# Internet Service Provider ("ISP") Bound Traffic Amendment to the Interconnection Agreement between Qwest Corporation and Level 3 Communications, LLC for the State of Washington

This is an Amendment ("Amendment") to the Interconnection Agreement between Qwest Corporation ("Qwest"), formerly known as US WEST Communications, Inc., a Colorado corporation, and Level 3 Communications, LLC ("Level 3"). Level 3 and Qwest shall be known jointly as the "Parties".

## **RECITALS**

WHEREAS, Level 3 and Qwest entered into an Interconnection Agreement ("Agreement") which was approved by the Washington Utilities and Transportation Commission ("Commission") on April 25, 2001; and

WHEREAS, the FCC issued an Order on Remand and Report and Order in CC Docket 99-68 (Intercarrier Compensation for ISP-Bound Traffic); and

WHEREAS, the Parties wish to amend the Agreement to reflect the aforementioned Order under the terms and conditions contained herein; and

WHEREAS, the Parties wish to amend the Agreement to add a Change of Law provision.

# **AGREEMENT**

NOW THEREFORE, in consideration of the mutual terms, covenants and conditions contained in this Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the language as follows in lieu of existing contract language:

#### 1. Definitions

For purposes of this Amendment the following definitions apply:

1.1 "Bill and Keep" is as defined in the FCC's Order on Remand and Report and Order in CC Docket 99-68 (Intercarrier Compensation for ISP-Bound Traffic).

## 2. Exchange Service (EAS/Local) Traffic

The Parties agree to exchange all EAS/Local (§251(b)(5)) and ISP-bound traffic (as that term is used in the FCC ISP Order) at the FCC ordered rate, pursuant to the FCC ISP Order. The FCC ordered rate for ISP-bound traffic will apply to EAS/Local and ISP-bound traffic in lieu of End Office call termination and Tandem Switched Transport. See Section 3 below for FCC-ordered rates.

# 3. ISP-Bound Traffic

3.1 The Parties shall exchange ISP-bound traffic pursuant to the compensation mechanism set forth in the FCC ISP Order.

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- 3.2 For States where the Parties were exchanging traffic pursuant to interconnection agreements prior to April 18, 2001, compensation for traffic exchanged under this Amendment shall be as set forth in the following paragraphs.
  - 3.2.1 Identification of ISP-Bound traffic -- Qwest will presume traffic delivered to Level 3 that exceeds a 3:1 ratio of terminating (Qwest to Level 3) to originating (Level 3 to Qwest) traffic is ISP-bound traffic. Either Party may rebut this presumption by demonstrating to the state Commission that the traffic above this ratio is in fact EAS/Local (§251(b)(5)) Traffic delivered to non-ISP customers, which is subject instead to the compensation mechanisms set forth in Section 2 above. The same identification procedures and presumption shall apply for Level 3 traffic delivered to Qwest in terminating traffic as well.
  - 3.2.2 Growth Ceilings for ISP-Bound Traffic -- Intercarrier compensation for ISP-bound traffic originated by one Party and terminated by the other Party will be subject to a growth ceiling, as defined below. The originating carrier shall not be required to pay intercarrier compensation to the terminating carrier for ISP-bound MOUs exceeding this growth ceiling.
    - 3.2.2.1 For 2001, each Party will pay the other Party compensation for ISP-bound minutes up to the growth ceiling. The growth ceiling is equal to, on an annualized basis, the number of ISP-bound minutes for which the terminating Party was entitled to compensation, pursuant to the Agreement, from the originating Party during first calendar quarter 2001, plus a ten percent (10%) growth factor.
    - 3.2.2.2 For 2002, Level 3 may receive compensation, pursuant to the Agreement, for ISP bound minutes up to a ceiling equal to the minutes for which it was entitled to compensation under the Agreement in 2001, plus another ten percent (10%) growth factor.
  - 3.2.2.3 In 2003, Level 3 may receive compensation, pursuant to the Agreement, for ISP bound minutes up to a ceiling equal to the 2002 ceiling applicable to the Agreement.
  - 3.2.3 Rate Caps Intercarrier compensation for ISP-bound traffic exchanged between Qwest and Level 3 will be billed as follows:
    - 3.2.3.1 \$.0015 per MOU for six (6) months from June 14, 2001 through December 13, 2001.
    - 3.2.3.2 \$.001 per MOU for eighteen (18) months from December 14, 2001 through June 13, 2003.
    - 3.2.3.3 \$.0007 per MOU from June 14, 2003 until thirty six (36) months after the effective date of the FCC ISP Order or until further FCC action on intercarrier compensation, whichever is later.
  - 3.2.4 The above rate schedule is taken from the FCC ISP Order. Each rate listed above is lower than State-approved rates for reciprocal compensation of EAS/Local (§251(b)(5)) traffic in the current Agreement as of the date of execution. Should State-

approved EAS/Local (§251(b)(5)) traffic rates drop below the above rates during the term of this Amendment, such rates will apply to ISP-bound traffic as well going forward from the effective date of the new reciprocal compensation rates for EAS/Local (§251(b)(5)) traffic.

3.2.4.1 To the extent the Commission has ordered Qwest to exchange ISP-bound traffic at rates below the rate caps contained in Section 3.2.3 or on a Bill and Keep basis, the rate caps shall have no effect.

3.2.5 For States where the Parties were not exchanging traffic pursuant to interconnection agreements prior to April 18, 2001, Sections 3.2, and 3.2.2 through 3.2.3.3 shall not apply. Instead, all ISP-bound traffic shall be exchanged without intercarrier compensation being payable by the originating Party to the terminating Party in connection with the terminating minutes of use. This provision includes Level 3's expansion into a State in which it had not exchanged traffic with Qwest under an interconnection agreement prior to April 18, 2001.

# 4. Effective Date

This Amendment shall be deemed effective upon approval by the Commission; however, Qwest will adopt the rate-affecting provisions for both ISP bound traffic and (§251(b)(5)) of the Order as of June 14, 2001, the effective date of the Order.

# 5. Change of Law

The provisions in the Agreement and this Amendment are based, in large part, on the existing state of the law, rules, regulations and interpretations thereof, as of the date hereof (the Existing Rules). To the extent that the Existing Rules are changed, vacated, dismissed, stayed or modified, then the Agreement and all Amendments and all contracts adopting all or part of the Agreement shall be amended to reflect such modification or change of the Existing Rules. Where the Parties fail to agree upon such an amendment within sixty (60) days from the effective date of the modification or change of the Existing Rules, it shall be resolved in accordance with the Dispute Resolution provision of the Agreement. It is expressly understood that the Agreement and all Amendments will be corrected to reflect the outcome of generic proceedings by the Commission for pricing, service standards, or other matters covered by the Agreement and its Amendments. This Section shall be considered part of the rates, terms and conditions of each Interconnection, service and network element arrangement contained in the Agreement and its Amendments, and this Section shall be considered legitimately related to the purchase of each Interconnection, service and network element arrangement contained in the Agreement and its Amendments.

#### 6. Amendments; Waivers

The provisions of this Amendment, including the provisions of this sentence, may not be interpreted, amended, modified or supplemented, and waivers or consents to departures from the provisions of this Amendment may not be given without the written consent thereto by both Parties' authorized representative. No waiver by any party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

## 7. Entire Agreement

This Amendment (including the documents referred to herein) constitutes the full and entire understanding and agreement between the Parties with regard to the subjects of this Amendment and supersedes any prior understandings, agreements, amendments or representations by or between the Parties, written or oral, to the extent they relate in any way to the subjects of this Amendment.

The Parties intending to be legally bound have executed this Amendment as of the dates set forth below, in multiple counterparts, each of which is deemed an original, but all of which shall constitute one and the same instrument.

Level 3 Communications, LLC	Qwest Corporation
Signature	Signature
Name Printed/Typed	L. T. Christensen  Name Printed/Typed
Title	<u>Director – Business Policy</u> Title
Date	Date