501 Third Street, N.W. Washington, D.C. 20001-2797 202/434-1100



October 20, 2010

Ms. Marlene Dortch, Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554

Dear Ms. Dortch:

RE: Ex Parte Notice. In the Matter of 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.

The Communications Workers of America (CWA) submitted Comments in the aforementioned proceeding on July 12, 2010.

When we submitted our Comments, it did not appear that the Joint Applicants had provided sufficient information to demonstrate that the proposed merger would benefit the public or otherwise be consistent with the public interest. The application did not appear to provide evidence of any specific, verifiable benefits to consumers and employees from the proposed transaction.

Since filing our Comments, CWA has received substantially more information about the proposed transaction. Moreover, on October 18, 2010, CWA, the International Brotherhood of Electrical Workers, CenturyLink, and Qwest entered into an agreement concerning the proposed merger (referred to herein as "the CWA Settlement"). In our Comments, CWA raised several concerns about the proposed transaction which have been addressed.

First, CWA was concerned about the apparent intention of CenturyLink to move quickly to integrate billing, customer service, dispatch, and other operational support systems (OSS). In a settlement with the Minnesota Department of Commerce in the on-going Minnesota proceeding, CenturyLink has committed to wait at least two years after closing before it begins to integrate the Qwest and CenturyLink wholesale OSS. Because the wholesale and retail OSS are closely linked, and because Qwest relies on the same OSS in all jurisdictions, CWA believes that a two-year hiatus addresses the concerns that we raised concerning Qwest-CenturyLink integration activities. CenturyLink anticipates concluding the Embarq integration process in the third quarter of 2011, which would provide a period of at least 18 months before the Qwest OSS integration would begin. In CWA's opinion, this provision is a satisfactory resolution of CWA's first concern.



Second, CWA was concerned about the effect of the proposed transaction on employment levels, particularly among Qwest's field work force and call center operations. In state proceedings, CWA has had an opportunity to review synergy estimates prepared by the Joint Applicants and it does not appear that substantial reductions are anticipated in the field work force. Moreover, in the CWA Settlement CenturyLink has agreed to a process whereby CWA and the Joint Applicants will attempt to maximize employment levels throughout the CenturyLink/Qwest service areas.

While reductions in call center operations may occur, the CWA Settlement provides a transition period of approximately one year (until May 15, 2012) during which CenturyLink agrees not to close any Qwest call center where the workers are represented by CWA or another labor union. Moreover, CenturyLink also has committed to certain enhanced separation benefits for a limited period of time for any affected call center employees, which should further ease the burden on employees of any call center closings that the Joint Applicants find to be necessary to enhance operational efficiency. This also provides a monetary incentive for CenturyLink to retain these call centers in service for an additional five months after the May 2012 commitment.

The remainder of the CWA Settlement essentially reaffirms commitments made by Joint Applicants in their merger agreement to keep in place collective bargaining agreements, and various terms and conditions thereof, after the transaction closes. While these provisions of the CWA Settlement reaffirm commitments made in the merger agreement, their existence in a settlement with CWA is important because the merger agreement states that there are no "third party beneficiaries" of the merger agreement. Thus, without a specific agreement between the union and the Joint Applicants, the employee-related provisions of the merger agreement would not be enforceable by the employees themselves.

For the reasons set forth above, CWA submits that the CWA Settlement is in the public interest and constitutes a reasonable resolution to issues raised by CWA before this Commission.

Respectfully Submitted,

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Debbie Goldman

**Telecommunications Policy Director** 

Louise Novotny Research Director