EXHIBIT BJJ-42 TO THE
DIRECT TESTIMONY OF
BONNIE J. JOHNSON
ON BEHALF OF
INTEGRA TELECOM

#### **ATTACHMENT A**

MERGER JOINT CLECS AGREEMENT: Settlement Letter between the Joint Applicants and Joint CLECs, March 3, 2011 (filed in Minnesota Docket No. P-421, et al./PA-10-466 on March 4, 2011) (7 pages).

EXCERPT FROM MINNESOTA DEPARTMENT OF COMMERCE AGREEMENT: Stipulation and Joint Motion for Approval of Stipulation and Agreement, Minnesota Docket No.P-421, et al./PA-10-456, October 4, 2010, pp. 1-3 & 6; Supplemental Stipulation and Agreement for Commission Approval, Minnesota Docket No.P-421, et al./PA-10-456, November 1, 2010, pp. 1-2.

EXCERPT FROM COLORADO STAFF AGREEMENT: Stipulation and Settlement Agreement between Joint Applicants and Commission Trial Staff, Colorado Docket No. 10A-350T, November 7, 2010, pp. 1-4 & 8.

EXCERPT FROM INTEGRA AGREEMENT: Settlement Agreement by and among Century Link, Inc., a Louisiana Corporation ("CenturyLink"), and its affiliates, Qwest Communications International, Inc. ("QCP"), a Delaware Corporation, and its affiliates, including Qwest Corporation, Integra Telecom, Inc., an Oregon Corporation, and its affiliates (collectively "Integra" or "CLEC(s)"), November 6, 2010, pp. 1-2, 8-10.

EXCERPT FROM FCC ORDER: In the matter of Applications filed by Qwest Communications International Inc. and CenturyTel, Inc. d/b/a CenturyLink for Consent to Transfer Control, WC Docket No. 10-110 (March 18, 2011), pp. 1, 11-12 & Appendix C, pp. 25 & 30-32.

March 3, 2011

Dan Lipschultz Moss & Barnett, P.A.

Gregory Merz Gray, Plant, Mooty, Mooty & Bennett, P.A.

K.C. Halm Davis Wright Tremaine LLP

RE: CenturyLink/Qwest Transaction

#### Gentlemen:

The purpose of this letter is to memorialize the terms and understanding ("CenturyLink"), CenturyLink, inc. **Qwest Communications** among ("QCII") ("Joint Applicants"), International, Inc. and McLeodUSA Telecommunications Services, Inc. d/b/a PAETEC Business Services; OrbitCom, Inc.; US Link. Inc., d/b/a TDS Metrocom; POPP.com, Inc.; Velocity Telephone, Inc.; Charter Fiberlink, CCO, LLC. ("Joint CLECs") in satisfaction of the issues raised by the Joint CLECs before the Minnesota Public Utilities Commission. In consideration of the Agreement outlined herein, and without modification, Joint CLECs agree that their objections, issues and proposed conditions raised in Minnesota related to the Transaction are resolved through this negotiated compromise and, therefore, that the Transaction should be approved by the Minnesota Public Utilities Commission as in the public interest in Minnesota. Joint CLECs further agree that they will no longer advocate before the Federal Communications Commission regarding this Transaction, and will offer no advocacy (directly or indirectly) contrary to this Agreement before the FCC or any state commission.

Joint CLECs have elected to opt-into the terms of the November 6, 2010 Integra Settlement.<sup>3</sup> Joint CLECs agree that the terms set forth in the Integra

See, in the Matter of the Joint Petition for Approval of Indirect Transfer of Control of Owest Operating Companies to CenturyLink, MPUC Docket No. P-421, et al./PA-10-456, and description of the Plan of Merger contained therein ("Transaction").

<sup>&</sup>lt;sup>2</sup> See, Applications Filed by Qwest Communications International Inc. and CenturyTel, Inc., d/b/a CenturyLink for Consent to Transfer of Control, WC Dkt. No. 10-110 (rel. May 28, 2010).

<sup>&</sup>lt;sup>8</sup> The Integra Settlement Agreement was filed in Minnesota, and attached hereto. To the extent applicable, references to "integra" or "CLECs" within the terms of the Integra

Settlement, together with the following clarifications, modification or additional terms, resolves the issues raised by the Joint CLECs in Minnesota. To the extent there is an inconsistency between the terms of the integra Settlement and the following, the following terms will control:

Unless otherwise indicated below, the following terms apply throughout the Qwest ILEC 14- state territory:

#### 1. OSS and 3<sup>rd</sup> Party Facilitator (paragraph 12 of Integra Settlement):

A. The first paragraph of paragraph 12 of the Integra Settlement is modified to read as follows:

"In legacy Qwest ILEC service territory, after the Closing Date, the Merged Company will use and offer to wholesale customers the legacy Qwest Operational Support Systems (OSS) for at least thirty months and thereafter provide a level of wholesale service quality that is not less than that provided by Qwest prior to the Closing date, with functionally equivalent support, data, functionality, performance, electronic flow through, and electronic bonding. After the period noted above, the merged company will not replace or integrate Qwest systems without first establishing a detailed transition plan that at a minimum meets the standards articulated above and complying with the procedures as set forth in the Integra settlement."

B. The first sentence of subsection d of paragraph 12 will be modified to read as follows:

"The Merged Company will not begin integration of Billing systems before the end of the minimum thirty month period noted above, or without following the above procedures, unless the integration will not impact data, connectivity and system functions that support or affect CLECs and their customers."

C. The following additions, clarifications, or modifications are made to the terms of paragraph 12 of the integra Settlement:

If the Joint Petitioners seek to replace the legacy Qwest OSS, Joint Petitioners will provide CLECs with three years of the most currently available, aggregate transaction volume data, on a monthly basis, for use in determining the appropriate volume thresholds for testing and

Settlement will be deemed to be references to "Joint CLECs" for purposes of the understanding memorialized in this letter.

recognizing trend lines. The transaction volume data shall include data from transactions submitted by individual CLECs and any authorized third parties submitting transactions on behalf of any CLEC.

Testing of any successor OSS will include sufficient volumes to test at no less than 125% of the peak volumes of all CLEC transactions (including Qwest and CenturyLink affiliates), using the peak volumes that occurred during the most recent 12 month period identified through the aggregate transaction volume data.

Acceptance testing will require a majority vote, no vote to be unreasonably withheld, of the CMP participants in testing, and must reflect two-thirds or more of the transaction volumes.

Acceptance criteria, testing and voting of CMP participants will be conducted for each of the separate functions of pre-ordering, ordering, provisioning, maintenance and repair, and billing capabilities.

Functional equivalency requires the provision of functionally equivalent data flowing into the CLEC system sufficient to enable the CLEC to maintain its existing level of back office system automation. To the extent Joint Petitioners require information regarding a CLEC's back office systems to comply with this condition, a CLEC shall confidentially disclose such information to the Merged Entity during the CMP process upon request. CLECs acknowledge that changes in Qwest's OSS may require changes in a CLEC's back office systems to interface with any new or modified OSS to retain the automated functionality of its own back office systems. CLECs agree to not make changes to their back office systems that impede the ability of the Qwest OSS to provide functionally equivalent flow through.

A 3<sup>rd</sup> party facilitator will be used to assist in the testing of any successor OSS with the cost of such facilitator to be borne by the Joint Petitioners. The Parties also agree to cap the cost of such facilitator services at no more than \$1 million in the Qwest 14-state ILEC territory. Within the parameters of the terms of the Integra Settlement, the 3<sup>rd</sup> Party Facilitator would perform the following: (i) working within the existing Qwest CMP processes, assist the parties in identifying parameters and baseline metrics to ensure comparable functionality, flow through rates and ability to handle commercial volumes, including load testing; (ii) assist the parties in adhering to the time table for testing and the metrics for success; (iii) provide an "observe and report" function by having access to the OSS test results, with the authority to report the statistics to the Commission

and each affected CLEC; and (iv) assist in trying to resolve issues and disputes that arise, prior to either party seeking dispute resolution. Both CenturyLink and participating CLECs will jointly prepare the RFP to retain the 3<sup>rd</sup> party facilitator's services and all parties agree to ensure that costs associated with the 3<sup>rd</sup> party facilitation are prudent and reasonable. The cap is not intended as a goal or an expectation regarding the cost of the 3<sup>rd</sup> party facilitation services. Neither party waives its right to seek changes to the cap nor waives its right to oppose any proposed change to the cap. The party seeking permission to change the cap would have the burden of demonstrating that such a change is sought in good faith and necessary to satisfy the responsibilities of the 3<sup>rd</sup> party facilitator under this agreement

#### 2. Single Point of Interconnection (Addition to Integra Settlement):

If the Qwest ILEC network becomes interconnected with a CenturyLink ILEC network, at the CLEC's option, the Merged Company will allow carriers to interconnect at a single point of interconnection (SPOI) per LATA, including between ILEC affiliates that are interconnected within that LATA, provided that:

- 1) . The type of interconnection is technically feasible, and
- 2) There are existing facilities currently being used by the ILEC affiliates to originate and/or terminate Local Traffic (as that term is used in any applicable interconnection agreement) between the ILEC affiliates, and
- 3) The ILEC affiliates within that LATA are directly interconnected over the interconnection facilities, and

The parties agree to amend their interconnection agreement(s) to allow for a SPOi consistent with this provision, and including state-specific terms, conditions and rates for interconnection services as ordered/approved by the applicable state commission. Upon mutual agreement, the parties shall agree to establish additional POis in a LATA where economically and technically feasible.

#### 3. Non-impairment/Forbearance (paragraph 8 of Integra Settlement):

Paragraph 8 of the Integra Settlement will be modified to read as follows:

"Qwest will not seek to reclassify as "non-impaired" any Qwest wire centers for purposes of Section 251 of the Communications Act, nor will

the Merged Company file any new petition under Section 10 of the Communications Act seeking forbearance from any Section 251 or 271 obligation or dominant carrier regulation in any Qwest wire center before June 1, 2013."

#### 4. ICA/Commercial Agreement Terms (paragraph 3 of Integra Settlement):

- A. ICA -- To address the concerns Charter raises in Minnesota regarding Interconnection Agreement ("ICA") porting and transaction costs, within 45 days of Merger Closing, Qwest Corporation agrees to negotiate a new ICA with Charter in Oregon and Nebraska using the agreed upon language in the Minnesota ICA as the negotiating template, as modified for any necessary state specific rates and decisions.
- B. QLSP Agreements -- Qwest Corporation agrees to amend the existing OLSP agreements to (i) limit the increase in the port charge to \$0.67 over the prior QLSP's agreement's monthly per line port charge in lieu of the \$1.00 increase that would otherwise apply in MN only; (ii) include an additional discount level of 5% for 80% retention thresholds in MN only; (iii) freeze port charges set forth under the agreement for the existing term of the agreement (through December 31, 2013) notwithstanding any term in the agreement under which the port charge could be increased by \$1 per year throughout the Qwest ILEC territory; and (iv) provide that CLECs purchasing the QLSP product under a commercial agreement throughout the Qwest ILEC territory are purchasing a platform service that includes tandem switching as well as end office switching and that the CLEC has the right to charge switched access to interexchange carriers for both elements to the extent that Qwest would have the right to charge for both elements. The Parties agree that the terms and conditions regarding the variable discount structure associated with CLEC growth and retention thresholds continue to apply.
- C. Qwest Broadband Agreements -- Joint Petitioners agree that Qwest Corporation will not exercise its right to provide notice of termination of the existing Qwest Broadband for Resale (QBR) agreements in MN prior to December 31, 2013 which will effectively extend the existing QBR agreements in MN through April 1, 2014, without any change in rates, terms and conditions.
- D. Commercial Dark Fiber Agreements -- Joint Petitioners agree that Qwest Corporation will not exercise its right to provide notice of termination of its existing Qwest Commercial Dark Fiber (CDF) Agreements in MN prior to December 31, 2012, which effectively

extend the existing CDFs in MN through December 31, 2013, without any change in rates, terms and conditions:

Nothing in this agreement shall prevent Joint CLECs from obtaining the benefit of any additional FCC conditions not addressed in this Agreement, whether they are based on voluntary commitments by the merging parties or conditions mandated by the FCC, however, the Joint CLECs will offer no advocacy before the FCC related to this Transaction.

Please confirm that this letter accurately describes your understanding and agreement to these terms by signing in the space provided below, and return the executed copy to the attention of Linda Gardner. The parties agree that this Agreement is not confidential and that it will be filed with the Minnesota Commission upon execution and may be provided to the FCC.

CENTURYLINK, INC.

By: John F. Johrs

Dated: 3/8/11

QWEST COMMUNICATIONS INTERNATIONAL, INC.

JOINT CLECS

Dated:

By: Dated: CHARTER FIBERLINK CCO, LLC BY: CHARTER COMMUNICATIONS, INC. ITS MANAGER

By: PATICEL 5. COURT
Dated: 3/3/1/

## BEFORE THE MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS 600 North Robert Street St. Paul, MN 55101

# FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION 121 Seventh Place East, Suite 350 St. Paul, MN 55101-2147

David Boyd

Chair

J. Dennis O'Brien

Commissioner

Thomas Pugh

Commissioner

Phyllis Reha

Commissioner

Betsy Wergin

Commissioner

In the Matter of the Joint Petition for Approval of Indirect Transfer of Control of Qwest Operating Companies to CenturyLink MPUC Docket No. P-421, et.al./PA-10-456

OAH Docket No. 11-2500-21391-2

### STIPULATION AND AGREEMENT AND JOINT MOTION FOR APPROVAL OF STIPULATION AND AGREEMENT

Applicants Qwest Communications International Inc. and CenturyLink, Inc., formerly CenturyTel, Inc., and their subsidiaries ("Applicants" or, collectively post-merger, "Company") and the Department of Commerce ("DOC") (collectively the parties to this agreement will be identified as "Parties") agree to the following terms and conditions of settlement:

#### I. Purpose

This agreement has been prepared and executed for the purpose of resolving issues between Applicants and DOC in this docket. Based on the commitments contained in this agreement, the DOC finds that the transaction at issue in this docket is in the public interest

as contemplated by Minnesota law and agrees to support approval of the transaction before the Minnesota Public Utilities Commission without additional conditions.

#### II. Filing

Upon execution of this agreement, this agreement will be filed with the Minnesota Public Utilities Commission ("Commission") as required pursuant to Section VII of the Commission's Order issued June 15, 2010 in this docket.

#### III. Applicant Commitments

Applicants agree and commit as follows:

#### A. Broadband

The Company shall commit to invest \$50 million in broadband infrastructure in Minnesota over a five year period beginning on the date the transaction closes (the "Closing Date") and concluding five years thereafter. One-third (33%) of the broadband investment will be made in areas in Minnesota that are unserved or underserved. For purposes of this agreement, unserved means no wireline broadband service is available and underserved means broadband wireline service up to 1.5Mbps. The Company agrees to make annual filings that are subject to confidentiality afforded materials containing trade secrets and that document its compliance with this commitment.

#### B. Wholesale

The Company makes the following commitments for the purpose of addressing issues raised by Minnesota Competitive Local Exchange Carriers ("CLECs"):

#### 1. Operational System Support

Qwest Corporation or any successor entity (pre-merger or post-merger "Qwest" or "Qwest Corporation") will not discontinue their wholesale Operations Support Systems (OSS) for a minimum of 24 months, post transaction closing.

In the event that any Qwest OSS is subsequently changed or retired, Qwest Corporation will utilize the terms and conditions set forth in the Change Management Process (CMP) and consistent with the CMP condition below, but in no event shall there be less than 6 months notice of the retirement of the legacy Qwest OSS from current Qwest territories. In the event that any CenturyLink OSS is introduced, changed or retired, CenturyLink will provide 6 months advance notification to the affected interconnecting carriers. During that 6 month notice period established for retiring a Qwest or CenturyLink OSS, any interconnected CLEC or Commercial Mobile Radio Service (CMRS) provider shall be permitted to test the proposed replacement OSS in a timeframe no less than the timeframe provided for under the existing Qwest CMP process, and Qwest and/or CenturyLink shall cooperate with such testing at no charge to the testing carrier, including but not limited to, making available a testing environment.

#### 2. Interconnection Agreement Negotiations

Qwest Corporation or any successor entity operating in current Qwest territories (premerger or post-merger "Qwest" or "Qwest Corporation") will honor all obligations under its existing interconnection agreements.

a. <u>Extension</u>. Qwest Corporation will not terminate or change the conditions of any CLEC or CMRS interconnection agreement, with the exception of changes required by law or to the extent Qwest is relieved by law of a current

#### 5. Change Management Process

Qwest Corporation (pre-merger or post-merger "Qwest" or "Qwest Corporation") will maintain the current Qwest Corporation Change Management Process ("CMP") for 36 months after the transaction closing, utilizing the terms and conditions set forth in the CMP Document. CenturyLink and Qwest Corporation do not waive their rights to modify the CMP consistent with the provisions contained in the CMP Document. Pending CLEC Change Requests shall continue to be processed in a commercially reasonable time frame consistent with the provisions contained in the CMP Document.

#### 6. FCC Obligations

By virtue of the FCC's jurisdiction, to the extent inconsistent, any required terms and conditions applicable to CLECs or CMRS providers contained in the FCC's order approving the merger will automatically be incorporated into and supersede the terms in this section above, except to the extent it is state-specific. Nothing in this agreement shall preclude CLECs and CMRS providers from obtaining in Minnesota the benefits for additional FCC conditions not addressed in the agreement.

#### C. Retail Prices

The Company agrees to forgo its ability to obtain a 1FR (one-party flat rate residential) standalone, 1 MR (one-party measured rate residential) standalone and 1FB (one-party flat rate business) standalone increase through 2012 for all operating companies post-merger (Qwest, legacy Embarq, legacy CenturyTel). The Company reserves the right to increase 1FR, 1MR and 1FB standalone rates in a revenue neutral manner to offset revenue losses from exogenous events consistent with applicable Alternative Form of Regulation (AFOR) requirements in the legacy Qwest and legacy Embarq plans. The legacy CenturyTel

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In the Matter of the Joint Petition for Approval of Indirect Transfer of Control of Qwest Operating Companies to CenturyLink

MPUC Docket No. P-421, et.al./PA-10-456

OAH Docket No. 11-2500-21391-2

#### SUPPLEMENTAL STIPULATION AND AGREEMENT FOR COMMISSION APPROVAL

Joint Petitioners, Owest Communications International, Inc. and CenturyLink, Inc., formerly CenturyTel, Inc. and their subsidiaries ("Joint Petitioners" or, collectively, postmerger "Company") and the Department of Commerce ("DOC") (collectively the Parties to this supplemental agreement will be identified as "Parties") agree to the following clarifications regarding the terms and conditions of the Stipulation and Agreement entered into and filed with this Commission on October 4, 2010 ("October 4 Agreement").

#### I. PURPOSE

The purpose of this supplemental stipulation and agreement is to provide clarification regarding certain commitments set forth in the October 4 Agreement.

#### II. CLARIFICATION OF APPLICANT COMMITMENTS

A. Broadband (Subsection A of Section III of the October 4 Agreement)

For purposes of the October 4 Agreement, the \$50 million commitment for total broadband investment, as well as the One-Third (33%) commitment for unserved and underserved areas, applies to investments to serve retail broadband customers only. "Unserved" means areas that do not have access to broadband service of 256 Kbs (or above) download speed from any wireline provider. "Underserved" means areas that do not have 1.5 mps or below broadband download speeds available from any wireline provider. The geographic area associated with this commitment is measured by "living units," (i.e., individual street address).

#### B. Wholesale (Subsection B of Section III of the October 4 Agreement)

#### 1. Operational System Support (Par. 1 of the October 4 Agreement)

For purposes of the October 4 Agreement, notices of changes or retirements to Qwest OSS will be done in accordance with the time frames of Qwest's Change Management Process (CMP). The provision for a minimum 6 months notice requirement applies to changes to CenturyLink's OSS or to any changes for which no other time frame applies.

# 2. Interconnection Agreement Negotiations (Par. 2 of the October 4 Agreement)

For purposes of the October 4 Agreement, the reference to Qwest's TRRO language is intended to encompass TRRO language included in any Qwest ICA that has been approved by the Commission, regardless of which party may have drafted the approved language. In addition, the commitment that Qwest "will not terminate or change the conditions of any CLEC or CMRS interconnection agreement" (except for changes of law or to the extent Qwest is relieved of any obligation by law) is intended to include rates and terms.

#### 3. Protection Against Tariff Changes (Par. 3 of the October 4 Agreement)

#### BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

Docket No.10A-350T

JOINT APPLICATION OF QWEST COMMUNICATIONS INTERNATIONAL, INC. AND CENTURYLINK, INC. FOR APPROVAL OF INDIRECT TRANSFER OF CONTROL OF QWEST CORPORATION, EL PASO COUNTY TELEPHONE COMPANY, QWEST COMMUNICATIONS COMPANY LLC, AND QWEST LD CORP.

## Stipulation and Settlement Agreement Between Joint Applicants and Commission Trial Staff

This Stipulation and Settlement Agreement ("Agreement") is entered into by and among Qwest Communications international, Inc. ("QCII") and CenturyLink, Inc. ("CenturyLink") (QCII and CenturyLink are collectively referred to as "Joint Applicants") and the Trial Staff for the Colorado Public Utilities Commission ("Staff" or "Trial Staff")(collectively "Settling Parties"). This Agreement sets forth all of the terms and conditions of the Settling Parties' agreement. With the additional commitments represented in this Agreement, the Parties agree that the proposed merger between Joint Applicants is not contrary to the public interest and should be approved by the Colorado Public Utilities Commission ("Commission" or "PUC").

#### Definitions

"Closing Date" refers to the closing date of the transaction for which the Applicants have sought approval from the Federal Communications Commission (FCC) and state commissions (the "transaction").

"Qwest Corporation" and "Qwest" refer to Qwest Corporation and its successors and assigns.

"Operations Support Systems" or "OSS" as used in this agreement includes all systems (databases, files and functionalities) employed by the Joint Applicants that support the end to

<sup>&</sup>lt;sup>1</sup> See Applications Filed by Qwest Communications International Inc. and CenturyTel, Inc., d/b/a/ CenturyLink for Consent to Transfer of Control, Pleading Cycle Established, Public Notice, DA 10-993, WC Dkt. No. 10-110 (rel. May 28, 2010) ("Public Notice") and related applications filed in state proceedings.

Stipulation and Settlement Agreement Between Joint Applicants and Commission Trial Staff Docket No. 10A-350T Page 1 of 12

end operations of providing services to the end user customer including but not limited to preordering (customer care), ordering, provisioning, maintenance and repair, and billing, but this definition shall not impact the definition of such term in other agreements.

"Transition Period" means the initial three year period following the Closing Date and any additional period in which the Settling Parties agree that substantial integration activity remains to be completed.

"Uniform System of Accounts (USOA)" refers to prescribed regulated financial rules and regulations.

incumbent Local Exchange Carrier (ILEC) shall have the meaning prescribed in 4 CCR 723-2 § 2001(ss).

Local Exchange Carriers (LECs) are divided into incumbent (ILECs) and competitive (CLECs).

Competitive Local Exchange Carrier (CLEC) shall have the meaning prescribed in 4 CCR 723-2 § 2001(u).

#### General Commitments

- 1. Joint Applicants agree to annual financial reports in compliance with applicable regulations and PUC requirements. In addition, Qwest Corporation agrees to identify in separate schedules by Uniform System of Accounts "USOA" accounts in the annual reports: goodwill and goodwill impairment associated with the merger transaction, transaction costs associated with closing the merger, any branding costs associated with the merger, and any plant acquisition adjustment associated with the merger. Such costs shall be reflected in appropriate USOA accounts.
- Joint Applicants will provide to Staff annual financial reports reflecting merger-related
  activity during the Transition Period. The reports will provide functional level details for
  Corporate Level synergies. This report will be provided at a total company level and

Stipulation and Settlement Agreement Between Joint Applicants and Commission Trial Staff Docket No. 10A-350T Page 2 of 12 Colorado ILEC level. The Settling Parties agree to negotiate the format and content of the report using Attachment A as a baseline.

3. Joint Applicants shall immediately notify the Commission of any material changes to the transaction terms and conditions from those set forth in their Joint Application that occur while a Commission order approving the transaction is either pending or approved but before the transaction is closed. The Joint Applicants shall submit a supplement to their application and request an amended Commission order in this docket if there is a material change to the merger transaction conditions and terms.

#### **Integration Reporting**

- 4. Joint Applicants agree to provide Staff with quarterly integration status reporting for Colorado following merger close. The initial report shall be made within 90 days following merger close and continue quarterly during the Transition Period (reports will be provided within 30 days following the end of each calendar quarter during the Transition Period). The Settling Parties agree to negotiate the specific content and format of these reports so that the reports are uniform, useful, and complete. Reports shall include a summary of integration-related activity completed since the last filed report and key milestones, deliverables and implementation timelines scheduled, major risks and contingency plans for the upcoming quarter and beyond if available for all substantial integration team efforts. The settling Parties agree to use Attachment B as a starting point to determine what shall be included in these reports.
- Additionally for operations support systems ("OSS"), during the Transition Period,
   CenturyLink shall provide Staff with detailed notice at least 180 days for non-wholesale

Stipulation and Settlement Agreement Between Joint Applicants and Commission Trial Stoff Docket No. 10A-350T Page 3 of 12 impacting OSS, and shall provide reports and plans regarding such activity in the Integration

reports as provided in paragraph 4 above, of any major changes or conversions to any of the

Qwest and Century Link OSS used by Qwest Corporation, El Paso County Telephone

Company, Century Tel of Eagle and Century Tel of Colorado. Prior to implementation of any

major system change that regulres the reporting set forth above, Joint Applicants will

provide staff with additional documentation verifying conversion readiness. The Settling

Parties agree to negotiate the specific content and format of such reports.

Financial

6. Goodwill and goodwill impairment associated with the merger transaction, transaction

costs (that is, costs associated with due diligence of the merger, pre-merger and closing the

merger), any branding costs associated with the merger, and any plant acquisition

adjustment associated with the proposed merger shall be identified and recorded in the

appropriate USOA accounts consistent with Commission and FCC accounting rules, and shall

not be included in any Colorado ratemaking or cost development process, such as Total

Services Long Run Incremental Cost ("TSLRIC"), Total Element Long Run Incremental Cost

("TELRIC"), Colorado High Cost Support Mechanism ("CHCSM"), and Fully Distributed Cost

("FDC").

7. If any LEC affiliate of Joint Applicants seeks funding from the CHCSM, that affiliate shall

comply with the Commission's CHCSM rules applicable to that LEC, as may be amended or

altered by pending or future rulemaking proceedings. Joint Applicants shall not include

acquisition premiums or transaction costs associated with closing the merger in any

Stipulation and Settlement Agreement Between Joint Applicants and Commission Trial Staff Docket No. 10A-350T

16. Nothing in this Agreement shall reduce or impair existing service quality obligations, standards, or reporting by Joint Applicants, nor shall this Agreement impair the right of the Trial Staff or the OCC to seek information within the scope of their statutory authority, to initiate complaints or any other right or remedy regarding service quality existing in Colorado law, Commission rules, or Commission orders applicable to the Joint Applicants.

#### Wholesale

17. The Settling Parties agree that the conditions and commitments reflected in the Settlement Agreement and Stipulation between Joint Applicants and Integra Telecom, Inc. filed with the Commission in this docket, which will be made available to any requesting carrier after fully executed, filed with and if necessary approved by the Commission, serves the public interest and sufficiently addresses the concerns regarding wholesale matters raised by Staff in their testimony.<sup>2</sup>

#### General Provisions

- 18. Joint Applicants shall continue to comply with all relevant and applicable Commission orders and decisions.
- 19. This Agreement is made for settlement purposes only. No Settling Party concedes the validity or correctness of any regulatory principle or methodology directly or indirectly incorporated in this Agreement. Furthermore, this Agreement does not constitute agreement, by any Settling Party, that any principle or methodology contained within this

<sup>&</sup>lt;sup>2</sup> Joint Applicants agree to provide Staff with the notices and detailed plans relating to wholesale OSS changes as described in paragraph 12(a) of the integra settlement.

Stipulation and Settlement Agreement Between Joint Applicants and Commission Trial Staff Docket No. 10A-350T Page 8 of 12

#### SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into this 6th day of November, 2010, by and among CenturyLink, Inc., a Louisiana Corporation ("CenturyLink"), and its affiliates, Qwest Communications International, Inc. ("QCI"), a Delaware Corporation, and its affiliates, including Qwest Corporation, Integra Telecom, Inc., an Oregon Corporation, and its affiliates (collectively "Integra" or "CLEC(s)") with operations in the state of Arizona, Colorado, Idaho, Minnesota, Montana, North Dakota, Oregon, Utah, and Washington, among others. To the extent that Integra becomes certified to do business or does business in Iowa, Nebraska, New Mexico, South Dakota, and Wyoming during the time periods covered by this Agreement, this Agreement will also apply. CenturyLink, QCI and Integra may be referred to collectively as the "Parties."

Whereas, CenturyLink and QCI have entered into an Agreement and Plan of Merger, dated April 21, 2010, which, upon completion, will result in QCI becoming a wholly owned subsidiary of CenturyLink ("Transaction").

Whereas, the Transaction requires the approval of the Federal Communications Commission ("FCC") and various state commissions in states where CenturyLink, QCI, or Integra operate, among other approvals.

Whereas, CenturyLink and QCI have filed applications for authorization to effectuate the Transaction at the FCC and in several states, including in the states of Arizona, Colorado, Iowa, Nebraska, Minnesota, Montana, Oregon, Utah, and Washington.

Whereas, Integra intervened in the state commission review proceedings in Arizona, Colorado, Minnesota, Montana, Oregon, Utah, and Washington, and filed or presented testimony expressing concerns related to the Transaction. Integra also made filings with the FCC raising similar concerns, objections, and proposed conditions and has presented its concerns regarding the Transaction to various Legislators.

Whereas, the Parties have reached a mutually agreeable settlement of Integra's concerns, objections, and proposed conditions regarding the Transaction such that Integra believes that with this Agreement, and without modification or addition to its terms, the Transaction is in the public interest from Integra's perspective and should be approved by the FCC and the state commissions.

In consideration of the mutual representations and covenants contained herein, the Parties hereby agree as follows:

#### A. Definitions:

"Closing Date" or "Merger Closing Date" refers to the closing date of the Transaction for which the Applicants have sought approval from the FCC and state commissions.

"Merged Company" refers to the post-merger company (CenturyLink and its operating companies, collectively, after the Closing Date).

"Operational Support Systems" or "OSS" are as defined by 47 CFR 51.319(g) and as interpreted in the rules and orders of the FCC.

"OSS Interfaces" are defined as existing or new gateways (including application-to-application interfaces and Graphical User Interfaces), connectivity and system functions that support or affect the pre-order, order, provisioning, maintenance and repair, and billing capabilities for local services (local exchange services) provided by CLECs to their end users.

"Owest Corporation" and "Qwest" refer to Qwest Corporation and its successors and assigns.

#### B. Terms:

- 1. The Merged Company will not recover, or seek to recover through wholesale service rates or other fees paid by CLECs: a) one-time transition, branding, or any other transaction-related costs; b) any acquisition premium paid by CenturyLink for QCI; and c) any increases in overall management costs that result from the transaction, including those incurred by the operating companies. For purposes of this condition, "transaction-related costs" shall be construed to include all Merged Company costs related to or resulting from the transaction and any related transition, conversion, or migration costs and, for example, shall not be limited in time to costs incurred only through the Closing Date.
- 2. In the legacy Qwest ILEC service territory, the Merged Company shall comply with all wholesale performance requirements and associated remedy or penalty regimes for all wholesale services, including those set forth in regulations, tariffs, interconnection agreements, and Commercial agreements applicable to legacy Qwest as of the Merger Closing Date. In the legacy Qwest service territory, the Merged Company shall continue to provide to CLECs at least the reports of wholesale performance metrics that legacy Qwest made available, or was required to make available, to CLECs as of the Merger Closing Date,

<sup>&</sup>lt;sup>1</sup> See Applications Filed by Qwest Communications International Inc. and CenturyTel, Inc., d'b/a/ CenturyLink for Consent to Transfer of Control, Pleading Cycle Established, Public Notice, DA 10-993, WC Dkt. No. 10-110 (rel. May 28, 2010) ("Public Notice") and related applications filed in state proceedings.

Qwest's website or Service Interval Guide (SIG), the applicable interval, after the Closing Date, shall be no longer than the interval in Qwest's SIG as of the Closing Date. Either Party may request an amendment to the interconnection agreement to lengthen an interval after the thirty-six month period for extension of ICA terms.

- 6. CenturyLink and all of its incumbent local exchange carrier ("ILEC") affiliates will comply with 47 U.S.C. Sections 251 and 252. In the legacy Qwest ILEC service territory, the Merged Company will not seek to avoid any of its obligations on the grounds that Qwest Corporation is exempt from any of the obligations pursuant to Section 251(f)(1) or Section 251(f)(2) of the Communications Act.
- 7. In the legacy Qwest ILEC service territory, after the Closing Date, Qwest Corporation shall be classified as a Bell Operating Company ("BOC"), pursuant to Section 3(4)(A)-(B) of the Communications Act and shall be subject to all requirements applicable to BOCs, including Sections 271 and 272.
- 8. Qwest will not seek to reclassify as "non-impaired" any Qwest wire centers for purposes of Section 251 of the Communications Act, nor will the Merged Company file any new petition under Section 10 of the Communications Act seeking forbearance from any Section 251 or 271 obligation or dominant carrier regulation in any Qwest wire center before June 1, 2012.
- 9. The Merged Company shall provide to wholesale carriers, and maintain and make available to wholesale carriers on a going-forward basis, up-to-date escalation information, contact lists, and account manager information and will provide this information, when possible, thirty days prior to the Closing Date. If not possible, the Merged Company will provide the information within five business days, absent exigent circumstances. For changes to support center location, the Merged Company will provide at least thirty days advance written notice to wholesale carriers. For other changes, the Merged Company will provide reasonable notice, as circumstances permit, of the changes and will keep pertinent information timely updated. The information and notice provided shall be consistent with the terms of applicable interconnection agreements.
- 10. The Merged Company will make available to each wholesale carrier in the legacy Qwest ILEC service territory the types and level of data, information, and assistance that Qwest made available as of the Closing Date concerning Qwest's wholesale Operational Support Systems functions and wholesale business practices and procedures, including information provided via the wholesale web site (which Qwest sometimes refers to as its Product Catalog or "PCAT"), notices, industry letters, the change management process, and databases/tools (loop qualification tools, loop make-up tool, raw loop data tool, ICONN database, etc.).

- 11. The Merged Company shall ensure that Wholesale and CLEC operations are sufficiently staffed and supported, relative to wholesale order volumes, by personnel, including IT personnel, adequately trained on the Qwest and CenturyLink systems and processes. With respect to the Wholesale and CLEC operations, such personnel shall be dedicated exclusively to wholesale operations so as to provide a level of service that is not materially less than that which was provided by Qwest prior to the Merger Closing Date and to ensure that CLEC protected information is not used by the Merged Company's retail operations or marketing purposes. The Merged Company will employ people who are dedicated to the task of meeting the needs of CLECs and other wholesale customers.
- 12. In legacy Qwest ILEC service territory, after the Closing Date, the Merged Company will use and offer to wholesale customers the legacy Qwest Operational Support Systems (OSS) for at least two years, or until July 1, 2013, whichever is later, and thereafter provide a level of wholesale service quality that is not materially less than that provided by Qwest prior to the Closing date, including support, data, functionality, performance, electronic flow through, and electronic bonding. After the period noted above, the Merged Company will not replace or integrate Qwest systems without first establishing a detailed transition plan and complying with the following procedures:
  - a. <u>Detailed Plan</u>. The Merged Company will provide notice to the Wireline Competition Bureau of the FCC, the state commission of any affected state and parties to this agreement at least 270 days before replacing or integrating Qwest OSS system(s). Upon request, the Merged Company will describe the system to be replaced or integrated, the surviving system, and steps to be taken to ensure data integrity is maintained. The Merged Company's plan will also identify planned contingency actions in the event that the Merged Company encounters any significant problems with the planned transition. The plan submitted by the Merged Company will be prepared by information technology professionals with substantial experience and knowledge regarding legacy CenturyLink and legacy Qwest systems processes and requirements. CLEC will have the opportunity to comment on the Merged Company's plan in a forum in which it is filed, if the regulatory body allows comments, as well as in the Qwest Change Management Process.
  - b. <u>CMP</u>. The Merged Company will follow the procedures in the Qwest Change Management Process ("CMP") Document.<sup>6</sup>

<sup>&</sup>lt;sup>6</sup> The Qwest CMP Document is available at http://www.qwest.com/wholesale/cmp/

- c. Replacement or Retirement of a Owest OSS Interface.
  - i. The replacement or retirement of a Qwest OSS Interface may not occur without sufficient acceptance of the replacement interface by CLECs to help assure that the replacement interface provides the level of wholesale service quality provided by Qwest prior to the Closing Date (as described in paragraph 12 above). Each party participating in testing will commit adequate resources to complete the acceptance testing within the applicable time period. The Parties will work together to develop acceptance criteria. Testing will continue until the acceptance criteria are met. Sufficient acceptance of a replacement for a Qwest OSS Interface will be determined by a majority vote, no vote to be unreasonably withheld, of the CMP participants (Qwest and CLECs) in testing, subject to any party invoking the CMP's Dispute Resolution process. The requirements of this paragraph will remain in place only until completion of merger-related OSS integration and migration activity. If a dispute arises as to whether such merger-related OSS integration and migration activity is complete, the state commission will determine the completion date.
  - ii. The Merged Company will allow coordinated testing with CLECs, including a stable testing environment that mirrors production, jointly established test cases, and, when applicable, controlled production testing, unless otherwise agreed to by the Parties. Testing described in this paragraph associated with merger-related system replacement or integration will be allowed for the time periods in the CMP Document, or for 120 days, whichever is longer, unless otherwise mutually agreed to by the Parties.
  - iii. The Merged Company will provide the wholesale carriers training and education on any wholesale OSS implemented by the Merged Company without charge to the wholesale carrier.
  - d. <u>Billing Systems</u>. The Merged Company will not begin integration of Billing systems before the end of the minimum two year or July 1, 2013 period, whichever is longer, noted above, or without following the above procedures, unless the integration will not impact data, connectivity and system functions that support or affect CLECs and their customers.
    - i. Any changes by the Merged Company to the legacy Qwest non-retail OSS will meet all applicable ICA provisions related to billing and, to the extent not included in an ICA, will be Ordering and Billing Forum (OBF) compliant.

#### Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of	)	
	)	
Applications filed by Qwest Communications	)	WC Docket No. 10-110
International Inc. and CenturyTel, Inc. d/b/a	)	
CenturyLink for Consent to Transfer Control	)	

#### MEMORANDUM OPINION AND ORDER

#### Adopted: March 18, 2011 Released: March 18, 2011

By the Commission:

Chairman Genachowski and Commissioner Clyburn issuing separate statements; Commissioners Copps, McDowell, and Baker concurring and issuing separate statements.

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there is sufficient evidence to support a unilateral effect of increased wholesale special access pricing resulting from the transaction, we believe that the voluntary commitments undertaken by CenturyLink that relate to wholesale service, discussed below in Parts V.B and V.C, mitigate these concerns.

#### 2. Potential Competition

19. Because certain CenturyLink wire centers abut Qwest wire centers in the transaction market area, it is possible that the transaction may adversely affect potential competition for services offered by the Applicants, including wholesale access, local exchange, interconnection, and broadband. However, these adjacent service territories affect only about 13 percent of the exchanges involved in the transaction and only approximately 1.7 million residential lines out of more than 17 million residential and small business access lines that will be served by CenturyLink in the transaction market area after closing. Most of the adjacent exchanges, particularly CenturyLink's, are small and rural. We recognize that carriers are generally less likely to compete in rural territories because of the high costs of reaching consumers and the relatively low potential revenues from less dense areas. Furthermore, the Applicants state that neither CenturyLink nor Qwest had plans to expand into the other company's adjacent territories before the Merger Agreement was signed. Nothing in the record contradicts this assertion. Accordingly, given the limited number of adjacent wire centers and the rural nature of many of these wire centers, we find it unlikely that the transaction will have an adverse effect on potential competition.

#### B. Operations Support Systems and Wholesale Customer Service

20. Ensuring robust competition not only for American households but also for American businesses requires particular attention to the role of wholesale communications markets, through which providers of broadband and other services secure critical inputs from one another. Well-functioning wholesale markets can help foster retail competition, as it is not economically or practically feasible for competitors to build facilities in all geographic areas. The Applicants have committed that the transaction "will not cause any reduction, impairment, or discontinuance of service to any customer," including its wholesale customers, and in fact will result in a company that is better able to service its wholesale customers. We believe that the voluntary commitments discussed in this section will ensure that wholesale competitors are not harmed by this transaction, and that the transaction serves the public interest. We therefore accept these commitments and make them binding and enforceable conditions of our approval.

<sup>&</sup>lt;sup>63</sup> See Letter from Karen Brinkmann and Alexander Maltas, Counsel for CenturyLink, Inc., to Martene F. Dortch, Secretary, FCC, WC Docket No. 10-110 at 1 (filed Mar. 1, 2011) (CenturyLink Mar. 1, 2011 Ex Parte Letter).

<sup>64</sup> See Application, Exh. 5.

<sup>65</sup> See Applications of GTE Corp. and Bell Atlantic Corp., CC Docket No. 98-184, Memorandum Opinion and Order, 15 FCC Red 14032, 14095, para. 117 (2000) (Bell Atlantic-GTE Order). Thus, here, each carrier's incentive to encroach on the other's territories appears to be relatively small.

<sup>&</sup>lt;sup>66</sup> See Application at 28; *id.* Exh. 6, Declaration of Karen A. Puckett, para. 3; *id.* Exh. 7, Declaration of Teresa A. Taylor, para. 2.

<sup>&</sup>lt;sup>67</sup> See FCC, Connecting America: The National Broadband Plan, at 42 (2010) (National Broadband Plan).

<sup>&</sup>lt;sup>68</sup> Application at 37-38.

- 21. Operations Support Systems (OSS). After closing, CenturyLink will operate its existing OSS in its legacy territory. <sup>69</sup> The Applicants stated that in the Qwest territories, Applicants would maintain Qwest's OSS for at least one year after closing, during which time they would evaluate the best approach for integrating the two companies' separate systems. <sup>70</sup> In response, commenters argue that CenturyLink is obfuscating its plans for OSS integration, and worry that the wholesale OSS in the Qwest territory will deteriorate under CenturyLink management. <sup>71</sup> Others claim that financial pressures and efforts to meet stated synergy goals could encourage CenturyLink to sacrifice wholesale OSS integration and performance in favor of other priorities. <sup>72</sup> Commenters also express concern that CenturyLink is overextending itself in acquiring Qwest so soon after acquiring Embarq. <sup>73</sup>
- 22. In response to these concerns, CenturyLink has proposed a series of voluntary commitments. Among other things, CenturyLink has committed to keep Qwest's OSS in place for 30 months after closing, and to provide the Commission and the relevant state commissions with a transition plan at least 180 days before transitioning from Qwest's OSS to CenturyLink's OSS or any other new systems. CenturyLink also agrees to report to the Commission, on a quarterly basis, a series of OSS performance metrics designed to ensure an adequate level of OSS performance in the legacy Qwest territory after closing. These commitments will allow the Commission to monitor CenturyLink's OSS performance and ensure that service quality in the legacy Qwest territory does not deteriorate as a result of this transaction, and to take appropriate enforcement action if it does. Accordingly, we find that CenturyLink's commitments are sufficient to mitigate potential harms relating to OSS; we therefore accept the commitments in Appendix C and make them binding and enforceable conditions of our approval.

<sup>&</sup>lt;sup>69</sup> CenturyLink is currently transitioning to the EASE OSS as a result of its merger with Embarq. See CenturyTel-Embarq Order, 24 FCC Rcd at 8768, App. C.

<sup>&</sup>lt;sup>70</sup> Applicants' Reply at 20-21. Subsequently, in settlements filed in at least 8 states, Applicants agreed to maintain Qwest's OSS in the Qwest territories for at least 24 months. See, e.g., Letter from Karen Brinkmann and Alexander Maitas, Counsel for CenturyLink, Inc., to Marlene F. Dortch, Secretary, FCC, WC Docket No. 10-110, Exh. B-Integra Settlement Agreement, para. 12 (filed Nov. 8, 2010) (Integra Settlement); lowa Utils. Bd. Order at 20.

<sup>&</sup>lt;sup>71</sup> Access Point et al. Comments at 7-11; Cbeyond et al. Comments at 7-8; NJDRC Reply at ii (arguing that CenturyLink has insufficient expertise and experience to operate Qwest's OSS, which could lead to significant harms to competitive LBCs before CenturyLink learns to operate the OSS adequately).

<sup>72</sup> See Cheyond et al. Comments at 44, 47.

<sup>&</sup>lt;sup>73</sup> See Access Point et al. Comments at 67; NASUCA Comments at 2-3; NIDRC Comments at 16; NASUCA Reply at 2; NIDRC Reply at ii, 11-12; Letter from Thomas Jones, Counsel for Cheyond, Inc., Integra Telecom, Inc., Socket Telecom, LLC, and tw telecom inc, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-110, Attach, at 7-9 (filed Sept. 24, 2010) (Cheyond et al. Sept. 24, 2010 Ex Parte Letter).

<sup>&</sup>lt;sup>74</sup> See Appendix C, Commitments IV.A.1, IV.A.2, IV.A.3.

<sup>75</sup> See Appendix C, Commitment IV.B.

<sup>&</sup>lt;sup>76</sup> We note that the OSS in legacy Qwest territory will continue to be subject to the terms of Qwest's section 271 approvals. See infra paras. 26–27.

<sup>&</sup>lt;sup>77</sup> We note that CenturyLink has made similar commitments in settlements with competitive LECs and in some of the state proceedings. See, e.g., Integra Settlement, supra note 70, at 9 (stating that the merged company commits to use the legacy Qwest OSS for at least two years, or until July 1, 2013, whichever is later, and that it will prepare an OSS transition plan at least 270 days before replacing or integrating Qwest's OSS).

#### APPENDIX C

#### CenturyLink Commitments

The Applicants have offered certain voluntary commitments, enumerated below. Because we find these commitments will serve the public interest, we accept them as conditions of our approval. Unless otherwise specified herein, these commitments are effective as of the Transaction Closing Date, which is defined for these purposes as the date on which the Applicants consummate the proposed transaction approved herein. The commitments described herein shall be null and void if CenturyLink and Qwest do not consummate the proposed transaction and there is no Transaction Closing Date. Unless otherwise specified herein, these commitments will expire three years from the Transaction Closing Date.

It is not the intent of these commitments to restrict, supersede, or otherwise alter state or local jurisdiction under the Communications Act of 1934, as amended, or over the matters addressed in these commitments, or to limit state authority to adopt rules, regulations, performance monitoring programs, or other policies that are not inconsistent with these commitments.

#### I. INCREASING AVAILABILITY OF BROADBAND SERVICE

The Applicants commit to implement a significant deployment plan that will upgrade facilities and expand broadband availability in legacy Qwest territory. The plan will entail substantial investments during the seven years following the close of the transaction to achieve the following minimum levels of broadband availability:

beginning one year after implementing the Program. CenturyLink will modify the Promotional Program as it deems appropriate to improve effectiveness, and will report to the Commission any modifications that it makes. At least once a year, the reports filed by CenturyLink pursuant to Section II.E will include a narrative description of the company's assessment of the overall success of the Adoption Program, including specific examples of aspects of the Program that have been most effective or least effective, or that might be modified in the future to be more effective, to stimulate broadband adoption in accordance with the goals of this Adoption Program and the Commission's National Broadband Plan. To the extent that such reports contain competitively sensitive information, such information may be submitted on a confidential basis.

G. CenturyLink will engage with an independent researcher to help monitor and assess the impact of this Adoption Program. The results of the independent researcher's work will be made available to the FCC. To the extent that such work contains competitively sensitive information, such information may be submitted on a confidential basis.

### III. PRESERVING COMPETITIVE RATES FOR CUSTOMERS IN OVERLAP BUILDINGS IN MINNESOTA AND WASHINGTON

The buildings listed in Attachment 2 are locations where both of the Applicants have local facilities, but for which the Applicants are unable to confirm from publicly available data whether or not there are at least two other, unaffiliated fiber-based carriers in the building. In order to ensure that existing customers in the buildings listed in Attachment 2 continue to obtain competitive rates for their services following the Merger Closing Date, CenturyLink commits to the following condition:

The rates as of the Merger Closing Date for any service provided by CenturyLink or Qwest willnot be increased for either existing or new customers at any building listed in Attachment 2 for seven
years following the Merger Closing Date, except that the foregoing condition shall become inoperative as
to a particular building if: (i) one of the legacy CenturyLink or Qwest fiber facilities in that building is
divested prior to the expiration of such seven year period; or (ii) the number of competing carriers with
fiber facilities in the building returns to the level that existed prior to the Merger Closing Date; or (iii) the
FCC engages in comprehensive changes to its special access rules requiring industry-wide changes to
rates or rate structure for the services covered by this condition. For avoidance of doubt, nothing herein
shall restrict CenturyLink from lowering rates to any customer at any time.

#### IV. COMMITMENTS REGARDING WHOLESALE OPERATIONS

- A. Operations Support Systems ("OSS") Replacement:
  - 1. In Qwest ILEC territory, following the Merger Closing Date, CenturyLink will not replace Qwest OSS or integrate it with any other OSS for at least 30 months following the Merger Closing Date, and thereafter will provide a level of wholesale service quality that is not less than that provided by Qwest prior to the Merger Closing Date, with functionally equivalent support, data, functionality, performance, electronic flow through, and electronic bonding.
  - 2. If CenturyLink plans to replace Qwest OSS or integrate it with any other OSS, then at least 180 days before replacement or integration of any of the Qwest OSS, CenturyLink will notify the FCC, affected states, and affected wholesale customers, file its proposed transition plan with the Commission and the affected states, and seek input from affected wholesale customers on such transition plan.

CenturyLink will prepare a detailed OSS transition plan describing the OSS to be replaced or integrated, the surviving OSS, and why the change is being made. The plan also will identify planned contingency actions in the event that CenturyLink encounters any significant problems with the planned transition. The plan submitted by CenturyLink will be prepared by information technology professionals with substantial experience and knowledge regarding legacy CenturyLink and legacy Qwest systems processes and requirements. CLECs will have the opportunity to comment on the Merged Company's plan in a forum in which it is filed, if the regulatory body allows comments, as well as in the Qwest Change Management Process.

- 3. The commitments made in this Section IV.A will not expire three years following the Merger Closing Date.
- B. In the Qwest ILEC territory, CenturyLink will maintain wholesale functionality, performance and e-bonding at a level that is at least comparable to what Qwest is providing prior to the transaction Merger Closing Date, subject to reasonable and normal allowances for the integration of CenturyLink and Qwest systems. For the metrics described below, CenturyLink will maintain a comparison of actual quarterly results to a benchmark value to be set at one standard deviation below the twelve-month average results achieved for the twelve full months prior to January 2011 (i.e., from January through December 2010), assessed on a quarterly basis, separately for each state. CenturyLink will maintain service at a level that is no worse than the benchmark value, 90 percent of the time over four consecutive quarters beginning on the Merger Closing Date, excluding instances in which the base universe number of events being evaluated (i.e., the denominator) is 20 or less.
  - Pre-Ordering Average response time to pre-order queries calculated in seconds, which measures the number of seconds from CenturyLink's receipt of a query from a CLEC to the time CenturyLink returns the requested data to the CLEC; this would be reported for all areas transferred from Qwest in aggregate.
  - Ordering The percentage of electronically submitted resale and UNE orders confirmed within the following timeframes:

	POTS/Pre-Qualified Complex	Special Services
Orders with < 10 Lines	24 hours	24 hours
Orders with > 10 Lines	48 hours	48 hours

- Provisioning Missed appointment rates/appointments met, and the average of by how many days the appointment was missed, average delay days, broken out by Resale and UNE Loop POTS.
- Provisioning Percentage of installation troubles reported within 30 days for UNE Specials, which measures the percent of lines/circuits/trunks installed where a trouble was reported and found in the network within 30 days of order completion.

- Provisioning Percentage of installation troubles reported within 30 days for Resale POTS and UNE Loop POTS, which measures the percent of lines/circuits/trunks installed where a trouble was reported and found in the network within 30 days of order completion.
- Repair/Maintenance Network Trouble Report Rate, which measures the total number of network customer trouble reports received within a calendar month per 100 units/UNEs, separately for Resale and UNE Loop POTS.
- Repair/Maintenance Mean Time to Repair, which measures the average duration from the receipt of the customer trouble report to the time the trouble is cleared, separately for Resale and UNE Loop POTS.
- Repair/Maintenance Percentage of Repeat Reports within 30 Days for Resale POTS, UNE-Loop POTS and UNE Specials, which measures the percent of customer network trouble reports received within 30 calendar days of a previous customer network trouble report.
- Carrier Service Center Average Speed of Answer, the average time it takes
  CenturyLink's local customer service center(s) to answer a repair or ordering
  call. This would be reported for all areas transferred from Qwest in aggregate.
- C. Following the Merger Closing Date, in the Qwest ILBC territory, the company will:
  - Continue to provide the monthly reports of wholesale performance metrics that Qwest currently provides to CLECs and provide access to these metrics to state Commission or FCC staff;
  - Comply with all wholesale performance reporting requirements and associated
    penalty regimes currently applicable to Qwest, including but not limited to those
    applicable under Performance Assurance Plans ("PAPs"); and
  - 3. Provide the performance reports that Qwest currently provides to existing wholesale customers to any new entrants in the Qwest ILEC territories.
- D. Orders will be processed in compliance with federal and state law, as well as the terms of applicable interconnection agreements.
- E. For 12 months following the Merger Closing Date, CenturyLink will not discontinue any Qwest interstate wholesale service offered to competitive carriers in the Qwest territory as of the Merger Closing Date, except as approved or ordered by the Commission.
- F. In legacy Qwest ILEC territory, interstate term and volume discount plans offered for tariffed services by Qwest as of the Merger Closing Date will be extended by 12 months beyond the expiration of the then-existing term, or until May 1, 2013, whichever is later, unless the wholesale customer opts out of this extension. Term and volume discount plans that would otherwise expire between the date the FCC order is adopted and the Merger Closing Date will be extended through the Merger Closing Date at the wholesale

### ATTACHMENT B

MTG Preliminary Milestones/Timeline, Revised 03/15/11, also available at http://wholesaleealendar.gw/stapps.com/detail/289/2011-03-16

•	11/01/10	Review Project Scope and High Lavel Functionality		
	12/17/10	Send System Notification of MTG Project to DLEC messyl claff Presses.	STAIL THE STAIR	1211/23/14
•	01/10/11	Detailed Business Requirements	School Cales	
	02/14/11	Begin IT Design System Engineering	- International	
•	03/11/11	Begin High Level Application Design	Section of the second	
۰	04/15/11	20% LOE	Not Started	
•	04/29/11	Release Planning (**future dates contingent on successful release planning)	Not Started	
٠	04/15/11	Begin Low Level Application Design	Not Started	
٠	05/02/11	Begin Davelopment	Not Started	
•	05/02/11	Begin Migration Planning	Not Started	
•	07/05/11	Begin Working on Draft Tech Specs for CLECs	Not Started	And the second s
	08/12/11	Publish Draft Tech Specs with CLEC Community via CMP	Not Started	The state of the s
	08/24/11	Preliminary Walk-Through with CLEC Community via CMP	Not Started	A CANADA SA
	09/02/11	Publish Final Tech Specs to CLEC Community via CMP	Not Started	
•	10/28/11	Initial GUI Release Notification	Not Started	
٠	11/05/11	Application to Application Testing Available to CLECs	Not Started	
	11/14/11	Draft GUI Release Notes	Not Started	
•	11/15/11	GUI Overview	Not Started	
	11/21/11	Final Release Notice with Training Information	Not Started	
•	12/10/11	Begin Deployment Process	Not Started	
	12/12/11	System Improvements Available to CLECs	Not Started	
	12/12/11	Begin Scheduling Migration Dates	Not Started	1
			Qwest	7) ase