

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20544**

In the Matter of)	
)	
)	
QWEST COMMUNICATIONS)	
INTERNATIONAL INC.,)	
Transferor)	
)	
and)	IBFS File No. SCL-LIC-19981117-0025
)	
CENTURYTEL, INC. D/B/A CENTURYLINK,)	
Transferee.)	
)	
Application for Authority to Transfer Control)	
of Qwest Communications Company, LLC)	
Holding a Submarine Cable Landing License)	
)	

**APPLICATION FOR AUTHORITY TO TRANSFER CONTROL
OF A SUBMARINE CABLE LANDING LICENSE**

Pursuant to An Act Relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39 (the “Cable Landing License Act”), and Section 1.767 of the Commission’s rules, 47 C.F.R. § 1.767, CenturyTel, Inc. d/b/a CenturyLink (“CenturyLink”) and Qwest Communications International Inc. (“Qwest,” and together with CenturyLink, the “Applicants”) hereby request Commission consent to transfer control of Qwest Communications Company, LLC (“QCC”), which holds an interest in the Japan-US Cable Network (IBFS File No. SCL-LIC-19981117-0025, “the License”), to CenturyLink. Grant of Commission consent to transfer control of QCC will permit consummation of a stock-for-stock transaction, which has been approved by the Boards of Directors of both CenturyLink and Qwest, and by which CenturyLink will acquire Qwest.

I. DESCRIPTION OF THE PARTIES

A. Qwest (Transferor)

Qwest Communications International Inc. is a Delaware corporation with its headquarters in Denver, Colorado, and its shares are publicly traded on the New York Stock Exchange.

Qwest subsidiary Qwest Corporation (“QC”) is an incumbent local exchange carrier (“ILEC”) in 14 states.¹ As of December 31, 2009, QC serves approximately 10.3 million access lines in its ILEC region and has approximately 3 million broadband customers.²

For residential customers, QC offers fiber-optic internet service, high-speed internet solutions, as well as digital switched telephone service. QC, through sales relationships with Verizon Wireless and DirecTV, also sells wireless services and multichannel video services. For in-region enterprise, business, and government customers, QC offers an array of communications services, including private-line dedicated high-speed data connections, switched data networking services, data hosting, broadband, long-distance services, and voice over internet protocol (“VoIP”) services. Qwest subsidiary Qwest Communications Company, LLC (“QCC”) operates a national fiber-optic network. Nationally, QCC is a competitor to AT&T, Verizon, and others for enterprise and government customers. QCC also is one of the three universal participants (along with AT&T and Verizon) in the federal government’s Networx program, the largest set of government communications contracts in the world. QCC also operates an extensive wholesale business, selling access to its network to other carriers, cable companies, ISPs, and resellers.

¹ The states are Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

² Qwest Communications International Inc., Annual Report for Fiscal Year Ended December 31, 2009 (Form 10-K), at 4 (Feb. 16, 2010), *available at* <http://www.sec.gov/Archives/edgar/data/1037949/000119312510032428/d10k.htm>.

B. CenturyLink (Transferee)

CenturyTel, Inc. d/b/a CenturyLink is a Louisiana corporation headquartered in Monroe, Louisiana, and its shares are publicly traded on the New York Stock Exchange and the Berlin Stock Exchange. CenturyLink is a holding company that conducts its business operations principally through wholly-owned subsidiaries that offer communications services, including local and long-distance voice, wholesale local network access, high-speed internet, and information, entertainment, and fiber transport services through copper and fiber networks, to consumers and businesses in 33 states.³ As of December 31, 2009, CenturyLink provides incumbent local exchange services to approximately seven million telephone access lines.⁴ CenturyLink also provides high-speed internet access services and data transmission services. As of December 31, 2009, CenturyLink provides high-speed internet access services to over 2.2 million customers.⁵ In certain local and regional markets, CenturyLink also provides telecommunications services as a competitive local exchange carrier, offers security monitoring, and provides other communications, professional, business, and information services. In addition, CenturyLink operates a state-of-the-art fiber transport system, which provides wholesale and retail fiber-based transport services to its customers. CenturyLink also operates a wholesale business, selling access to its network to other carriers, cable companies, internet

³ The states are Alabama, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington, Wisconsin, and Wyoming.

⁴ CenturyTel, Inc., Annual Report for Fiscal Year Ended December 21, 2009 (Form 10-K), at 4 (March 31, 2010), *available at*: <http://www.sec.gov/Archives/edgar/data/18926/000001892610000004/form10k.htm>.

⁵ *Id.* at 10.

service providers (“ISPs”), and resellers, as well as selling database services on a wholesale basis.

II. DESCRIPTION OF THE PROPOSED TRANSACTION

The transaction is designed to create a financially strong and stable company in the short and long term. The transaction is a simple stock-for-stock exchange that does not involve complex financial or tax structures. The transaction requires no additional debt, and there are no financing or refinancing conditions.

CenturyLink, Qwest, and SB44 Acquisition Company (“Merger Sub”) entered into an Agreement and Plan of Merger (“Merger Agreement”) dated April 21, 2010. Merger Sub is a Delaware corporation and a wholly-owned subsidiary of CenturyLink created to effectuate this transaction. The Merger Agreement provides for a business combination whereby Merger Sub and Qwest will merge. As a result of the merger, the separate corporate existence of Merger Sub will cease, and Qwest will continue to operate as a wholly-owned subsidiary of CenturyLink. A diagram of the transaction is provided as Exhibit A.

On an enterprise (debt plus equity) basis, the transaction is valued at approximately \$22.4 billion. As noted above, the acquisition of Qwest will be accomplished as a stock-for-stock transaction. Through the merger of Qwest with Merger Sub, CenturyLink will acquire all outstanding shares of Qwest. Under the terms of the Merger Agreement, Qwest shareholders will receive 0.1664 CenturyLink shares for each share of Qwest common stock that they own at closing. Upon closing, CenturyLink shareholders are expected to own approximately 50.5 percent of the combined company, and Qwest shareholders are expected to own approximately 49.5 percent of the combined company. Qwest’s operating subsidiaries will remain subsidiaries of Qwest (and indirect subsidiaries of CenturyLink) and CenturyLink’s operating subsidiaries will remain subsidiaries of CenturyLink.

The transaction will not effectuate any change in control of CenturyLink, nor will it alter either company's existing operational structure. The transaction contemplates only a parent-level transfer of control of Qwest. Qwest's operating subsidiaries will continue with no change at the operational level resulting from the transaction. Following the transaction, four directors of the Qwest Board of Directors will be added to the CenturyLink Board of Directors, but a majority of the Board of post-merger CenturyLink will be directors elected by pre-merger CenturyLink's shareholders.

As a result of the transaction, CenturyLink will gain local exchange networks in four additional states: Arizona, Utah, North Dakota, and South Dakota. The combined company will have local exchange footprints in 37 states.

III. PUBLIC INTEREST BENEFITS OF THE PROPOSED TRANSACTION

The proposed merger will substantially enhance competition in the communications industry and will result in a combined enterprise that is better positioned to serve its customers and adapt to evolving market demand. Post-merger CenturyLink will have over 17 million telephone access lines, and serve over five million high-speed internet customers. The transaction also will create a robust fiber network of approximately 180,000 route miles that creates a nationwide platform, with particular strength in the central United States, and that will provide new links between urban and rural America.

The merger will facilitate broadband deployment by creating a stronger national competitor for broadband services. Within the local markets that both companies serve today, the transaction will create a stable provider with the renewed resources to invest in broadband and advanced services, consistent with the goals of the National Broadband Plan. Moreover, as described more fully below, post-merger CenturyLink will be able to leverage CenturyLink's investments and experience in IPTV deployment, and thus the proposed merger will enhance the

companies' ability to compete with cable companies for video services, as well as for the "triple play" of internet, voice, and video services. The provision of these bundled services will provide an important source of broadband revenue and also will help reduce customer churn, which in turn should allow the companies to further increase broadband investments and deployment. The transaction thus will offer customers in the Applicants' regions meaningful choice for broadband, video, and bundled services, and help to advance a core goal of the National Broadband Plan.⁶

Post-merger CenturyLink's strength in broadband services and its extensive fiber network also will improve its competitive potential in the enterprise market. The company will be able to leverage Qwest's leading enterprise services capabilities to compete on a national scale against large providers serving enterprise customers such as AT&T, Comcast, Verizon, and Cox. Further, CenturyLink will have greater financial strength and flexibility and will be better able to weather the impacts of changing marketplace dynamics, including economic downturns.

In addition, the transaction will enhance service to rural communities. The transaction will significantly expand the availability of broadband capabilities to both companies' rural customer bases, consistent with CenturyLink's demonstrated commitment to universal broadband deployment. Post-merger CenturyLink's stronger balance sheet will result in more rapid deployment of broadband access and advanced broadband capabilities, such as IPTV access, for the benefit of rural customers in both CenturyLink and Qwest rural communities.

⁶ See Federal Communications Commission, Connecting America: The National Broadband Plan 36 (2010), <http://www.broadband.gov> ("Competition is crucial for promoting consumer welfare and spurring innovation and investment in broadband access networks. Competition provides consumers the benefits of choice, better service and lower prices.").

This is an almost entirely complementary merger. The Commission has raised few concerns in such circumstances, and has approved multiple transactions involving complementary wireline networks, including, most recently, the CenturyTel/Embarq merger. The Commission noted the significant merger-specific public interest benefits from combining complementary networks and facilities, achieving economies of scale and scope, and leveraging cost savings. For example, the Commission has recognized that joining complementary networks would “give rise to significant economies of scope and scale,” would create “cost reductions as benefits,” and that “by broadening its customer base,” a merged entity can obtain increased incentive to invest in innovative products and services.⁷ Further, the Commission has found that horizontal combinations involving voice and enterprise providers are unlikely to create public interest harms, because the number of competitors positioned to serve enterprise customers, and the rapid growth of intermodal competitors in mass market voice services, curbs any risk of harm to competition.⁸ For similar reasons, the Commission should promptly find that this transaction promotes the public interest, while giving rise to no offsetting harms.

⁷ *Applications for Transfer of Control of BellSouth Corp. to AT&T Inc.*, Memorandum Opinion and Order, 22 FCC Rcd 5662 ¶¶ 214-15 (2007) (“*AT&T/BellSouth Merger Order*”); *SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18290 ¶ 191 (2005) (“*SBC/AT&T Merger Order*”) (“We find that the merger will permit the integration of the complementary networks and assets of SBC and AT&T, giving each carrier facilities it previously lacked. We further find that this network integration will permit the merged entity to offer a wider range of services to its broad range of customers. Moreover, customers will benefit not only from the new services, but also from the improvements in performance and reliability resulting from the network integration.”).

⁸ *SBC/AT&T Merger Order* ¶ 96; *AT&T/BellSouth Merger Order* ¶ 3; *Applications Filed for the Transfer of Control of Embarq Corp. to CenturyTel, Inc.*, Memorandum Opinion and Order, 24 FCC Rcd 8741 ¶ 19 (2009) (stating that competitive LECs are “more likely to target” enterprise customers “[g]iven the enhanced revenue opportunities in serving enterprise customers”).

The Commission should specifically find that transfer of the instant cable landing license is likewise in the public interest. Qwest does not own the landing station and is one of several licensees on the Japan-US system, and there are multiple trans-Pacific undersea cable systems. Thus, facilities-based transport on that route is highly competitive, and in any event this transaction does not affect the number of competitors on that route in any way. Access to Qwest's ownership interest in the Japan-US Cable Network will contribute to the combined company's operational synergies and will have no impact on the competitive marketplace for international long-haul services. Finally, CenturyLink's ownership presents no regulatory issues under the Commission's rules.

A more detailed explanation of the proposed transaction, and the public interest benefits that will flow therefrom, is being provided concurrently in the application filed by the parties to seek Commission authority to transfer control of the domestic Section 214 authorizations held by Qwest and its subsidiaries.

IV. INFORMATION REQUIRED BY SECTION 1.767 OF THE COMMISSION'S RULES

Pursuant to Section 1.767(a) of the Commission's rules, 47 C.F.R. § 1.767(a), the Applicants provide the following information:

(1) Names, Addresses, and Telephone Numbers

The name, address, and telephone number of the transferor is:

Qwest Communications International Inc.
1801 California Street
Denver, Colorado 80202
Telephone: (303) 992-1400

The name, address, and telephone number of the transferee is:

CenturyTel, Inc.⁹
100 CenturyLink Drive
Monroe, Louisiana 71203
Telephone: (318) 388-9000

(2) Place of Formation

CenturyTel, Inc. is a corporation organized under the laws of Louisiana. Qwest Communications International Inc. is a corporation organized under the laws of Delaware.

(3) Contacts:

Correspondence concerning this application should be sent to:

For Transferor:

Lynn R. Charytan
WilmerHale
1875 Pennsylvania Ave. NW
Washington, DC 20006
(202) 663-6455

For Transferee:

Karen Brinkmann
Latham & Watkins LLP
555 11th St. NW
Suite 1000
Washington, DC 20004
(202) 637-2262

(4)–(7) Not Applicable.

(8) Certification and Ownership Information Required by Sections 63.18(h)-(k) and (o) of the Commission's Rules:

Information requested by section 63.18(h): The name, principal business, address, citizenship, and ownership interest of the sole entity that directly controls a ten percent or greater interest in Transferee are as follows:

⁹ As of May 20, 2010, the name of the company will change to CenturyLink, Inc. upon shareholder approval.

Name: Capital Research and Management Company (“CRMC”)¹⁰
Principal Business: Investment Manager
Address: 333 South Hope Street, 55th Floor
Los Angeles, California 90071
Citizenship: United States
Ownership Interest: Approximately 12%

CRMC is wholly owned by The Capital Group Companies, Inc., which have the same principal business, address, citizenship, and ownership interest as CRMC.

Patrick Halbach, an officer of Qwest Communications Company, LLC and its affiliates Qwest LD Corp., Qwest Services Corporation, El Paso County Telephone Company, and Qwest Government Services, Inc., is President of Qwest France SAS, and a director of each of Qwest Germany GmbH, Qwest Hong Kong Telecommunications Ltd, Qwest Singapore Pte Ltd, Qwest Australia Pty Ltd, Qwest Communications Japan Corporation, Qwest Telecommunications Taiwan Ltd, and Qwest Communications Korea Ltd.

Information requested by section 63.18(i): Qwest and CenturyLink certify that they are not foreign carriers within the meaning of section 63.09(d) of the Commission’s rules. Qwest and CenturyLink certify that Qwest is affiliated, within the meaning of section 63.09(e) of the Commission’s rules, with the following foreign carriers, each of which operates in the foreign jurisdiction(s) identified next to its name:

- Qwest Communications International Ltd. (United Kingdom)
- Qwest Netherlands BV (Netherlands and Switzerland)
- Qwest France SAS (France)
- Qwest Germany GmbH (Germany)
- Qwest Hong Kong Telecommunications Ltd (Hong Kong)
- Qwest Singapore Pte Ltd (Singapore)
- Qwest Australia Pty Ltd (Australia)
- Qwest Communications Japan Corporation (Japan)
- Qwest Telecommunications Taiwan Ltd (Republic of China)

¹⁰ CRMC holds its interest in Transferee through Capital Research Global Investors, a division of CRMC.

- Qwest Communications Korea Ltd (Korea)

After the consummation of the proposed transaction, CenturyLink will become affiliated with the current foreign carrier affiliates of Qwest. Otherwise, Qwest and CenturyLink's foreign carrier affiliations will not change as a result of the proposed transaction.

Information requested by section 63.18(j): The Applicants certify that they do not seek to provide international telecommunications services to any country where: (i) either Applicant is a foreign carrier in that country; or (ii) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of either Applicant and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States. Applicants certify that they seek to provide international telecommunications services to countries where Qwest Communications International Inc. controls foreign carriers, each of which is listed in response to section 63.18(i) above.

Information requested by section 63.18(k): Each of the affiliated foreign carriers identified in response to section 63.18(i) above lacks market power in the named foreign country. See 47 C.F.R. § 63.10(a)(3).

Information requested by section 63.18(o): The Applicants certify, pursuant to sections 1.2001 through 1.2003 of the Commission's rules, that no party to the Application is subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1998, 21 U.S.C. § 853a.

(9) Certification of Compliance with Routine Conditions

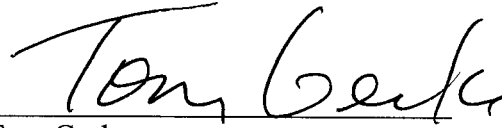
CenturyLink certifies that it accepts and will abide by the routine conditions set forth in section 1.767(g) of the Commission's rules, 47 C.F.R. § 1.767(g).

V. CONCLUSION

For the foregoing reasons, Qwest and CenturyLink respectfully request that the Commission consent to the proposed transfer of control of QCC to CenturyLink as expeditiously as possible.

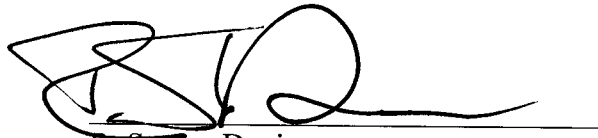
[SIGNATURE PAGES FOLLOW]

For CenturyTel, Inc. d/b/a CenturyLink:

A handwritten signature in black ink, reading "Tom Gerke". The signature is written in a cursive style with a horizontal line underneath the name.

Tom Gerke
Executive Vice Chairman
CenturyTel, Inc. d/b/a CenturyLink
100 CenturyLink Drive
Monroe, LA 71203
(318) 388-9000

For Qwest Communications International Inc.:

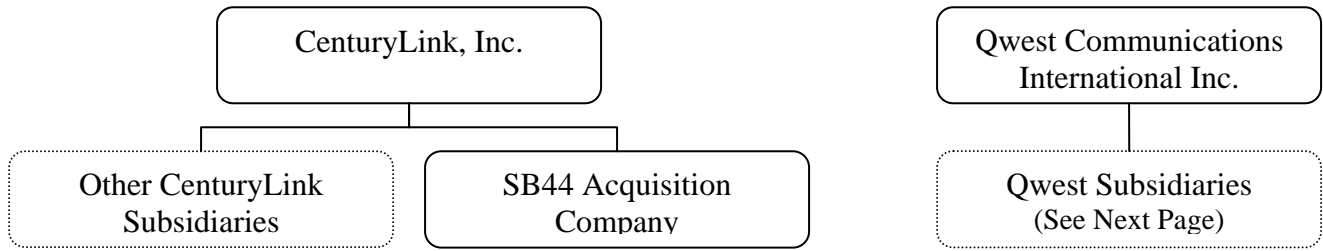
A handwritten signature in black ink, appearing to read 'R. Steven Davis', written over a horizontal line.

R. Steven Davis
Senior Vice President
Public Policy & Government Relations
Qwest Communications International Inc.
1801 California Street
Denver, CO 80202
(303) 992-1400

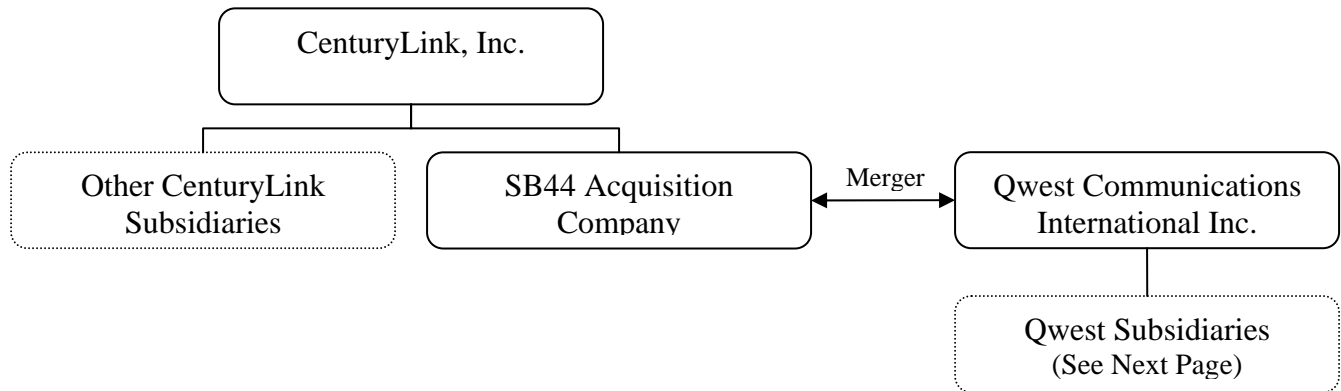
EXHIBIT A

CENTURYLINK-QWEST ACQUISITION

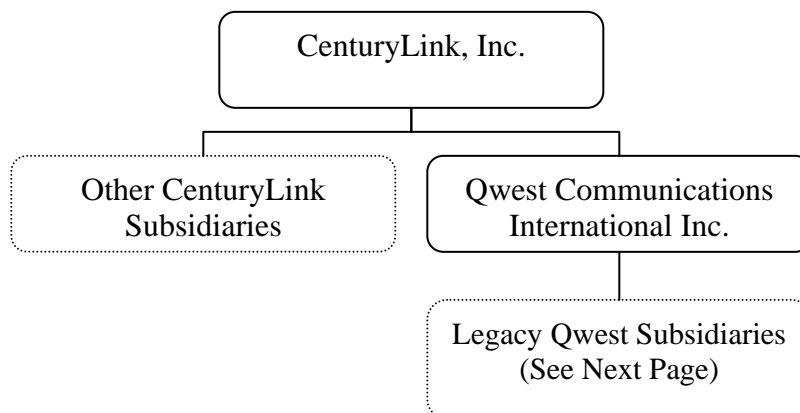
Pre-Transaction Organizational Structures of CenturyLink and Qwest



Mechanics of the Proposed Transaction



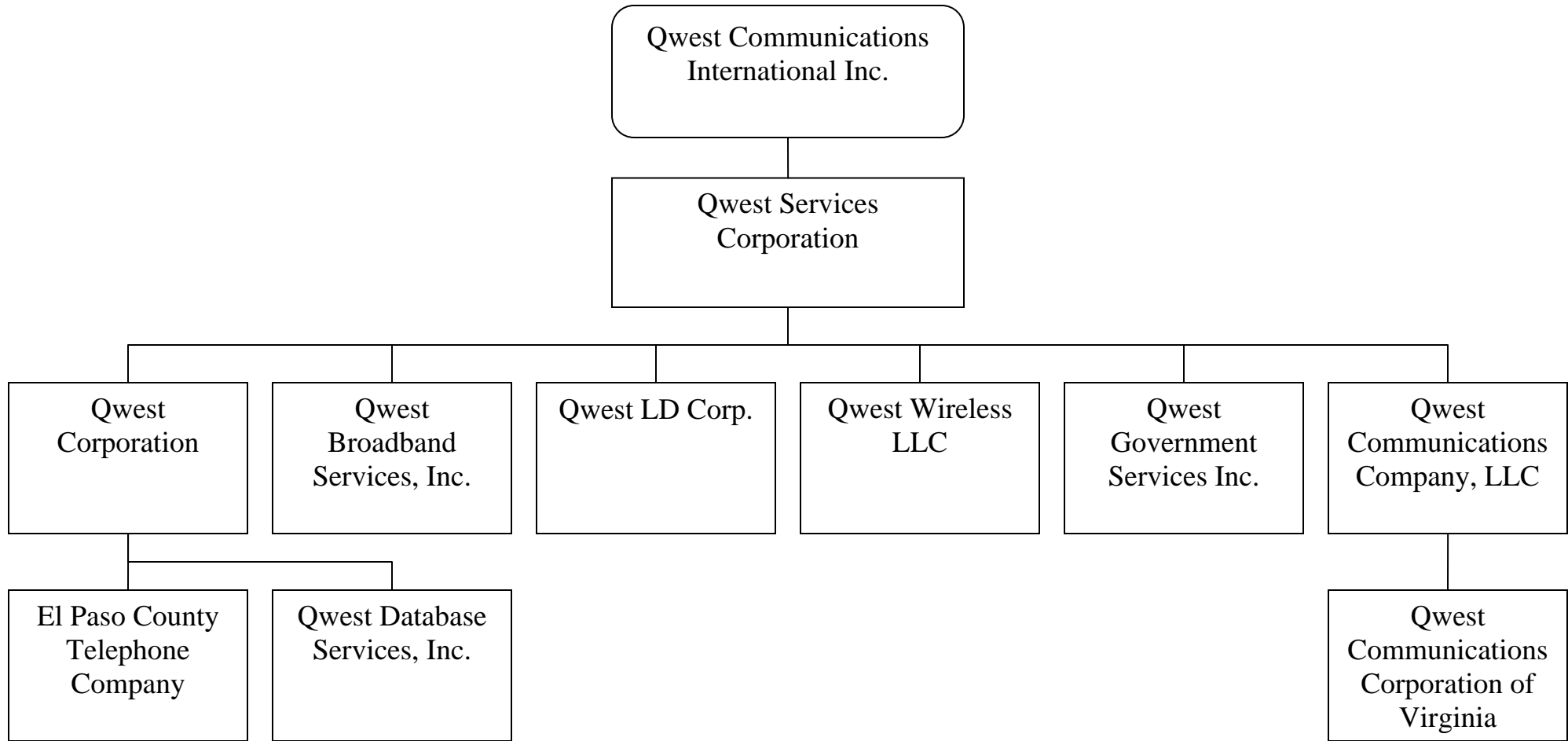
Post-Transaction Organizational Structure of CenturyLink



Notes:

1. CenturyTel, Inc. will change its name to CenturyLink, Inc. on May 20, 2010, assuming shareholder approval.
2. All vertical lines represent 100-percent ownership interests.

QWEST ORGANIZATIONAL STRUCTURE



Notes:

1. This organizational chart reflects only FCC-regulated entities and their parents.