

A. The Applicants Are Dedicated To Having State-of-the-Art Operational Support Systems (“OSS”)

Several commenters worry about how the merger will affect the combined company’s OSS. Yet, these commenters offer no evidence that this transaction will have a negative impact on OSS, and rely instead on pure speculation.⁵⁸ The applicants are each dedicated to having strong OSS for wholesale operations and they have long satisfied their various legal obligations. There is no reason to assume that they will suddenly abandon their responsibilities following the close of this transaction.

In any event, the commenters’ speculation is erroneous. As a preliminary matter, CenturyLink plans to continue operating both CenturyLink and Qwest existing OSS uninterrupted for the immediate future until it completes its evaluation of the best options for all stakeholders. This is expected to take 12 months at the very least.⁵⁹ Thus, the commenters that contend that the applicants’ “silence” regarding the issue of integration should be viewed with suspicion⁶⁰ are simply wrong: the applicants did not discuss plans to integrate OSS because the immediate plan is to maintain both companies’ separate OSS and continue operations as usual. Wholesale customers in CenturyLink areas and in Qwest areas will not face immediate changes in their existing systems interfaces and existing OSS arrangements will not be disrupted. This stands in stark contrast to the FairPoint and Hawaiian Telecom transactions cited by some of the commenters, both of which involved the creation of entirely new OSS.

In the longer term, post-merger CenturyLink is dedicated to having industry-leading OSS. CenturyLink is on track to transition legacy CenturyTel customers making Local Service

⁵⁸ See, e.g., Cox/Charter Comments at 12-15; Cbeyond et al. Comments at 18-31; Joint CLEC Commenters’ Comments at 7-10.

⁵⁹ See Cheek Declaration, ¶ 6.

⁶⁰ See, e.g., Cbeyond et al. Comments at 7; Joint CLEC Commenters Comments at 9-11.

Requests (“LSRs”) to Embarq’s OSS on schedule, by September 2010.⁶¹ Whether post-transaction CenturyLink ultimately chooses an existing OSS or selects new systems should be left to be resolved through the ordinary course of business and the need to respond to marketplace conditions.⁶² The applicants recognize that any future changes to OSS will require significant advance planning by wholesale customers, and CenturyLink pledges to give its CLEC customers ample and adequate notice of any future changes, consistent with its legal obligations and accepted business practices.

Today, of course, CenturyLink and Qwest do have different OSS. But this is not surprising, given that Qwest and CenturyLink have evolved their OSS platforms to satisfy different customer demands and to accommodate different regulatory obligations. As some commenters observe, Qwest had its systems evaluated under Section 271 of the Act while CenturyLink did not,⁶³ but that does not establish that the merged company would provide “discriminatory access” to OSS, even if there is eventual OSS integration. Far from it: the applicants have met and are meeting all of their obligations, and will continue to do so. There will be no interruptions in service.⁶⁴ All metrics that apply under state and federal law will

⁶¹ See Exhibit 4; Check Declaration, ¶ 4.

⁶² Cf. *In the Matter of Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Services and Directory Assistance*, Notice of Proposed Rulemaking, 13 FCC Rcd 12817 ¶¶ 17-18 (1998) (refusing to propose “performance or technical standards” for OSS, “preferring instead to rely in the first instance on the industry standard-setting process and contractual arrangements between private parties”); *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking, 15 FCC Rcd 3696 ¶ 437 (1999) (rejecting commenters’ proposals to “establish and ensure that incumbent LECs meet OSS performance standards, both quantitative and qualitative, to demonstrate parity under the [Commission’s unbundling] rules”).

⁶³ Cbeyond et al. Comments at 17-18.

⁶⁴ See Check Declaration, ¶ 7.

continue to be met. Nothing about the transaction will excuse the merged company from its important Section 271 obligations, where those apply, or its Section 251 obligations. The commenters do not and cannot argue otherwise.

Cbeyond et al. appear to believe that CenturyLink must make certain changes because it must be treated as a Bell Operating Company (“BOC”) outside of Qwest territory.⁶⁵ There is no precedent or basis in law for any such requirement. In areas in which Qwest operates as a BOC, Qwest will continue to operate as a BOC and will continue to meet all appropriate obligations and metrics that apply to BOCs. But there is no basis for applying Section 271 to CenturyLink areas.⁶⁶ Nothing about this transaction changes the legal regimes that will apply in each area.

The Joint CLEC Commenters suggest that Qwest’s OSS is superior to CenturyLink’s in several ways, and in particular they emphasize three specific concerns due to “significant differences” between the systems.⁶⁷ While these comments are not relevant at all given the lack of any plans to merge OSS in the near future, it bears noting that the Joint CLEC Commenters’ arguments are emphatically false. The Joint CLEC Commenters claim, for example, that under CenturyLink’s system, a CLEC cannot submit more than 50 orders per day or else its orders will

⁶⁵ See, e.g., Cbeyond et al. Comments at 18-20.

⁶⁶ See *Applications Filed by Frontier Communications Corporation and Verizon Communications Inc. for Assignment or Transfer of Control*, Memorandum Opinion and Order, WC Docket No. 09-95, FCC 10-87 ¶ 43 (2010) (classifying Frontier as a BOC only with respect to the West Virginia exchanges Frontier acquired from Verizon); *Applications Filed for the Transfer of Certain Spectrum Licenses and Section 214 Authorizations in the States of Maine, New Hampshire, and Vermont from Verizon Communications Inc. and its Subsidiaries to FairPoint Communications Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 514 ¶ 34 (2008) (classifying FairPoint as a BOC only with respect to the three-state region where FairPoint acquired exchanges from Verizon).

⁶⁷ Joint CLEC Commenters Comments at 8.

be subject to project management, and standard intervals will not apply.⁶⁸ That simply is not the case. While certain order volume limitations were in place for legacy CenturyTel customers prior to the Embarq merger, CenturyLink has not had any order volume limitations for over a year.⁶⁹ The Joint CLEC Commenters also claim that CenturyLink processes orders more slowly than Qwest, because of batch processing.⁷⁰ Again, that is false. All CenturyLink wholesale customers have the option to have their orders entered through CenturyLink's web-based graphical user interface, an online ordering system, and such orders are processed in real time or near real time.⁷¹ In addition, real time processing based on the Universal Order Model ("UOM") is available for both Access Service Requests ("ASRs") and Local Service Requests ("LSRs"). The ASR capability is currently in use. UOM for LSRs may be implemented upon request. Finally, the Joint CLEC Commenters complain that Qwest notifies CLECs of incorrect fields before accepting the order, while CenturyLink accepts incorrect orders but later rejects them.⁷² Once again, that is not the case. CenturyLink's online ordering tool automatically identifies a significant number of errors before order processing.⁷³

Thus, the commenters' speculation about the impact of the transaction on OSS are unsupported. Post-merger CenturyLink will be committed to having strong OSS both immediately following the transaction and in the long run.

⁶⁸ *Id.*

⁶⁹ *See* Cheek Declaration, ¶ 9.

⁷⁰ *Id.*

⁷¹ *See* Cheek Declaration, ¶ 10.

⁷² *Id.*

⁷³ *See* Cheek Declaration, ¶ 11.

B. Commenters' Claims About CenturyLink's Wholesale Service Quality Are Misleading or False

The CLECs make a number of inaccurate arguments about CenturyLink's wholesale service quality that are misleading. Cbeyond et al. argue, for example, that "CenturyLink has no experience" in a variety of processing or reporting metrics, including change management process, or performance measurements and self-executing penalty regimes such as Performance Indicator Definition ("PID") or Performance Assurance Plans ("PAPs").⁷⁴ Those allegations are either false or greatly overstated. CenturyLink does, for example, have extensive experience in several states, such as Florida and Nevada, complying with a PAP that incorporates thousands of metrics. In Nevada, CenturyLink's PAP also includes self-executing penalty provisions. The states report CenturyLink's performance under these extensive metrics and the results, including any penalties, are available online through CenturyLink's CLEC Service Reporting System ("CSPRS"). Any CLEC may track and review its own orders and CenturyLink's fulfillment of them via an online system.

CenturyLink also has significant experience with the change management process. While Qwest does have a structured and detailed process that was put in place during Qwest's Section 271 approval proceedings, CenturyLink also has its own streamlined change management process. In addition, CenturyLink is proactive in seeking input from customers regarding proposed changes. To argue, as Cbeyond et al. do, that CenturyLink "has no experience" in these key areas is simply wrong.⁷⁵

⁷⁴ Cbeyond et al. Comments at 8.

⁷⁵ tw telecom raises an argument about supposed downtimes or system outages with CenturyLink's EASE system. See Cbeyond et al. Comments at 30. CenturyLink tracks a metric known as "System Availability," and for 2010 year to date, the EASE system's System Availability is at 99.02%. Moreover, tw telecom does not have an EASE account

Cbeyond et al. also speculate that the merged company may not retain the skilled employees necessary to support wholesale customer service.⁷⁶ Again, that is pure conjecture divorced from reality. Following the Embarq merger, the great majority of the wholesale services employees with CenturyLink have remained in their local areas to serve their customers.⁷⁷ Both CenturyLink and Qwest are committed to providing outstanding wholesale services around the country, and will have the experienced employees necessary to continue doing so.

None of the comments justify imposing conditions on the Commission's approval of this transaction. Both CenturyLink and Qwest are meeting their existing commitments, and will continue to do so. The concerns raised by commenters are either hypothetical or inaccurate.

V. THE COMMISSION SHOULD DISMISS OUT OF HAND THE GRAB BAG OF NON-MERGER-RELATED ARGUMENTS THAT MANY COMMENTERS MAKE

Finally, many of the comments focus on other issues that have no place at all in this proceeding because they have nothing to do with this transaction, or relate to general market conditions or to issues that would exist equally absent the proposed merger. Many propose conditions that are obviously aimed at seeking to secure competitive gain for the commenters rather than raising legitimate concerns relating to the merits of this transaction. The Commission should reject these arguments and approve the merger without these proposed conditions.

and is not a direct user of EASE, and thus has no direct knowledge of CenturyLink's performance.

⁷⁶ Cbeyond et al. Comments at 25; *see also* Cox/Charter Comments at 15; NJ DRC Comments at 18.

⁷⁷ *See* Cheek Declaration, ¶ 12.

A. The Commission Should Reject All Arguments and Proposed Conditions That Are Not Merger-Specific

The Commission has recognized that the only proper issues for evaluation in a merger proceeding are merger-specific issues (*i.e.*, concerns that arise directly from the merger), not generalized concerns about the marketplace, concerns about pre-existing disputes, or concerns that are properly handled in separate Commission or state proceedings.⁷⁸ The Commission also has held that its authority to act in the public interest gives it the power only to impose “narrowly tailored, transaction-specific conditions ... to remedy harms that arise from the transaction.”⁷⁹ Thus, conditions are appropriate *only* to the extent that the Commission deems them necessary to counteract specific, identifiable harms arising from this particular merger.⁸⁰ Conditions are not appropriate in anticipation of hypothetical, speculative harms, or to address market conditions that would exist in any event absent this transaction. An overwhelming number of the commenters’ objections fail this standard.

I. Pre-Existing, Individualized Disputes

Many commenters seek to air individualized business disputes that they have with one or the other of the merging parties under the guise of objective merger analysis. Broadvox, for example, complains about its ongoing interconnection negotiations with CenturyLink.⁸¹ Pac-

⁷⁸ See, e.g., *Applications Filed for the Transfer of Certain Spectrum Licenses and Section 214 Authorizations in the States of Maine, New Hampshire, and Vermont from Verizon Communications Inc. and its Subsidiaries to FairPoint Communications, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 514 ¶ 14 (2008) (“*FairPoint/Verizon Order*”).

⁷⁹ *CenturyTel/Embarq Order*, ¶ 12.

⁸⁰ See, e.g., *FairPoint/Verizon Order*, ¶ 39 (rejecting commenters’ requests for conditions “because they do not address merger-specific harms”).

⁸¹ Broadvox-CLEC Comments at 2-4.

West objects because of ongoing litigation regarding intercarrier compensation.⁸² Cedar Falls Utilities laments its dispute with Qwest over a proposed county ordinance requiring utility facility undergrounding and a joint pole attachment agreement in Iowa – an issue that it concedes is subject to the Iowa Utility Board’s jurisdiction.⁸³ Joint CLEC Commenters cite litigation between Qwest and certain CLECs concerning access charges disputes.⁸⁴ None of these pre-existing disputes has anything whatsoever to do with the transaction before the Commission, and none will be impacted by the outcome of this proceeding. There are separate proceedings addressing most of these issues before state or federal regulators or the courts, and these issues are neither necessary nor even appropriate for the Commission to address in this merger proceeding.⁸⁵

Indeed, Cox and Charter submitted a pleading that consists almost entirely of disputes with legacy CenturyLink – disputes that are illegitimate and inaccurate in the first place, but unquestionably are unrelated to this merger. First, Cox/Charter complain that CenturyLink charges an “access” charge for access to customers’ network interface devices (“NID”).⁸⁶ Cox/Charter simply want unbundled access to a NID that CenturyLink owns and maintains without paying for that privilege. The NID is an unbundled network element for which access compensation is appropriate. Cox/Charter repeatedly raised this issue in a number of states, and

⁸² Pac-West Telecomm, Inc. Comments at 3-10.

⁸³ Cedar Falls Utilities Comments at 3.

⁸⁴ Joint CLEC Commenters Comments at 74-77.

⁸⁵ The applicants will not waste the Commission’s time correcting the numerous misstatements in these commenters’ descriptions of their disputes with one or the other applicant. It suffices to say that these issues are irrelevant, and the companies’ silence is by no means an admission that these commenters’ contentions are remotely accurate or justified.

⁸⁶ Cox/Charter Comments at 23.

CenturyLink has prevailed.⁸⁷ Regardless, Cox/Charter make no effort to demonstrate how this could be a merger-specific issue.

Cox/Charter also challenge CenturyLink's practices relating to number porting.⁸⁸ Cox/Charter allege that CenturyLink charges a "surcharge" for number porting that they claim is "anticompetitive" and "violates the Commission's clear precedent."⁸⁹ That allegation, again, has nothing to do with this transaction, and it also lacks merit. CenturyLink, like many local exchange carriers, imposes a modest service order charge in accordance with state requirements and interconnection agreements on LSRs, whether or not the LSR includes a number porting request. This charge is not for number porting, but for administrative costs used to handle all orders. Charter previously raised this concern before the Missouri Public Service Commission and the Texas Public Utility Commission, and in both instances CenturyLink prevailed.⁹⁰ But in all events, legitimate disputes concerning intercarrier charges are not appropriate for resolution as part of this merger proceeding, particularly because other forums are available to address them.

⁸⁷ See *Petition of Charter Fiberlink TX-CCO, LLC for Arbitration of an Interconnection Agreement with CenturyTel of Lake Dallas, Inc.*, Docket No. 35869 (Texas Public Utility Commission, July 22 2009) ("*Charter Fiberlink Texas PUC Decision*"); *In the Matter of the Arbitration between CenturyTel, Inc., Claimant, and Charter Fiberlink, LLC, Respondent*, Case No. 51 494 Y 00524-07 (American Arbitration Association, August 2007) (each rejecting Charter's request for unfettered and free access to CenturyLink's NID).

⁸⁸ Cox/Charter Comments at 23.

⁸⁹ *Id.*

⁹⁰ *Charter Fiberlink Texas PUC Decision; Petition of Charter Fiberlink-Missouri, LLC for Arbitration of Interconnection Rates, Terms, Conditions and Related Arrangements with the CenturyTel of Missouri, LLC Pursuant to 47 U.S.C. § 252(b)*, Final Arbitrator's Report, Case No. TO-2009-0037, at 94-96 (Jan. 6, 2009), adopted by Order Adopting Final Arbitrator's Report (Mo. Pub. Serv. Comm. Feb. 25, 2009).

In a similar vein, Cox/Charter complain about fees that CenturyLink imposes when competitors submit directory listing requests on behalf of their subscribers.⁹¹ As Charter acknowledges, CenturyLink contracts with third parties to perform these functions.⁹² Nothing in Section 251 prohibits such third-party arrangements. To the contrary, the only requirement is that competitors have “access ... that is at least equal to the access that the providing local exchange carrier (LEC) itself receives.”⁹³ CenturyLink provides access that is precisely equal to the access that it receives and that arrangement, including the fee, is fully compliant with federal and state requirements. And, once again, this claim has nothing to do with the transaction before the Commission.

Finally, Charter complains about having to establish 13 separate points of interconnection (“POIs”) at which to exchange traffic with CenturyLink in Wisconsin.⁹⁴ Charter wants to connect at a single point, and then have CenturyLink haul all of its traffic across the state at CenturyLink’s expense, which is not required under Section 251 of the Act. CenturyLink’s properties are non-contiguous throughout the state, and CenturyLink must pay third parties for transport between wire centers. Thus, CenturyLink would not even be able to offer itself a single POI for its own traffic. CenturyLink certainly has no obligation to offer to Charter service that is superior to the service it provides to itself. Once again, Charter wants to insert arguments that have no relevance to this merger.

⁹¹ Cox/Charter Comments at 24.

⁹² *Id.* at 25.

⁹³ 47 C.F.R. § 51.217(a)(2).

⁹⁴ Cox/Charter Comments at 20.

2. Complaints About the General State of the Industry

Several comments simply lament the general state of the special access market. Sprint/Nextel, for example, extensively assails the “already failed special access market.”⁹⁵ But the general conditions of the special access market will not meaningfully be affected by this transaction, except to the extent that the combined company will have greater ability to offer broadband alternatives to special access customers.⁹⁶ Indeed, even if everything that Sprint Nextel, COMPTTEL, and others say were true (and it is not), these commenters fail to explain why *this merger* would exacerbate the problem. As discussed, there is virtually no overlap in CenturyLink and Qwest territory, and thus no increase in the combined company’s ability to raise access prices or control output. These issues are better addressed in the separate, generalized proceeding that the Commission currently is conducting of the special access market and its price cap and pricing flexibility rules.⁹⁷ In particular, the Commission has stated that merger proceedings are not the appropriate forum for addressing broad-scale attacks on special access market conditions or Commission policies.⁹⁸

Beyond that, the Commission could not, in this proceeding, credit the commenters’ allegations that Qwest has leveraged its market power to charge “excessive” special access

⁹⁵ Sprint Nextel Corporation Comments at 4; *see also* COMPTTEL Comments at 7-9.

⁹⁶ *See, e.g.*, ADTRAN Comments at 2-3.

⁹⁷ *See Special Access Rates for Price Cap Local Exchange Carriers*, WC Docket No. 05-25; *see also AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services*, RM-10593.

⁹⁸ *See AT&T/BellSouth Order*, ¶ 56 n.154 (rejecting argument because “this is not a merger-specific harm, but rather is an issue that has been raised, and is better addressed, in the Commission’s pending special access rulemaking”).

rates.⁹⁹ Qwest, and likewise CenturyLink, have already demonstrated in the past that the bases for those claims (*e.g.*, ARMIS data or comparisons to TELRIC rates) are specious.¹⁰⁰ But more to the point, the Commission is engaged in a pending effort to determine what “analytical approach” it should use to “resolve the [special access] debate comprehensively and ensure that rates, terms and conditions for these services are just and reasonable.”¹⁰¹ Indeed, just last week, the Wireline Competition Bureau held a workshop to help determine the proper analytical framework for assessing the effectiveness of the existing special access rules and any associated data collection that would be necessary to implement that framework.¹⁰² Until those questions are resolved, the Commission would have no basis to evaluate (much less act on) commenters’ claims.

B. Conditions Regarding Interconnection Disputes Are Unnecessary and Inappropriate

Cox/Charter propose several conditions related to Section 251 interconnection agreements (“ICAs”) that make no sense for the Commission to adopt. Cox/Charter suggest that porting agreements be implemented “without undue restrictions or limitations” and wants

⁹⁹ See, *e.g.*, COMPTTEL Comments at 8; Sprint Nextel Comments at 7; Joint CLEC Commenters Comments at 60.

¹⁰⁰ See Reply Comments of Qwest Communications International Inc., *Special Access Rates for Price Cap Local Exchange Carriers*, WC Docket No. 05-25 at 25-32 (filed Feb. 24, 2010); Reply Comments of CenturyLink, *Special Access Rates for Price Cap Local Exchange Carriers*, WC Docket No. 05-25 at 9-10 (filed Feb. 24, 2010) (each establishing that ARMIS statistics and rates for unbundled network elements are inappropriate points of comparison for special access services).

¹⁰¹ See National Broadband Plan at 48.

¹⁰² See *Wireline Competition Bureau Announced July 19, 2010 Staff Workshop To Discuss the Analytical Framework for Assessing the Effectiveness of the Existing Special Access Rules*, Public Notice, WC Docket No. 05-25, DA 10-1238 (rel. June 30, 2010).

customer requests to be processed at “appropriate intervals and in adequate volume.”¹⁰³ It is inappropriate for the Commission to grant such a request for several reasons.

In the first place, Section 251 establishes a well-trod path for negotiation of interconnection agreements subject to review and possible arbitration by the states. There is no reason for the Commission to insert itself into that process in the vacuum of this unrelated proceeding by prescribing certain terms and conditions to be included or prohibited in the combined company’s interconnection agreements. The Commission’s involvement in such minutiae of interconnection negotiations in the context of a merger analysis would serve no purpose, and adopting the proposed conditions would be pointless when the relevant agreements already contain individually negotiated terms, specific volume discounts, location-specific conditions, and other relevant terms that the parties negotiated.

In a similar vein, it is not rational, reasonable, or required by Section 251 for the Commission to order the applicants to allow competitors to cherry-pick the best ICA terms for themselves outside of the standard negotiation process, merely because the applicants are engaging in a stock merger. Broadvox and others suggest that any CLEC should be able to adopt “any ICA that is available from any of the merged entities,” or to renew existing ICAs that have expired or are about to expire for an indefinite period.¹⁰⁴ Cox/Charter and Joint Commenters likewise want automatic extensions of interconnection agreements for up to three years.¹⁰⁵ Such provisions are unnecessary and unworkable. First, interconnection agreements reflect state-

¹⁰³ Cox/Charter Comments at 10, 15.

¹⁰⁴ Broadvox Comments at 6; *see also* Infotelecom Comments at 6; Broadvox-CLEC Comments at 6; Pac-West Telecomm, Inc. Comments at 11.

¹⁰⁵ Cox/Charter Comments at 10; Joint CLEC Commenters Comments at 55; Pac-West Telecomm, Inc. Comments at 12; COMPTTEL Comments at 7; Leap Wireless Comments at 5-7.

specific concerns, technology, network capabilities, and pricing, as well as varying legal precedent and obligations. Porting ICAs between states thus is impractical and in many cases might be decidedly unfair. Second, automatic extension is not a wise approach. As a matter of business practice, CenturyLink frequently is willing to extend agreements, particularly agreements that are reasonably recent. But if an agreement was negotiated years ago and is nearing expiration, such agreement should be subject to bilateral renegotiation, and it makes no sense to require CenturyLink to extend it absent negotiation. CenturyLink and Qwest always welcome the opportunity to negotiate new or extended agreements, but such negotiation should occur consistent with the Communications Act and the Commission's rules, neither of which provide that an existing ICA should be a "starting point."¹⁰⁶

In any event, as noted above, the merger will have no immediate impact on any ICA. The Commission has refused to adopt conditions where existing regulations would protect competitors of merging parties, such as exist with respect to interconnection agreements.¹⁰⁷ Thus, there is no justification to adopt any of the various interconnection agreement-related conditions.

C. The Commission Should Reject the Profusion of Other Miscellaneous Proposed Conditions As Plainly Improper and Unnecessary

The Joint CLEC Commenters propose several other conditions that are improper and are plainly designed to give them competitive advantages rather than to address any legitimate merger-related concerns. First, they argue that *any* merger conditions that the Commission

¹⁰⁶ Cf. Joint CLEC Commenters Comments at 55; Cox/Charter Comments at 10.

¹⁰⁷ *Verizon Communications, Inc., Transferor and América Móvil, S.A. De C. V., Transferee Application for Authority to Transfer Control of Telecomunicaciones de Puerto Rico, Inc. (TELPRI)*, Memorandum Opinion and Order and Declaratory Ruling, 22 FCC Red 6195 at ¶ 25 (2007).

imposes should last an unprecedented seven years.¹⁰⁸ That suggestion is, to put it charitably, absurd. The combined company will continue to face substantial competition, including from much larger carriers, which will discipline its pricing and market conduct. Wholesale support systems will remain in place and unchanged for at least 12 months, and potentially longer, and any changes will include ample notice. To hobble a company's ability to make important business decisions for seven years would not preserve or promote competition, but rather would substantially hamper competition by placing an unnecessary thumb on the scale in favor of certain competitors.

Various comments also propose other conditions that are unnecessary or lack any grounding in reality. The Joint CLEC Commenters and COMPTTEL, for example, want to cap UNE rates at current levels.¹⁰⁹ They do not attempt to portray this as a legitimate merger concern and, in any event, UNE stability is already assured by Sections 251(c)(3) and 271(c)(2)(B), and thus no conditions are necessary. Likewise, the statutes and Commission rules already protect resale rights of CLECs, thus rendering any condition on that front unnecessary.¹¹⁰ The Joint CLEC Commenters also suggest that the applicants cease retiring copper loops until the Commission concludes its rulemaking, but there is no basis for such a condition.¹¹¹ This issue is entirely divorced from the merger, as is emphasized by the fact that the National Broadband Plan identifies copper retirement as one of the wholesale issues that the Commission must address for the industry as a whole.¹¹²

¹⁰⁸ Joint CLEC Commenters Comments at 43.

¹⁰⁹ Joint CLEC Commenters Comments at 47; COMPTTEL Comments at 10.

¹¹⁰ See COMPTTEL Comments at 11.

¹¹¹ Joint CLEC Commenters Comments at 51.

¹¹² See National Broadband Plan at 48-49 (Recommendation 4.9).

NJ DRC proposes a variety of broadband deployment commitments.¹¹³ But CenturyLink has already made substantial broadband commitments, and is fulfilling them.¹¹⁴ Indeed, both CenturyLink and Qwest have made substantial investments and are among the nation's leaders in advancing the Commission's broadband goals. No additional conditions are required for CenturyLink and Qwest to continue the progress that they have made to date. This merger is driven in large part by the need to stabilize and expand the companies' financial base precisely so that they can expand broadband deployment and services. NJ DRC also suggests conditions regarding pension plans and employment agreements,¹¹⁵ but those issues fall outside the Commission's jurisdiction. NJ DRC also suggests that the combined company file more ARMIS reports,¹¹⁶ but there is no reason for the company to file any more ARMIS reports than the Commission's rules require.

Likewise, there is no need to force the applicants to file additional information on their networks, systems integration, broadband deployment plans, competition, employment impact or reduced synergies, as proposed by CWA.¹¹⁷ These proposals would simply delay the processing of the Application, without going to any issue that is even plausibly a merger-related harm.

In sum, this is a transaction involving two relatively small players with primarily complementary footprints and virtually no overlaps. The types of conditions that might have been appropriate for much larger transactions involving much larger applicants and the creation of significant overlaps – such as the AT&T/SBC, Verizon/MCI, or AT&T/BellSouth mergers –

¹¹³ NJ DRC Comments at 30.

¹¹⁴ See Check Declaration, ¶ 5; see also Exhibit 4.

¹¹⁵ NJ DRC Comments at 33.

¹¹⁶ *Id.* at 32.

¹¹⁷ See Communications Workers of America Comments at 9-10.

have no place here. Indeed, when many of these same arguments were raised in *CenturyTel/Embarq*, the Commission rejected them and did not adopt conditions that were remotely as burdensome as those proposed by commenters in this proceeding.¹¹⁸ As noted above, conditions are appropriate *only* to counteract specific harms from this particular merger, and not in anticipation of hypothetical harms or to resolve generalized industry issues. The proposed conditions offered by the commenters fail to meet this standard.

VI. CONCLUSION

For the foregoing reasons, and for the reasons stated in the Application, the Commission should promptly approve the proposed transfer of control. The transaction will advance the public interest by strengthening the combined company's finances, enabling it to invest in broadband deployment and introduce advanced services to more customers. The improved stability of the company and its national footprint will make it a more formidable competitor to market leaders. Both retail and wholesale consumers will benefit from the strengths and synergies described in the Application, without any harms to competition. The Commission has a consistent record of advancing the public interest by allowing transactions where market forces compel them, and declining to interfere in companies' business plans based solely on speculative claims. The Commission should follow that course here and expeditiously find that approval of the Application will serve the public interest.

¹¹⁸ See *CenturyTel/Embarq Order* Appendix C.

July 27, 2010

Respectfully submitted,

Lynn R. Charytan
Samir Jain
WILMER CUTLER PICKERING HALE
AND DORR LLP
1875 Pennsylvania Avenue NW
Washington, DC 20006

Counsel for Qwest

Melissa E. Newman
Craig J. Brown
Timothy M. Boucher
QWEST COMMUNICATIONS
INTERNATIONAL INC.
607 14th Street NW, Suite 950
Washington, DC 20005

Of Counsel



Karen Brinkmann
Alexander Maltas
LATHAM & WATKINS LLP
555 11th St. NW
Suite 1000
Washington, DC 20004

Counsel for CenturyLink

David C. Bartlett
John E. Benedict
Jeffrey S. Lanning
CENTURYLINK, INC.
801 Pennsylvania Avenue NW
Suite 612
Washington, DC 20004

Of Counsel

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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| 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 of Control |) | |

**DECLARATION OF WILLIAM E. CHEEK IN SUPPORT OF REPLY COMMENTS OF
CENTURYLINK, INC. AND QWEST COMMUNICATIONS INTERNATIONAL INC.**

1. My name is William E. Cheek. My business address is 100 CenturyLink Drive, Monroe, Louisiana, 71203. I am currently employed by CenturyLink, Inc. as President, Wholesale Operations. I am knowledgeable about CenturyLink's wholesale operations, and about its integration of Embarq Corporation.
2. As part of the acquisition of Embarq, CenturyLink planned multiple systems integrations. Many of those integrations are complete. The remainder are on or ahead of schedule.
3. CenturyLink has already converted and integrated the majority of front-office and back-office systems onto common platforms, while broadband deployment has continued and broadband speeds have increased. See "Status of CenturyLink/Embarq Merger Broadband Commitments" (attached as Exhibit 3); "Embarq Integration Milestones" (attached as Exhibit 4).

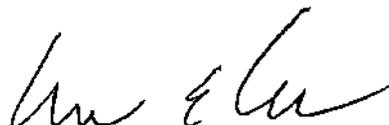
4. A project related to CenturyLink's transition of legacy CenturyTel LSR customers to Embarq's operations support systems ("OSS") is underway. CenturyLink committed to complete this transition by the end of the third quarter, 2010. CenturyLink is on schedule to complete the transition at that time.
5. As part of the acquisition of Embarq, CenturyLink made substantial broadband commitments. CenturyLink is on track and has achieved substantial satisfaction of each of its commitments. See "Status of CenturyLink/Embarq Merger Broadband Commitments" (attached as Exhibit 3).
6. CenturyLink recognizes the importance of having industry leading OSS, and acknowledges the value of OSS for wholesale operations. CenturyLink plans to continue operating both CenturyLink OSS (in CenturyLink areas) and Qwest OSS (in Qwest areas) until it completes its evaluation of the best options for all stakeholders. It is expected that CenturyLink will operate both systems for 12 months at the very least. Thus, post-merger CenturyLink will not need to create alternative OSS in order to implement this transaction, but rather will simply convert existing systems as necessary for a smooth integration.
7. In due course, post-merger CenturyLink will decide how best to provide OSS to its wholesale customers across the company and whether to make upgrades or changes to its OSS. CenturyLink intends to give its customers ample and adequate notice of any future OSS changes, consistent with the combined company's legal obligations and with accepted business practices. This will include full compliance with existing 271 obligations for legacy Qwest customers. There will be no interruptions in service.

8. I have reviewed the comments of "Joint Commenters," including the three supposed "differences" between Qwest OSS and CenturyLink OSS on page 8 of the Joint Commenters' Comments. The Joint Commenters' Comments are not accurate in their description of CenturyLink's OSS.
9. Joint Commenters state that "if a CLEC submits more than 50 orders per day to CenturyLink, the orders may be subject to project management, and standard intervals will not apply." That statement is not an accurate description of CenturyLink's porting process. Prior to the merger with Embarq, CenturyTel experienced occasional physical limitations with its manual porting processes. CenturyLink has not had any porting limitations for over a year.
10. Joint Commenters state that "Qwest process transactions in real time, while CenturyLink processes transactions in batches, resulting in delayed order response." That statement is not an accurate description of CenturyLink's systems. CenturyLink offers an online order portal to its wholesale customers, and all orders entered through that portal are processed in real time or near real time. In addition, XML real time processing based on the Universal Order Model ("UOM") is available for both ASRs and LSRs. The ASR capability is currently in use. UOM for LSRs may be implemented upon request.
11. Joint Commenters state that "Qwest notifies CLEC [sic] of incorrect field entries before accepting the order, enabling prompt order revision, while CenturyLink will accept an order with invalid field entries, rejecting it later and requiring submission of a new order." That statement is not an accurate description of CenturyLink's systems. CenturyLink's online order system automatically identifies numerous errors including incorrect field entries, prior to accepting or processing the order.

12. CenturyLink's wholesale workforce is placed in locations throughout its territory in order to serve its wholesale customers in their locations. Less than 5% of CenturyLink's wholesale organization is located in its Monroe, Louisiana headquarters. CenturyLink has wholesale services employees located throughout its service area in order to serve its customers. As part of the integration of Embarq, CenturyLink relocated only one employee from its wholesale services department to Monroe.
13. CenturyLink recently requested a waiver of the Commission's new one-day porting requirement. The purpose of the waiver request was that CenturyLink was continuing its process of integrating two OSS, and it would be imprudent to implement the one-day porting requirement on both systems rather than doing so as part of the ultimate, integrated system. Implementing the rule on both systems would require CenturyLink to incur substantial additional expense for no long-term advantage given the imminent retirement of one of the two systems, and doing so could potentially delay the integration of the ultimate system. Moreover, even with the requested waiver, CenturyLink will meet its one-day porting obligation within a matter of a few months.

I declare that the foregoing is true to the best of my information, knowledge, and belief.

Dated: 7/27/10



William E. Cheek

**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 of Control |) | |

**DECLARATION OF KAREN A. PUCKETT IN SUPPORT OF REPLY COMMENTS OF
CENTURYLINK, INC. AND QWEST COMMUNICATIONS INTERNATIONAL INC.**

1. My name is Karen A. Puckett. My business address is 100 CenturyLink Drive, Monroe, Louisiana, 71203. I am currently employed as Chief Operating Officer of CenturyLink and have held this position since 2009. Previously, I was President and Chief Operating Officer (2002-2009), and Executive Vice President and Chief Operating Officer (2000-2002) of CenturyTel, Inc. As Chief Operating Officer, I am knowledgeable about CenturyLink's operations, and about its integration of Embarq Corporation.
 2. CenturyLink is a well-respected, proven operator and acquirer of incumbent local exchange carrier properties. We have purchased and successfully integrated numerous telecommunications properties over the past 15 years, including assets purchased from Pacific Teleom, Inc., Ameritech, GTE, Verizon, and Digital Teleport, Inc., the cash
-

acquisition of Madison River Communications Corp., and the stock acquisition of Embarq Corporation.

3. To ensure the highest quality of customer service, CenturyLink has made significant progress on integrating the CenturyLink and Embarq operating systems since the July 1, 2009 merger. For example, in October of 2009, just months after the transaction was completed, CenturyLink converted Embarq's financial and human resources systems to CenturyLink's financial and human resources systems, and converted Embarq's Ohio retail customers to Embarq's billing and customer care systems. In April 2010, CenturyLink also completed the conversion of Embarq's North Carolina retail customers to CenturyLink's billing and customer care systems. The Ohio and North Carolina Embarq retail customer conversions collectively represent approximately 25 percent of total Embarq retail customers. The conversion of Embarq's retail customers in four additional states to CenturyLink's billing and customer care systems is scheduled for later in 2010, which will bring the collective Embarq retail customer conversions to approximately 50 percent. CenturyLink is on track to complete the conversion of all Embarq retail customers to CenturyLink's billing and customer care systems by the end of third quarter of 2011.
4. CenturyLink's strong performance over a variety of metrics since the close of the merger with Embarq Corporation, is evidence of its integration success. For one, CenturyLink has significantly improved the rate of access line decline and the growth rate of high-speed Internet customers in some of our larger exchanges in Nevada, North Carolina, and Florida since acquiring Embarq in mid-2009.

5. CenturyLink has also improved the quality of its services as demonstrated by a variety of indicators. For example, during the period of June 30, 2009 to March 31, 2010, CenturyLink has improved the percentage of service order and repair appointments that have been met, with an increase of 11.8 percent for voice services and 9.8 percent for high-speed Internet. The percentage of out-of-service repairs cleared in 24 hours or less has improved by 6.8 percent for voice services and 5.6 percent for high-speed Internet, with the mean time for out-of-service repairs shrinking from 17.7 hours to 14.9 hours for voice services and from 19.8 hours to 17.8 hours for high-speed Internet. The service order completion interval has similarly been reduced from an average of 1.7 days to 1.2 days for voice services, and an average of 2.9 days to 1.9 days for high-speed Internet.
6. The expected completion of the conversion of Embarq's retail customers by the end of third quarter 2011 and our anticipated closing of the Qwest transaction in the first half of 2011 positions CenturyLink well to smoothly transition to the integration of Qwest in a timely manner following the transaction close.

I declare that the foregoing is true to the best of my information, knowledge, and belief.

Dated:

7-27-10

Haron P. [Signature]

Status of the CenturyLink/Embarq Merger Broadband Commitments

| Commitment | Status |
|---|--|
| Total Single Line Residential and Single Line Business Access Lines | [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] |
| Total Broadband Enabled Lines | [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] |
| Total Lines .768Mg Capable 90% within 3 years of close date (07/01/2012) | On Track to Meet by July 1, 2012 |
| Total Lines 1.5Mg Capable 87% within 2 years of close date (07/01/2011) | Met and Exceeded |
| Total Lines 3.0Mg Capable 75% within 1 year of close date (07/01/2010) | Met and Exceeded |
| Total Lines 3.0Mg Capable 78% within 2 years of close date (07/01/2011) | On Track to Meet by July 1, 2011 |
| Total Lines 3.0Mg Capable 80% within 3 years of close date (07/01/2012) | On Track to Meet by July 1, 2012 |

Embarq Integration Milestones

| Integration Milestone | Date | Status |
|--|-------------|---------------|
| Human Resources System Conversion | Q4 2009 | Complete |
| Financial Systems Conversion | Q4 2009 | Complete |
| Wholesale Ordering | Q3 2010 | On Schedule |
| Billing Support Systems Conversion- Market Cluster 1 | Q4 2009 | Complete |
| Billing Support Systems Conversion- Market Cluster 2 | Q2 2010 | Complete |
| Billing Support Systems Conversion- Market Cluster 3 | Q4 2010 | On Schedule |
| Billing Support Systems Conversion- Market Cluster 4 | 2011 | On Schedule |
| Billing Support Systems Conversion- Market Cluster 5 | 2011 | On Schedule |

CenturyLink's Wholesale Federal Commitments

Status as of July 27, 2010

For Embarq operating companies, the merged company will maintain substantially the service levels that Embarq has provided for wholesale operations, subject to reasonable and normal allowances for the integration of CenturyTel and Embarq systems.

Status

- The merged company is providing substantially the same service levels for the Embarq operating companies, subject to reasonable and normal allowances for integration.
- For legacy Embarq operating companies, CenturyLink continues to make available its CLEC Service Performance Reporting System (CSPRS) via the wholesale website to any requesting carrier.
- CenturyLink is maintaining quarterly service metrics for the Embarq operating companies as identified in the federal commitments.
- Legacy CenturyTel is on schedule to be migrated to the Embarq wholesale system, EASE, by the end of the third quarter 2010.
- CenturyLink has migrated legacy CenturyTel's customer facing ordering system/interface for CLEC orders from eZLocal to EASE. Ten legacy CenturyTel CLEC customers have been migrated and the remaining customers are scheduled for migration by the end of August 2010.
- Market-by-market conversions for Ensemble billing systems are on schedule; Two markets (Ohio and North Carolina) have successfully migrated; One additional market conversion is scheduled in 2010 and the remaining two market conversions are scheduled for 2011.
- Wholesale customers are being notified at least 30 days in advance of anticipated integration of wholesale OSS systems.

CenturyTel will integrate, and adopt for CenturyTel CLEC orders, the automated Operation Support Systems ("OSS") of Embarq within 15 months of the transaction's close.

Status

- Legacy CenturyTel CLEC orders are on schedule to be integrated to the Embarq wholesale system, EASE, by the end of the third quarter 2010.

In the interim, CenturyTel will devote additional resources to its existing manual CLEC order processing system to ensure that all local number portability requests are promptly processed.

Status

- Legacy CenturyTel added additional employees to handle local number portability requests in April 2009 and is not limiting the number of ports that can be processed in a single day.
- CenturyLink has converted 10 legacy CenturyTel wholesale CLEC customers from eZLocal to the EASE ordering interface and is on schedule to convert remaining wholesale customers by the end of August 2010.
- CenturyLink will amend its DS1 standard installation interval in legacy CenturyTel operating companies to nine days, upon request, and is on track to provision DS1 loops within six business days, 80 percent of the time, no later than thirty months after transaction closing (December 31, 2012).
- The legacy EQ coordinated loop and bulk loop hot cut process has been implemented in legacy CenturyTel operating companies and has been utilized by wholesale carriers beginning with the first request received in December 2009.
- Legacy CenturyTel maintenance and repair calls for DS1 or higher UNE services were converted to the legacy Embarq wholesale special services operations center on December 15, 2009.
- Legacy CenturyTel E-911 records are unlocked at the time of porting.

The Applicants are willing to negotiate multiple interconnection contracts in a state at the same time in most circumstances when such consolidated negotiations will aid in addressing common issues.

Status

- CenturyLink has engaged in unified negotiations for interconnection contracts in a state subject to the conditions outlined in the FCC commitments, including separation of Rural and Nonrural

- No interconnection agreements, whether in their initial term or not, have been terminated at the request of CenturyLink.

For a period of 12 months after the Transaction Closing Date, the merged company agrees not to file a forbearance petition that seeks to alter the current status of any facility currently offered as a loop or transport UNE under Section 251(c)(3) of the Act or to request any new pricing flexibility for special access services in any market.

Status

- No forbearance petitions have been filed.

For three years after the Transaction Closing Date, the CenturyTel and Embarq operating companies will offer to Internet service providers, for their provision of broadband Internet access service to ADSL-capable retail customer premises, ADSL transmission in their respective territories that is functionally the same as the service they offered as of the Transaction Closing Date. Each local operating company's wholesale offering will be at a price not greater than its retail prices in the same state for ADSL service that is separately purchased by customers who also subscribe to that local company's local telephone service.

Status

- CenturyLink is offering ADSL transmission functionality to Internet service providers that is functionally the same (as defined in the commitment) as services offered at transaction closing.
- Such functionality is being offered at a price that is not greater than CenturyLink's retail price if purchased separately by end user customers who also subscribe to that local company's local telephone service.

CERTIFICATE OF SERVICE

I, Heidi K. Stack, hereby certify that on this 27th day of July 2010, I mailed copies of the foregoing reply comments via first-class mail, postage prepaid (or electronic mail as indicated) to the parties listed below:

Thomas Jones
Attorney for Cbeyond, Inc., Integra Telecom, Inc., Socket Telecom, LLC, and tw
telecom, inc.
1875 K Street, NW
Willkie Farr & Gallagher LLP
Washington, DC 20006

Stefanie A. Brand
Director, Division of Rate Counsel
New Jersey Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Charles W. McKee
Vice President, Government Affairs
Federal and State Regulatory
Sprint Nextel Corporation

Michael B. Hazzard
Attorney for Pac-West Telecomm, Inc.
Arent Fox LLP
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036

Suzanne K. Toller
Attorney for Leap Wireless International, Inc.
Davis Wright Tremaine LLP
505 Montgomery Street, Suite 800
San Francisco, CA 94111

K.C. Halm
Attorney for Charter Communications
Davis Wright Tremaine LLP
1919 Pennsylvania Ave., NW, Suite 200
Washington, D.C. 20006

Michael H. Pryor
Attorney for Cox Communications
Mintz, Levin, Cohn, Ferris, Glovsky
and Popeo, P.C.
701 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Debbie Goldman
Communications Workers of America
501 Third St. N.W.
Washington, D.C. 20001

Jonathan E. Canis
Attorney for Aventure Communications Technology, LLC and Northern Valley
Communications, LLC
Arent Fox LLP
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036

Anita Taff-Rice
Attorney for Broadvox, Infotelecom, and Broadvox-CLEC, LLC
1547 Palos Verdes, #298
Walnut Creek, CA 94597

Andrew Lipman
Attorney for Access Point, Inc., et al.
Bingham McCutchen LLP
2020 K Street, N.W.
Washington, DC 20006
(202) 373-6000

Robert J. Dieter
General Counsel
Cedar Falls Utilities
1 Utility Parkway
Cedar Falls, IA 50613

Nicholas P. Miller
Attorney for Cedar Falls Utilities
Miller & Van Eaton, P.L.L.C.
1155 Connecticut Avenue N.W.
Suite 1000
Washington, DC 20036-4306

Stephen L. Goodman
Attorney for ADTRAN, Inc.
Butzel Long Tighe Patton, PLLC
1747 Pennsylvania Ave, NW, Suite 300
Washington, DC 20006

Mia Martinez
Mabuhay Alliance
1801 K Street, N.W.,
Suite 200-K
Washington, D.C. 20006

David C. Bergmann
Assistant Consumers' Counsel
Chair, NASUCA Telecommunications Committee
Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, OH 43215-3485

Karen Reidy
COMPTEL
900 17th Street, NW, Suite 400
Washington, D.C. 20006

Alex Johns*
Competition Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Jeff Tobias*
Mobility Division
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

David Krech*
Policy Division
International Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Jim Bird*
Office of General Counsel
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554



Heidi K. Stack

*Sent via electronic mail.