

805 Broadway, 8th Floor Vancouver, WA 98660

February 11, 2011

Oregon Public Utility Commission Attn: Filing Center 550 Capitol Street NE, Ste 215 Salem, OR 97301-2551

RE: UM-1484 CenturyLink/Qwest Merger

Dear Commission:

Please find enclosed a copy of the Settlement Agreement between CenturyLink, Inc., Qwest Communications International, Inc. and tw telecom. The Agreement settles all issues between the Parties in all states proceedings, including in this docket, and before the FCC.

Please do not hesitate to contact me if you have any questions.

Sincerely,

William E. Hendricks

Encl. cc: Service List



February 4, 2011

Paul B. Jones Executive Vice President tw telecom 10475 Park Meadows Dr. Littleton, CO 80124

RE: CenturyLink/Qwest Transaction

Dear Paul:

The purpose of this letter is to memorialize the terms and understanding among CenturyLink, Inc. ("CenturyLink"), Qwest Communications International, Inc. ("QCII") ("Joint Applicants"), and tw telecom ("tw telecom") in satisfaction of the issues raised by tw telecom before state regulatory commissions and the Federal Communications Commission ("FCC") regarding the proposed acquisition by CenturyLink of Qwest (the "Transaction").¹ In consideration of the Agreement outlined herein, tw telecom agrees that its objections, issues and proposed conditions related to the Transaction are resolved. Tw telecom agrees it will offer no advocacy (directly or indirectly) contrary to this Agreement or otherwise participate in the regulatory review of the Transaction to advance objections, issues or proposed conditions related to the Transaction or potential consequences of the Transaction. For avoidance of doubt, it is understood and acknowledged that either Party may continue to participate in pending and future FCC proceedings regarding, among other issues, special access pricing and performance quality, and Ethernet pricing and service quality, except that, in doing so, tw telecom will not address the Transaction or potential consequences of the Transaction. To the extent permitted, tw telecom further agrees that it will withdraw its intervention, testimony, briefs, and other advocacy in opposition to the Transaction before the state public utility commissions and the FCC.

¹ 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) and description of the Plan of Merger contained therein ("Transaction"); and corresponding state applications.

Tw telecom has elected to opt-into the terms of the November 6, 2010 Integra Settlement.² Tw telecom agrees that the terms of the Integra Settlement, together with the following clarifications, modifications or additional commitments, satisfactorily resolve the issues of tw telecom. To the extent there is an inconsistency between the terms of the Integra Settlement and the following, the following terms will control:

1) In the legacy Qwest ILEC service territory, the Merged Company shall continue to provide to tw telecom at least the reports of wholesale performance metrics that legacy Qwest made available, or was required to make available, to tw telecom as of the Merger Closing Date for a period of no less than two years.

2) In the legacy Qwest ILEC service territory, the Merged Company shall continue to provide to tw telecom, under the same terms, the quality of service performance comparable to that which Qwest provided to tw telecom for special access and long haul services as of the Merger Closing Date for a period of no less than two years from the Merger Closing Date.

3) In the legacy Qwest ILEC service territory, the Merged Company shall continue to participate in special access service and long haul performance review meetings with tw telecom at the same frequency level as provided as of the Merger Closing Date for a period of no less than two years from the Merger Closing Date.

4) In the legacy Qwest ILEC service territory, the Merged Company shall extend the Qwest Regional Commitment Plan (RCP) currently opted into by tw telecom through the Merger Closing Date, including its currently effective term, volume, and rate stability commitments, and for another twelve months beyond the expiration of the then existing term or May 31, 2013, whichever is later, unless tw telecom indicates it opts out of this extension.³

5) The Merged Company shall continue to provide IP peering consistent with the terms and obligations of the Bi-lateral Peering Agreement as of the Merger Closing Date for a period of twenty-four months from the Merger Closing Date, provided that tw telecom meets all the requirements outlined in the Agreement and otherwise complies with the traffic ratios outlined in Qwest's

² To the extent applicable, references to "Integra" or "CLECs" within the terms of the Integra Settlement will be deemed to be references to "tw telecom" for purposes of the understanding memorialized in this letter.

³ If the Transaction is not closed by May 31, 2011, the Parties agree to renegotiate the date in order to provide a comparable extension to tw telecom.

peering policy found at <u>http://www.qwest.com/legal/peering_na.html</u> as published on the date of this Agreement. Qwest agrees not to change the peering policy published on its website after execution of this Agreement and prior to the Merger Closing Date. In addition, the Merged Company and tw telecom shall jointly work on capacity upgrades at no greater than 80% utilization per circuit or logical circuit bundle to be completed prior to 90% utilization to ensure customer traffic and performance is not adversely impacted.

6) The Merged Company shall continue to offer an Annual Incentive Plan (AIP) program to tw telecom through December 31, 2013. The AIP for 2012 and the AIP for 2013 shall be offered under the same basic terms and conditions in effect as of the Merger Closing Date, subject to the renegotiation of the base revenue, credit tiers, and discounts annually.

Additionally, nothing in this Agreement shall prevent tw telecom from obtaining the benefit of any inconsistent or additional FCC, or state commission condition imposed in that state, whether they are based on voluntary commitments by the merging parties or conditions mandated by the FCC or state commission, or otherwise. Moreover, both Parties acknowledge and agree that there is nothing in the Integra Settlement or the specific terms of this Agreement that limits either Party's right to enforce the provisions of this Agreement in an appropriate forum of competent jurisdiction, which may include a state commission, FCC, state or federal court, as appropriate and consistent with its jurisdiction. In the event that either Party reasonably believes in good faith that the other Party has materially breached the provisions of this Agreement, the Party must provide written notice specifying the breach and providing a 30-day period to cure, during which time any applicable limitations period shall be tolled. If not cured, the non-breaching Party may initiate an appropriate action before a court of competent jurisdiction, the state commission or FCC, to the extent the court, FCC or state commission finds it consistent with its jurisdiction. Such remedy is not exclusive. In addition, neither Party waives its right to oppose such a request, claim, or action.

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. Parties may execute the Agreement in counterparts and all counterparts shall constitute one agreement. A faxed, or scanned and emailed, signature page containing the signature of a Party is acceptable as an original signature page signed by that party. This Agreement is considered executed when all Parties sign below. The Parties agree that this Agreement is not

CENTURYLINK, INC.

By: William E. Cheek, President Wholesale Operations Dated:

QWEST COMMUNICATIONS INTERNATIONAL INC.

By: R. Steven Davis, Sr VP—Public Policy & Government Relations Dated:

tw telecom

By: Paul B. Jones, Executive Vice President Dated:

CENTURYLINK, INC.

By: Williarn E. Cheek, President Wholesale Operations Dated: 2/4/11

QWEST CC)MMUNICATIONS INTERNATIONAL INC.

By: R. Steven Davis, Sr VP-Public Policy & Government Relations Dated:

tw telecorn

By: Paul B. Jones, Executive Vice President Dated:

CENTURYLINK, INC.

By: William E. Cheek, President Wholesale Operations Dated:

QWEST COMMUNICATIONS INTERNATIONAL INC.

~

By: R. Steven Davis, Sr VP-Public Policy & Government Relations Dated: Feb. 4, 2011

tw telecom

By: Paul B. Jones, Executive Vice President Dated:

CENTURYLINK, INC.

By: William E. Cheek, President Wholesale Operations Dated:

QWEST COMMUNICATIONS INTERNATIONAL INC.

By: R. Steven Davis, Sr VP—Public Policy & Government Relations Dated:

tw telecom

By: Paul B. Jones, Executive Vice President Dated: February 4, 2011

CERTIFICATE OF SERVICE UM-1484

I certify that on February 11, 2011, a true and correct copy of the Agreement between CenturyLink, Inc., Qwest Communications International, Inc. and tw telecom was served on the following parties via electronic mail and US Mail where applicable:

- W Charles L Best Attorney At Law 1631 NE Broadway #538 Portland, OR 97232-1425 <u>chuck@charleslbest.com</u>
- W Penny Stanley
 360networks (USA) inc.
 370 Interlocken Blvd Ste 600
 Broomfield, CO 80021-8015
 penny.stanley@360.net
- W Joel Paisner Ater Wynne LLP 601 Union St Ste 1501 Seattle, WA 98101-2327 irp@aterwynne.com
- W John Felz CenturyLink 5454 W 110th St KSOPKJ0502 Overland Park, KS 66211 john.felz@centurylink.com
- W Gordon Feighner
 Citizens Utility Board of Oregon
 610 SW Broadway, Ste 400
 Portland, OR 97205
 gordon@oregoncub.org
- W G. Catriona McCracken
 Citizens Utility Board of Oregon
 610 SW Broadway, Ste 400
 Portland, OR 97205
 <u>catriona@oregoncub.org</u>

- W Michel Singer Nelson 360networks (USA) Inc. 370 Interlocken Blvd Ste 600 Broomfield, CO 80021-8015 <u>mnelson@360.net</u>
- W Arthur A Butler Ater Wynne LLP 601 Union Street, Ste 1501 Seattle, WA 98101-3981 aab@aterwynne.com
- W Richard Stevens Central Telephone Inc. PO Box 25 Goldendale, WA 98620 <u>rstevens@gorge.net</u>
- W Michael R. Moore
 Charter Fiberlink OR CCVII, LLC
 12405 Powerscourt Dr.
 St. Louis, MO 63131
 michael.moore@chartercom.com
- W Robert Jenks Citizens Utility Board of Oregon 610 SW Broadway, Ste 400 Portland, OR 97205 bob@oregoncub.org
- W Raymond Myers Citizens Utility Board of Oregon 610 SW Broadway, Ste 400 Portland, OR 97205 ray@oregoncub.org

- W Kevin Elliott Parks Citizens Utility Board of Oregon 610 SW Broadway, Ste 400 Portland, OR 97205 <u>kevin@oregoncub.org</u>
- W Douglas R. Holbrook Holbrook & Seifert, LLC PO Box 2087 Newport, OR 97367 doug@lawbyhs.com
- W Marsha Spellman
 Converge Communications
 10425 SW Hawthorne Ln.
 Portland, OR 97225
 marsha@convergecomm.com

Katherine K. Mudge Covad Communications Co. 2111 W. Braker Ln. Ste 100 Austin, TX 78731 <u>kmudge@covad.com</u>

Rex M. Knowles XO Communications Services, Inc. 7050 Union Park Ave – Ste 400 Midvale, UT 84047 rex.knowles@xo.com

Jason W. Jones Department of Justice Assistant Attorney General 1162 Court St NE Salem, OR 97301-4096 jason.w.jones@state.or.us

W Gregory Merz
Gray Plant Mooty
500 IDS Center
80 S. Eighth St.
Minneapolis, MN 55402

- W David Hawker City of Lincoln City 801 SW Highway 101 Lincoln City, OR 97367 davidh@lincolncity.org
- W Charles Jones Communication Connection 14250 NW Science Park Dr. – Ste B Portland, OR 97229 <u>charlesjones@cms-nw.com</u>
- W Frank G Patrick Corporate Lawyers PC PO Box 231119 Portland, OR 97281 fgplawpc@hotmail.com
- W K C Halm Davis Wright Tremaine, LLP 1919 Pennsylvania Ave NW 2nd Fl Washington DC 20006-3458 <u>kchalm@dwt.com</u>
- W Mark P. Trinchero Davis Wright Tremaine, LLP 1300 SW Fifth Ave Ste 2300 Portland, OR 97201-5682 marktrinchero@dwt.com
- W Judith Endejan Graham & Dunn PC 2801 Alaskian Way, Ste 300 Seattle, WA 98121 jendejan@grahamdunn.com
- W Karen L. Clauson
 Integra Telecom, Inc.
 6160 Golden Hills Dr.
 Golden Valley, MN 55416-1020
 klclauson@integratelecom.com

gregory.merz@gpmlaw.com

- W Greg L. Rogers Level 3 Communications LLC 1025 Eldorado Blvd Broomfield, CO 80021 greg.rogers@level3.com
- W Adam Lowney McDowell Rackner & Gibson PC 419 SW 11th Ave, Ste 400 Portland, OR 97205 adam@mcd-law.com
- W Lisa F. Rackner McDowell Rackner & Gibson PC 419 SW 11th Ave., Ste 400 Portland, OR 97205 <u>lisa@mcd-law.com</u>
- W Randy Linderman PMB 300 2373 NW 185th Ave Hillsboro, OR 97124-7076 <u>rlinderman@gofirestream.com</u>
- W Kelly Mutch
 PriorityOne Telecommunications Inc.
 PO Box 758
 La Grande, OR 97850-6462
 managers@p1tel.com
- W Michael Dougherty
 Public Utility Commission of Oregon
 PO Box 2148
 Salem, OR 97308-2148
 <u>michael.dougherty@state.or.us</u>

Alex M. Duarte Qwest Corporation 310 SW Park Ave. 11th Fl Portland, OR 97205-3715 <u>alex.duarte@gwest.com</u>

- W Wayne Belmont Lincoln County Legal Counsel 225 W Olive St., Rm 110 Newport, OR 97365 wbelmont@co.lincoln.or.us
- W Wendy McIndoo McDowell Rackner & Gibson PC 419 SW 11th Ave., Ste 400 Portland, OR 97205 wendy@mcd-law.com
- W Greg Marshall Northwest Public Comm. Council 2373 NW 185th Ave - #310 Hillsboro, OR 97124 gmarshall@corbantechnologies.com
- W Edwin B. Parker Parker Telecommunications PO Box 402 Gleneden Beach, OR 97388 edparker@teleport.com
- W Bryan Conway Public Utility Commission of Oregon PO Box 2148 Salem, OR 97308-2148 bryan.conway@state.or.us

Patrick L. Phipps QSI Consulting, Inc. 3504 Sundance Dr. Springfield, IL 62711

Mark Reynolds Qwest Corporation 1600 7th Ave Rm 3206 Seattle, WA 98191 mark.reynolds3@gwest.com

- W Diane Browning Sprint Communications Co. LP 6450 Sprint Pkwy Overland Park, KS 66251 <u>diane.c.browning@sprint.com</u>
- W Kristin L. Jacobson
 Sprint Nextel
 201 Mission St. Ste 1500
 San Francisco, CA 94105
 kristin.l.jacobson@sprint.com
- W William Sargent
 Tillamook County Counsel
 1134 Main Ave.
 Tillamook, OR 97141
 wsargent@oregoncoast.com

Barbara Young CenturyLink 902 Wasco St ORHDRA0305 Hood River, OR 97031 barbara.c.young@centurylink.com

W Brian Nixon Davis Wright Tremaine LLP 1919 Pennsylvania Ave Ste 200 Washington DC 20006 <u>briannixon@dwt.com</u> W Kenneth Schifman Sprint Communications Co. LP 6450 Sprint Pkwy Overland Park, KS 66251 <u>kenneth.schifman@sprint.com</u>

> Dave Conn T-Mobile USA, Inc. 12920 SE 38th St. Bellevue, WA 98006 <u>dave.conn@t-mobile.com</u>

Lyndall Nipps tw telecom of Oregon, LLC 9665 Granite Ridge Dr. – Ste 500 San Diego, CA 92123 <u>lyndall.nipps@twtelecom.com</u>

W Adam Haas
 WSTC
 10425 SW Hawthorne Ln
 Portland, OR 97225
 adamhaas@convergecomm.com

Rhonda Kent