

**CARRIER-TO-CARRIER AGREEMENT CHECKLIST**

INSTRUCTIONS: Please complete all applicable parts of this form and submit it with related materials when filing a carrier-to-carrier agreement pursuant to 47 U.S.C. 252 and OAR 860-016-0000 et al. The Commission will utilize the information contained in this form to determine how to process the filing.

1. PARTIES	<i>Requesting Carrier</i>	<i>Affected Carrier</i>	
Name:	_____	Qwest Corporation	Don Mason
Address:	McLeodUSA	Director-Interconnect	Qwest Corporation
	6400 C Street SW	1801 California St., Ste. 2401	421 S.W. Oak, Ste. 810
	Cedar Rapids, IA 52406-3177	Denver, CO 80202	Portland, OR 97204

2. PRIMARY CONTACT PERSON FOR PROCESSING INFORMATION:

Name: Jamaica L. Wilson Phone: (503) 727-2081  
Address: Perkins Coie LLP Fax: (503) 727-2222  
1211 S.W. Fifth Avenue, Suite 1500 E-Mail: jamaicawilson@perkinscoie.com  
Portland, OR 97204

3. TYPE OF FILING (Check all that apply. For example, parties seeking to adopt a previously approved agreement with new negotiated amendments should check both "Adoption" and "Amendment" categories.)

- Adoption:** Adopts interconnection agreement previously approved by the Commission.  
Parties to prior agreement \_\_\_\_\_ & \_\_\_\_\_  
Approved in Docket ARB \_\_\_\_\_, Order No(s). \_\_\_\_\_  
Does filing adopt amendments to base agreement previously approved by the Commission?  
 NO  
 YES, approved in Docket ARB \_\_\_\_\_, Order No(s). \_\_\_\_\_
- New Agreement:** Seeks approval of new negotiated agreement.  
Does this filing replace an agreement between the same parties that was previously approved by the Commission?  
 NO  
 YES, approved in Docket ARB \_\_\_\_\_, Order No(s). \_\_\_\_\_
- Amendment:** Amends an existing carrier-to-carrier agreement.  
If the original agreement was negotiated, has it been approved by Commission?  
 NO, decision pending in Docket ARB \_\_\_\_\_  
 YES, approved in Docket ARB 302(1), 302(2-4), 302(5), Order No(s). 01-241, 01-732, 02-079  
If original agreement was an adoption, what was its docket number? Docket ARB 250
- Other:** Please explain.  
ARB 302(6+7) Order No. 02-150

October 1, 2002

**VIA HAND DELIVERY**

Ms. Cherie Powers  
Administrative Specialist  
Oregon Public Utility Commission  
Suite 215  
550 Capitol Street NE  
Salem, OR 97301-2551

**Re: Proof of Service of Materials Filed on September 4, 2002 in  
Docket ARB 302**

**EXPEDITED TREATMENT REQUESTED**

Dear Ms. Powers:

This letter is to advise you that today I served the materials that Qwest filed on September 4, 2002 in this docket (checklist, cover letter, and amendment to the interconnection agreement) on the CLEC's representative, as you requested. A certificate of service demonstrating completion of service is attached.

This is not the first communication Qwest has had with this CLEC regarding this issue. As we discussed yesterday, Qwest previously communicated with the CLEC regarding the filing of this agreement in other states. On August 22, 2002, Qwest sent the CLEC a letter notifying the CLEC that this agreement would be publicly filed in other jurisdictions and posted on the Qwest wholesale Web site for review by any interested parties. The CLEC was provided with an opportunity to object to that filing and posting. Qwest also followed up with telephone calls to the CLEC. The CLEC has not objected to either the public filing of the amendment or the corresponding publication of the agreement on Qwest's wholesale Web site.

Given that Qwest has completed service as you requested, I trust that you will now post the materials to the Commission's Web site to provide the public notice of the filing as described in OAR 860-016-0020. Qwest expected the posting and notice to occur on September 4, the date of filing. Qwest did not receive any indication that the Commission did not post the materials to the Commission's Web site until

Ms. Cherie Powers  
October 1, 2002  
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September 24, 2002, twenty days after the filing. Given that Qwest did not receive timely notice of the purported deficiencies in the filings, and that the CLEC has already received adequate prior notice of the filing of this agreement in other jurisdictions without voicing an objection, **Qwest requests that the Commission establish a 14-day time period for public comment, as permitted by OAR 860-016-0020(5).**

Thank you for your attention to this matter. If you have any questions, please contact me or Larry Reichman immediately.

Very truly yours,

Jay Nusbaum

JPN:kh

Cc: Lauraine Harding, McLeodUSA, Inc.  
Randy Rings, McLeodUSA, Inc.  
Todd Lundy  
Alex Duarte  
Don Mason  
Larry Reichman

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**CERTIFICATE OF SERVICE**

**ARB 302**

I hereby certify that on this day I served the foregoing **Carrier-to-Carrier Agreement Checklist, Confidential Settlement Agreement, Facility Decommissioning Agreement, Confidential Billing Settlement Agreement, Confidential Letter Agreement (Escalation), and Cover Letter**, which Qwest filed with the Public Utility Commission of Oregon on September 4, 2002, on the following persons by causing to be mailed a true copy thereof, contained in a sealed envelope, with postage prepaid, addressed to said persons at the following addresses and deposited in the post office at Portland, Oregon on this day:

**Lauraine Harding  
McLeodUSA, Inc.  
6400 C Street SW  
Cedar Rapids, IA 52406-3177**

**Randy Rings  
McLeodUSA, Inc.  
6400 C Street SW  
Cedar Rapids, IA 52406-3177**

DATED: October 1, 2002.

**PERKINS COIE LLP**

By \_\_\_\_\_  
Lawrence Reichman, OSB No. 86083  
Jay P. Nusbaum, OSB No. 96378

*Attorneys for Qwest Corporation*

Jay Nusbaum  
PHONE: 503.727.2025  
EMAIL: nusbj@perkinscoie.com

September 4, 2002

**VIA HAND DELIVERY**

Ms. Cherie Powers  
Oregon Public Utility Commission  
Suite 215  
550 Capitol Street NE  
Salem, OR 97310

**Re: Public Utility Commission of Oregon Docket ARB 302,  
Confidential Settlement Agreement, Facility Decommissioning  
Agreement, Confidential Billing Settlement Agreement,  
Confidential Letter Agreement (Escalation) between Qwest  
Corporation and McLeodUSA**

Dear Ms. Powers:

Pursuant to Section 252(e)(2) of the Telecommunications Act of 1996, Qwest Corporation ("Qwest") hereby submits three copies of the enclosed fully executed negotiated agreements, Confidential Settlement Agreement, Facility Decommissioning Agreement, Confidential Billing Settlement Agreement, Confidential Letter Agreement (Escalation) between Qwest Corporation and McLeodUSA, for filing with and approval by the Commission. Given the multi-state nature of these agreements, the originals are not available for filing. Also enclosed is a completed Carrier-to-Carrier Agreement Checklist, which includes the names of the parties, a contact person, and the type of filing. The electronic version was electronically filed on September 4, 2002.

Qwest has previously submitted hundreds of agreements with CLECs in Oregon for approval by the Commission under Section 252(e)(2). In addition to the

filed agreements, Qwest also has implemented other contractual arrangements with CLECs that it does not believe fall within the filing requirements of Section 252.

Earlier this year, questions were raised regarding Qwest's decisions in this area, most notably a complaint filed by the Minnesota Department of Commerce ("DOC") alleging, after a review of dozens of Qwest-CLEC contracts, that eleven should have been filed with the Minnesota PUC. Qwest promptly brought this matter to the Commission's attention in a letter dated March 11, 2002, including providing copies of our answer to the DOC complaint, and copies of those of the 11 identified agreements that also had applicability in Oregon. Qwest invited the Commission to review the agreements for itself. Qwest also filed a petition with the FCC requesting a declaratory ruling as to the scope of the Section 252(a) filing requirement in this area.

Qwest has at all times operated in good faith in filing with the Commission the pertinent interconnection agreements and amendments, and is committed to full compliance with the Act. As a further demonstration of our good faith, after this issue arose Qwest modified its processes and standards for all new agreements with CLECs. Qwest advised the Commission of this policy by letter on May 9, 2002. Under this policy, Qwest is broadly filing all contracts, agreements or letters of understanding between Qwest Corporation and CLECs that create obligations to meet the requirements of Section 251(b) or (c) on a going forward basis. Qwest believes that commitment goes well beyond the requirements of Section 252(a). For example, it reaches details of business-to-business carrier relations that Qwest does not think the Communications Act requires to be filed with state commissions for approval. However, we are committed to follow this standard until the FCC issues a decision on the appropriate line-drawing in this area. Qwest has not been filing routine day-to-day paperwork, orders for specific services, or settlements of past disputes that do not otherwise meet the above definition.

Older agreements provide a more complicated case. Qwest naturally has been concerned about second-guessing of its past filing decisions in an area where the standards have not been clearly defined. Nevertheless, Qwest is now taking a further step as a sign of its good faith. Specifically, Qwest has reviewed all of our currently effective agreements with CLECs in Oregon that were entered into prior to adoption of the new policy. This group includes those agreements that relate to Section 251(b) or (c) services on an on-going basis which have not been terminated or superseded by

agreement, Commission order, or otherwise. Qwest has applied its broad new review standard to all such agreements and provided them here.

Qwest is petitioning the Commission to approve the attached agreements such that, to the extent any active provisions of such agreement relate to Section 251 (b) or (c), they are formally available to other CLECs under Section 252(i). For the Commission's benefit, Qwest has marked, highlighted or bracketed those terms and provisions in the agreements which Qwest believes relate to Section 251(b) or (c) services, and have not been terminated or superseded by agreement, Commission order, or otherwise, and are thus subject to filing and approval under Section 252. We are not asking the Commission to decide whether these agreements, or specific provisions therein, in fact are required to be filed under Section 252 as a matter of law. The Commission need simply approve those provisions relating to Section 251(b) or (c) services under its Section 252(e) procedures, and Qwest will make the going forward provisions related to Section 251(b) or (c) available under Section 251(i). Thus, the Commission does not at this time need to reach a legal interpretation of Section 252(a), or decide when the 1996 Act makes a filing mandatory, and when it does not.

As noted above, Qwest has not been and is not filing routine day-to-day paperwork, settlements of past disputes, stipulations or agreements executed in connection with federal bankruptcy proceedings, or orders for specific services. Included in this last category are contract forms for services provided in approved interconnection agreements, such as signaling, call-related databases, and operator or directory services. The parties may execute a form contract memorializing the provision of such services offered and described in the interconnection agreement. Qwest can provide examples of routine paperwork, order documents, or form contracts for the Commission's review.

Qwest realizes that this voluntary decision to submit the attached agreements does not bind the Commission with respect to the question of Qwest's past compliance. However, Qwest submits that it has acted in good faith. In any event, Qwest's actions here remove any argument with respect to Qwest's compliance with Section 252 now and going forward.

Qwest requests that the Commission approve the agreements as soon as reasonably practicable. Qwest reserves its rights to demonstrate that these agreements need not have been filed in the event of an enforcement action in this area.

September 4, 2002

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Meanwhile, however, Qwest will offer other CLECs any terms in effect for the benefit of the contracting CLEC pursuant to the policies and rules related to Section 251(i). Provisions that settle past carrier-specific disputes, that do not relate to Section 251, or that are no longer in effect are not subject to Section 251(i) and this offering.

As a further sign of good faith, Qwest will also be posting these agreements on the website it uses to provide notice to CLECs and announcing the immediate availability to other CLECs in Oregon of the interconnection-related terms and conditions. This will facilitate the ability of CLECs to request terms and conditions, subject to the Commission's decision approving the agreement filed here.

Given the confidentiality provisions contained in some of the agreements filed by Qwest and the fact that the CLECs involved may deem the information contained therein confidential, Qwest has redacted those terms, such as confidential settlement amounts relating to settlement of historical disputes between Qwest and the particular CLEC, confidential billing and bank account numbers and facility locations, which relate solely to the specific CLEC and do not relate to Section 251(b) or (c) services.

Thank you for your attention to this matter.

Sincerely yours,

Jay Nusbaum

JPN:jpn  
Enclosure

Cc: Don Mason  
Alex Duarte  
Todd Lundy  
Larry Reichman





SUBJECT TO RULE OF EVIDENCE 408

[Trade Secret Data Begins

**CONFIDENTIAL BILLING SETTLEMENT AGREEMENT**

This Confidential Billing Settlement Agreement ("Agreement"), dated April 28, 2000, is between U S WEST Communications, Inc. ("U S WEST") and McLeodUSA, Inc. ("McLeodUSA") who hereby enter into this Confidential Billing Settlement Agreement with regard to the following:

**RECITALS**

1. U S WEST is an incumbent local exchange provider operating in the states of Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.
2. McLeodUSA is a competitive local exchange provider that will soon operate in all fourteen states of U S WEST's operating region.
3. Whereas both U S WEST and McLeodUSA have entered into interconnection agreements pursuant to the federal Telecommunications Act of 1996 ("Act"), under Section 251 and 252 of that Act, and those agreements have been approved by the appropriate state commissions where those agreements were filed pursuant to the Act. U S WEST and McLeodUSA operate under those agreements in certain states, as well as various state and federal tariffs.
4. McLeodUSA has intervened in the U S WEST/QWEST merger proceedings that have been or are being conducted by several states within U S WEST's 14-state region, including Arizona, Minnesota, Montana, Utah, Washington and Wyoming.
5. Disputes between the parties have arisen in a number of states under

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both the interconnection agreements and tariffs regarding a number of billing issues, including nonblocked Centrex service, subscriber list information charges, reciprocal compensation and interim pricing.

6. In an attempt to finally resolve those issues in dispute, including McLeodUSA's opposition to the merger, and avoid delay and costly litigation, the parties voluntarily enter into this Confidential Billing Settlement Agreement to resolve all disputes, claims and controversies between the parties, as of the date of this Agreement that relate to the matters addressed herein and release all claims related to those matters.

#### CONFIDENTIAL BILLING SETTLEMENT AGREEMENT

1. In consideration for McLeodUSA's withdrawal from the merger dockets, and within five (5) business days after McLeodUSA has withdrawn its opposition to the merger in all states and dismissed its pending FCC complaint regarding subscriber list information charges, U S WEST will pay McLeodUSA [REDACTED] to resolve the nonblocked Centrex service and subscriber list information billing disputes. The form of payment will consist of bill credits (if payment has not been made) or cash payments to McLeodUSA.

2. Effective upon merger closure and subject to the additional terms described below, U S WEST will pay McLeodUSA [REDACTED] to resolve miscellaneous billing disputes. The form of payment will consist of a cash payment to McLeodUSA, payable within five (5) business days following merger closure.

a. Nonblocked Centrex Service: Subject to McLeodUSA's withdrawal from the merger dockets and dismissal of its FCC complaint, McLeodUSA and U S WEST agree

that upon payment to McLeodUSA of the [REDACTED] described in paragraph 1, all disputed Centrex related charges incurred through March 31, 2000 have been fully resolved and all claims for such charges are released. Effective immediately, for Centrex service charges incurred on a going-forward basis, the parties will continue to negotiate, in good faith, a business-to-business resolution.

b. Subscriber List Information Charges: Subject to McLeodUSA's withdrawal from the merger dockets and dismissal of its FCC complaint, U S WEST and McLeodUSA agree that upon payment to McLeodUSA of the [REDACTED] described in paragraph 1, all disputed amounts incurred through March 31, 2000 have been fully resolved and all claims for such charges are released. McLeodUSA agrees to immediately dismiss its pending FCC complaint regarding subscriber list information charges. Effective immediately, on a going-forward basis, McLeodUSA will pay the \$.04 (per listing for initial load) and \$.06 (per listing for updates) rates for subscriber list information or such other final rates as may be established by any cost docket proceedings or rates the parties may negotiate, in good faith, on a business-to-business basis. Both parties reserve the right to participate fully in future rate determination proceedings.

c. Compensation for Traffic Exchange: Upon payment to McLeodUSA of the [REDACTED] described in paragraph 1, in all existing and future states, for the period of March 1, 2000 through December 31, 2002, the parties agree to immediately amend their existing interconnection agreements to change the reciprocal compensation terms from a usage-based system to a "bill and keep" arrangement for local and internet-related traffic, and to incorporate such a bill and keep arrangement into any future

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interconnection agreements in any of U S WEST's fourteen states. Subject to merger closure, both parties agree not to bill usage to one another in any existing or future state between March 1, 2000 and the date of merger closure. However, in the event that the merger between U S WEST and QWEST does not close, U S WEST will retroactively bill McLeodUSA for the true-up for reciprocal compensation for usage through February 29, 2000 at the appropriate state commission-approved rates. Both parties may bill each other retroactively for the usage not billed between March 1, 2000 and the date on which it is officially announced that the merger will not close, based on appropriate state commission-approved rates or the currently existing interconnection agreement(s). U S WEST and McLeodUSA agree to pay the undisputed portion of such retroactive usage billing at the appropriate state commission-approved rates within five (5) business days of receiving each other's invoices for the same. In addition, if the merger does not close, the parties will immediately amend their existing interconnection agreements accordingly.

d. Interim Pricing: Subject to merger closure and in consideration for the bill and keep arrangement agreed upon above, U S WEST and McLeodUSA agree that all interim rates, except reciprocal compensation rates, will be treated as final and any final commission orders entered in any of the 14 states in U S WEST's territory through April

30, 2000, and on a going-forward basis through December 31, 2002, (except as such orders may relate to reciprocal compensation rates for the period between March 1, 2000 and December 31, 2002—reciprocal compensation is addressed in paragraph 2.c. of this agreement) will be applied prospectively to McLeodUSA, and not retroactively. In addition, U S WEST agrees that this settlement term will apply throughout the terms

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of the parties' existing interconnection agreements. Thus, both Parties agree not to bill each other for any true-ups associated with final commission orders that affect interim prices and release claims for such true-ups.

e. Centrex Service Agreements: For McLeodUSA's five-year Centrex Service Agreements that expire before December 31, 2002, the Parties agree to extend the terms and pricing of those agreements until December 31, 2002.

3. For valuable consideration mentioned above, the receipt and sufficiency of which are hereby acknowledged, McLeodUSA and U S WEST do hereby release and forever discharge the other and the other's associates, owners, stockholders, predecessors, successors, agents, directors, officers, partners, employees, representatives, employees of affiliates, employees of parents, employees of subsidiaries, affiliates, parents, subsidiaries, insurance carriers, bonding companies and attorneys, from any and all manner of action or actions, causes or causes of action, in law, under statute, or in equity, suits, appeals, petitions, debts, liens, contracts, agreements, promises, liability, claims, affirmative defenses, offsets, demands, damages, losses, costs, claims for restitution, and expenses, of any nature whatsoever, fixed or contingent, known or unknown, past and present asserted or that could have been asserted or could be asserted in any way relating to or arising out of the billing disputes/matters addressed herein.

4. The terms and conditions contained in this Confidential Billing Settlement Agreement shall inure to the benefit of, and be binding upon, the respective successors, affiliates and assigns of the Parties.

5. McLeodUSA hereby covenants and warrants that it has not assigned or

transferred to any person any claim, or portion of any claim which is released or discharged by this Confidential Billing Settlement Agreement.

6. The Parties expressly agree that they will keep the substance of the negotiations and or conditions of the settlement and the terms or substance of this Confidential Billing Settlement Agreement strictly confidential. The parties further agree that they will not communicate (orally or in writing) or in any way disclose the substance of negotiations and/or conditions of the settlement and the terms or substance of this agreement to any person, judicial or administrative agency or body, business, entity or association or anyone else for any reason whatsoever, without the prior express written consent of the other party unless compelled to do so by law. It is expressly agreed that this confidentiality provision is an essential element of this Confidential Billing Settlement Agreement. The parties agree that this Confidential Billing Settlement Agreement and negotiations, and all matters related to these two matters, shall be subject to the Rule 408 of the Rules of Evidence, at the federal and state level.

7. In the event either Party has a legal obligation which requires disclosure of the terms and conditions of this Confidential Billing Settlement Agreement, the Party having the obligation shall immediately notify the other Party in writing of the nature, scope and source of such obligation so as to enable the other Party, at its option, to take such action as may be legally permissible so as to protect the confidentiality provided for in this agreement.

8. This Confidential Billing Settlement Agreement constitutes the entire agreement between the Parties and can only be changed in a writing or writings executed by both of the Parties. Each of the Parties forever waives all right to assert

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that this Confidential Billing Settlement Agreement was a result of a mistake in law or in fact.

9. This Confidential Billing Settlement Agreement shall be interpreted and construed in accordance with the laws of the State of Colorado, and shall not be interpreted in favor or against any Party to this agreement.

10. The Parties have entered into this Confidential Billing Settlement Agreement after conferring with legal counsel.

11. If any provision of this Confidential Billing Settlement Agreement should be declared to be unenforceable by any administrative agency or court of law, the remainder of the Confidential Billing Settlement Agreement shall remain in full force and effect, and shall be binding upon the Parties hereto as if the invalidated provision were not part of this Confidential Billing Settlement Agreement.

12. Any claim, controversy or dispute between the Parties in connection with this Confidential Billing Settlement Agreement shall be resolved by private and confidential arbitration conducted by a single arbitrator engaged in the practice of law, under the then current rules of the American Bar Association. The Federal Arbitration Act, 9 U.S.C. §§ 1-16, not state law, shall govern the arbitrability of all disputes. The arbitrator shall only have the authority to determine breach of this agreement, but shall not have the authority to award punitive damages. The arbitrator's decision shall be final and binding and may be entered in any court having jurisdiction thereof. Each party shall bear its own costs and attorneys' fees and shall share equally in the fees and expenses of the arbitrator.

13. The Parties acknowledge and agree that they have a legitimate billing

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dispute about the issues described in this Confidential Billing Settlement Agreement and that the resolution reached in this agreement represents a compromise of the Parties' positions. Therefore, the Parties agree that resolution of the issues contained in this agreement cannot be used against the other Party.

14. This Confidential Billing Settlement Agreement may be executed in counterparts and by facsimile.

IN WITNESS THEREOF, the Parties have caused this Confidential Billing Settlement Agreement to be executed as of this day, 28<sup>TH</sup> of April 2000.

McLeodUSA, Inc.

By:



Title:

PRESIDENT

Date:

4/28/2000

U S WEST Communications, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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14. This Confidential Billing Settlement Agreement may be executed in counterparts and by facsimile.

IN WITNESS THEREOF, the Parties have caused this Confidential Billing Settlement Agreement to be executed as of this day, 28<sup>th</sup> of April 2000.

McLeodUSA, Inc.

By: [Signature]

Title: PRESIDENT

Date: 4/28/2000

U S WEST Communications, Inc.

By: [Signature]

Title: President - Wholesale Mkts

Date: 4/28/00

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