



May 29, 2014

Oregon Public Utility Commission
Attn: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

RE: UM-1484 CenturyLink/Qwest Merger, Condition 12 Compliance Filing –
Integration Status Report

Dear Commission:

Pursuant to Docket No. UM 1484, Order No. 11-095 ("Order"), CenturyLink provides the enclosed Integration Status Report in compliance with Condition No. 12 which requires a report of: 1) substantive integration activities; 2) costs and projected savings of integration; 3) organizational and staff force changes in Oregon operations; and 4) impacts on Oregon operations and customers. This is CenturyLink's third annual report submitted pursuant to this condition and consistent with the terms of the condition represents CenturyLink's final merger integration report. This report provides information for the period from April 1, 2013 through March 31, 2014. The report includes attachments which contain confidential information, and is only being supplied to the Commission.

If you have any questions or concerns, please do not hesitate to contact me.

Ron Trullinger
State Regulatory Affairs Director

Enclosures
cc: Certificate of Service

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**CenturyLink/Qwest Merger
Oregon Integration Status Report
May 2014**

Introduction

CenturyLink is providing the Public Utility Commission of Oregon ("Commission") with this annual update regarding the progress of the integration of Qwest Corporation ("Qwest") and CenturyLink. This report is provided pursuant to requirements of condition 12 included in Appendix A of the Commission's Order No. 11-095 in docket UM-1484 approving the merger of Qwest and CenturyLink. This is CenturyLink's third annual report submitted pursuant to this condition and consistent with the terms of the condition represents CenturyLink's final merger integration report. Efforts towards the integration of the companies have continued, as outlined below. Specifically, this report addresses:

- Substantive Integration Activities through March 31, 2014
- Costs and Projected Savings of Integration Activities
- Organizational and Staff Force Changes in Oregon Operations
- Impacts on Oregon Operations and Customers

Substantive Integration Activities

Pursuant to CenturyLink's ongoing system review process, no additional system selection decisions were made during this reporting period regarding the integration or final disposition of customer facing Operational Support Systems ("OSS") and other substantive systems. A summary of integration activity completed since the last report is below.

Network Inventory Systems: CenturyLink continues to progress in its preparation and implementation of the previously reported transport network inventory consolidation project. The initial phase of the transport network inventory systems conversion encompasses the replacement of the legacy CenturyLink inventory systems with the legacy Qwest TIRKS systems. As previously reported, the conversions will be conducted in phases by state or groups of states. The initial conversion planned for early 2014 was successfully completed. The remaining phases are planned to be completed by the end of 2015. As part of the conversions CenturyLink provides CLECs advance notification of the conversion date and of any potential impacts or changes to the current processes associated with the inventory systems. The conversion for the Oregon legacy CenturyLink companies remains on course to be completed in 2015.

Cost and Projected Savings of Integration Activities

Please see Confidential Attachment 1 for a schedule of the estimated synergies and integration costs realized by CenturyLink during the period April 1, 2013 through March 31, 2014 as a result of the integration activities associated with the CenturyLink/Qwest merger. Amounts provided reflect the

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impacts for CenturyLink at a total company level and for its Oregon operations. CenturyLink is also providing an estimate of the synergy savings for each key functional area. Please note that synergies and integration costs are not separately tracked for each integration activity or project.

Organizational and Staff Force Changes in Oregon Operations:

Confidential Attachment 2 provides the change in total employees in Oregon during the reporting period.

Impacts on Oregon Operations and Customers

The integration activities identified above have been seamless to Oregon customers. The regional operating model that was implemented at merger close establishes localized decision-making and focus driven by the new organizational structure. The localized focus has allowed the company to better understand and meet the distinct needs of Oregon customers.

The Oregon operations team dedicated significant efforts during the reporting period to prioritizing and promoting CenturyLink's participation in local community events, sponsorships, local chamber memberships and involvement with local governments across the state.

CERTIFICATE OF SERVICE

UM 1484

I hereby certify that on the 29th day of May, 2014, I served the foregoing CenturyLink's Compliance with Condition No. 312 of Order No. 11-095, in the above entitled docket on the following persons via e-mail transmission only.

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DATED this 29th day of May, 2014.

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(w) denotes waiver of paper service

* denotes signed Protective Order No. 10-192

** denotes signed Protective Order Nos. 10-192 and 10-291