



**DEPARTMENT OF THE ARMY**  
**UNITED STATES ARMY LEGAL SERVICES AGENCY**  
901 NORTH STUART STREET  
ARLINGTON, VIRGINIA 22203-1837

January 21, 2011

REPLY TO  
ATTENTION OF

Regulatory Law Office  
U 4198

**VIA ELECTRONIC MAIL (1/21/11) & OVERNIGHT UPS**

Commission Executive Director and Secretary  
Washington Utilities & Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Drive S.W.  
Olympia, WA 98504-7250

Subject: **DoD/FEA's General Post-Hearing Brief**

In Re: **Docket No. UT-100820** – Joint Application of Qwest Communications International, Inc. and CenturyTel, Inc. for Approval of the Indirect Transfer of Control of Qwest Corporation, Qwest Communications Company LLC, and Qwest LD Corp.

To The Honorable Commission Executive Director and Secretary:

Pursuant to the schedule established by Order No. 13, January 7, 2011, in the above-referenced proceeding, enclosed for filing are the original and twelve (12) copies of the United States Department of Defense and All Other Federal Executive Agencies' (collectively referred to herein as "DoD/FEA's") General Post-Hearing Brief.

In accordance with the Commission's Rules, a Certificate of Service is appended. Copies of this filing are being sent to all parties of record in accord with the Certificate of Service. Inquiries to this office regarding this proceeding should be directed to the undersigned at (703) 696-1643.

Thank you for your cooperation and assistance in this matter.

Sincerely,

Stephen S. Melnikoff  
General Attorney  
Regulatory Law Office (VALS-RL)  
U.S. Army Litigation Center  
901 N. Stuart Street, Suite 700  
Arlington, Virginia 22203-1837  
Telephone: (703) 696 - 1643  
[stephen.melnikoff@hqda.army.mil](mailto:stephen.melnikoff@hqda.army.mil)

Enclosure: Original and twelve (12) copies  
CF: See Certificate of Service  
Honorable Marguerite E. Friedlander (Email)

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of )	DOCKET UT-100820
)	
QWEST COMMUNICATIONS )	
INTERNATIONAL INC. AND )	
CENTURYTEL, INC. )	THE UNITED STATES
)	DEPARTMENT OF DEFENSE AND
For Approval of Indirect Transfer of )	ALL OTHER FEDERAL EXECUTIVE
Control of Qwest Corporation, Qwest )	AGENCIES'
Communications Company LLC, and )	
Qwest LD Corp. )	
)	
..... )	CERTIFICATE OF SERVICE

**CERTIFICATE OF SERVICE**

I certify that I have caused a copy of the foregoing document, together with this Certificate of Service, in Docket No. UT-100820 to be sent this day by electronic service (email) and postage prepaid, properly addressed, first class U.S. Mail (or private courier) to the counsel and parties named below, as indicated:

Executive Director and Secretary  
Washington Utilities and  
Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Drive, S.W.  
Olympia, Washington 98504-7250  
[OVERNIGHT UPS- Original & 12 copies]  
records@wutc.wa.gov

Jennifer Cameron-Rulkowski  
Assistant Attorney General  
1400 S. Evergreen Park Drive S.W.  
P.O. Box 40128  
Olympia, WA 98504-0128  
jcameron@utc.wa.gov

Simon J. ffitc  
Assistant Attorney General  
Public Counsel Section  
Office of the Attorney General  
800 Fifth Avenue, Suite 2000  
Seattle, WA 98104-3188  
simonf@atg.wa.gov

Calvin K. Simshaw  
Senior Regulatory Counsel  
CenturyLink  
805 Broadway  
Vancouver, WA 98660  
[calvin.simshaw@centurylink.com](mailto:calvin.simshaw@centurylink.com)

Mark P. Trinchero  
Davis Wright Tremaine LLP  
1300 SW Fifth Avenue, Suite 2300  
Portland, Oregon 97201  
[marktrinchero@dwt.com](mailto:marktrinchero@dwt.com)

Karen L. Clauson  
Integra Telecom  
6160 Golden Hills Drive  
Golden Valley, MN 55416-1020  
[klclauson@integratelecom.com](mailto:klclauson@integratelecom.com)

Arthur A. Butler  
Ater Wynne LLP  
601 Union Street, Suite 1501  
Seattle, WA 98101-3981  
[aab@aterwynne.com](mailto:aab@aterwynne.com)

Charles E. (Gene) Watkins, Esq.  
Cbeyond Communications LLC  
320 Interstate North Parkway, Suite 300  
Atlanta, GA 30339  
[gene.watkins@cbeyond.net](mailto:gene.watkins@cbeyond.net)

Judith A. Endejan  
Graham & Dunn PC  
2801 Alaskan Way, Suite 300  
Seattle, WA 98121  
[jendejan@grahamdunn.com](mailto:jendejan@grahamdunn.com)

Lisa Anderl  
Qwest Corporation  
1600 7th Avenue RM 1506  
Seattle WA 98191  
[lisa.anderl@qwest.com](mailto:lisa.anderl@qwest.com)

Gregory Merz  
GRAY, PLANT, MOOTY,  
MOOTY & BENNETT, P.A.  
500 IDS Center, 80 South Eight St.  
Minneapolis, MN 55402  
[gregory.merz@gpmlaw.com](mailto:gregory.merz@gpmlaw.com)

Michel Singer-Nelson  
360networks (USA) inc.  
370 Interlocken Blvd., Suite 600  
Broomfield, CO 80021  
[Mnelson@360.net](mailto:Mnelson@360.net)

Katherine K. Mudge  
Director, State Affairs & ILEC Relations  
Covad Communications Company  
7000 N. Mopac Expressway, 2<sup>nd</sup> Floor  
Austin, TX 78731  
[Kmudge@covad.com](mailto:Kmudge@covad.com)

Kristin L. Jacobson  
Sprint Nextel  
201 Mission Street, Suite 1500  
San Francisco, CA 94105  
[kristin.l.jacobson@sprint.com](mailto:kristin.l.jacobson@sprint.com)

Kenneth Schifman  
Diane Browning  
Sprint Nextel  
6450 Sprint Parkway  
Overland Park, KS 66251  
[kenneth.schifman@sprint.com](mailto:kenneth.schifman@sprint.com)  
[Diane.c.browning@sprint.com](mailto:Diane.c.browning@sprint.com)

Theodore Gilliam  
Senior Corporate Counsel  
Integra Telecom  
1201 NE Lloyd Blvd., Suite 500  
Portland, OR 97232  
[tgilliam@integratelecom.com](mailto:tgilliam@integratelecom.com)

Dated this 21<sup>st</sup> day of January 2011,  
at Arlington County, Virginia.



Stephen S. Melnikoff  
General Attorney  
Regulatory Law Office (JALS-RL)  
U.S. Army Legal Services Agency  
Department of the Army  
901 N. Stuart Street, Suite  
Arlington, VA 22203-1837  
(703) 696 – 1643

(12/22/10)

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of	)	
	)	
QWEST COMMUNICATIONS	)	
INTERNATIONAL INC AND	)	
CENTURYTEL, INC.	)	DOCKET NO. UT-100820
	)	
For Approval of Indirect Transfer of	)	THE UNITED STATES DEPARTMENT
Control of Qwest Corporation, Qwest	)	OF DEFENSE AND ALL OTHER
Communications Company LLC, and	)	FEDERAL EXECUTIVE AGENCIES'
Qwest LD Corp.	)	GENERAL POST-HEARING BRIEF
_____	)	

**GENERAL POST-HEARING BRIEF OF  
THE UNITED STATES DEPARTMENT OF DEFENSE AND  
ALL OTHER FEDERAL EXECUTIVE AGENCIES**

TERRANCE A. SPANN  
Chief

Regulatory Law Office  
Office of the Judge Advocate General  
U.S. Army Litigation Center  
901 N. Stuart Street, Suite 700  
Arlington, Virginia 22203-1837

By

STEPHEN S. MELNIKOFF  
General Attorney

January 21, 2011

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of	)	
	)	
QWEST COMMUNICATIONS	)	
INTERNATIONAL INC AND	)	
CENTURYTEL, INC.	)	DOCKET NO. UT-100820
	)	
For Approval of Indirect Transfer of	)	
Control of Qwest Corporation, Qwest	)	
Communications Company LLC, and	)	
Qwest LD Corp.	)	
_____	)	

**GENERAL POST-HEARING BRIEF OF  
THE UNITED STATES DEPARTMENT OF DEFENSE AND  
ALL OTHER FEDERAL EXECUTIVE AGENCIES**

The Secretary of Defense, through duly authorized counsel, on behalf of the consumer interests of the United States Department of Defense and all other Federal Executive Agencies (hereafter, "DoD/FEA" or "Federal Agencies"), hereby files this General Post-Hearing Brief in the above-captioned proceeding. This filing is made pursuant to the schedule promulgated by the Presiding Administrative Law Judge (hereafter, "ALJ") in Order 13 issued January 7, 2011. This brief addresses the unopposed<sup>1</sup> Settlement Agreement and Stipulation between the Joint

---

<sup>1</sup> At the January 5, 2011 hearing counsel for Sprint clarified and reversed his prior statement which had indicated that Sprint opposed the DoD/FEA Agreement. "So I don't have any specific objection to the DoD settlement. And Sprint didn't provide any testimony on that. So I would say we take no position on the DoD settlement." Tr. 186:24 – Tr. 187:2. Surprisingly in its January 14, 2010 Post-Hearing Brief on Commission-identified issues (at page 2, paragraph 2) Sprint did another reversal and stated it opposes the settlements (specifically including the DoD/FEA Agreement) unless Sprint's proposed additional conditions are imposed upon the Merged Firm. We can only interpret this new position to mean: "Although Sprint does not oppose/takes no position on the substance of the DoD/FEA Agreement, it attempts to hold the DoD/FEA Agreement 'hostage' until Sprint's proposed conditions are adopted." Therefore we will continue to describe the DoD Agreement as "unopposed". Neither DoD/FEA nor the DoD/FEA Agreement addressed or impacted Sprint's issues. Sprint's issues are independent from those of

Applicants and DoD/FEA (hereafter, "DoD/FEA Agreement") filed on December 30, 2010, as Joint Applicants and DoD/FEA Exhibit 8. For the reasons set forth below, DoD/FEA urges that the merger application under investigation herein be approved subject to the terms and conditions of the DoD/FEA Agreement.

## I. INTRODUCTION AND BACKGROUND

On May 13, 2010, Qwest Communications International Inc. (hereafter, "QCII") and CenturyTel, Inc (hereafter referred to jointly as "Applicants") filed a joint application with the Washington Utilities and Transportation Commission (hereafter, "the Commission") seeking expedited approval of the transfer of control of all the regulated QCII operating subsidiaries (hereafter, "Qwest") in Washington to CenturyLink, Inc. (hereafter, "CenturyLink") (hereafter, the "transaction" or "merger"). Applicants thereafter filed, on May 21, 2010, testimony of four witnesses in support of the transaction.

DoD/FEA filed its Petition to Intervene on May 24, 2010.<sup>2</sup> The Commission granted DoD/FEA's Application and those filed by other parties, and it set dates for a prehearing conference and evidentiary hearings in Order 02 issued by the ALJ on June 10, 2010. Pursuant to the schedule set forth in that order, DoD/FEA, the Commission's Staff and other intervenors filed responsive testimony on September 27, 2010. Applicants filed rebuttal testimony, and certain parties filed cross-answering and supplemental responsive testimony, on November 1, 2010.

---

DoD/FEA and should rise or fall on the substantive merits of Sprint's arguments alone.

<sup>2</sup> In the Petition, DoD/FEA noted the strong presence of the Federal Agencies in Washington and the interest of DoD/FEA in ensuring that the telecommunications services that they receive are not adversely affected by the transaction. DoD/FEA also stated that it has a unique government end-user perspective on the issues that might arise as a result of this transaction, given the nature and extent of its numerous and varied telecommunications purchases from both the Applicants and competitive carriers that have relied on Qwest for elements of their business offerings.

Hearings on the transaction application commenced on January 5, 2011. Pre-filed testimony, including that of DoD/FEA expert witness Charles W. King, was received into the record. Prior to the hearings, however, certain parties herein filed agreements with the Commission that settled the issues that they raised in their testimony.<sup>3</sup> As noted above, DoD/FEA and Applicants jointly filed their Settlement Agreement and Stipulation on December 30, 2010. The substantive terms of the DoD/FEA Agreement are set forth in Attachment 1 to this Post-Hearing Brief. Because the unopposed DoD/FEA Agreement resolves the concerns that DoD/FEA raised in its Petition to Intervene and testimony, we will not comment extensively in this Post-Hearing Brief on the testimonies and exhibits of other parties in this proceeding. None of the other parties in this proceeding either opposed or addressed the DoD/FEA Agreement.<sup>4</sup> Rather, we explain herein that the DoD/FEA Agreement is necessary to prevent potential transaction-related harm to DoD/FEA and accordingly should be approved by the Commission concurrently with approval of the transaction application, which so conditioned, is in the public interest.

## II. DoD/FEA'S PRE-FILED TESTIMONY

As noted above, upon Commission approval all contested issues between DoD/FEA and Applicants about the transaction would be resolved by the DoD/FEA Agreement. We will, however, note below the DoD/FEA testimony that was filed prior to execution of the DoD/FEA Agreement and hearings herein, because if the DoD/FEA Agreement is not approved

---

<sup>3</sup> The Commission's Staff, Public Counsel and Applicants filed a comprehensive settlement agreement on December 23, 2010 (hereafter, "Staff/Public Counsel Agreement"). Prior thereto, Applicants filed settlement agreements that they had entered into with 360networks (USA) inc. and Integra Telecom, Inc.

<sup>4</sup> See fn. 1, *supra*.



substantially unaltered, we respectfully request that the Commission issue a decision on the contested issues raised in the testimony.

In his September 27, 2010 Responsive Testimony (Exhibit CWK-1T), DoD/FEA expert witness Charles W. King, President of the economic consulting firm of Snavelly King Majoros & O'Connor, Inc., discussed DoD/FEA's concerns and recommendations related to 1) the handling of merger-related transaction and transition/integration costs<sup>5</sup>; 2) necessary service quality enhancements<sup>6</sup>; and 3) ensuring the sufficiency of personnel with security clearances for the performance of government contracts<sup>7</sup>. As noted above and discussed below, each of these areas of contested issues has been resolved with the Applicants in the DoD/FEA Agreement subject to Commission approval.

### **III. THE DoD/FEA AGREEMENT**

Subsequent to filing Mr. King's testimony, DoD/FEA participated in discussions that led to the Staff/Public Counsel Agreement which resolved many of DoD/FEA's issues in this proceeding.<sup>8</sup> In an effort to address the remaining specific issues that Mr. King raised in his testimony, DoD/FEA and Applicants also met individually to discuss whether those concerns could be resolved by a settlement herein. The product of those latter negotiations is the DoD/FEA Agreement. As a result of the settlement meetings and the agreements that resulted therefrom, and for the reasons that follow, we now believe that a grant of the Application with the conditions and terms of the associated agreements is in the public interest.

---

<sup>5</sup> Exhibit CWK-1T, pp. 12-19.

<sup>6</sup> *Id.*, pp. 19-23.

<sup>7</sup> *Id.*, pp. 24-25.

<sup>8</sup> For instance, Staff/Public Counsel Agreement condition 3 (extending the existing Qwest AFOR until synergies have been realized) resolved one of DoD/FEA's initial concerns. Other Staff/Public Counsel conditions are specifically referenced in the text of this section of the DoD/FEA brief.

The DoD/FEA Agreement has a term of three years with extension upon mutual consent of the parties and is applicable to service provided to Federal Agencies in Washington. (Both the Colorado<sup>9</sup> and Utah<sup>10</sup> commissions have approved an agreement between DoD/FEA and Applicants that is substantively identical to the DoD/FEA Agreement.) The DoD/FEA Agreement addresses the three areas noted above that led to our intervention herein and are explained by Mr. King in his testimony.

First, the DoD/FEA Agreement requires Applicants to make a Volume and Term Individual Case Basis (ICB) filing with the Commission after the transaction is approved and closed that includes a **three-year rate cap for certain basic business services** utilized by the Federal Agencies. This provision directly alleviates DoD/FEA's concern that the Federal Agencies may be adversely impacted by potential rate increases that might be based in whole or in part on Applicants' efforts to recover their merger transaction and integration costs. This rate stability assurance, however, is based on a corresponding revenue assurance commitment by the Federal Agencies to maintain their billings in Washington at a minimum of 90 percent of the average quarterly billings for the four quarters preceding the date of the DoD/FEA Agreement.<sup>11</sup>

The rate stability assurance provision benefits Federal Agencies by ensuring that they do not inappropriately bear any of the merger transaction and integration costs, which Applicants presumably will experience during the rate cap period. The revenue assurance commitment provision in turn benefits the Applicants by providing a guaranteed stream of revenue from a major customer during the applicable period.

---

<sup>9</sup> Public Service Commission of Utah, Docket No. 10-049-16, Report and Order, issued January 4, 2011.

<sup>10</sup> Public Utilities Commission of the State of Colorado, Docket No. 10A-350T, Initial Commission Decision Granting Approval of Indirect Transfer of Control, adopted December 15, 2010.

<sup>11</sup> DoD/FEA Agreement, Attachment 1, p. 1. The DoD/FEA Agreement provides that if billings are continuously below the prescribed volume level for 180 days, the agreement may be terminated.

The DoD/FEA Agreement builds upon provisions in the Staff/Public Counsel Agreement that directly ensure that other ratepayers also do not inappropriately bear the transaction and integration costs. Thus the DoD/FEA Agreement is an essential element of a comprehensive set of rate cap safeguards that directly protects Applicants' customers (residential as well as a wide range of different-sized business customer segments) from potential harmful effects during the transition period. These rate cap safeguards, described below, acting as direct absolute barriers, go further than the Applicants' commitments not to seek to recover from retail or wholesale customers their transition, integration, branding or transaction costs in Washington (Staff/Public Counsel condition 6) or increased management costs (condition 5). For residential customers the rate cap provisions (Staff/Public Counsel condition 20) provide assurance that they do not bear these costs. For small businesses using basic service, the provisions of condition 20 cap the CenturyLink 1FB rates and allow only an increase of \$1.00 per month in the Qwest 1FB rate. Other CenturyLink services, such as those used by small and medium-sized business, are subject to regulatory oversight and tariff terms which may not be changed absent Commission approval. Moreover, also pursuant to condition 20, customers (including medium-sized business) of Qwest business exchange services will have available the continuation of rate stabilization provisions until an AFOR proceeding has been concluded, thus assuring them that they do not bear transaction-related costs.

The DoD/FEA Agreement builds upon these protections and further benefits larger business customers by virtue of the provision that Applicants offer the rate cap/revenue assurance provision as an ICB filing. Because these provisions are filed as an ICB, they will apply as well to other similarly-situated customers, who are willing to make overall revenue assurances, under the Commission's rules and policies related thereto. The rate cap/rate

stabilization provisions as well as the commitment not to seek recovery of transaction-related costs as set forth in the Staff/Public Counsel Agreement have essentially the same effect as the ICB filing in the DoD/FEA Agreement. But for a business customer with large numbers of diverse and complex billings, the ICB approach is more efficient and administratively easier to implement as a direct shield against the assumption of transaction-related costs.<sup>12</sup> To DoD/FEA and some others this efficiency and administrative ease is worth the added “cost” of a revenue assurance commitment by them. Thus, the DoD/FEA Agreement furthers the public interest by ensuring that similarly-situated business customers are not harmed by the transaction.

Secondly, the DoD/FEA Agreement also addresses certain service quality issues that led to DoD/FEA’s intervention and testimony. The applicable provision states:

CenturyLink and Qwest commit that all service quality requirements that are part of any WUTC order relating to the proposed merger, as well as any other service quality requirements ordered by the Commission shall be applicable to service provided to the U.S. Government and its agencies under this Agreement.

This provision ensures that the Federal Agencies will “share” in the benefits of the service quality and performance reporting and enforcement requirements applicable in Washington. We favorably note that Applicants agree in condition 16 of the Staff/Public Counsel Agreement to expand the Service Performance Guarantee program applicable to CenturyLink and in condition 17 to expanded service quality reporting. Furthermore, condition 18 recognizes that if service quality deteriorates an investigation could be instituted in which direct sanctions and penalties

---

<sup>12</sup> For example in DoD/FEA’s case, the situation would require continuous review by some now-undesignated agency(ies) of numerous Qwest Centrex and PBX service billings of literally hundreds of individual de-centralized military and civilian government sub-entities throughout Washington to see which are currently subject to rate stabilization provisions, and of those not then-covered or have new requirements, to determine which are economically feasible candidates for rate stabilization.

might be developed, if needed. These provisions thus provide further protection to DoD/FEA and other retail customers in this regard.

Third and finally, DoD/FEA's concern about the effect of the transaction on security clearances for Applicants' personnel working on contracted service provided to the Federal Agencies is based on a statement in CenturyLink's second quarter 2010 SEC Form 10-Q. There, CenturyLink, in the "risks" section, stated that it may be unable to obtain security clearances so that it can perform certain government contracts to which Qwest is a party. This would be the unsatisfactory outcome if CenturyLink personnel replaced Qwest personnel but then were unable to obtain the required clearances.

The DoD/FEA Agreement ensures that government contracts are not jeopardized by the absence of employees holding the requisite security clearances. The applicable provision states in part:

CenturyLink and Qwest affirm that no organizational or personnel changes will impair either the post-merger company's ability to perform under existing contracts or its ability to bid on new contracts that require security clearances of company's personnel.

By recognizing the importance of and committing to maintaining staff with the necessary clearances, Applicants have dealt adequately with DoD/FEA's concerns and have obviated the need for any further Commission action in this regard, other than approval of this condition.

#### IV. CONCLUSION

The unopposed DoD/FEA Agreement, while the product of "gives" and "takes" of the negotiation process, provides benefits to Applicants, the Commission and ratepayers in general that will enhance the merger of the Applicants, and it provides safeguards helping to address

specific potential harms. Given those benefits, DoD/FEA can now urge the Commission to approve the application and the accompanying DoD/FEA Agreement. From the examples indicated above, other provisions and commitments that Applicants have assumed since the application was filed also lead to the conclusion that approval of the application thus conditioned is in the public interest and should be approved by the Commission.

WHEREFORE, the U.S. Department of Defense and all other Federal Executive Agencies urge the Commission to grant the Application, subject to the conditions set forth in the unopposed DoD/FEA Agreement, as being in the public interest.

Respectfully submitted,



Stephen S. Melnikoff  
General Attorney  
Regulatory Law Office (JALS-RL)  
U.S. Army Litigation Center  
901 North Stuart Street, Suite 700  
Arlington, Virginia 22203-1837

For  
The United States Department of Defense  
And  
All Other Federal Executive Agencies

Dated: January 21, 2011

## ATTACHMENT 1

### **1. VOLUME AND TERM PRICE PLAN (“Plan”):**

- This Plan is being offered to the U.S. Government and its agencies on an individual case basis (“ICB”) pursuant to applicable state regulations.
  
- The post-merger company will not increase current (as of the execution date of the Agreement) pricing on retail Business Lines with or without CenturyLink/Qwest Packages (single or multi-line), Centrex, Qwest Utility Line™, and PBX trunks for three years after the execution of this Agreement.
  
- If, at commencement or during the volume and term price plan duration, the rate charged for any Service covered by this Agreement is higher than the price listed in the applicable Tariff, Service Catalog or Price List, then the post-merger company shall reduce the price for such Services to the lower Tariff, Service Catalog or Price List rate, and the price commitment shall apply to such price.
  
- This Agreement is contingent on the U.S. Government and its agencies in Washington maintaining total service levels that result in billings by the post-merger company that are at least 90% of the average quarterly billings for the four quarters preceding the date of this Agreement. If, after notice from the post-merger company, the total service billings remain continuously below the 80% level for 180 days, the Plan may be terminated by the post-merger company. This Agreement is also contingent upon approval of the Agreement and of the CenturyLink/Qwest merger by the Washington Utilities and Transportation Commission (“WUTC” or “Commission”).
  
- Customer may move or add Service if the post-merger company commercially offers such options, and Customer agrees to pay all standard applicable charges related to such changes. Services that are added or changed will be covered by this Plan.
  
- CenturyLink and Qwest commit that all service quality requirements that are part of any WUTC order relating to the proposed merger, as well as any other service quality requirements ordered by the Commission, shall be applicable to service provided to the U.S. Government and its agencies under this Agreement.
  
- This Agreement may be extended with the mutual consent of the parties. After the initial three years, this Agreement may be terminated by either party with 60 days notice.
  
- The Plan does not affect existing Federal Government contracts.

## **2. EMPLOYEES HOLDING SECURITY CLEARANCES:**

Qwest currently provides services to the U.S. Government under several contracts that require the services of Qwest employees who hold U.S. Government security clearances. Both Qwest and CenturyLink recognize the importance of assuring that the services provided under these contracts are not disrupted by the integration of CenturyLink and Qwest after their merger is finalized. CenturyLink and Qwest therefore commit that the merger of the two companies will not result in a reduction of service quality as a result of the separation from employment of employees who hold security clearances and who are engaged in providing services to the Government that require employees with such clearances, in accordance with contract provisions. CenturyLink and Qwest affirm that no organizational or personnel changes will impair either the post-merger company's ability to perform under existing contracts or its ability to bid on new contracts that require security clearances of company's personnel.