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11 Attorneys for Intervenor CWA

12 **BEFORE THE ARIZONA**
13 **CORPORATION COMMISSION**

14 IN THE MATTER OF THE JOINT
15 NOTICE AND APPLICATION OF
16 QWEST CORPORATION, QWEST
17 COMMUNICATIONS COMPANY,
18 LLC, QWEST LD CORP., EMBARQ
COMMUNICATIONS, INC. D/B/A
CENTURYLINK COMMUNICATIONS,
EMBARQ PAYPHONE SERVICES,
INC. D/B/A CENTURY LINK,
AND CENTURYTEL SOLUTIONS,
LLC, FOR APPROVAL OF THE
PROPOSED MERGER OF THEIR
CORPORATIONS QWEST
COMMUNICATIONS
INTERNATIONAL INC. AND
CENTURYTEL, INC.

Docket Nos. T-01051B-10-0194
T-02811B-10-0194
T-04190A-10-0194
T-20443A-10-0194
T-03555A-10-0194
T-03902A-10-0194

**INTERVENOR CWA'S NOTICE OF
ERRATA RE: MOTION TO COMPEL
#2**

19 Intervenor Communications Workers of America, AFL-CIO,
20 CLC ("CWA"), by and through undersigned counsel, hereby
21 notifies the Administrative Law Judge ("ALJ") that it
22 inadvertently attached the wrong document as Exhibit A to
23 the Motion to Compel filed this day. The correct Exhibit A
24 is attached hereto.

25 Arizona Corporation Commission

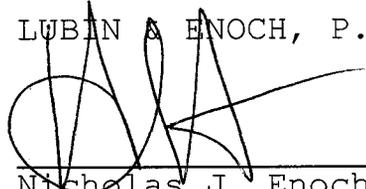
26 **DOCKETED**

27 OCT 8 2010

28 DOCKETED BY

1 RESPECTFULLY SUBMITTED this 8th day of October 2010.

2 LUBIN & ENOCH, P.C.

3 

4 _____
5 Nicholas J. Enoch, Esq.
6 Attorney for Intervenor CWA

7 **CERTIFICATE OF SERVICE**

8 I hereby certify that on this 8th day of October, 2010,
9 an Original and thirteen (13) copies of the CWA's Notice was
10 filed with:

11 Arizona Corporation Commission
12 Docket Control Center
13 1200 West Washington Street
14 Phoenix, Arizona 85007-2996

15 I hereby further certify that I have this day served
16 one (1) copy of the foregoing document on all parties of
17 record in this proceeding via regular*/e-mail, as set forth
18 on the attached Service List (not including Arizona
19 Reporting Service and Lyn Farmer).

20 

21 F:\Nick\aaaNick'sMasterWorkingFiles.dir\PLEADING\UNIONS.PLD\CWA.dir\1871-002.dir\CWA.Errata#2.pld.wpd

Exhibit A

1 LUBIN & ENOCH, P.C.
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18 Attorneys for Intervenor-Applicant CWA

19 **BEFORE THE ARIZONA**
20 **CORPORATION COMMISSION**

21 IN THE MATTER OF THE JOINT
22 NOTICE AND APPLICATION OF
23 QWEST CORPORATION, QWEST
24 COMMUNICATIONS COMPANY,
25 LLC, QWEST LD CORP., EMBARQ
26 COMMUNICATIONS, INC. D/B/A
27 CENTURYLINK COMMUNICATIONS,
28 EMBARQ PAYPHONE SERVICES,
INC. D/B/A CENTURY LINK,
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T-20443A-10-0194
T-03555A-10-0194
T-03902A-10-0194

**INTERVENOR CWA'S FIRST SET
OF DATA REQUESTS TO
APPLICANTS**

29 **To: Applicants Qwest Corporation ("Qwest") and CenturyLink
30 Communications ("CenturyLink") and their counsel:**

31 Intervenor Communications Workers of America, AFL-CIO,
32 CLC ("CWA"), by and through undersigned counsel, hereby
33 requests that, pursuant to A.A.C. R14-3-101(A), and, in
34 turn, Rules 33 and 34, Ariz.R.Civ.P., you answer in writing

1 and under oath the following data requests within ten (10)
2 days from the date of service hereof

3 1. Please provide all documents submitted by or on
4 behalf of Qwest to the U.S. Department of Justice and the
5 Federal Trade Commission pursuant to the requirements of the
6 Hart-Scott-Rodino Anti-Trust Improvements Act, as amended.

7 2. Please provide all documents submitted by or on
8 behalf of CenturyLink to the U.S. Department of Justice and
9 the Federal Trade Commission pursuant to the requirements of
10 the Hart-Scott-Rodino Anti-Trust Improvements Act, as
11 amended.

12 3. Please provide all non-public documents which are
13 part of the April 21, 2010 Agreement and Plan of Merger
14 Among Qwest Communications International Inc., CenturyTel,
15 Inc. and SB44 Acquisition Company, including any
16 attachments, appendices and disclosure letters.

17 ~~4. Please provide fully enabled copies of any computer~~
18 ~~spreadsheet models, developed by or for CenturyLink and/or~~
19 ~~Qwest, projecting the future operating and financial~~
20 ~~prospects of the combined firms.~~

21 5. To the extent not provided in the Hart-Scott-Rodino
22 filings, please provide all materials developed by or for
23 CenturyTel and/or Qwest for presentation to their respective
24 Board of Directors and the separate Qwest transaction
25 committee (including backup documentation and underlying
26 computations), and notes taken at the following meetings, as
27 identified in the June 4, 2010 CenturyLink S-4 filing:

- 1 a. The November 18, 2009 CenturyLink Board of
2 Directors meeting (p. 34).
- 3 b. Mr. Post's January 9, 2010 communication with
4 CenturyLink Board of Directors (p. 34).
- 5 c. The January 19, 2010 CenturyLink Board of
6 Directors (p. 34).
- 7 d. The February 17 and 18, 2010 Qwest Board of
8 Directors meeting (p. 34).
- 9 e. The February 23, 2010 CenturyLink Board of
10 Directors meeting (p. 35).
- 11 f. The March 15, 2010 joint special meeting of the
12 Qwest Board of Directors and transaction
13 committee, including the presentations by Mr.
14 Mueller and Lazard (p. 36).
- 15 g. The March 18, 2010 Qwest Board of Directors
16 meeting, including management's updated
17 presentation regarding Qwest's long-range plan (p.
18 36).
- 19 h. The March 22, 2010 meeting of the Qwest Board of
20 Directors transaction committee, including the
21 presentation b Lazard (p. 36).
- 22 i. The March 29, 2010 meeting between the Qwest
23 transaction committee and representatives of
24 Perella Weinberg (p. 37).
- 25 j. The March 31, 2010 meeting of the Qwest Board of
26 Directors and Qwest senior management, including
27

1 reports by Mr. Mueller and Qwest management (p.
2 37).

3 k. The April 1, 2010 meeting between the Qwest
4 transaction committee and representatives of
5 Perella Weinberg, including Perella Weinberg's
6 report (p. 37).

7 l. The April 4, 2010 meeting between the Qwest
8 transaction committee and representatives of
9 Perella Weinberg, including any Perella Weinberg
10 report (p. 37).

11 m. The April 5, 2010 meeting of the Qwest Board of
12 Directors, including the Perella Weinberg
13 presentation and the report that Lazard provided
14 to the Board prior to this meeting (p. 37-38).

15 n. The April 5, 2010 telephone conversation between
16 members of the Qwest transaction committee and Mr.
17 Mueller (p. 38).

18 o. The April 12, 2010 meeting of the CenturyLink
19 Board of Directors (p. 38).

20 p. The April 14 and 15, 2010 meeting of the Qwest
21 Board of directors, including Qwest management's
22 update and Qwest's financial advisors "detailed
23 presentation of the strategic rationale for the
24 proposed combination with CenturyLink, including
25 potential opportunities for synergies" (p. 39).

26 q. The April 19, 2010 meeting between Patrick J.
27 Martin (Qwest's lead independent director and
28

1 chairman of the transaction committee) and Mr.
2 Post (p. 39).

3 r. The April 19, 2010 meeting of the CenturyLink
4 Board of Directors, including management's
5 detailed review of their "due diligence findings"
6 and "various sensitivity analyses," CenturyLink's
7 financial advisors review of "the potential impact
8 of the transaction," and Mr. Post's report (p.
9 39).

10 s. The April 21, 2010 meeting of the CenturyLink
11 Board of Directors, including any reports or
12 analyses from its senior management and its
13 financial advisors (pp. 39-40).

14 t. The April 21, 2010 meeting of the Qwest Board of
15 Directors, including any reports or analyses from
16 its senior management and its financial advisors
17 (p. 40).

18 6. To the extent not provided in the Hart-Scott-Rodino
19 filings, please provide copies of all materials developed in
20 preparation for or exchanged at, and notes taken at the
21 following meetings or telephonic conversations, as described
22 in the S-4:

23 a. The Qwest management September 2009 "periodic
24 review and assessment of Qwest's financial
25 strategic alternatives" (p. 33).

26 b. The October 2, 2009 meeting between Glen F. Post,
27 III and Edward A. Mueller (p. 34).

- 1 c. The November 11, 2009 meeting between CenturyLink
2 and Qwest senior management teams (p. 34).
- 3 d. November and December 2009 telephone conversations
4 between Mr. Post and Mr. Mueller (p. 34).
- 5 e. The December 20 and December 21, 2009 meetings
6 between Mr. Post and Mr. Mueller (p. 34).
- 7 f. The (on or about) February 26, 2010 telephone
8 conversation between Mr. Post and Mr. Mueller (p.
9 35).
- 10 g. The March 2, 2010 discussion between Mr. Post and
11 Mr. Mueller (p. 35).
- 12 h. The March 5, 2010 meeting between certain of
13 CenturyLink's financial advisors and
14 representatives of Qwest's financial advisor,
15 Lazard Freres (p. 35).
- 16 i. The March 8, 2010 communication between certain of
17 CenturyLink's financial advisors and Lazard (p.
18 35).
- 19 j. The March 8, 2010 communication between Mr. Post
20 and Mr. Mueller (p. 35).
- 21 k. The "non-public information" exchanged by
22 CenturyLink and Qwest as referenced by the S-4 on
23 page 35.
- 24 l. The March 11, 2010 Qwest senior management
25 presentation to members of CenturyLink's senior
26 management (p. 35).
- 27

- 1 m. The March 12, 2010 telephone call from Mr. Post to
2 Mr. Mueller (p. 35).
- 3 n. The March 16, 2010 telephone conversation among
4 Lazard, Deutsche Bank and Morgan Stanley.
- 5 o. The March 23, 2010 presentation by members of
6 Qwest senior management to members of CenturyLink
7 senior management and CenturyLink financial
8 advisors (p. 37).
- 9 p. The March 25, 2010 discussion between Mr. Post and
10 Mr. Mueller (p. 37).
- 11 q. The April 1, 2010 meeting between the senior
12 management of Qwest and CenturyLink, including
13 CenturyLink's presentation to Qwest management and
14 its financial advisors (p. 37).
- 15 r. The telephone calls and in-person meetings during
16 the week of April 5, 2010 among experts for Qwest
17 and CenturyLink to discuss various due diligence
18 matters (p. 38).
- 19 s. The April 7, 2010 discussion between Mr. Post and
20 Mr. Miller (p. 38).
- 21 t. The April 8, 2010 discussion between Mr. Post and
22 Mr. Miller (p. 38).
- 23 u. The April 9, 2010 discussion between Mr. Post and
24 Mr. Miller (p. 38).
- 25 v. The April 12, 2010 discussion between Mr. Post and
26 Mr. Miller (pp. 38-39).
- 27
- 28

1 7. Regarding the "large number of systems that must be
2 integrated, including billing, management information,
3 purchasing, accounting and finance, sales, payroll and
4 benefits, fixed asset, lease administration and regulatory
5 compliance" (June 4, 2010 S-4, p. 16), please provide any
6 documents or analyses, performed by or for CenturyLink or
7 Qwest, that are responsive to the following:

- 8 a. List(s) identifying all such systems.
- 9 b. Discussions of the integration of such systems.
- 10 c. Timelines or chronologies projecting the
11 integration of such systems.
- 12 d. Identifying the potential risks associated with
13 the integration of such systems.
- 14 e. Comparing the system integration process
15 associated with the CenturyTel/Embarq transaction
16 with the proposed CenturyLink/Qwest transaction.
- 17 ~~f. The range of potential charges and expenses that~~
18 ~~CenturyLink and Qwest, separately, expect to take~~
19 ~~prior to the closing of the proposed transaction.~~
- 20 g. The range of potential charges and expenses that
21 CenturyLink and Qwest, separately, expect to take
22 prior to, or subsequent to, the closing of the
23 proposed transaction.

24 8. Regarding potential future growth by CenturyLink
25 through acquisitions as referenced, for example, on page 19
26 of the S-4 ("CenturyLink has traditionally sought growth
27 largely through acquisitions of properties similar to those

1 currently operated by it."), page 20 ("Following the merger,
2 CenturyLink may continue to expand its operations through
3 additional acquisitions, [and] other strategic transactions
4 . . ."), and page 23 (potential "material adverse
5 consequences" of the transaction on CenturyLink by "(iii)
6 limiting CenturyLink's ability to access the capital markets
7 . . . to fund acquisitions or emerging businesses, (iv)
8 limiting the amount of free cash flow available for future
9 operations, acquisitions, dividends, stock repurchases or
10 other uses..."),

11 a. Is CenturyLink currently contemplating any
12 additional acquisitions or strategic transactions?
13 If yes, please describe.

14 b. Has CenturyLink engaged in discussions regarding
15 any other acquisitions or strategic transactions
16 within the previous year? If yes, please
17 describe.

18 c. Have CenturyLink and/or Qwest engaged in
19 discussions with Sprint regarding any type of
20 strategic relationship involving Sprint's wireless
21 network? If yes, please describe.

22 d. Have CenturyLink and/or Qwest engaged in
23 discussions with Clearwire regarding any type of
24 strategic relationship involving the Clearwire
25 WiMAX wireless broadband network? If yes, please
26 describe.

1 e. Have CenturyLink and/or Qwest engaged in
2 discussions with T-Mobile or its parent regarding
3 any type of strategic relationship involving the
4 T-Mobile's wireless network? If yes, please
5 describe.

6 f. Have CenturyLink and/or Qwest engaged in
7 discussions with any other wireless provider
8 regarding any type of strategic relationship? If
9 yes, please describe.

10 g. Have CenturyLink and/or Qwest engaged in
11 discussions with Harbinger Capital regarding its
12 reported efforts to enter into strategic
13 relationships for the creation of a new 4th
14 generation wireless broadband network? If yes,
15 please describe.

16 h. Have CenturyLink and/or Qwest engaged in
17 discussions with any cable communications provider
18 regarding any type of strategic relationship? If
19 yes, please describe.

20 i. Have CenturyLink and/or Qwest engaged in
21 discussions with any satellite communications
22 provider regarding any type of strategic
23 relationship? If yes, please describe.

24 9. Regarding the "KPNQwest litigation" referenced on
25 page 22 of the S-4, please provide copies of all non-
26 privileged documents provided by Qwest or its attorneys or
27 advisors to CenturyLink or its attorneys or advisors.

1 10. Regarding the reference on page 22 of the S-4 to
2 counterparties with "certain significant agreements with
3 Qwest [who] may exercise contractual rights to terminate
4 such agreements following the merger," please provide a list
5 describing all such "significant agreements."

6 11. Please identify the members of the Qwest Board of
7 Directors transaction committee as described on page 34 of
8 the S-4.

9 12. Please provide copies of the due diligence lists
10 exchanged by Qwest and CenturyLink and described at the
11 March 18, 2010 Qwest Board of Directors meeting (S4, p. 36).

12 13. Please provide details of the "virtual data" rooms
13 set up by Qwest and CenturyLink, including a list of
14 documents and links (S-4, p. 37).

15 14. The CenturyLink S-4, at pages 93 and 94, presents
16 summaries of internal financial forecasts prepared by
17 CenturyLink management separately for CenturyLink and Qwest
18 on a standalone basis, for the years 2010 through 2015. To
19 the extent not previously furnished, please provide full
20 copies of the spreadsheet models, analyses and backup
21 documents and calculations for these forecasts.

22 15. The CenturyLink S-4, at page 95, presents a
23 summary of an internal financial forecast prepared by Qwest
24 management for Qwest on a standalone basis, for the years
25 2010 through 2013. To the extent not previously furnished,
26 please provide full copies of the spreadsheet models,
27

1 analyses and backup documents and calculations for these
2 forecasts.

3 16. To the extent not previously furnished, please
4 provide full copies of the "consensus of the projections for
5 Qwest prepared by research analysts that cover Qwest and
6 other companies in the Telecommunications industry" (S-4, p.
7 95).

8 17. On page 103 of the CenturyLink S-4, reference is
9 made to a Qwest agreement "to take all necessary action to
10 redeem all its outstanding convertible notes at a redemption
11 price in cash equal to 100% of the principal amount of such
12 notes on November 20, 2010, and to exercise its right to pay
13 cash in lieu of shares of Qwest common stock if any holder
14 exercises its conversion rights with respect to the
15 convertible notes, which rights will become exercisable
16 following delivery of the notice of redemption by Qwest."

17 ~~Using certain assumptions, the S-4 states that Qwest could~~
18 ~~be "required to pay holders of the notes an aggregate amount~~
19 ~~of cash equal to approximately \$1.329 billion if all such~~
20 ~~holders exercised their conversion rights."~~

21 a. Please provide an explanation of how Qwest plans
22 to fund this redemption.

23 b. What impact will this redemption, and the actions
24 required to fund it, have on Qwest's outstanding
25 debt, leverage ratios and other key financial
26 measures?

1 c. How will this redemption impact the pro forma
2 combined companies' outstanding debt, leverage
3 ratio and other key financial measures?

4 18. Please provide copies of Applicants' responses to
5 the data and document requests propounded any other party in
6 the above-mentioned dockets.

7 19. The CenturyLink S-4 at page 24 states: "the amount
8 of dividends that CenturyLink may distribute to its
9 shareholders is subject to restrictions under Louisiana law
10 and is limited by restricted payment and leverage covenants
11 in CenturyLink's credit facilities and, potentially, the
12 terms of any future indebtedness that CenturyLink may
13 incur..."

14 a. Please identify and explain the restrictions under
15 Louisiana law referenced in this statement.

16 b. Please identify the restricted payment and
17 leverage covenants contained in CenturyLink's
18 credit facilities.

19 c. Are there any similar restrictions on dividends
20 for Qwest, either stemming from state law or from
21 credit facility covenants. If yes, please
22 describe.

23 20. The CenturyLink S-4 at page 24 states: "the
24 amount of dividends that CenturyLink's subsidiaries may
25 distribute to CenturyLink is subject to restrictions imposed
26 by state law, restrictions that may be imposed by state
27 regulators in connection with obtaining necessary approvals

1 for the merger, and restrictions imposed by the terms of
2 credit facilities applicable to certain subsidiaries and,
3 potentially, the terms of any future indebtedness that these
4 subsidiaries may incur."

5 a. Please identify and explain the restrictions under
6 state law or regulation referenced in this
7 statement.

8 b. Please identify any restrictions on dividend
9 payments by subsidiaries contained in
10 CenturyLink's credit facilities.

11 c. Are there any similar restrictions on dividends
12 for Qwest, either stemming from state law,
13 regulatory action, or from credit facility
14 covenants. If yes, please describe.

15 21. Please provide all materials relating to the
16 interactions among Qwest and Companies A and B prior to the
17 April 21 agreement (as described on page 34 and elsewhere in
18 the S-4), to the extent not previously provided.

19 22. Regarding the "Strategic Considerations" cited
20 under the CenturyLink Board of Directors' "Reasons for the
21 Merger," the CenturyLink S-4 at page 41 lists as one of the
22 "significant strategic opportunities" provided by the
23 proposed merger could be "the continued expansion of
24 CenturyLink's footprint and network capacity, as the
25 combined company is expected to have operations in 37 states
26 with approximately seventeen million access lines, five
27 million broadband customers and 180,000 miles of fiber optic

1 networks, giving the combined company greater scale and
2 reach..."

3 a. Please provide any documents, analyses, models or
4 notes not already furnished, regarding the
5 potential expansion of CenturyLink's footprint and
6 network capacity.

7 b. Please describe separately, and in detail,
8 CenturyLink's and Qwest's access line, broadband,
9 and fiber optic network assets.

10 c. Please identify and describe the portion of the
11 180,000 miles of fiber optic networks the combined
12 companies will have which are attributable to
13 Qwest and which to Century Link.

14 d. Please identify and describe in detail all
15 specific instances where a CenturyLink affiliate
16 and a Qwest affiliate compete.

17 ~~23. Regarding the "Strategic Considerations" cited~~
18 under the CenturyLink Board of Directors' "Reasons for the
19 Merger," the CenturyLink S-4 at page 41 lists as one of the
20 "significant strategic opportunities" provided by the
21 proposed merger could be "the diversification into
22 additional markets and product offerings, including greater
23 presence in urban areas, reduced exposure to regulated
24 revenue sources, and significantly expanded opportunities to
25 market products and services to business, wholesale and
26 government customers;"

1 a. Please provide any documents, analyses, models or
2 notes not already furnished, regarding the
3 potential expansion of CenturyLink into additional
4 markets and for other product offerings.

5 b. Please provide any documents, analyses, models or
6 notes not already furnished, regarding the
7 reduction in reliance on regulated revenue
8 sources.

9 24. Regarding the "Strategic Considerations" cited
10 under the CenturyLink Board of Directors' "Reasons for the
11 Merger," the CenturyLink S-4 at page 41 lists as one of the
12 "the significantly greater scale and scope of the combined
13 company's operations, which will better enable it to pursue
14 new transactions and technologies, to take advantage of
15 additional growth opportunities, including in the areas of
16 IPTV and video, wireless telephony and data hosting, and to
17 ~~pursue a broader range of potential strategic and~~
18 acquisition opportunities;"

19 a. Please provide any documents, analyses, models or
20 notes not already furnished, regarding the impact
21 of significantly greater scale on CenturyLink's
22 ability to pursue new transactions and
23 technologies and pursue a broader range of
24 potential strategic and acquisition opportunities.

25 25. Regarding the "Strategic Considerations" cited
26 under the CenturyLink Board of Directors' "Reasons for the
27 Merger," the CenturyLink S-4 at page 41 lists as one of the

1 "significant strategic opportunities" provided by the
2 proposed merger could be "the expectation that the combined
3 company will have a strong financial profile, with
4 unadjusted pro forma 2009 revenues of \$19.8 billion and free
5 cash flow of \$3.4 billion, anticipated positive impacts on
6 CenturyLink's free cash flow per share upon the closing of
7 the proposed merger (exclusive of integration costs), a
8 sound capital structure, and an improved payout ratio with
9 no anticipated change in CenturyLink's policy of returning
10 significant dividends to shareholders..."

11 a. Please provide any documents, analyses, models or
12 notes not already furnished, regarding the
13 projected free cash flow of the combined companies
14 and why that obviates any anticipation of a change
15 in CenturyLink's policy of returning significant
16 dividends to shareholders.

17 ~~b. Has CenturyLink evaluated the circumstances under~~
18 ~~which a reduction in dividends might be indicated?~~
19 ~~If yes, please explain.~~

20 c. Has CenturyLink performed any sensitivity analyses
21 of the projected performance of the combined
22 companies as such performance could impact the
23 sustainability of CenturyLink's dividend policy?
24 If yes, please explain and please provide copies
25 of any such analyses.

26 26. Regarding the "Strategic Considerations" cited
27 under the CenturyLink Board of Directors' "Reasons for the
28

1 Merger," the CenturyLink S-4 at page 41 lists "the
2 expectation that the combined company will achieve
3 approximately \$625 million in annual cost savings in
4 operating and capital expenditures within three to five
5 years of the closing, coming from, among other things,
6 network and operational efficiencies, leveraging combined
7 purchasing power, consolidating administrative activities,
8 sharing support infrastructure and implementation of best
9 practices."

10 a. Please provide any documents, analyses, models or
11 notes not already furnished, regarding the
12 projected \$625 million in annual cost savings
13 (synergies).

14 b. Please document, in detail, the sources of synergy
15 savings that CenturyLink has already achieved in
16 its transaction with Embarq, as well as
17 ~~projections for additional synergies that it~~
18 expects to achieve in the future in connection
19 with that transaction.

20 c. Will the proposed Qwest transaction have any
21 impact - positive or negative - on the achievement
22 of synergies in the Embarq transaction? If yes,
23 please explain.

24 d. Has CenturyLink performed any analyses comparing
25 its actual or projected synergy savings in
26 associated with the Embarq transaction and those
27

1 it projects to obtain in the Qwest transaction?

2 If yes, please provide all such analyses.

3 e. Please provide any documents, analyses, models or
4 notes not already furnished, regarding any plans
5 for sharing support infrastructure and the
6 synergies that might generate.

7 f. Please provide any documents, analyses, models or
8 notes not already furnished, regarding any plans
9 for consolidating administrative activities,
10 including the specific administrative activities
11 and the plans for consolidation of each activity.

12 g. Will the efficiencies, consolidations and support
13 infrastructure sharing result in office or
14 facilities closings, personnel layoffs, personnel
15 transfers, and/or other relocations? If so,
16 please provide all documents relating to such
17 ~~closings, layoffs, transfers, and/or relocations.~~

18 h. Please provide all documents relating to office or
19 facilities closings, personnel layoffs, personnel
20 transfers, and/or other relocations specifically
21 as they affect Arizona.

22 27. Regarding the factors "weighing negatively against
23 the proposed merger," cited under the CenturyLink Board of
24 Directors' "Reasons for the Merger," the CenturyLink S-4 at
25 page 42 lists as one of the negative factors "the challenges
26 inherent in the combination of two businesses of the size
27 and scope of CenturyLink and Qwest and the cultures of each

1 business, including the risk that integration costs may be
2 greater than anticipated, that it may be difficult to retain
3 key employees, and that management's attention might be
4 diverted for an extended period of time, particularly in
5 light of CenturyLink's ongoing integration efforts with
6 respect to the July 2009 acquisition of Embarq Corporation;"

7 a. Please provide any documents, analyses, models or
8 notes not already furnished, regarding the
9 potential challenges inherent in a combination of
10 two businesses of this size and the potential
11 impact of such efforts on the ongoing integration
12 efforts with respect to the Embarq transaction.

13 28. Regarding the factors "weighing negatively against
14 the proposed merger," cited under the CenturyLink Board of
15 Directors' "Reasons for the Merger," the CenturyLink S-4 at
16 page 42 lists as one of the negative factors "the increased
17 ~~leverage of the combined company and obligations under~~
18 existing pension plans, which, while believed to be
19 appropriate for a company with the expected earnings profile
20 of the combined company, could reduce CenturyLink's credit
21 ratings, limit access to credit markets or make such access
22 more expensive and reduce CenturyLink's operational and
23 strategic flexibility;"

24 a. Please provide any documents, analyses, models or
25 notes not already furnished, regarding the
26 potential negative impact of an increase in
27 CenturyLink's leverage and any specific examples

1 this area. Please provide all notes, minutes,
2 agenda, analyses and other relevant documents
3 which have been produced to-date.

4 32. How many "market clusters" does CenturyLink intend
5 to divide Qwest into as part of its "highly localized"/ "Go
6 To Market" model? How many "market clusters" will there be
7 within Arizona?

8 a. If CenturyLink has yet to make this determination,
9 please identify the individual(s) and/or working
10 groups or committees who will be responsible for
11 this area. Please provide all notes, minutes,
12 agenda, analyses and other relevant documents
13 which have been produced to-date.

14 33. Please identify and describe in detail which
15 CenturyLink and which Qwest systems (OSS and other)
16 CenturyLink will utilize in existing Qwest service areas
17 ~~subsequent to the closing of this transaction.~~

18 a. If CenturyLink has yet to make this determination,
19 please identify the individual(s) and/or working
20 groups or committees who will be responsible for
21 this area. Please provide all notes, minutes,
22 agenda, analyses and other relevant documents
23 which have been produced to-date.

24 34. Please identify and describe in detail which
25 CenturyLink and which Qwest systems (OSS and other)
26 CenturyLink will utilize in existing CenturyLink service
27 areas subsequent to the closing of this transaction.

1 a. If CenturyLink has yet to make this determination,
2 please identify the individual(s) and/or working
3 groups or committees who will be responsible for
4 this area. Please provide all notes, minutes,
5 agenda, analyses and other relevant documents
6 which have been produced to-date.

7 35. CenturyTel paid approximately \$149 million in 2008
8 to acquire 69 licenses in the FCC 700 MHz wireless spectrum
9 auction. According to CenturyTel's February 27, 2009 10K
10 (p. 12), the "700 MHz spectrum is not expected to be cleared
11 for usage until mid-2009. We are still in the planning
12 stages regarding the use of this spectrum. However, based on
13 our preliminary analysis, we are considering developing
14 wireless voice and data service capabilities based on
15 equipment using LTE (Long-Term Evolution) technology. Given
16 that this equipment is not expected to be commercially
17 ~~available until 2010, we do not expect our deployment to~~
18 result in any material impact on our capital and operating
19 budgets in 2009."

20 a. Has CenturyLink determined how, when and where it
21 will deploy wireless, voice and data services? If
22 yes, please elaborate. If no, please explain.

23 b. Please provide any documents that exist relating
24 to the "planning stages" referenced in the 10K.

25 36. Please provide an unredacted version of the Qwest
26 and CenturyLink Application for Consent to Transfer Control,
27

1 filed with the Federal Communications Commission on May 10,
2 2010.

3 37. Please describe your plans for linking and
4 deploying the respective companies' core fiber networks.

5 a. If CenturyLink has yet to make this determination,
6 please identify the individual(s) and/or working
7 groups or committees who will be responsible for
8 this area. Please provide all notes, minutes,
9 agenda, analyses and other relevant documents
10 which have been produced to-date.

11 38. Please identify all committees, task forces and/or
12 working groups that have been formed to develop and
13 implement the acquisition and integration of Qwest assets,
14 overall and at the individual state level. Please provide
15 all notes, minutes, agenda, analyses and other relevant
16 documents produced for or by these groups.

17 ~~39. Referring to the Embargo transaction, Mr. Shafer~~
18 testified that "CenturyLink made significant investment in
19 and upgraded its financial and billing systems in order to
20 deliver integrated, customer service and improved levels of
21 financial accountability. These system upgrades were made
22 with an eye towards future expansion which has enabled
23 CenturyLink to quickly and seamlessly reach many key
24 integration milestones. Consequently, very quickly after
25 close, financial and human resource systems were converted.
26 Within months, a phased schedule for converting customer
27 billing systems was implemented. Already, approximately 25

1 percent of the access lines served by former Embarq systems
2 have been successfully and seamlessly converted to
3 CenturyLink's single integrated retail customer service and
4 billing system. Another 25% of former Embarq access lines
5 are expected to convert by year end 2010, with the remaining
6 access lines converted by the third Quarter of 2011, or
7 within about 24-27 months after closing." With respect to
8 CenturyLink's upgraded financial and billing systems about
9 which Mr. Shafer testified:

- 10 a. Please describe in detail all such systems, the
11 upgrades they went through, and the specific
12 status of integration of these systems with
13 Embarq.
- 14 b. Are there any Embarq systems which will be
15 retained on a standalone basis? Are there any
16 Embarq systems which serve (or will serve) the
17 ~~combined CenturyTel/Embarq?~~
- 18 c. Were these systems upgraded "with an eye" on a
19 transaction the size of the one with Qwest?
- 20 d. Are these systems capable of integrating a company
21 of the size and complexity of Qwest? Please
22 explain.
- 23 e. Are there any Qwest systems that will become the
24 platform for the combined companies?
- 25 f. Please describe the impediments to the immediate
26 conversion of all of Embarq's access lines to the
27 CenturyLink financial and billing systems.

1 g. What are the specific projected synergies of this
2 integration?

3 h. Have there been, or will there be, any Embarq or
4 CenturyTel facilities that were made redundant or
5 reduced in size by this integration? If yes,
6 please describe in detail.

7 i. Will there be any Qwest or CenturyLink facilities
8 that will be made redundant or reduced in size by
9 this integration? If yes, please describe in
10 detail.

11 40. Mr. Shafer testified that, prior to closing, "In
12 addition to system conversions and network deployment, the
13 company finalized the budgeting process, completed
14 organizational design and many staffing decisions, and
15 launched a new brand."

16 a. What are the process, organizational design and
17 ~~staffing decisions that impact Arizona that~~
18 CenturyLink already has made? Will make prior to
19 close? Will make post-closing? Please document
20 and describe in detail the planning process that
21 the companies have initiated and any conclusions
22 they have reached.

23 41. Mr. Shafer testified that "we will first need to
24 evaluate Qwest's structure and consider adjustment to the
25 configurations necessarily to fit the newly merged
26 operations and to ensure that any modifications continue to
27 meet customer expectations."

1 a. Please describe the types of adjustments that
2 CenturyLink believes are required, or are
3 considering making. Please explain, precisely,
4 what "configurations" may require adjustments in
5 order "to fit the newly merged operations."

6 42. Mr. Shafer testified that "CenturyLink employs a
7 "neighborhood" approach to customer service call centers
8 that enables customer calls to be matched with associates
9 that are trained to understand the nuances of the state.
10 The neighborhoods are designed and grouped to align
11 available staffing with the needs of the states that are
12 included in that group. Through the neighborhood approach,
13 customer service associates have a focus and an "ownership"
14 of the states for which they are responsible. They
15 understand the service offerings in that region and are even
16 aware of current happenings in the area as the call screens
17 ~~have the ability to provide real time information about the~~
18 locale so that there is a real connection between the
19 associate and the customer. This is another approach that
20 likely will be adopted during the integration of Qwest."

21 a. Please describe how this "neighborhood" approach
22 to customer service call centers will impact the
23 operations of Arizona facilities and operations.

24 43. With respect to integration of CenturyLink and
25 Qwest in Arizona, please describe in detail the specific
26 operations, functions and systems for both companies that
27 will be impacted by such activities.

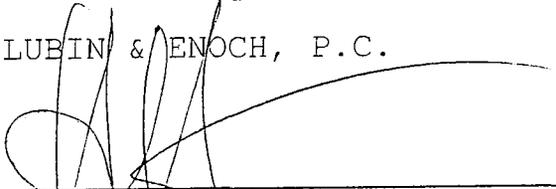
1 44. With respect to the integration activities
2 referenced immediately above, please describe in detail the
3 impact such actions will have on employment in Arizona.

4 45. With respect to synergies that the combined
5 companies expect to achieve from the proposed transaction,
6 please describe in detail the synergies in Arizona.

7 46. With respect to synergy savings referenced
8 immediately above, please describe in detail the source of
9 such synergy savings in Arizona, by category (including
10 employment levels).

11 RESPECTFULLY SUBMITTED this 21st day of July, 2010.

12 LUBIN & ENOCH, P.C.

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15 _____
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17 Attorney for Intervenor CWA
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