

Tech company promised not to pilfer competitor's customers. It did just that. Twice

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When CenturyLink bought a competitor's business-broadband and internet-backbone service in 2017, it agreed to sell some of the competitor's Boise-area backbone to a third company to resolve antitrust concerns. And it promised not to poach customers from that company.

But the Louisiana company did just that. Last year CenturyLink paid \$250,000 to the U.S. Department of Justice to settle a complaint about poaching from Syringa Networks, the Boise company that bought the infrastructure. It then agreed for two years (doubling the original agreement) not to solicit customers of Syringa.

Last week, the Justice Department accused CenturyLink of doing the same thing again. No sooner had CenturyLink agreed to pay the fine than it sent more than 100 marketing emails between Aug. 18 and Nov. 4, 2020, the department said. The emails went to companies between Boise and Nampa that had dropped CenturyLink's service and signed up with Syringa.

The agency's Antitrust Division filed a petition in <u>federal court</u> in Washington, D.C., asking the court to find CenturyLink in civil contempt of the earlier agreement.

At the same time, the department said CenturyLink, now known corporately as Lumen Technologies, had agreed to pay \$275,000 to settle the new complaint. The court would have to approve the settlement. The amount represents the Justice Department's expenses and legal fees in investigating the claim.



"CenturyLink is a repeat offender," Acting Assistant Attorney General Richard Powers of the Justice Department's Antitrust Division said in a news release. "The request for a finding of civil contempt is appropriate, because the company violated its amended obligations immediately after the court imposed them."

But Lumen Technologies did not admit to any wrongdoing.

"While we disagree with the government's characterization of the alleged violations, we were pleased with the cooperative partnership of the Department of Justice in reaching a resolution that was in the best interest of all parties," Lumen Technologies spokesperson Mark Molzen said in an email.

In 2017, CenturyLink paid \$34 million to buy Denver-based Level 3 Communications. With the merger, the Justice Department found the combined company would control 70% of the connections between buildings and fiber optic lines used to connect to the Internet from Boise to Nampa, violating federal antitrust laws.

Greg Lowe, CEO of Syringa Networks, contacted before the Labor Day holiday, did not reply to an email seeking comment. Another executive told a reporter by phone he was not authorized to speak for the <u>company</u>.

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