

Briefs: S&P rates Qwest notes at B

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Standard & Poor's said Wednesday it has assigned Qwest Communications International's convertible notes due 2025 a B rating.

The credit-rating agency said the \$1 billion worth of notes from the phone carrier is "notched two below the corporate credit rating, reflecting the fact that there are substantial priority obligations relative to this issue."

"The ratings reflect the company's weak overall business position and aggressive financial profile," credit analyst Catherine Cosentino said in a news release.

The company added that "while the company is the dominant local telephone exchange carrier in its 14-state market, representing some 15 million access lines, its satisfactory business position in its local markets is somewhat offset by its ongoing presence in the long-haul communications business. The long-haul business is viewed as having a vulnerable business risk profile, after suffering from significant pricing pressures over the past few years because of very aggressive competition, as well as larger business customers' migration to new (Internet protocol) technologies from traditional circuit-switched services."

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