

**Washington Semi-Annual Report  
Retail OSS Integration Status  
CenturyLink/Qwest Merger  
Docket UT100820 – Order No. 14, Appendix A to Settlement Agreement, Condition 22  
June 30, 2011**

**Background**

The first paragraph of Condition 22 of the settlement agreement between CenturyLink/Qwest, the WUTC Staff and the Public Counsel, approved by the Commission in Order 14 in Docket UT100820, requires CenturyLink to submit a semi-annual retail OSS integration status report. The full text of the condition is stated below:

**22. OSS – Retail**

CenturyLink agrees to submit to Commission Staff and Public Counsel semi-annual integration status reports following the close of the Transaction. The initial report will be submitted within 90 days after the Transaction closes and will continue semi-annually for four years (reports will be provided within 30 days following the end of each semi-annual period). At a minimum, the reports will include a summary of integration-related activity completed since the last filed report and key milestones, deliverables and implementation timelines, and major risks and contingency plans for the upcoming quarter and beyond, if available, for all substantial integration team efforts.

In compliance with this condition, CenturyLink hereby provides its initial status report concerning integration of retail OSS.

**Retail OSS Integration Status**

CenturyLink's Integration Management Office continued to lead the analysis phase of Systems Integration for the Qwest merger during this reporting period. At this time, no decisions have been made regarding the integration or final disposition of customer facing Operational Support Systems ("OSS"). We will continue to support dual systems until we convert or integrate systems. There should not be any customer impacts as we maintain dual systems during this phase. Please see Attachment 2 which provides additional information concerning the underlying systems evaluation framework and assessment criteria used by CenturyLink in its integration processes.

CenturyLink has selected its SAP application solution platform to replace Qwest's financial accounting and human resource systems platforms. CenturyLink plans to complete this system conversion on January 1, 2012.

CenturyLink's SAP system is an integrated application software that links business information and processes across work streams. SAP will be used by CenturyLink for Finance, Human Resources, Payroll, Materials Management, Project Systems and Business Intelligence Reporting.

While this system conversion has no direct impact on customer affecting OSS systems, it does involve engineering systems and outside plant record systems. Specifically, the conversion to SAP includes engineering project systems used to plan, create, execute and track inside and outside plant for capital construction investments. Further, the conversion to SAP includes the materials management functions of material supplier sourcing, order placement through requisition and purchase order, payment settlement and reconciliation for the purpose of supplying materials for projects.

CenturyLink will conduct comprehensive training for impacted employees and anticipates a smooth conversion to the new systems based on experience obtained in prior transactions including the merger with Embarq.