qwest Corporation, d/b/a CenturyLink QC (“CenturyLink”) respectfully requests that the Washington Utilities and Transportation Commission (“Commission”) expeditiously issue an order authorizing without conditions a transfer of certain fiber assets (“Transaction”) from CenturyLink to Forged Fiber 37, LLC (“AT&T”) under RCW Chapter 80.12 and WAC Chapter 480-143 and any other authority as may be deemed necessary to effectuate the Transaction. Alternatively, CenturyLink requests the Commission determine that the Transaction is exempt from the approval requirements set out in RCW 80.12 and WAC 480-143 based on the terms of CenturyLink’s Alternative Form of Regulation (“AFOR”).
- 2.** Combining CenturyLink’s Mass Markets fiber assets with AT&T’s significant financial resources, technical and managerial expertise, and experience from successfully operating the nation’s largest consumer fiber business, will expand investment in critical connectivity infrastructure, accelerate the deployment of high-speed fiber internet access, and deliver additional benefits by enabling more consumers and small businesses to leverage this high-speed connectivity, all consistent with the Commission’s promotion of economically efficient broadband infrastructure. The Transaction also will give residents access to converged wireline and wireless broadband from a single provider, allowing continuous, reliable connectivity that services from separate providers cannot match.

3. CenturyLink respectfully requests that the Commission hold a prehearing conference at the soonest available opportunity and issue an expeditious schedule thereafter to allow for a decision approving the Transaction without conditions at the earliest possible date. Alternatively, CenturyLink respectfully requests that the Commission issue a decision that the Transaction is exempt from approval.

I. PARTIES TO THE TRANSACTION

A. CENTURYLINK

4. CenturyLink currently provides a variety of services in the state of Washington, including telephone service subject to the AFOR Order approved by the Commission in Docket UT-130477, as well as services that are not regulated by the Commission, such as broadband Internet access services and VoIP services.
5. CenturyLink is a subsidiary of Lumen Technologies, Inc. (together with its other subsidiaries and affiliates, “Lumen Technologies”), a global communications services provider that ignites business growth by connecting people, data and apps – quickly, securely, and effortlessly.¹ It provides a broad array of integrated products and services to domestic and global business customers and domestic mass markets customers, including fiber infrastructure services and voice and communications services. Lumen Technologies’ approximately 163,000 fiber on-net buildings and 340,000 route miles of fiber optic cable globally make it among the largest communications services providers.²

¹ <https://www.lumen.com/en-us/about.html>

² See Lumen Technologies, Inc., Annual Report (Form 10-K) at 5–6 (Feb. 20, 2025) (“Lumen 2024 Annual Report”), <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000018926/cc0f35c2-7662-4ee9-b17f-da5ca881bec2.pdf>.

B. AT&T

6. The company acquiring the fiber assets from CenturyLink in the Transaction, Forged Fiber 37, LLC, is a wholly owned subsidiary of AT&T Inc., a global leader in telecommunications and technology. As part of the Transaction, AT&T plans to purchase and operate portions of Lumen Technologies fiber networks in eleven states. AT&T Inc., through its subsidiaries, provides wireless and wireline telecommunications and broadband services to consumers located in the United States and businesses globally.³ Its Consumer Wireline business provides wireline broadband services, fixed wireless broadband services, and legacy telephony voice communication services to residential customers; its Business Wireline division offers advanced fiber services, fixed wireless services, IP Voice and managed professional services, as well as legacy voice and data services and related equipment, to enterprises; and its Mobility business provides nationwide wireless service and equipment.⁴

II. DESCRIPTION OF THE TRANSACTION

7. AT&T will acquire certain parts of Lumen Technologies' Mass Markets fiber business in Washington state,⁵ along with certain parts of CenturyLink's and its affiliates' Mass Markets fiber businesses in Arizona, Colorado, Florida, Idaho, Iowa, Minnesota, Nebraska, Nevada, Oregon, and Utah.⁶ As part of the Transaction, AT&T will obtain Mass Markets fiber assets passing approximately **START CONFIDENTIAL** [REDACTED] **END CONFIDENTIAL** locations in Washington, along with certain of CenturyLink's




³ AT&T Inc., Annual Report (Form 10-K) at 2 (Feb. 12, 2025), <https://investors.att.com/~media/Files/A/ATT-IR-V2/financial-reports/annual-reports/2024/complete-annual-report-2024.pdf>.

⁴ *Id.* In addition, AT&T's Latin America segment provides wireless service and equipment in Mexico. *Id.*



⁵ In Washington, the Transaction perimeter includes larger metro areas (Seattle, Bellevue, Tacoma, Spokane, Vancouver, Longview, Bainbridge, Silverdale and Port Orchard). CenturyLink fiber assets in other locations in Washington are excluded from the Transaction.

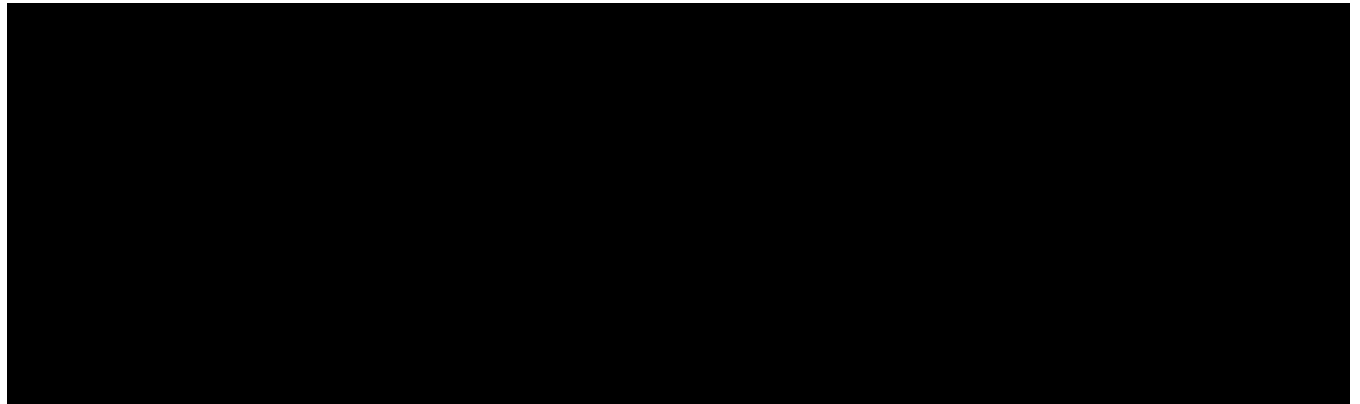
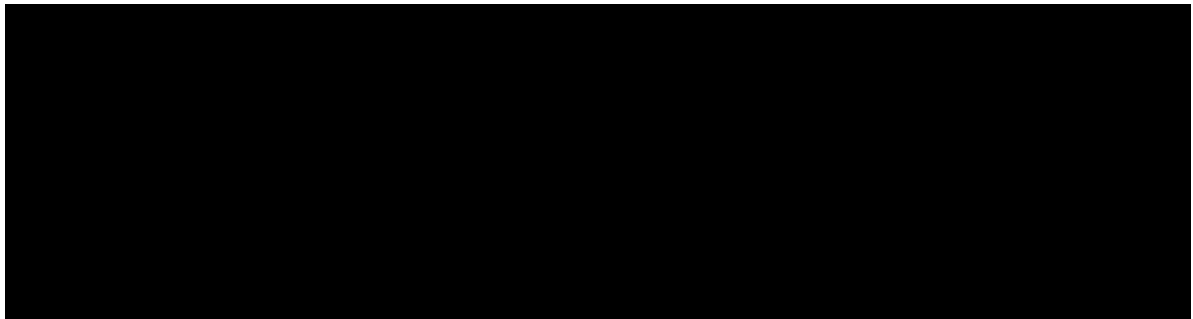
⁶ The Purchase Agreement can be found at: <http://www.sec.gov/Archives/edgar/data/18926/000119312525124002/d913721dex21.htm>.

Mass Markets fiber customers in Washington. These include locations passed by CenturyLink, as well as its unregulated affiliate.


8. In Washington, CenturyLink fiber passes approximately **START CONFIDENTIAL**  **END CONFIDENTIAL** locations, approximately **START CONFIDENTIAL**  **END CONFIDENTIAL** of which are within the Transaction perimeter. Of those, only approximately **START CONFIDENTIAL**  **END CONFIDENTIAL** are currently utilized to provide CenturyLink customers with voice service utilizing Plain Old Telephone Service (“POTS”) over Passive Optical Network (“PON”) (“POTS over PON”). Certain assets serving the locations within the Transaction perimeter will be transferred to AT&T. Facilities outside of the Transaction will be retained by CenturyLink and Q Fiber.

9. CenturyLink will remain the ILEC in its service territory in Washington. CenturyLink will keep its traditional copper circuit-switched telephone networks and its copper-based, lower-speed broadband businesses, as well as its customers subscribing to these services (including a relatively small number of voice customers receiving traditional POTS over PON). CenturyLink also will remain subject to the regulatory obligations associated with these businesses. CenturyLink also will retain its over-the-top VoIP subscribers. Finally, Lumen Technologies will continue to operate its enterprise business, including dark fiber, Ethernet transport and termination, colocation products, and interoffice transport facilities.

10. The figure below depicts the high-level allocation of CenturyLink’s current Mass Market fiber network between AT&T and CenturyLink after the Transaction closes. **START CONFIDENTIAL** 




END CONFIDENTIAL

- 11.** CenturyLink relies on certain of the facilities that it will be selling to AT&T to serve approximately **START CONFIDENTIAL**  **END CONFIDENTIAL** POTS over PON customers in Washington. Those POTS over PON customers will remain CenturyLink customers after closing, and CenturyLink's regulatory obligations to provide POTS service upon request will continue. Further, CenturyLink will take the necessary steps to continue providing services to these customers, including working with AT&T, who will continue to offer CenturyLink fiber connectivity to provide services to these customers for at least 3 years. The Transaction accordingly will have no impact on POTS customers notwithstanding the change in ownership of fiber assets.

III. STANDARD OF REVIEW

- 12.** RCW 80.12.020 and WAC 480-120-143-120 require Commission approval of “a transfer of property necessary or useful to perform its public duties,” which in this case would, at most, refer to the portion of the sale of CenturyLink fiber that is used to provide POTS over PON voice service to a relatively small number of Washington consumers. CenturyLink’s AFOR exempts CenturyLink from Chapter 80.12 RCW and Chapter 480-143 WAC. While the waiver does not apply to the sale of “access lines,”⁷ CenturyLink respectfully submits that, because the fiber assets being transferred are used only to provide broadband and other packet-switched services, and because AT&T is only purchasing a portion of the circuit connecting the central office and the customer premise, the Transaction should not be considered to entail the sale of “access lines.”⁸
- 13.** If the Commission determines that the AFOR waiver accordingly applies, then Commission approval of the asset sale would not be required. If the Commission finds that the sale of a portion of CenturyLink’s network that CenturyLink uses to provide POTS over PON service constitutes the sale of an access line, however, the Transfer of Property provisions would require approval of the Transaction. In that event, the Commission’s standard of review is whether the proposed Transaction is in the public interest. Here, the Transaction will benefit Washington’s consumers and Washington’s economy and will cause no harm to the public or CenturyLink’s customers.⁹ The broadband services and broadband customers that will be transferred to AT&T pursuant

⁷ See UT-130477, Order 04, Attachment A, Exception 6 Transfer of Property.

⁸ WAC 480-120-021 defines an access line as “a circuit providing exchange service between a customer’s standard network interface and a serving switching center.” As the diagram shows, CenturyLink will retain a portion of the fiber connection between the customer’s standard network interface and the switching serving center, while AT&T will acquire a portion of the circuit. Further, the fiber assets do not support “circuit switched” services.

⁹ *In the Matter of the Joint Application of Verizon Communications, Inc., and Frontier Communications Corporation*, Docket No. UT-090842, Final Order (April 2010); applying RCW 80.12.020 and WAC 480-143-170.

to the Transaction are not regulated by the Commission, and the Transaction will not harm the limited number of CenturyLink’s POTS over PON customers.

IV. THE TRANSACTION IS IN THE PUBLIC INTEREST

A. The Proposed Transaction Will Benefit Washington’s Consumers and Economy

- 14.** AT&T’s financial resources, expertise, and experience will take CenturyLink’s Mass Markets fiber business to the next level. The combination will bring increased infrastructure investment and result in faster deployment of high-speed fiber internet access to Washington consumers.

1. Faster Fiber Deployment Is Vital to Washington’s Future

- 15.** The U.S. Congress has recognized our new reality: “Access to affordable, reliable, high-speed broadband is essential to full participation in modern life in the United States.”¹⁰ As the Federal Communications Commission has elaborated, consumers rely on broadband connections “to work, learn, access health care, and connect with each other.”¹¹ Where they are economically feasible to deploy, fiber networks offer best-in-class performance for all these applications, with greater speed and reliability than alternative broadband technologies.¹² The faster fiber networks can reach more locations in Washington, the faster people will experience the benefits that fiber networks offer.

¹⁰ 47 U.S.C. § 1701(1).

¹¹ Communications Marketplace Report, FCC-24-136, 2024 WL 5330303, at ¶ 368 (rel. Dec. 31, 2024).

¹² See, e.g., *id.* at ¶ 17 (explaining that fiber, specifically fiber-to-the-premises, “service can offer the consumer the highest speed among all currently available services because the fiber connects directly to the consumer’s residence”); *Fiber broadband explained*, Nokia (July 31, 2023), <https://www.nokia.com/fixed-networks/fiber-broadband-explained/> (“Fiber is by far the fastest of all broadband technologies. With 10 gigabit per second networks now commonplace and 25 gigabit per second networks on their way, speeds are only ever going to increase.”).

2. The Proposed Transaction Joins CenturyLink's Unique Local Capabilities with AT&T's Resources and Commitment to Deploying Fiber Networks for Retail Customers

- 16.** The Proposed Transaction will allow AT&T to expedite expansion of CenturyLink's (and its unregulated affiliate's) current fiber footprint to reach more communities and customers. CenturyLink has built robust fiber capabilities to provide broadband to retail customers. CenturyLink's on-the-ground personnel possess strong technical and operational expertise to build and operate its fiber network successfully. In addition, CenturyLink's existing fiber assets provide a strategic platform for further expansion of its fiber footprint in Washington.
- 17.** AT&T has the financial and technical qualifications to use this strategic platform to speed up this expansion and deliver more innovative services. With annual revenues exceeding \$120 billion in 2024, AT&T is one of the largest telecommunications companies in the world and a leading provider of connectivity services.¹³
- 18.** In particular, "fiber [is] a core priority of AT&T's business."¹⁴ For seven consecutive years, AT&T has "added 1 million or more AT&T Fiber customers, closing 2024 with 9.3 million in total and nearly 29 million consumer and business locations passed with fiber."¹⁵ "AT&T Fiber is available in more households than any other fiber provider, rated as America's fastest internet with the most reliable speeds, and #1 in customer satisfaction."¹⁶ With the Proposed Transaction, "AT&T now expects to reach approximately 60 million total fiber locations by the end of 2030—roughly doubling where AT&T Fiber is available today."¹⁷

¹³ AT&T 2024 Annual Report at 20.

¹⁴ AT&T 2024 Annual Report at 3.

¹⁵ AT&T 2024 Annual Report, CEO Letter to Shareowners at 2.

¹⁶ *Id.*

¹⁷ Press Release, AT&T, *AT&T To Acquire Lumen's Mass Markets Fiber Business* (May 21, 2025), <https://about.att.com/story/2025/lumen-mass-markets-fiber-business.html>. Over four million of these locations come from the Lumen footprint AT&T will acquire. *Id.* AT&T's previous guidance had indicated that it would

19. Moreover, AT&T employees include some of the best scientists and engineers that “conduct research in a variety of areas, including IP networking, advanced network design and architecture, network and cybersecurity, network operations support systems and data analytics.”¹⁸ AT&T invests heavily in research and development, spending \$955 million in 2024 alone “to create new services and to invent tools and systems to manage secure and reliable networks.”¹⁹
20. AT&T expects to significantly grow the number of AT&T Fiber customers within the acquired fiber footprint, using its extensive distribution and the strengths of AT&T Fiber, which are described below in Section IV.A.3. Over time, AT&T expects to increase fiber customer penetration within the acquired footprint to levels more consistent with its current penetration of AT&T Fiber.

3. Mass-Market Customers Will Benefit From Converged Service Offerings

21. In addition to speeding fiber deployment, combining the Mass Markets fiber business and AT&T Mobility under common ownership will give Washington residents access to converged wireline and wireless broadband services from a single provider. Converged offerings from a single provider allow continuous, reliable connectivity, coupled with greater customer convenience. Unsurprisingly, the majority of AT&T “customers (more than 75%) value the ease of working with one company that can provide seamless wireless and broadband connectivity.”²⁰

reach over 50 million locations with fiber by the end of 2029. *See AT&T Outlines Strategic Plan To Drive Sustainable Growth and Enhanced Shareholder Returns*, AT&T (Dec. 3, 2024), <https://about.att.com/story/2024/analyst-and-investor-day-2024.html#:~:text=In%20broadband%2C%20the%20Company%20is,marginal%20cost%20network%20in%20America>.

¹⁸ AT&T 2024 Annual Report at 7.

¹⁹ *Id.*

²⁰ AT&T 2024 Annual Report, CEO Letter to Shareowners at 3.

22. The benefits of the AT&T Fiber experience also include All-Fi, which allows customers to enjoy wall-to-wall internet connectivity around the house.²¹ Optional mesh Wi-Fi extenders can help eliminate in-home dead zones.²² ActiveArmor advanced internet security comes with All-Fi Pro to provide more privacy and safety features.²³ And Smart Home Manager offers customers an easy way to personalize and manage their network, and associated experiences, from their devices.²⁴ These improved services will promote competition to provide broadband to residential customers in Washington.

4. CenturyLink's Voice Customers Will Not Be Impacted by the Transaction.

23. CenturyLink's voice customers will not be impacted, much less harmed, by the Transaction; therefore, the Transaction is in the public interest and should be expeditiously approved.
24. First, from a service delivery standpoint, the Transaction will have no impact on CenturyLink's ability to provide voice services to its customers. The overwhelming percentage of CenturyLink's voice customers in Washington are served by copper, which is not subject to the Transaction. The relatively few CenturyLink customers who currently receive POTS over PON service will continue to receive POTS over PON service directly from CenturyLink post-closing, under the same terms and conditions as they do today.²⁵

²¹ See *A Guide to AT&T Wi-Fi Equipment and Services*, AT&T, <https://www.att.com/internet/what-is-all-fi/#storyoffer1> (last visited May 23, 2025).

²² See *id.*

²³ See *Transform Your Internet with All-Fi® Pro: AT&T's New Package with Equipment Upgrades, Extenders and Security Built In!*, AT&T (Apr. 16, 2025), <https://about.att.com/story/2025/all-fi-pro.html>.

²⁴ See *AT&T Smart Home Manager*, AT&T, <https://www.att.com/internet/smart-home/> (last visited May 23, 2025).

²⁵ Communications companies regularly provide service using facilities owned by third parties (through IRUs, leases, unbundled network elements, or otherwise).

25. CenturyLink will take the necessary steps to continue providing services to these customers, including working with AT&T, who will continue to offer CenturyLink fiber connectivity to provide services to these customers for at least 3 years.
26. It is also worth noting that CenturyLink's POTS over PON customers virtually all reside in urban areas with numerous service alternatives. Indeed, our preliminary analysis suggests that of the approximately **START CONFIDENTIAL** [REDACTED] **END CONFIDENTIAL** POTS over PON customers fewer than **START CONFIDENTIAL** [REDACTED] **END CONFIDENTIAL** are at Challenged Customer Locations, as that term has been defined in the settlement agreement between CenturyLink and Commission Staff in Docket UT-240029. In addition, CenturyLink has other solutions to provide voice services to its customers (*e.g.*, facilities from another broadband provider at the customer's premises, other wireless applications, fixed wireless service). Moreover, the Transaction will create additional voice options from AT&T, including converged wireless and broadband services at a discount.
27. Second, from a regulatory standpoint, CenturyLink's POTS over PON service will still be governed by CenturyLink's AFOR, and the Commission will retain regulatory oversight of that service.
28. Third, the transaction will improve Lumen Technologies' financial position, allowing it to significantly reduce its debt. CenturyLink will continue serving its customers in the voice market, while at the same time having additional financial flexibility.

B. The Transaction Does Not Present Any Regulatory Concerns.

29. As described above, AT&T will acquire only CenturyLink's Mass Markets fiber business, which provides *broadband* service to retail customers. The Commission does

not regulate broadband service. The Transaction will not alter CenturyLink's regulatory obligations associated with POTS or its relationships with its POTS customers.

- 30.** Lumen Technologies also will retain its enterprise and carrier businesses. This includes its national, regional, state and metro level fiber – the infrastructure that powers enterprise, public safety, and government operations. Accordingly, the Transaction likewise will have no impact on the services that CenturyLink provides to these customers.

V. COMMUNICATIONS AND CORRESPONDENCE

- 31.** All communications and correspondence concerning this Application should be addressed or directed to:

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VI. RELIEF REQUESTED

- 32.** For the reasons set forth above, CenturyLink respectfully requests that the Commission expeditiously issue an order authorizing the Transaction as proposed under Chapter 80.12 RCW, WAC 480-143-170, and any other applicable provisions of Washington state law

or, in the alternative, dismiss this Application because the Transaction does not involve the sale of access lines and thus is not subject to Commission approval.

Respectfully submitted this 7th day of July 2025.

By:



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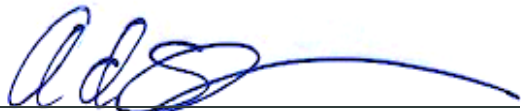
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CERTIFICATION

In accordance with WAC 480-143-140, I hereby certify that the information included in the Application is true and correct to the best of my information and belief, under penalty of perjury.



Adam Sherr
Assistant General Counsel
CenturyLink