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January 14, 2011

### **Via Electronic Filing**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 Twelfth St., SW  
Washington, DC 20554

Re: Applications Filed by Qwest Communications International Inc. and  
CenturyTel, Inc. d/b/a CenturyLink for Consent to Transfer of Control --  
WC Docket No. 10-110

Dear Ms. Dortch:

CenturyLink and Qwest hereby respond to the allegation on pages 7-8 of the tw telecom inc. January 5, 2011 filing in the above-captioned proceeding. Contrary to the tw telecom letter, there is no “significant threat” that the combined company would either have an increased incentive or take any affirmative action to “raise rivals’ costs” of exchanging Internet backbone traffic. As noted in the Applicants’ January 12 filing in this docket, tw telecom offers into evidence no facts specific to the Applicants or this proposed merger, but merely speculates that Qwest might alter the terms of its peering arrangements post-closing. The Applicants reiterate that this allegation is without foundation in fact (or even credible theory), and should be disregarded by the Commission.

Like other “Tier 1” Internet backbone providers, Qwest provides Internet backbone services under a variety arrangements. It typically enters into settlement-free “peering” arrangements with other providers with whom it shares certain characteristics, principally comparable volumes of traffic and symmetrical traffic flows. CenturyLink currently is not an Internet backbone provider.

In its recent letter, tw telecom worries that Qwest will have market power in the Internet backbone market because of the “additional traffic generated from CenturyLink and the addition of CenturyLink’s end users to Qwest’s Tier 1 network.” No analysis of the Internet backbone market is offered; nor does tw telecom acknowledge that similar fears were rejected by the Commission in the *AT&T-BellSouth Order* as based purely on speculation. The specter offered by tw telecom suggests that “big is bad” but defies logic and the public record.

In the *AT&T-BellSouth Order*, the Commission rejected arguments that a merger of two much larger carriers would likely give rise to an increased incentive and ability to raise rivals' costs for Internet backbone services.<sup>1</sup> There, the Commission declined to give any weight to an argument made by tw telecom and others that the merged entity would have increased incentives to degrade competitors' access to backbone services. The Commission noted that neither of the merging companies had been accused of discrimination or degradation of service prior to the merger. Rather than raising rivals' costs, the Commission found that the merging parties would likely have strong incentives to *facilitate* IP-based services, to meet growing demand.<sup>2</sup>

As in that case, the merging parties here will have no greater incentive to degrade their customers' access to Internet backbone than they would have had in the absence of the merger. Qwest has never been found to have exercised any market power in the Internet backbone sector, and tw telecom does not allege that it has. In fact, Qwest has a strong incentive today to peer with competitors with similar volumes of traffic in order to maximize the use of its network investment. That incentive will not change as a result of the merger, nor does tw telecom posit any reason why it should. Qwest enjoys settlement-free peering arrangements with many companies today, and the Applicants have neither the incentive nor any intention to change the terms of those arrangements as long as the peering partner continues to meet the company's peering criteria, namely, that traffic between the two partners remains essentially symmetrical.

In short, tw telcom has alleged no specific, credible grounds to believe that there is any "significant threat" that the combined company would increase the cost of exchanging Internet backbone traffic with any peering partner. In this highly competitive environment, the combined company will have no more ability than Qwest has today to raise rivals' costs, and it will have no incentive to alter its peering arrangements in the absence of a radical change in the balance of traffic that imposed significant new demands on its network.

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<sup>1</sup> *AT&T Inc. and BellSouth Corporation Applications for Transfer of Control*, Memorandum Opinion & Order in WC Docket 06-74 ("*AT&T-BellSouth Order*") at 78, para. 150 (rejecting as speculative the assertion that the merger of AT&T and BellSouth could allow the merged entity to raise the costs of its broadband rivals).

<sup>2</sup> *AT&T-BellSouth Order* at 78-79, para. 151-152.

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Please direct any questions concerning this matter to me.

Respectfully submitted,

Karen Brinkmann  
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cc: William Dever  
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