For Immediate Release
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Date: June 9, 2000

Press Release

Public Service Commission Approves Qwest - US West Merger

The Public Service Commission issued an order today approving the proposed merger of Qwest Communications International Inc. (Qwest) and US West, Inc. (US West). The Commission found the merger would be in the public interest and would benefit Utah customers if the merged corporation met certain conditions the Commission imposed.

"Based on the service quality package, the added protections the Commission imposed, and the additional network investment, the Commission was convinced the merger would benefit all US West Utah customers," Commission Chair Steve Mecham said. Customer rates will not change as a result of the merger approval.

During the course of the proceeding Qwest, US West, and the Division of Public Utilities (Division) presented a stipulation (Merger Stipulation) settling many of issues in this case. AT&T, McLeodUSA, NextLink, and Rhythms withdrew from the case after reaching separate agreements with Qwest and US West.

The Commission adopted the Merger Stipulation with some amendments. The Stipulation establishes retail service quality standards that the Division represented to be among the highest in

US West's service territory. For example, under the agreement, by October 2000 the merged company will resolve at least 85% of all reported service problems within one day and 90% in two days. Immediately following the merger, the company will complete at least 90% of all service orders within three business days and within one year they will complete at least 95% on the same schedule.

The Commission amended the stipulation to ensure that the protections of the stipulation remain in place as long as they are necessary. The "cellular loaner program" for customers who cannot get service immediately, for instance, will be available as long as the merged company cannot offer them regular service. In addition, the stipulation as amended by the Commission, will not limit the penalties the Commission can impose in the event of poor service quality.

As part of the merger approval, the Commission required the merged company to invest up to $15 million to install the necessary equipment to provide digital subscriber line service or equivalent service throughout its Utah territory. That requirement will enhance the reliability of the network for basic service customers and potentially reduce congestion on the network.

Assuming approval throughout the region, the two companies expect to complete the merger in early July.

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