## ELLEY DRYE & WARREN LI

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

1200 19TH STREET, N.W. SUITE SOO WASHINGTON, D. C. 20036

FACSIMILE (202) 955-9792

ORIGINAL

(202) 955-9600

NEW YORK, N.Y.

LOS ANGELES. CA.

MIAMI, FL. CHICAGO, IL.

STAMFORD, CT.

PARSIPPANY, N.J.

BRUSSELS, BELGIUM HONG KONG

AFFILIATED OFFICES

NEW DELHI, INDIA TORYO, JAPAN

BRAD E. MUTSCHELKNAUS DIRECT LINE (202) 955-9765 E-MAIL: bmutschelknaus@kelleydrye.com

December 4, 1998

## By FEDERAL EXPRESS

Ms. Blanca Bayo Director Florida Public Service Commission 2540 Shimard Oak Blvd. Tallahassee, Florida 32399-0850

981820-TP

Be: Notification of Stock Transaction Affecting Qwest Communications > International, Inc.

Dear Ms. Bayo:

Ser Ser

Qwest Communications Corp. ("QCC"), LCI International Telecom Corp. ("LCI Telecom") and USLD Communications, Inc. ("USLD") are certified telecommunications carriers in Florida. Each of these companies is an operating subsidiary of Qwest Communications International Inc. ("Qwest"), a publicly traded holding company. On behalf of QCC, LCI Telecom and USLD, I am writing to inform the Florida Public Service Commission ("Commission") of a plan pursuant to which Qwest's principal shareholder, the Anschutz Company ("Anschutz"), will transfer approximately nine (9) million shares of Qwest common stock to a nonaffiliated trust.

Qwest is a publicly held corporation traded on the NASDAQ exchange under the symbol "QWST." Trading in Qwest securities is regulated by the Securities and Exchange Commission. Through its operating subsidiaries, Qwest provides a wide range of domestic and international

1xc 3584 (	Quest Communications Corporation	DOCUMENT NUMBER-DATE
1×C 2300 0	LCI	13793 DEC-78
ALX 4440	LCL	
1xc 2469	U.S. Long Distance, Inc.	FPSC-RECORDS/REPORTING

December 4, 1998 Page 2

voice and data telecommunications services. However, Qwest is not itself a licensed telecommunications carrier in any jurisdiction.

On November 28, 1998, Qwest announced that Anschutz will transfer approximately nine million shares of Qwest common stock to a nonaffiliated trust. As a result of this transaction, Anschutz's beneficial ownership of Qwest will be reduced slightly from approximately 51 percent of the outstanding shares to approximately 48 percent of the outstanding shares. The trust subsequently will issue its own securities to the public. These securities will be exchanged in five years for all or a portion of the Qwest shares transferred to the trust. The purpose of this transaction is to accelerate the time when Qwest may begin using pooling accounting for business combinations. The use of such pooling accounting is expected to enhance Qwest's flexibility in future business combinations.

QCC, LCI Telecom and USLD do not believe that Commission approval of this transaction is required. Qwest is a holding company and is not authorized to provide telecommunications services in any jurisdiction. Further, there will be no change in the direct ownership of the Qwest's certified operating subsidiaries in Florida, namely QCC, LCI Telecom and USLD. Even the diminution of Anschutz's ownership interest in Qwest will be minimal, as only approximately 3 percent of the outstanding shares will be transferred from Anschutz to the trust, and, ultimately, to the general public. Anschutz will retain approximately 48 percent of the outstanding shares of Qwest, while no other single shareholder holds more than a *de minimus* interest in Qwest. Moreover, neither Qwest's board of directors nor the management on Qwest and its operating subsidiaries will be affected by the stock transfer. Consequently, in the Parties' view, Anschutz will continue to have *de facto* control of Qwest after the transaction.

Since control of QCC, LCI Telecom and USLD will be effectively unchanged by the planned stock transfer, the Parties do not believe that Commission approval is necessary prior to completion of the transaction. However, if the Commission determines otherwise, the Parties respectfully request that the Commission treat this letter as an application for approval of a pro forma change in control. The Parties expect to complete the transaction described herein on or before December 31, 1998.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Porad EMutsdielknaus

Brad E. Mutschelknaus