

Attachment 1 - Staff Analysis of Qwest's "Washington Impact Response 3" August 7, 2007

*Performance Period 7/06-6/07 unless otherwise noted

**Comparison to total payment percentages not additive – Revision impacts overlap

<i>Revision*</i>	ACTUAL TIER 1 PAYMENT*	ACTUAL TIER 2 PAYMENT*	REVISED TIER 1 PAYMENT*	REVISED TIER 2 PAYMENT*	TIER 1 CHANGE	TIER 2 CHANGE	**COMPARISON TO TOTAL TIER 1 PAYMENT* \$156,680	**COMPARISON TO TOTAL TIER 2 PAYMENT* \$173,374
Remove resale DSL per FCC	\$6,113	\$2,100	0	0	-\$6,113	-\$2,100	-4%	-1%
Change DSL parity	\$2,503		Unknown		Unknown	Not applicable		Not applicable
Reinstatement/removal					-\$1,344	No change	-1%	No change
Exclude TOK & NKF	\$6,203	0	Reduces	Reduces	Unknown	Unknown		
BI-3A	\$25,000	Not applicable	\$30,000	Not applicable	+\$5,000	Not applicable	3%	Not applicable
One allowable miss					-\$29,631	\$-4,200	-19%	-2%
Minimum Payments – based on Dec. 2006	\$88,895	Not applicable	\$53,000	Not applicable	-\$35,895	Not applicable	-23%	Not applicable
Remove Low Volume products					-\$5,176	-\$4,200	-3%	-2%
Three month trigger	Not applicable	\$145,500	Not applicable	\$48,700	Not applicable	-\$96,800	Not applicable	-56%
Remove escalation cap					No change	No change	No change	No change