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ORIGINAL

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Please refer to our file number: 070335

RECEIVED  
07 MAY 24 AM 9:46  
COMMISSION  
CLERK

May 23, 2007

**Via Federal Express to:**

Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

RECEIVED  
07 MAY 21 AM 9:23  
COMMISSION  
CLERK

**Re: Qwest Communication Corporation and OnFiber Carrier Services, Inc.  
Joint Application for Approval of Pro Forma Reorganization  
Docket No.:**

070335-TP

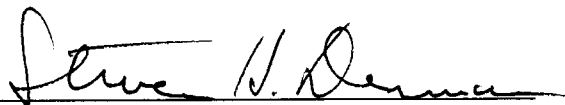
Dear Ms. Cole:

Please find enclosed an original and 8 of the Joint Application for Approval of Pro Forma Reorganization to be filed regarding the above matter. Please date-stamp one copy of the enclosed document and return to me using the enclosed self-addressed, stamped envelope.

Thank you for your assistance in this regard.

Very truly yours,

ABEL BAND, CHARTERED

  
Steven H. Denman

SHD:kd

Enclosure

Copy to: Barbara J. Brohl

SARASOTA, FLORIDA

VENICE, FLORIDA

TALLAHASSEE, FLORIDA

DENVER, COLORADO

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Joint Application of )  
 )  
Qwest Communications Corporation )  
 )  
and )  
 )  
OnFiber Carrier Services, Inc. )  
 )  
For Approval of Pro Forma Reorganization, for a )  
Waiver of Rule 25-4.118, Fla. Admin. Code, )  
if necessary, and for Other Necessary Relief )

Docket No. 070335-TP

**JOINT APPLICATION FOR APPROVAL OF  
PRO FORMA REORGANIZATION**

By this Joint Application and pursuant to Fla. Stat. § 364.33 and Rule 25-4.118, *Fla. Admin. Code* (2005), Qwest Communications Corporation (“QCC”) and OnFiber Carrier Services, Inc. (“OnFiber”) (together, the “Applicants”), hereby request Commission consent to the proposed transaction, discussed below, which will be undertaken to effectuate an internal corporate restructuring of OnFiber and QCC. The restructuring transaction will not require transferring OnFiber’s Florida certificates to QCC. OnFiber also requests Commission consent to cancel OnFiber’s certificate of authority and registration and to withdraw OnFiber’s intrastate tariffs upon consummation of the restructuring transaction; and a waiver of Rule 25-4.118, *Fla. Admin. Code* (2005), to the extent such relief is necessary and appropriate, to allow for the transfer of customers from OnFiber to QCC.

Granting this Application will serve the public interest. The proposed corporate restructuring will decrease the number of certificated entities subject to the Commission’s oversight and will consolidate their operations into a single entity in Florida. Specifically, the

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FPSC-COMMISSION CLERK

proposed restructuring will merge OnFiber, its immediate corporate parent,<sup>1</sup> and its affiliates<sup>2</sup> with and into QCC, with QCC emerging as the surviving corporation. The administrative burden on the Commission's resources presented by the separate existence of QCC and OnFiber, therefore, will be substantially reduced as a result of the restructuring. The restructuring also will benefit competition in Florida by permitting QCC and OnFiber, both of which operate in a fiercely competitive environment, to consolidate their operations. This restructuring will enable QCC to realize administrative efficiencies and to reduce the costs associated with maintaining multiple operating entities in Florida, thereby improving its ability to compete in an already highly competitive market for telecommunication services.

All OnFiber customers affected by the proposed restructuring will be notified of their transfer to QCC, and no material rates, terms or conditions of service enjoyed by these customers – all of whom are enterprise customers served pursuant to negotiated contracts and customized arrangements – will change as a result of the restructuring. In short, the proposed restructuring will benefit the Commission, the Applicants, and their customers. Granting this Application, therefore, is in the public interest.

## **I. Description of the Applicants.**

### **A. QCC**

QCC is a Delaware corporation whose principal office and place of business is located at 1801 California Street, Denver, Colorado 80202. Copies of QCC's Articles of Incorporation and

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<sup>1</sup> OnFiber's immediate corporate parent is OnFiber Communications, Inc.

<sup>2</sup> OnFiber has two affiliates that also provide telecommunications services, although not in Florida. The first is Info-Tech Communications, which provides services only in California and the second is OnFiber Carrier Services – Virginia, Inc., which provides services only in Virginia.

Certificate of Authority to Transact Business in Florida are on file as a public matter of record with this Commission.

QCC is an affiliate of Qwest Corporation (“QC”), an Incumbent Local Exchange Carrier in 14 western states, and both QCC and QC are wholly-owned by the same ultimate corporate parent, Qwest Communications International Inc. (“QCII”), a Delaware corporation whose stock is publicly traded on the New York Stock Exchange under the symbol “Q.”<sup>3</sup>

QCC is an indirect corporate parent of OnFiber and provides competitive voice, video and data services principally to retail and wholesale enterprise, government and business customers throughout the United States. QCC is authorized to provide various forms of telecommunications services in all 50 states, in Puerto Rico and in the District of Columbia. In Florida, QCC is authorized to provide alternative local exchange services, interexchange services, and operator services pursuant to Certificates of Public Convenience and Necessity issued by this Commission.<sup>4</sup>

## **B. OnFiber**

OnFiber is a Delaware corporation whose principal office and place of business is located at 1801 California Street, Suite 5100, Denver, Colorado, 80202. Copies of OnFiber’s Articles of Incorporation and Certificate of Authority to Transact Business in Florida are on file as a matter of public record with this Commission.

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<sup>3</sup> A copy of QCII’s most recent SEC Form 10-K can be found at <http://phx.corporate-ir.net/phoenix.zhtml?c=119535&p=IROL-secToc&TOC=aHR0cDovL2NjYm4uMTBrd2l6YXJkLmNvbS94bWwvY29udGVudHMueG1sP2lwYWdlPTQ2NTE3MzEmcmVwbz10ZW5r>.

<sup>4</sup> See Docket No. 931054-TI (March 3, 1994) Certificate No. 3534; Docket No. 890381-TI (July 26, 1989) Certificate No. 2300; Docket No. 900300TI (October 11, 1990), Certificate No. 2479; Docket No. 990439-FOF-TX (March 25, 1999) Certificate No. 5801; Docket No. 96-0613-FOF-TX (May 29, 1996) Certificate No. 4400; Docket No. T-93-415 (August 19, 1993).

OnFiber is a direct, wholly-owned subsidiary of OnFiber Communications, Inc., which in turn is a direct, wholly-owned subsidiary of QCC. OnFiber therefore is an indirect subsidiary of QCC, and, consequently, is wholly-owned by QCII, the same ultimate corporate parent that owns QCC.

OnFiber provides customized, point-to-point, high-capacity data transport services in the highly competitive retail and wholesale markets targeting enterprise customers and carriers. OnFiber does not serve any aspect of the residential market and does not provide switched voice services. OnFiber and its subsidiaries operate in 20 metropolitan markets across the U.S., serving a total of approximately 250 retail enterprise and wholesale carrier customers nationwide,<sup>5</sup> each of which is served pursuant to a negotiated contract addressing its specific telecommunications needs.

OnFiber and its affiliates are authorized to provide various forms of telecommunications services in a total of 25 states and in the District of Columbia.<sup>6</sup> In Florida, OnFiber is authorized to provide alternative local exchange services and interexchange services pursuant to Certificates of Public Convenience and Necessity issued by this Commission,<sup>7</sup> and is registered as an interexchange services carrier (IXC) pursuant to Rule 25-24.470, *Fla. Admin. Code* (2005).

## II. DESIGNATED CONTACTS

For the purposes of this Application, contacts for the Applicants are as follows:

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<sup>5</sup> Some of these customers only lease dark fiber from OnFiber.

<sup>6</sup> OnFiber and/or its affiliates currently hold authority in the District of Columbia and the following states: Arizona, California, Connecticut, Delaware, Florida, Georgia, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Virginia, Washington and West Virginia.

<sup>7</sup> See Certificate No. 7521 (ALEC), Order PSC-00-1473-CO-TX (August 15, 2000), and Certificate No. 7522 (IXC), Order PSC-00-1555-CO-TI (August 28, 2000).

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Fax: (303) 383-8446  
[Barbara.Brohl@qwest.com](mailto:Barbara.Brohl@qwest.com)

Copies of all correspondence, notices and orders pertaining to this Application also should be sent to:

Kim E. Laakso, Esquire  
Corporate Counsel  
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Denver, Colorado 80202  
Tel: (303) 383-6557  
Fax: (303) 383-8533  
[Kim.Laakso@qwest.com](mailto:Kim.Laakso@qwest.com)

### **III. DESCRIPTION OF THE INTERNAL CORPORATE RESTRUCTURING .**

QCC acquired OnFiber, together with its corporate parent and affiliates, on August 31, 2006. As a result of that acquisition, OnFiber became – and to this day remains – an indirect, wholly-owned subsidiary of QCC. A diagram depicting the current corporate relationship between QCC and OnFiber can be found in Attachment 1.

Since acquiring OnFiber, QCC has concluded to undertake an internal corporate restructuring that will consolidate and streamline the operations of both companies. The

restructuring transaction will not require transferring OnFiber's Florida ALEC certificate to QCC. QCC and OnFiber intend to effectuate their internal corporate restructuring through the following successive and effectively simultaneous steps:

1. *Merger of OnFiber into OnFiber Communications, Inc.*

OnFiber, together with its affiliates, will merge with and into their immediate corporate parent, OnFiber Communications, Inc. ("OnFiber Inc."), with OnFiber Inc. emerging as the surviving corporation.

2. *Merger of OnFiber Inc. into QCC*

OnFiber Inc. will merge with and into QCC, with QCC emerging as the surviving corporation.

Following the completion of the two steps in this restructuring described above, QCC will incorporate into its tariff the rates, terms and conditions of service in OnFiber's tariffs, to the extent those rates, terms and conditions do not already appear in QCC's tariffs and subject to QCC's ability to modify them in the future pursuant to Florida law.<sup>8</sup> QCC will honor the current rates, terms and conditions of OnFiber's existing customer contracts during the terms of those contracts. QCC's Florida ALEC certificate and IXC registration will permit the provision of the same telecommunications services to OnFiber's customers as currently provided under OnFiber's Certificate No. 7521 and IXC registration.

As part of its request for approval of the proposed internal corporate restructuring, OnFiber seeks Commission consent to cancel its ALEC certificate of authority, pursuant to Rule 25-24.820, *Fla. Admin. Code* (1995), and to cancel OnFiber's IXC registration, pursuant to Rule 25-4.474, *Fla. Admin. Code* (2005), effective upon consummation of the restructuring transaction. As required by those rules, OnFiber provides the following information:

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<sup>8</sup> QCC's existing tariffs already can accommodate, to the extent necessary and appropriate, the provision of service under the same rates, terms and conditions as those in the OnFiber tariff(s).

- (a) QCC intends to pay any unpaid Florida regulatory assessment fees for OnFiber, including any associated penalties and interest, within thirty (30) days after closing the restructuring transaction.
- (b) Upon consummation of the transaction, OnFiber proposes to cancel Certificate No. 7521 and its IXC registration in Florida, because the restructuring transaction described in this Application will result in the ultimate merger of OnFiber and its direct parent corporation with and into QCC, with QCC emerging as the surviving corporation. QCC's Florida ALEC certificate and IXC registration will permit the provision of the same telecommunications services to OnFiber's customers as currently provided under OnFiber's Certificate No. 7521 and IXC registration.
- (c) Since QCC will be the surviving corporation, all customer deposits made by customers to OnFiber that have not been returned will be transferred to QCC. No final bills will be rendered as a result of this restructuring transaction.
- (d) Since QCC will continue to provide telecommunications services to OnFiber's customers in Florida, no discontinuance of service is associated with this cancellation and it is unnecessary to provide any individual customer notice regarding discontinuance of service.

Upon consummation of the restructuring transaction, OnFiber and QCC will surrender OnFiber's Certificate No. 7521 and IXC registration to provide services in Florida.

As part of its request for approval of the proposed internal corporate restructuring, this Application also seeks Commission consent to withdraw OnFiber's Florida tariffs upon consummation of the restructuring transaction, as well as any other relief necessary and appropriate to effectuate the restructuring. A diagram depicting QCC's proposed post-transaction ownership structure can be found in Attachment 2. QCC will notify this Commission once the proposed internal corporate restructuring transaction has been completed.

#### **IV. COMPLIANCE WITH CUSTOMER AUTHORIZATION REQUIREMENTS**

As required by applicable FCC rules, 47 C.F.R. § 64.1120(e)(3), and Rule 25-24.118, *Fla. Admin. Code Ann.* (2006), OnFiber customers will be notified in writing of their proposed transfer from OnFiber to QCC. This written notification will be provided to affected customers at least thirty [30] days in advance of the proposed transfer. A copy of the form customer notice



letter to be provided, which complies with the disclosure obligations set forth in the FCC's rules, can be found in Attachment 3. To the extent Rule 25-24.118 provides for a different format or procedure for notifying affected customers, Applicants respectfully request a waiver of such requirements, in order to allow for the transfer of customers from OnFiber to QCC.

## **V. PUBLIC INTEREST STATEMENT**

The proposed internal corporate restructuring is being undertaken to further the integration of OnFiber and QCC. QCC acquired OnFiber principally as a catalyst to the expansion and enhancement of QCC's capabilities outside of the QC 14-state region in the western United States. By acquiring OnFiber – and now by consolidating its business and operations into one entity – QCC is continuing to improve its ability to compete against other, larger entities in the provision of services to corporations and carriers on a national scale.

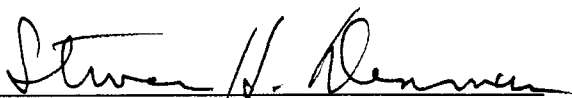
The proposed restructuring also will reduce the administrative burdens associated with operating multiple entities whose businesses and operations overlap and thus are duplicative. In fact, a more efficient corporate structure will allow QCC and its affiliates to devote resources to the provision of improved services to end users. This, in turn, will enhance QCC's ability to compete in the already fiercely competitive market for telecommunications services to enterprise, government and other customers in Florida. The proposed restructuring also will reduce the number of certificated entities subject to regulation by this Commission, thereby freeing up scarce public resources.

## VI. CONCLUSION

For the reasons stated above, Applicants respectfully submit that grant of this Application will advance the public interest, convenience and necessity. In light of the undeniable benefits that will result from the proposed restructuring, Applicants respectfully request expedited review and approval of this Application and all other relief necessary or appropriate to effectuate the restructuring.

Dated: May 23, 2007

Respectfully submitted,

By: 

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And

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Attorneys for Qwest Communications Corporation

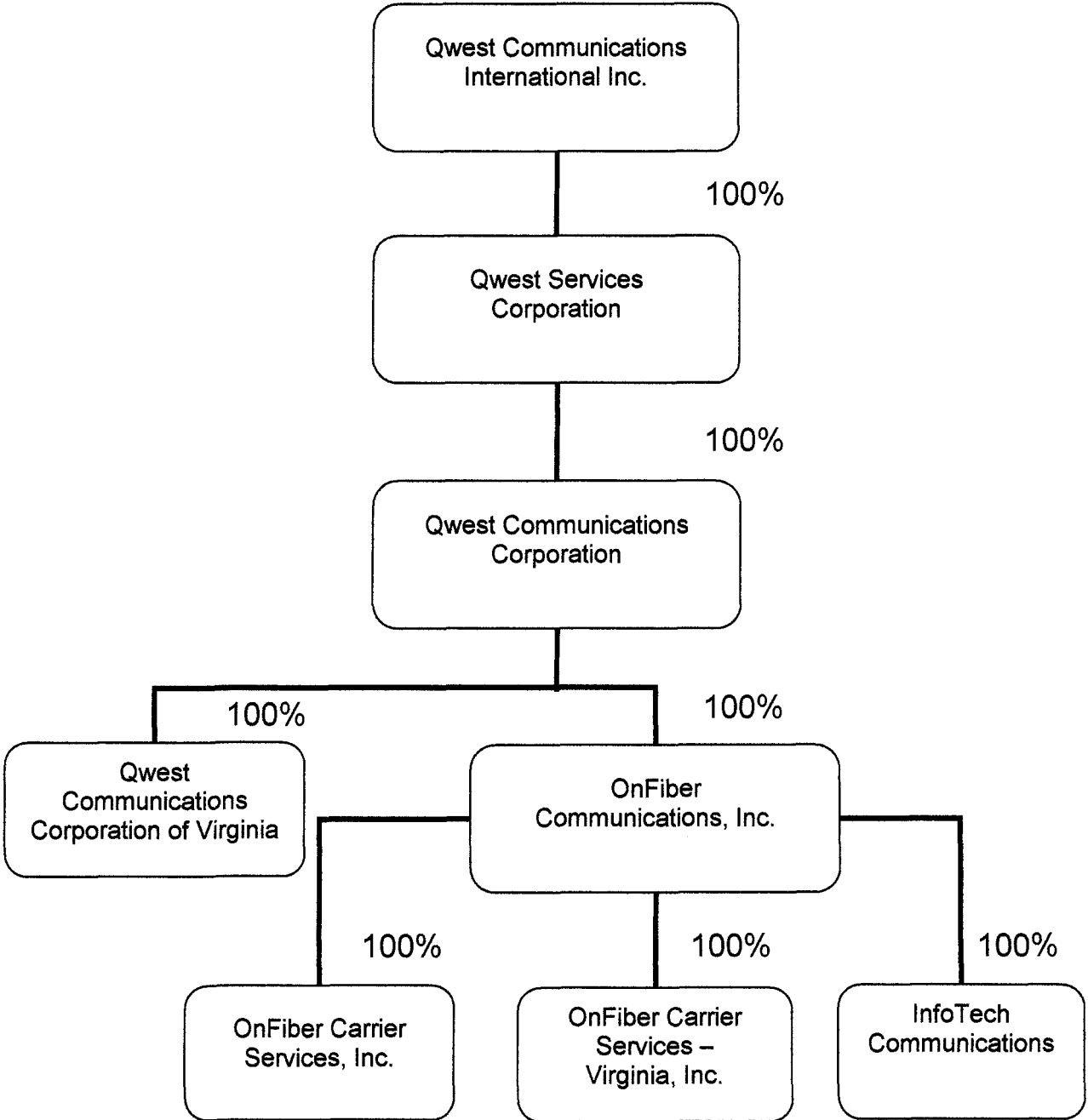
## **LIST OF ATTACHMENTS**

Attachment 1	Pre-Restructuring Corporate Organizational Diagram
Attachment 2	Post-Restructuring Corporate Organizational Diagram
Attachment 3	Form of Customer Notice

**ATTACHMENT 1**

**Pre-Restructuring Corporate Organizational Diagram**

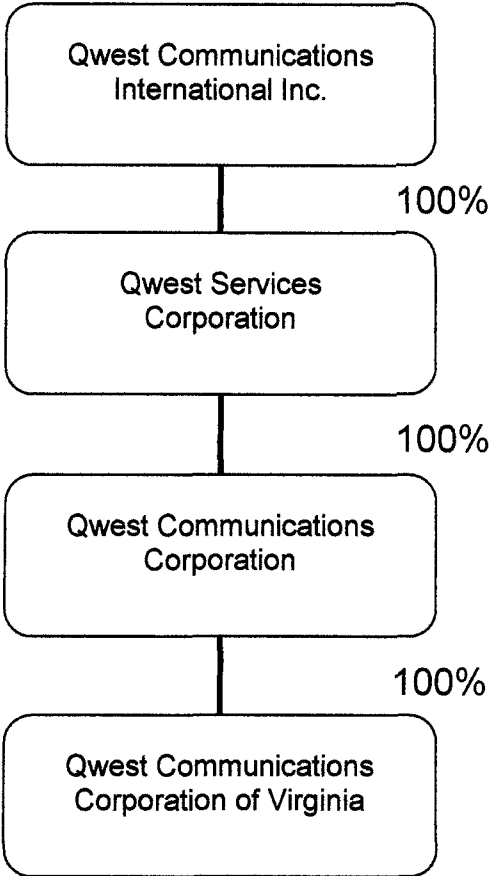
**PRE-TRANSACTION**



**ATTACHMENT 2**

**Post-Restructuring Corporate Organizational Diagram**

**POST-TRANSACTION**



**ATTACHMENT 3**

**Form of Customer Notice**





May 1, 2007

RE: Notice of Corporate Reorganization and Transfer of \_\_\_\_\_ [insert name of contract] between \_\_\_\_\_ [insert name of vendor] (“You”) and OnFiber Communications, Inc. [include reference to prior entities, if appropriate] (“OnFiber”) dated effective as of \_\_\_\_\_ [insert date of contract] (the “Agreement”)

Dear OnFiber Customer:

As you may know, in 2006 Qwest Communications Corporation (“QCC”) acquired all of the outstanding stock of OnFiber. QCC is a wholly-owned subsidiary of Qwest Communications International Inc., a publicly-traded company whose common stock trades on the New York Stock Exchange under the symbol “Q.”

In connection with the acquisition, OnFiber is now merging into QCC, with the result that QCC will be the surviving entity (the “Corporate Reorganization”). Although all contractual obligations of OnFiber will, by operation of law, thereafter flow to QCC, the Corporate Reorganization will not alter the rights and obligations of the parties under the Agreement.

*The Corporate Reorganization is expected to be completed on or around September 30, 2007. Other than the name change from “OnFiber” to “QCC” or “Qwest,” we expect the Corporate Reorganization to be transparent to you. You will continue to receive and be billed for service under the same rates, terms and conditions in your Agreement that you have enjoyed up to now; and, should there be any changes to these rates, terms and conditions in the future, you will be notified in accordance with the terms of your Agreement and applicable law. If you cannot locate your Agreement, please contact us at the number below so that we can provide you with a copy.*

*Qwest understands that you have a choice of service providers and we are dedicated to earning and keeping your business. Because of the nature of the services you today receive, Qwest does not anticipate that its Corporate Reorganization will cause you to incur any carrier change charges; but, if you do, Qwest will pay them. Additionally, you have the right to select another service provider, subject to any termination charges agreed to in your Agreement. Assuming you do not select an alternative provider by September 1, Qwest will become your service provider.*

The dedicated data transport services you today receive from OnFiber generally are not subject to preferred carrier freezes. Nevertheless, *if you have arranged a preferred carrier freeze on your OnFiber account, it will be lifted to accommodate the transfer of your services to Qwest. You therefore may need to arrange a new preferred carrier freeze once Qwest assumes responsibility for your service.*

Qwest is committed to continuing to provide you with the same level of excellence and customer service that you enjoy today from OnFiber. *Qwest therefore will assume responsibility for any pending complaints or concerns you have raised in connection with your OnFiber service.*

Pursuant to the Agreement, we are hereby providing you with written notice of the Corporate Reorganization and the transfer of OnFiber’s rights and obligations under the Agreement to QCC that will occur by virtue of the Corporate Reorganization.

*Any questions about the issues discussed in this letter or any other aspect of your OnFiber service should be directed to me 1-8XX-XXX-XXXX or by visiting our website at [www.qwest.com](http://www.qwest.com).*