

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)
)
Applications filed by Qwest Communications) WC Docket No. 10-110
International Inc. and CenturyTel, Inc., d/b/a)
CenturyLink for Consent to Transfer of)
Control)

**COMMENTS OF THE
NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES**

As described in the Public Notice released on May 28, 2010 by the Federal Communications Commission (“FCC” or “Commission”),

On May 10, 2010, Qwest Communications International Inc. (Qwest) and CenturyTel, Inc. d/b/a CenturyLink (CenturyLink) (together, Applicants) filed a series of applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 214, 310(d), and Section 2 of the Cable Landing License Act, 47 U.S.C. § 35,1 seeking Commission approval for various transfers of control of licenses and authorizations held by Qwest and its subsidiaries from Qwest to CenturyLink.¹

This is the fourth similar transaction filed with the Commission in recent years. Earlier, FairPoint sought to acquire Verizon’s operations in three New England states; CenturyTel sought to acquire Embarq operations across the country; and Frontier sought to acquire portions of Verizon in 14 states. Each was a situation where a smaller telephone company was acquiring assets larger than itself. The National Association of State Utility Consumer Advocates (“NASUCA”)² raised concerns with the Commission

¹ DA 10-993 (rel. May 28, 2010), at 1.

² NASUCA is a voluntary national association of consumer advocates in more than 40 states and the District of Columbia, organized in 1979. NASUCA’s members are designated by the laws of their

about the CenturyTel/Embarq and Frontier/Verizon transactions. The Commission ultimately approved all of the transactions, but not before adopting a set of “voluntary” conditions for consumer and competitive benefits.³

So far, the track record is that the FairPoint transaction has turned out to be a virtually unmitigated disaster⁴; problems with the CenturyTel/Embarq merger have not been publicly noted; and it is too early to tell for the Frontier/Verizon transaction. But there seems to be little interest at the FCC for restraining this trend in industry consolidation.

Thus it does not appear to be fruitful for NASUCA to engage in a detailed analysis of the risks of the transaction at issue here.⁵ NASUCA will leave that to parties with greater resources or hopes of bucking the trend. But it would be remiss not to note that this transaction depends – more than the others – for its success on the Commission’s ultimate decisions on special access, intercarrier compensation and especially universal service funding. And those issues remain very much up in the air. In addition, layering

respective states to represent the interests of utility consumers before state and federal regulators and in the courts. Members operate independently from state utility commissions, as advocates primarily for residential ratepayers. Some NASUCA member offices are separately established advocate organizations while others are divisions of larger state agencies (*e.g.*, the state Attorney General’s office). Associate and affiliate NASUCA members also serve utility consumers, but have not been created by state law or do not have statewide authority.

³ *In the Matter of Applications filed by Frontier Communications Corporation and Verizon Communications Inc. for Assignment or Transfer of Control*, WC Docket No. 09-95, Memorandum Opinion and Order, FCC 10-87 (rel. May 25, 2010); *In the Matter of Applications Filed for the Transfer of Control of Embarq Corporation to CenturyTel, Inc.* WC Docket No. 08-238, Memorandum Opinion and Order, 24 FCC Rcd 8741 (2009); *In the Matter of Applications Filed for the Transfer of Certain Spectrum Licenses and Section 214 Authorizations in the States of Maine, New Hampshire, and Vermont from Verizon Communications Inc. and its Subsidiaries to FairPoint Communications, Inc.*, WC Docket No. 07-22, Memorandum Opinion and Order, 23 FCC Rcd 514 (2008). Various state commission also imposed conditions on the mergers.

⁴ FairPoint’s bankruptcy reorganizations plan was approved in Maine, rejected in Vermont, and New Hampshire has not yet acted. See http://www.benningtonbanner.com/local/ci_15405161.

⁵ See Comments of NASUCA and the New Jersey Division of Rate Counsel on the Frontier/Verizon transaction in WC Docket No. 09-95 (filed September 21, 2009).

another massive integration on top of the not-yet-complete Embarq integration may strain CenturyLink management attention, introduce unanticipated costs and place service quality at risk.

NASUCA will, as a result, merely state that if the Commission is to approve this transaction it must adopt conditions that are equally – if not more – protective of competition and beneficial to consumers than it did in the CenturyTel/Embarq and Frontier/Verizon transactions. Only then will there be an assurance that the public interest requirements of 47 U.S.C. §§ 214(a) and 310(d) are met.⁶

Respectfully submitted,

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⁶ The Commission adopted conditions in the CenturyTel/Embarq and Frontier/Verizon order that created “positive public interest benefits.” See *Application of Ameritech Corporation and SBC Communications Inc. for Transfer of Control of Corporations Holding Commission Licenses and Lines Pursuant to Section 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95, and 101 of the Commission’s Rules*, 14 FCC Rcd 14712, ¶¶ 348-418 (1999).