

ISSUED: March 12, 2009

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1416

In the Matter of)	
)	
EMBARQ CORPORATION and)	
CENTURYTEL, INC.)	RULING
)	
Joint Application for Approval of Merger)	
between the two companies and their regulated)	
subsidiaries.)	

**DISPOSITION: PETITION TO INTERVENE GRANTED
IN PART AND DENIED IN PART**

On March 9, 2009, the City of Lincoln City (City) timely filed a Petition to Intervene (Petition) in the above-captioned proceeding. In its Petition, City notes that Embarq is the wireline service provider for the majority of its population.¹

In support of its Petition, City asserts an interest in two issues, both arising out of an alleged failure in the provision of 9-1-1 services by Embarq. First, will the merger documents include provisions for switch redundancy between Lincoln City and Sheridan, Oregon, including sufficient financial capability and a commitment to build such facilities; and, second, whether the merger will include an obligation to provide the City with emergency stand-alone 9-1-1 service and enhance or diminish the current 9-1-1 service.

By letter of counsel, dated March 10, 2009, CenturyTel, Inc. (Century) responded to the Petition, noting that the City's sole basis for its intervention relates to the public safety aspects inherent in the failure of its 9-1-1 service. "This issue is not relevant to this merger proceeding, and there are other means for the City to address its concerns. CenturyTel believes that allowing intervention on the grounds stated by the City would unreasonably expand the issues in the proceeding and lead to unreasonable delay." Century also noted that Embarq and the City are currently working on the issue and that the legal entity serving Lincoln City will not change, nor, according to Century's counsel, will there be a diminution in quality of service as a result of the merger. Century indicated that it does not object to the City's intervention in the proceeding "so long as it

¹ Petition, p. 1.

is not based on the issues raised in the City's Petition to Intervene and does not otherwise unreasonably delay or expand the issues in this proceeding."

Discussion. Oregon Administrative Rule 860-012-0001(2) provides as follows:

If the Commission or Administrative Law Judge (ALJ) finds the petitioner has sufficient interest in the proceeding and the petitioner's appearance and participation will not unreasonably broaden the issues, burden the record, or unreasonably delay the proceeding, the commission or ALJ will grant the petition. The Commission or ALJ may impose appropriate conditions upon any intervenor's participation in the proceeding.

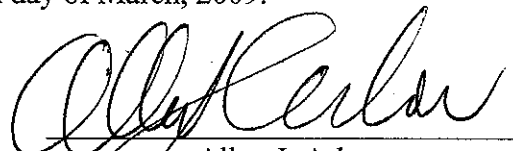
As a municipality with a population of approximately 7400 persons, the vast majority of whom are served by Embarq, the City has a legitimate interest in the overall financial strength of its wireline telecommunications service provider, as that provider has an obligation to serve the City's inhabitants. The City therefore has an interest in seeing that the proposed merger will not harm the financial ability of Embarq to serve its customers. The city of Lincoln City shall therefore be made a party to this proceeding.

However, questions regarding the specific direction of resources or managerial decisions to be made by either Embarq or the merged company with respect to the provision of particular services to a particular service area, do not relate to the overall financial condition of the merged entities and are beyond the scope of this docket. As such, I find that the issues proposed by the City with respect to the provision of 9-1-1 services and infrastructure to be contrary to OAR 860-012-0001(2), insofar as their consideration would unreasonably broaden the issues and burden the record of this proceeding.

RULING

The City of Lincoln City Petition to Intervene is GRANTED to the extent indicated and is DENIED in all other respects.

Dated at Salem, Oregon, this 12th day of March, 2009.


Allan J. Arlow
Administrative Law Judge