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Everett, WA 98201

July 8, 2009

Washington Utilities and
Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive SW
P. O. Box 47250
Olympia, Washington 98504-7250

**Subject: AFFILIATED INTEREST AGREEMENT – ADVICE NO. 403
Ref. Docket UT-051247**

To whom it may concern:

Enclosed for the Commission's file is a verified copy of the 40th Amendment to a Telecommunications Services Agreement between MCI Communications Services, Inc. d/b/a Verizon Business Services and Verizon Services Organization Inc. The footer notwithstanding, the companies are not seeking confidential treatment of this document.

Please call me at 425-261-6380 if there are questions related to this filing.

Very truly yours,

Linda Fogg
External Affairs Manager
Public Affairs, Policy & Communications

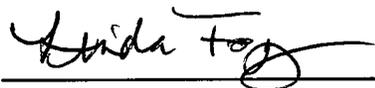
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Enclosure

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VERIFICATION OF AFFILIATED INTEREST AGREEMENT

I verify that the enclosed are true copies of the 40th Amendment to a Telecommunications Services Agreement between MCI Communications Services, Inc. d/b/a Verizon Business Services and Verizon Services Organization Inc.



Date: 7/8/09

Linda Fogg
External Affairs Manager
Verizon Northwest Inc.

AMENDMENT 40
TO THE
TELECOMMUNICATIONS SERVICES AGREEMENT
BETWEEN
VERIZON SERVICES ORGANIZATION INC.
AND
MCI COMMUNICATIONS SERVICES, INC.

This Amendment 40 to the Telecommunications Services Agreement (Contract No. TSA010302-1) ("Agreement"), by and between MCI Communications Services, Inc. d/b/a Verizon Business Services, a Delaware corporation, with offices at 6929 N. Lakewood Avenue, Tulsa, Oklahoma 74117 ("Provider"), and Verizon Services Organization Inc., a Delaware corporation, with offices at 6665 N. MacArthur Boulevard, Irving, Texas 75039 ("Customer") shall be effective on the date set forth below.

1. EFFECTIVE DATE

This Amendment 40 shall be effective on the first (1st) day of the second (2nd) full billing cycle following execution of this Amendment 40 by both parties (the "Effective Date"). Notwithstanding anything to the contrary contained in this Agreement, the term of this Agreement and the other terms and conditions hereof, are subject to applicable law and regulatory approval. Accordingly, although this Amendment is executed by both Parties, to the extent that any state statute, order, rule or regulation or any regulatory agency having competent jurisdiction over one or both parties to this Agreement, shall require that this Amendment or any subsequent amendment be filed with or approved by such regulatory agency before the amendment may be effective, the Amendment shall not be effective in such state until the first business day after such approval or filing shall have occurred.

2. REGULATORY APPROVAL

This Agreement is subject at all times to any statute, order, rule, or regulation or any state or regulatory agency having competent jurisdiction over one or both of the parties hereto or the services provide hereby. Verizon and Customer agree to cooperate with each other and with any applicable regulatory agency so that any and all necessary approvals may be obtained. During the term of this Agreement, the parties agree to continue to cooperate with each other in any review of this Agreement including subsequent amendments by a regulatory agency so that the benefits of this Agreement or such amendment may be achieved. If any such agency accepts this Agreement or any amendment in part and rejects it in part, or makes a material modification to the Agreement or amendment as a condition of its approval, either party may terminate the Agreement or Amendment in its entirety without penalty or liability.

3. AGREEMENT MODIFICATION

3.1 As of the Effective Date, ADD a new Section 53, IP Trunking, to Exhibit C as set forth in Attachment 1.

4. OTHER TERMS AND CONDITIONS

Except as specifically amended herein, the terms and conditions of the Agreement, including any other Amendments thereto, shall remain in full force and effect during the term of the Agreement.

IN WITNESS WHEREOF the parties have entered into this Amendment 40 as of the date set forth above.

MCI COMMUNICATIONS SERVICES, INC.

VERIZON SERVICES ORGANIZATION INC.

Melissa Heffley
Signature

Dan Yong
Signature

Melissa Heffley
Print Name

Dan Yong
Print Name

Mgr. Wholesale Contract Mgmt
Title

Sr Cst - Sourcing
Title

6/25/09
Date

6/18/09
Date

53. IP TRUNKING

53.1 Rates and Charges. Current rates and charges for VoIP IP Trunking Service are described below. VoIP IP Trunking Service is available via the A LA CARTE pricing model with Tiered and metered pricing options. Rates and charges for International calls, certain Local features, directory assistance, and related items are set forth in the Guide.

53.1.1 Tiered Pricing – Simultaneous Calling Capacity Charge. Customer will pay the following MRC per simultaneous calling unit multiplied by the number of simultaneous call units Customer selects. A minimum of one unit must be purchased for each VoIP IP Trunking location. Each such simultaneous calling unit includes unlimited intra-enterprise VoIP (VoIP origination and termination) calling, unlimited local calling, and an allotment of inter-enterprise VoIP (termination is non-VoIP) long distance ("LD") minutes as set forth below. Overage charges will apply as outlined below for minutes in excess of established limits. Minutes cannot be shared between locations (multiple buildings on a campus with a single VoIP connection comprise a single location) nor can they be rolled over from month to month. Calls to international locations can also be made but are billed at metered rates as defined in the Guide.

Service Type	MRC Per Simultaneous Call	Intra-enterprise VoIP mins included	Local Calls included	Inter-enterprise VoIP LD Mins included	BEST	Domestic Long Distance
250 Local and LD	\$28	Unlimited	Unlimited	250	N/A	\$0.025/min
250 Local and LD with BEST	\$38	Unlimited	Unlimited	250	Included	\$0.025/min
750 Local and LD	\$38	Unlimited	Unlimited	750	N/A	\$0.025/min
750 Local and LD with BEST	\$48	Unlimited	Unlimited	750	Included	\$0.025/min
250 LD only	\$12	Unlimited	n/a	250	N/A	\$0.025/min
250 LD only with BEST	\$22	Unlimited	n/a	250	Included	\$0.025/min
750 LD only	\$22	Unlimited	n/a	750	N/A	\$0.025/min
750 LD only with BEST	\$32	Unlimited	n/a	750	Included	\$0.025/min

58.1.2 Metered Pricing – Simultaneous Calling Capacity Charge. Customer will pay the following MRC per simultaneous calling unit multiplied by the number of simultaneous call units Customer selects. A minimum of one (1) unit must be purchased for each VoIP IP Trunking hub and remote location. Each such simultaneous calling unit includes unlimited intra-enterprise VoIP calling (VoIP origination and termination) and unlimited local calling, while all outbound long distance ("LD") inter-enterprise calls (termination is non-VoIP) will be billed a per-minute charge, as set forth below. Calls to international locations can also be made but are billed at metered rates as defined in the Guide.

Service Type	MRC Per Simultaneous Call	Intra-enterprise VoIP mins included	Local Calls included	Inter-enterprise VoIP LD Mins included	BEST	Domestic Long Distance
Local and LD	\$25	Unlimited	Unlimited	0	n/a	\$0.023/min
Local and LD with BEST	\$35	Unlimited	Unlimited	0	Included	\$0.023/min
LD only	\$7	Unlimited	n/a	0	n/a	\$0.023/min
LD only with BEST	\$17	Unlimited	n/a	0	Included	\$0.023/min

53.1.3 **Burstable Enterprise Shared Trunks (BEST).** To the extent Burstable Enterprise Shared Trunks are available to Customer, the following terms and conditions apply:

53.1.3.1 When all VoIP traffic is aggregated at Customer's hub location, Customer will only be able to make as many simultaneous calls across its enterprise as is supported via the data access at such hub location.

53.1.3.2 Customer is solely responsible for purchasing sufficient simultaneous calls across its enterprise to support traffic for its hub and remote locations. Customer acknowledges and understands that purchasing, say, 800 simultaneous calls across its enterprise to serve, say, 800 sites, may diminish the end-user experience, resulting in such occurrences as busy lines.

53.1.3.3 BEST is only available at locations that use metered or tiered pricing models. If Customer purchases VoIP Service that includes the availability of BEST, all locations receiving VoIP Service within Customer's enterprise must be metered or tiered. That is, only metered or tiered locations within Customer's enterprise will be able to burst using available simultaneous call capacity from other Customer sites that use a metered or tiered pricing model.

53.1.3.4 If some of Customer's locations receive Local and LD VoIP Service and others are LD-only, the two types of locations will be treated as different enterprises, and simultaneous calling capacity will not be able to be shared between them. Also, intra-enterprise calls between the Local/LD and LD-only locations may be seen, in effect, as inter-enterprise.

53.1.3.5 BEST includes a sharing of simultaneous call capacity, not minutes. If Customer uses BEST to share simultaneous call capacity between sites billed on tiered pricing models, the included number of LD minutes per concurrent call will not be shared between sites. For example, if Customer purchases two 250-minute simultaneous call capacity tiers at location A and three 250-minute simultaneous call capacity tiers at location B, location A is entitled to a total of 500 LD minutes in a month before the overage rate applies, and location B is entitled to a total of 750 LD minutes in a month before the overage rate applies; location A is not entitled to share Location B's 750 minutes even if the two locations are using BEST.

53.1.3.6 BEST is only available to U.S. sites and only the simultaneous call units at U.S. sites contribute to the total available concurrent call capacity. BEST is implemented at the enterprise level; if Customer desires to obtain BEST, it will apply to all Customer sites obtaining VoIP service.

53.1.3.7 The maximum bursting capacity of each VoIP IP Trunking location is based on two factors – the maximum number of calls that can be supported within the location's data bandwidth and the total number of simultaneous calling units purchased by Customer across its enterprise – and is subject in any case to a maximum of fifty (50) simultaneous calls in addition to what is provisioned at any single location. Two examples are provided:

53.1.3.7.1 If Customer's Location A buys 20 simultaneous calling units on a T1 and Customer's Location B buys 40 simultaneous calls on a DS3, assuming availability, Location A could burst through its allocation of 20 simultaneous calling units up to a maximum of 41 simultaneous calling units because that's the maximum simultaneous calls supportable on a T1.

53.1.3.7.2 If Customer's Location C buys 60 simultaneous calling units on a DS3 and Customer's Location D also buys 60 simultaneous calling units on a DS3, assuming availability, Location C could burst through its allocation of 60 simultaneous calling units up to a maximum of 110 simultaneous calling units because any single location is limited to bursting to an additional 50 simultaneous calling units.

53.1.3.8 Customer must inform Verizon of its data bandwidth at each location so that Verizon can properly configure the maximum simultaneous call setting based on Customer's bandwidth. Verizon will perform a periodic review of Customer's actual simultaneous call bursting and reserves the right to reallocate simultaneous calling capacity among Customer locations to better reflect actual use.

53.1.3.9 If Customer changes its data bandwidth and desires more simultaneous calls to be supported at a particular location, it must process a change order with Verizon to increase the number of available simultaneous calling units.

53.1.3.10 Every remote site must receive an allocation of at least one simultaneous call on a metered or tiered basis to be able to participate in BEST.

53.1.3.11 Verizon Technical Support will be able to identify call failures or blockage if Customer exceeds its aggregate (enterprise-level) simultaneous calling capacity. Customer is responsible for monitoring location-level traffic requirements to identify sites which require additional simultaneous call capacity to meet traffic requirements.

53.1.4 Change in Simultaneous Call Count. Customer must maintain its provisioned simultaneous call count for at least a 30-day period before requesting a decrease in simultaneous call count.

53.1.5 Equipment and Access

53.1.5.1 In addition to the fees set forth above, Customer will pay the applicable fees (not included here) for the gateway, access or transport service (e.g., port and permanent virtual circuit charges), CPE, or any other services or equipment not explicitly described as part of the A LA CARTE pricing. Such fees will be described in the separate contract for the attendant service and/or CPE.

53.1.5.2 A LA CARTE pricing does not include Verizon Internet Dedicated, Ethernet, or Private IP Service which must be purchased separately by Customer as transport for use with IP Trunking VoIP Service.

53.1.6 **Service Establishment Fee.** Customer will pay a non-recurring Service establishment fee as set forth below.

<u>For LD and Local Customers:</u> Number of DIDs	<u>For LD-only Customers:</u> Number of Simultaneous Calls	Service Establishment Fee (per location)
0 – 24		\$100
25 – 75		\$250
76-300		\$500
301 – 1,000		\$750
1,001 – 5,000		\$1,000
5,001 – 12,500		\$2,500
12,501 – 20,000		\$4,000
>20,001		Individual Case Basis

53.1.7 **Optional Network Features.** Customer will pay for the optional network features at the following rates, which are fixed for the Term:

Optional Network Features(s)	MRC
Auto Attendant	\$30/instance*
Voicemail	\$5/configured user
Hybrid Intermediate Package – provides the following telephony features: Call Forwarding; Remote Office; Find Me / Follow Me; Call Blast (an incoming call rings a number of devices simultaneously; also known as “simultaneous ring”).	\$5.50/configured DID user
* "Instance" means each menu of options that a caller may choose to access. Each separate listing of touch tone options presented to a caller is considered a separate menu.	

53.1.8 **Discounts.** Term discounts shown in the table below are applicable only to the following IP Trunking charges: Simultaneous Calling Capacity Charges (MRC and Domestic Long Distance rates); Optional Network Features; and DID blocks.

<u>Term</u>	<u>Discount</u>
1 year	0%
2 years	5%
3 years	10%