‘Cheers and Jeers’ Over Health Care Transition

Reimbursements’ Rough Road

‘Cheers and Jeers’ follow major changes in the divestiture from “Ma Bell-type” company group health care coverage to an individual plan — the “best Medicare plan for you” — in the open market as imposed on 4,500 CenturyLink/Qwest retirees* at the end of 2011.

Cheers go to those Medicare retirees who received their first health care reimbursements (HRA) with electronic deposits to their checking accounts.

Cheers go to the CenturyLink managers in the Compensation & Benefits department who literally worked night and day to ensure that each eligible retiree and spouse receives full benefits.

Cheers go to the AUSWR leaders, especially the Retiree Advocates, who fielded the questions and complaints and communicated retirees’ distress to the CenturyLink leaders — and followed-up to problem-solve hundreds of calls for help.

Jeers go to AON Hewitt for the myriad of continuing delays in the setup of Medicare plan accounts, keeping retirees waiting for their reimbursements.

Jeers go to AON Hewitt for the many, many broken promises and failed commitments to meet scheduled calls.

Jeers go to AON Hewitt for the grossly erroneous and poor quality information about Medicare coverage given hundreds of retirees.

Cheers again to CenturyLink for assessing the overwhelming volume of retiree complaints and adding Extend Health, another national benefits administration company, who met the challenge to assist retirees with expert and timely Medicare options.

If you are affected by the change in your Medicare plan and having problems — First call (800-729-7526) — the CenturyLink Service Center and ask for a commitment for the ‘fix.’ Don’t give up! If you need additional help, call your state Retiree Advocate — see page 5.

*For more information about who is affected, go to ‘BACKGROUND’ on Page 3 and ‘Retirees Tell Their Stories’ on Page 4.
AUSWR President’s Message

As we kick-off another year I am confronted with questions about what is happening? What’s happening with health care, pensions, telephone concession services—all of those earned benefits that are now controlled by CenturyLink, a company unknown to us a short time ago.

I don't have all the answers, just a few. Telephone concession services are known as 'discounts' to CenturyLink, and I am assured by company executives that these discounts will continue with no plans to eliminate them.

Pensions are protected by federal laws and the merger of Qwest into CenturyLink seems to be viewed favorably by the financial markets. So long-term viability of the company appears strong—and that strength protects retiree pensions.

Health care costs and coverage continue to be confusing and at times threatening to all of us. The dialog started last year with executives of CenturyLink continues as we work together to assist retirees on the changes. CenturyLink is committed to continue support of our Retiree Advocate program. Changes cannot be stopped, but we can surely keep one another knowing what to expect without shock and surprise.

AUSWR support for the NRLN will remain strong this year including teams of our members going to Washington, DC, and scheduling appointments with Congressional members to ensure that our messages to protect earned pensions and benefits are heard. AUSWR is affiliated with the NRLN which comprises 30 other national retiree organizations—all advocating together for retiree protections with Congress.

[See story on page 4—Washington, DC]  

Mimi Hull,  
AUSWR President speaks to retirees in Phoenix

Mimi Hull,

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Reimbursement Woes Continue

Medicare-eligible retirees and spouses who expect reimbursement for their Medicare premiums starting in January 2012 continue to experience ‘roadblocks.’

- Some problems are because AON Hewitt Navigators failed to set-up the reimbursement account.
- Some problems are because AON Hewitt Navigators failed to apply the correct amount of reimbursement for the retiree and eligible spouse.
- Some problems are communication failures between AON Hewitt Navigators and the Medicare insurance company.
- And some problems are because the retiree is not familiar with how to manage the reimbursement process.

If you are eligible for the Medicare reimbursement because your retired after 1990, you were management when you retired and you or your spouse are eligible for Medicare because you are disabled or you are 65 or older, and you have not set-up your reimbursement account — contact the AON Hewitt Navigators and ask for assistance.

If you cannot resolve your questions — then contact your state Retiree Advocate as listed on Page 5. He or she will work with you to establish your reimbursement account.

Subject: HRA Reimbursements
From: Jim Heinze, AUSWR Ombudsman Retiree Advocate

Due to a major system change implemented by AARP/United HealthCare the first of the year, all HRA reimbursements for the payments made to them in January and February will not be processed for reimbursement until March.

I have been assured that this only affects those retirees and eligible spouses selecting AARP/United HealthCare for their Supplemental Part B Medigap Healthcare plan — and that it was not the fault of Aon Hewitt or Extend Health.

—jim

BACKGROUND TO PAGE ONE STORY ABOUT REIMBURSEMENTS

On January 1, 2012, about 9,000 CenturyLink Medicare retirees and spouses lost company group health care coverage — including 4,500 former post-1990 Qwest management retirees and spouses. An individual Medicare plan selected by the retiree/spouse in the open-market became the option for health care for thousands.

To assist with the complex task of finding a Medicare plan while keeping familiar doctors and necessary medications, CenturyLink offered two types of assistance.

First, AON Hewitt, a national benefits’ administration company, was contracted to make individual appointments with each affected retiree. A licensed insurance ‘expert’ scheduled times to talk and give advice on potential matches for services to Medicare retirees during phone calls which started in October.

Second, CenturyLink voluntarily contributes to a HRA — Healthcare Reimbursement Account — for each eligible retiree and eligible spouse to receive reimbursement towards the costs of a selected Medicare plan with a $1,740 annual maximum for each participant.

AON Hewitt administers the HRA program.

NOTE: Pre-1991 and 1992 ERO retirees are NOT affected by any of these health care changes because of the Phelps case settlement negotiated by Nelson Phelps and Curtis Kennedy with U S WEST leadership. Pre-1991 and 1992 ERO retirees’ protected health care coverage is binding on all corporate successors — including CenturyLink.
Retirees Tell Their ‘Horror’ Stories—

AUSWR state leaders and Retiree Advocates received hundreds of calls and emails from retirees during the enrollment changes for 2012. Most complaints and pleas for help—and each one was answered—were from those retirees and spouses who were dropped from the company health plan and directed to the Medicare open-market for a new insurance carrier. Below are some of the stories told by retirees.

Story from eligible retiree with eligible spouse—
“...I retired from a management position at US WEST in 2000, shortly before the company became Qwest. I am one of the retirees that is affected by CenturyLink’s plan to reimburse retirees for Medigap and/or Part-D insurance premiums via HRAs. I am having horrendous problems with Aon Hewitt regarding an error in the amount of money in my HRA. I received a letter, addressed to me, from Aon Hewitt, stating my HRA amount for one year as $1740. More than one person has told me that the $1740 is actually for my husband and that my HRA shows nothing for me! My husband was never an employee of the telephone company, but was always designated as my dependent for insurance purposes. After talking to at least four Aon Hewitt employees, I am getting nowhere. One even checked with his supervisor who said I had to call United Healthcare because they sent the money for the HRA. That suggestion was worthless because United Healthcare denied any involvement or knowledge of the HRAs. Believe me, I have spent hours on this (well documented) and seem to have reached the proverbial dead end. Can you help, or refer me to someone who can?”

Story from eligible retiree spouse—
“... a lot of trouble passing the data electronically to AON Hewitt so they can set up my HRA. I got a call last week telling me they could not set up my HRA acct. until they got the data fed to them by the CenturyLink Service Center [also managed by AON Hewitt]. The AON rep. conferenced me in with the Svc. Ctr. and I went through the whole explanation again about this greatly drawn out process of self identifying as a Medicare eligible spouse, etc., etc. The first rep. at the Service Ctr. put me on hold while "checking with someone" and then cut us off. I called back and talked to a rep who committed to calling me back within 2 business days (by 2/6/12) and giving me a status of the open case. ...no word yet from him. I called the Service Ctr. and the rep. advised me it was still being investigated and that I would get a call back in 5 business days (from 2/6) which will bring us to 2/13. So, I'm still getting a run around and I've now paid a 2nd monthly premium and I'm waiting on reimbursement of $298 total. I'm sure I'm not the only one with this problem...”

Story from a surviving spouse—
“...I am a surviving spouse, my husband retired from U S West Jan 1985. I take several prescription medications. Sooo...even though the premiums keep going higher and higher I feel I am better off staying with the telephone insurance. However I have not been notified of the premium for 2012! Do you know? Also I have not received any papers giving me the option to stay with United Healthcare or choose another insurance... Can you help me?”
Time For A Beneficiary Check-Up

CenturyLink changed to Met Life for Group Life Insurance coverage

Computers control and confuse some of us, but they also manage our valuable benefits including the $10,000 Group Life Insurance benefit.

CenturyLink changed the group life insurance carrier effective January 1, 2012 to Met Life from Prudential. With this change comes the need to be sure that your beneficiary is set up correctly.

Two options are available for you to check or change your Group Life Insurance beneficiary:

PHONE CALL OPTION: Check with the CenturyLink Service Center —Call 800-729-7526 —to make sure your designated beneficiary for Group Life Insurance is properly documented and updated. You must have your Social Security number, your date of birth, and your retirement date to make this request. If necessary, ask to have a current Beneficiary Confirmation form mailed to you.

To make changes, ask to have a Beneficiary Designation form mailed to you, complete it, make a copy, and mail the original back to CenturyLink.

ON-LINE OPTION: You can access your benefits on the CenturyLink benefits website, set-up and account and manage your beneficiaries at: www.centurylinkhealthandlife.com (that’s CenturyLink health and life without the spaces).com.

Some retirees report that they check and learn surprisingly that there is no record of their beneficiary designation. Or the CenturyLink beneficiary records do not agree with the retirees’ wishes.

The change from one insurance company to another is the time for a beneficiary check-up.

AUSWR Retiree Advocates —Here To Help YOU!

If you have questions about your benefits, FIRST contact the Service Center at 800-729-7526 —Select Option 2, then select the appropriate options. If you are unable to resolve your problem or get an answer to your question, THEN call your state AUSWR Retiree Advocate:

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<tr>
<td>ARIZONA:</td>
<td>602-504-6774</td>
<td><a href="mailto:marthadeahl@gmail.com">marthadeahl@gmail.com</a></td>
<td>NEW MEXICO:</td>
<td>505-298-8666</td>
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<td>Martha Deahl</td>
<td>602-504-6774</td>
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<td>COLORADO:</td>
<td>303-442-1831</td>
<td><a href="mailto:JJonrr@ecentral.com">JJonrr@ecentral.com</a></td>
<td>NO. DAKOTA:</td>
<td>763-757-4985</td>
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<tr>
<td>Jim Heinze</td>
<td>303-442-1831</td>
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<td>IDAHO:</td>
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<td>WASHINGTON:</td>
<td>206-368-8686</td>
<td><a href="mailto:benefit65@clear.net">benefit65@clear.net</a></td>
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Six AUSWR Members Attend NRLN-sponsored Visits to Congress

AUSWR Travels to Washington, DC

The NRLN conducts two meetings each year, January and September, to bring retirees together in Washington, DC, for the purpose of taking our retiree messages of pensions and benefits protections to members of Congress. In January, about 50 retirees from among the 30 NRLN retiree organizations went to the first 2012 meeting and made over 90 scheduled visits to members of Congress, their staffs, and Committees who determine federal legislation affecting retirees. AUSWR sponsored six members who attended.

Below is a report by Rick Giffin, Arizona Legislative Leader, on his impressions of the 3-day January 2012 meeting.

by Rick Giffin, AUSWR Arizona Legislative Leader

Great conference in Washington, DC! On Monday, the first day, we had a very informative talk with Phyllis Borzoi, Assistant Secretary of Labor for Employment Benefits. She was presenting a positive attitude towards Administration support for some of our issues.

Bob Martina [VP NRLN Grassroots], Ed Beltram [VP NRLN Communications], and Joe Dombrowski [VP NRLN Membership & President Lucent Retirees] did a great job on getting our Grassroots efforts really moving and increasing participation.

On Tuesday we had a report from Elizabeth Jurinka, Legislative Assistant to Sen. Ron Wyden (D-WA) on the Rep. Paul Ryan (R-WI) ‘Obamacare’ replacement. Left a lot of questions.

Rick Giffin (left) meets with Rep. Raul Grijalva (D-AZ) and is joined by AUSWR Arizona retirees, Jennifer and Ken Gornall.

We had a very good session on preparations for our scheduled visits to the Hill.

New NRLN member organizations that are facing corporate sanctions and possible bankruptcy, such as Kodak and American Airlines, had representatives from their retiree groups meeting with NRLN, preparing for many of the things we have been through. Hopefully they won’t lose any benefits if they know what to watch for.

Ken and Jen Gornall ‘hit the ground running’ --they did a great job and represented all of our issues very well in each of the meetings with members of Congress and their staffs.

Del Polad’s (AUSWR Utah) contacts with Sens. Orin Hatch and Max Baucus scheduled a successful 90-minute session with the Senate Finance Committee that included NRLN leaders and our AUSWR team. We met with Sen. Max Baucus, his staff, representatives from Social Security and some pension folks. I feel a lot of information was exchanged.

During each scheduled visit with a member of Congress or staff, the NRLN leaves a package of top priority position papers: ‘Executive Summaries’ to reinforce the meeting. The four top priorities for the January meetings were: Pension Asset Protections, Bankruptcy Reform, PBGC Reform and Social Security protection. To read the position papers, please go to the NRLN website: www.NRLN.org.

...and think about joining the next meeting in Washington, DC in September.
Health Care Reform:
ACOs ‘Launched’ in 2012

by Barbara Wilcox, AUSWR CO/WY

• Send your questions for future articles to me at Email: BMW@mho.com

Q. I am on Medicare, and I received a letter saying that my doctor is participating in an Accountable Care Organization (ACO). What is that?
A. This is a new program under Original Medicare in which a team of health care providers such as doctors and hospitals work together to improve quality of care and control costs. The program was established by the 2010 Health Care Reform law, the Patient Protection and Affordable Care Act (PPACA). It is part of the Medicare Shared Savings Program.

Q. How does an ACO work?
A. According to a recent fact sheet, the ACO "agrees to be held accountable for improving the health and experience of care for individuals and improving the health of populations while reducing the rate of growth in health care spending.” An ACO has to be approved by Medicare. Medicare shares any cost savings with the ACO.

Q. How can an ACO improve the quality of my care?
A. An ACO can do a number of things to improve quality of care. One is to improve coordination of care among the different doctors, hospitals, etc. that may treat you, usually using electronic records. For example, if you saw a specialist, the results of that visit, including any tests or imaging the specialist ordered, would be communicated to your primary care physician. Another way to improve quality of care is to manage the transition after you go home from the hospital, so that you know what medications you need to take, when you need to go back to your doctor, etc.

Q. How can an ACO improve quality of care and save money at the same time?
A. The savings should come from things such as fewer hospitalizations through preventive medicine, less duplication of tests and imaging, and fewer re-hospitalizations because of inadequate follow-up after a hospital discharge.

Q. Can I choose not to participate in the ACO?
A. Yes, you can choose to go to a doctor who does not participate in an ACO. But, if you do go to a doctor who participates, then you are participating in the ACO.

Q. If my doctor is participating in an ACO, does that mean I cannot see a doctor outside of the ACO?
A. No. You can see any doctor you want to at any time, as long as he/she takes Medicare.

Q. The mailing I received also had an ‘opt-out’ form that I could fill out and return. What is this about?
A. The ‘opt-out’ form gives you an opportunity to tell Medicare not send that information to the ACO. For example, if you go to the Emergency Room of a hospital that doesn’t belong to the ACO, your doctor might not receive any information from that hospital about your care. The ACO process is that Medicare will send the hospital’s claims for your care to the ACO to automatically give your doctor information about your Emergency Room visit.

Q. I’m not on Medicare yet. Does this affect me?
A. No, not now. The hope is that the ACOs will be successful and will provide a guide for other insurance providers to improve quality and save costs for all.

Q. When did ACOs begin?
A. Although there have been groups of providers providing various forms of coordinated care for years, the first 32 Pioneer ACOs authorized under the PPACA became operational January 1, 2012.

Seven ACOs operate within the 14-state AUSWR territory as listed below.

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<thead>
<tr>
<th>Pioneer ACOs operating within the 14-state AUSWR territory</th>
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<tbody>
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<td>Allina Hospitals &amp; Clinics</td>
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<td>Banner Health Network</td>
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<td>Presbyterian Healthcare Services – Central New Mexico</td>
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<td>Pioneer Accountable Care Organization</td>
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<td>TriHealth, Inc.</td>
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<td>Minnesota and Western Wisconsin</td>
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<td>Phoenix Metropolitan Area (Maricopa and Pinal counties)</td>
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<td>Central New Mexico</td>
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<td>Northwest Central Iowa</td>
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Retiree Guardian — 2012 Issue 1
CenturyLink Reports ‘Strong’ 2011 Financials

Excerpts from the CenturyLink Press Release...

MONROE, La., Feb. 15, 2012 /PRNewswire/ -- CenturyLink, Inc. (NYSE: CTL) today reported strong operating revenues, solid free cash flow generation and improved customer results for fourth quarter 2011 and full year 2011.

HIGHLIGHTS OF 2011 REPORTING
CenturyLink continues to successfully respond to a challenging economic environment and an increasingly competitive industry. Among the quarter's highlights:

- Achieved operating revenues of $4.653 billion, exceeding guidance; Strategic Revenue growth of 4.7% percent year-over-year
- Improved fourth quarter and full year 2011 rate of revenue decline to 3.2% and 3.8%, respectively, compared to an estimated 3.8% and 5.6% in fourth quarter and full year 2010
- Generated Free Cash Flow of $515 million, excluding special items
- Realized strong growth in high-speed Internet and Prism TV subscribers and continued improvement in line loss trend during fourth quarter
- Completed Embarq integration and achieved targeted annual operating expense synergies of $375 million within planned time frame; Hitting key milestones and synergy targets in integrations of Qwest and Savvis
- Anticipate continued improvement in revenue trend with revenue decline of 1.5% to 2.5% expected in 2012

2011 4TH-QUARTER RESULTS

- Improved year-over-year top-line revenue trend to a rate of decline of 3.2% in fourth quarter 2011, compared to an estimated decline of 3.8% in fourth quarter 2010.
- Generated operating revenues of $4.653 billion on a consolidated basis, compared to operating revenues of $4.807 billion in fourth quarter 2010.
- Incurred operating expenses of $4.059 billion in fourth quarter 2011, a 1% increase from $4.016 billion in fourth quarter 2010, primarily driven by higher costs associated with growth initiatives.
- Achieved strong free cash flow generation of $515 million, excluding special items of $61 million.
- Continued to drive improved access line loss trend and higher broadband subscriber growth as a result of CenturyLink's effective local operating model and "go-to-market" strategies.
- Reduced access line loss by more than 30% compared to fourth quarter 2010 and more than 14% sequentially.
- Grew high-speed Internet customer base to 5.55 million subscribers at the end of 2011, representing 4.5% annual growth over year end 2010.
- Expanded Prism TV subscribers by 30% in fourth quarter 2011 from third quarter 2011 and increased penetration of available homes to nearly 7% from 5% in third quarter 2011.

2011 Full Year Results
For the year 2011, operating revenues more than doubled to $15.4 billion from $7.0 billion for the same period in 2010. Operating cash flow, excluding special items, was $6.5 billion for 2011 compared to $3.6 billion in 2010. Net income, excluding special items, was $867 million in 2011 compared to $1.03 billion in 2010. Full year 2011 earnings per share, excluding special items, was $1.62 compared to $3.39 for the prior year.

Full year 2011 operating revenues of $18.7 billion declined 3.8% from operating revenues of $19.4 billion for full year 2010. Operating cash flow, excluding special items, was $7.8 billion for 2011 compared to $8.3 billion in 2010.

Adjusted Net Income, excluding special items, was $1.63 billion in 2011 compared to $1.85 billion in 2010. Adjusted Diluted EPS, excluding special items, was $2.64 in 2011 compared to $3.04 for 2010.

The decline in the above measures was driven by a reduction in legacy voice [access lines] and access revenue, which more than offset growth in strategic revenues.

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