



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F.2d 385 (D.C. Circ 1974).

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FCC CONDITIONALLY APPROVES CENTURYLINK/QWEST MERGER

Commitments Promise To Significantly Increase Broadband Adoption, Availability

Washington, D.C. – The Federal Communications Commission today approved the merger of CenturyLink Inc. and Qwest Communications International Inc. In doing so, the Commission imposed protections against the risk of harm to competition and ensured the merged entity will live up to its commitments to significantly expand its network and launch a major broadband adoption program for low-income consumers.

The transaction is expected to close soon after the companies have obtained their final state approval.

Based on the companies' agreement to certain conditions, the FCC found that the potential public interest benefits of the merger are likely to outweigh the potential harms. Binding and enforceable conditions include:

- **Broadband adoption program for low-income consumers**
 - Launch major broadband adoption program focused on connecting the millions of low-income consumers in the combined company's 37-state territory.
 - Offer qualifying households broadband starting at less than \$10 per month and a computer for less than \$150, and keep the window open for five years for qualifying consumers to sign up.
 - Make a significant annual commitment to marketing, outreach, and digital literacy training, and include detailed reporting on outcomes and an independent analysis of the program's effectiveness.

- **Broadband deployment**
 - Significantly increase the capacity of the Qwest network, bringing broadband with actual download speeds of at least 4 Megabits per second (Mbps) to at least 4 million more homes and businesses, and at least 20,000 more anchor institutions, such as schools, libraries, and community centers.
 - Significantly increase availability of higher-speed broadband: The company will more than double the number of homes and businesses that can get 12 Mbps broadband, and more than triple the number that can get 40 Mbps broadband.

- **Advancing Universal Service Fund reform**

- Phase down three forms of support designed for smaller companies, which the company currently receives from the federal Universal Service Fund.
- **Protection against potential transaction-related harms**
 - No increase in enterprise service prices for 7 years in a few dozen buildings where the companies currently compete (Minneapolis, Minn., and Olympia, Wash.).
 - Safeguards for smooth transition of operations support systems, to protect wholesale customers.
 - Ensuring the merger does not harm interconnection agreements with competing phone carriers.
 - Maintenance of wholesale service quality.

Monroe, Louisiana-based CenturyLink offers voice, video, and data services in 33 states, serving approximately 7 million access lines and 2.2 million broadband customers in its region. CenturyLink also operates as a competitive local exchange carrier in certain local and regional markets. Denver, Colorado-based Qwest operates as a local exchange carrier serving 10.3 million lines in a 14-state region; has 3 million broadband customers; and sells wireless, video, and extensive wholesale services through its subsidiaries. Under the deal, Qwest will operate as a wholly owned subsidiary of CenturyLink.

Action by the Commission, March 18, 2011, by Memorandum Opinion & Order (FCC 11-47). Chairman Genachowski, Commissioner Clyburn, with Commissioners Copps, McDowell and Baker concurring. Separate statements issued by Chairman Genachowski, Commissioners Copps, McDowell, Clyburn and Baker.

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