Amendment Clarifying the Relative Use Factor and Other Terms Applicable to Facility Billing under The Interconnection Agreement between Qwest Corporation and XO Communications Services, Inc. for the State of Washington

This is an Amendment to the Interconnection Agreement between Qwest Corporation ("Qwest"), a Colorado corporation, and XO Communications Services, Inc. ("CLEC"), a Delaware corporation. CLEC and Qwest shall individually be known as a "Party," and jointly as the ("Parties").

RECITALS

WHEREAS, CLEC and Qwest entered into an Interconnection Agreement ("Agreement") for service in the state of Washington that was allowed to go into effect by the Washington Utilities and Transportation Commission ("Commission") on April 30, 1997, as referenced in Docket No. UT-960356; and

WHEREAS, the Parties in the Settlement Agreement clarified their respective understandings as to the application of terms within the Interconnection Agreement regarding the relative use factor and other terms applicable to facility billing going forward; and

WHEREAS, CLEC and Qwest have disputed terms and conditions regarding the payment to CLEC by Qwest for Direct Trunk Transport ("DTT") and Entrance Facility ("EF") provided by CLEC to Qwest under the Agreement and agree on the need to codify the terms under which CLEC will bill Qwest for DTT and EF; and

WHEREAS, the Parties wish to amend the Agreement further under the terms and conditions contained herein.

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 as follows:

Amendment Terms

The Interconnection Agreement is hereby amended for the provision of DTT and EF interconnection facilities pursuant to the terms and conditions set forth in Attachment 1 and Exhibits 1 and H, attached hereto and incorporated herein by this reference.

The Agreement is also hereby amended by adding interim terms, conditions and rates for the provision of DTT and EF interconnection facilities by CLEC to Qwest as defined and set forth in Attachment 2 and Exhibit 2, to this Amendment, attached hereto and incorporated herein by this reference.

The Sections identified in Attachment 1, Attachment 2 and Exhibits 1, 2 and H, have been modified, replaced entirely or are new additions to the Agreement.

Effective Date

This Amendment shall be deemed effective upon approval by the Commission; however, the Parties agree to implement the provisions of this Amendment upon execution.

Termination Date

This Amendment will remain in full force and effect until the earlier of: execution by the Parties of an interconnection agreement superseding the Agreement (the "Successor Agreement") or December 6, 2009 ("Termination Date"). If the Agreement expires sooner than the Termination Date, the Parties agree that the Amendment shall not extend or otherwise alter the term and termination rights of the Agreement, but instead, the terms of the Amendment will be incorporated into the terms of the Successor Agreement through the Termination Date.

Further Amendments

Except as modified herein, the provisions of the Agreement shall remain in full force and effect. The provisions of this Amendment, including the provisions of this sentence, may not be 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.

Entire Agreement

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

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.

XO Communications Services, Inc.	Qwest Corporation
Signature	Signature
Name Printed/ Typed SVP-External Affairs	L. T. Christensen Name Printed/Typed
Title	<u>Director – Interconnection Agreements</u> Title
12/04/07 Date	12/7/07 Date

ATTACHMENT 1

Provision and Billing of Interconnection Facilities

- 1. The Parties have established LIS two-way trunks, for reciprocal exchange of traffic, as further identified in the Agreement. The Parties shall bill each other for LIS trunks as set forth herein and in Attachment 2 as applicable. LIS trunks shall include facilities constructed by CLEC or facilities leased by CLEC from third party providers, including without limitation private line facilities leased by CLEC or by a third party from Qwest. The LIS two-way Entrance Facility (EF) and Direct Trunked Transport ("DTT") rate element charges shall be reduced as follows:
 - a. The provider of the LIS two-way Entrance Facility (EF) will share the cost of the LIS two-way EF by assuming a relative use factor (RUF) as depicted in Exhibit 1. The charge to the other Party for the use of the EF, as described in Exhibit A of the Agreement, shall be reduced by this relative use factor. Payments by the other Party will be according to this relative use factor for a minimum of one (1) guarter. The relative use factor will continue for both bill reduction and payments until the Parties agree to a new factor, based upon actual minutes of use data to substantiate a change in that factor. If a Party's End User Customers are assigned NPA-NXXs associated with a rate center different from the rate center where the End User Customers are physically located, traffic that does not originate and terminate within the same Local Calling Area, regardless of the called and calling NPA-NXXs involving those End User Customers, is referred to as "VNXX traffic." The Commission has not yet determined the regulatory treatment of VNXX traffic, and each Party reserves its rights to advocate its position on, or otherwise pursue its interests with respect to, that issue before the Commission, the FCC, and the courts. Once the Commission has issued a final order making its determination, the Parties will amend this Amendment to reflect that determination. If either Party demonstrates with traffic data that actual minutes of use during the previous quarter justifies a new relative use factor, that Party will send a notice to the other Party. The new factor will be calculated based upon Exhibit H. Once the Parties finalize a new factor, bill reductions and payments will apply going forward from the date the original notice was sent.
 - b. The provider of the LIS two-way DTT facility will share the cost of the LIS two-way DTT facility by assuming a relative use factor as depicted in Exhibit 1. The charge to the other Party for the use of the DTT facility, as described in Exhibit A of the Agreement, shall be reduced by this relative use factor. Payments by the other Party will be according to this relative use factor for a minimum of one (1) quarter. The relative use factor will continue for both bill reduction and payments until the Parties agree to a new factor, based upon actual minutes of use data to substantiate a change in that factor. If a Party's End User Customers are assigned NPA-NXXs associated with a rate center other than the rate center where the End User Customers are physically located, traffic that does not originate and terminate within the same Local Calling Area, regardless of the called and calling NPA-NXXs involving those End User Customers, is referred to as "VNXX traffic." The Commission has not yet determined the regulatory treatment of VNXX traffic, and each Party reserves its rights to advocate its position on, or otherwise pursue its interests

with respect to, that issue before the Commission, the FCC, and the courts. Once the Commission has issued a final order making its determination, the Parties will amend this Amendment to reflect that determination. If either Party demonstrates with traffic data that actual minutes of use during the previous quarter justifies a new relative use factor, that Party will send a notice to the other Party. The new factor will be calculated based upon Exhibit H. Once the Parties finalize a new factor, bill reductions and payments will apply going forward from the date the original notice was sent.

ATTACHMENT 2

CLEC Provision and Billing of Interconnection Facilities to Qwest

- 1. The Parties have established LIS two-way trunks, for reciprocal exchange of traffic, as further identified in the Agreement. CLEC will bill Qwest LIS two-way Entrance Facility ("EF") and Direct Trunked Transport ("DTT") rate element charges as set forth in Exhibit A of the Agreement, reduced by the relative use factor ("RUF") as described in the RUF Amendment, Attachment 1 and Exhibit 1.
- 2. For DTT and EF provided by CLEC to Qwest under the Agreement during the time period set forth in subsection 3 below, CLEC will bill Qwest for use of the DTT and EF at quantities according to the chart and process attached at Exhibit 2 to this Attachment 2, at the rates for the elements as listed in Exhibit A to the Agreement (reduced by the RUF as depicted in Exhibit 1). All other terms and conditions of the Agreement, including but not limited to those with respect to billing, dispute and payment for invoices sent to Qwest by CLEC shall continue to apply.
- 3. The following methodology will apply on a going forward basis, for a period of 2 years and can be extended at the end of the 2 year term, subject to the concurrence of both Parties, under the month to month provisions of the Agreement.

Billing Methodology:

- a. To account for network diversity, for compensation purposes only CLEC and Qwest agree that between each CLEC switch location and each associated POI (the "Route Path"), trunk groups will traverse a minimum of two (2) DS3s. Above the two (2) DS3 minimum per Route Path, additional DS3s per Route Path will be added one DS3 at a time.
- b. The Parties agree on a threshold number of DS1s that represent the point at which it would be essentially the same financially to purchase two (2) DS3 facilities per Route Path as individual DS1 circuits on that Route Path (the "Initial Threshold"). For the Initial Threshold, the following rates and charges apply: If the number of DS1s in service on an individual Route Path do not meet the Initial Threshold, the DS1 rate will apply to each and every DS1 circuit in service on that Route Path. Once the Initial Threshold on an Individual Route Path is met, DS1s ordered or in service at or below the Initial Threshold on that Route Path will be billed at the standard DS1 rate as set forth on Exhibit A of the Agreement and DS1s ordered or in service above the Initial Threshold but below the capacity of the two (2) DS3s on that Route Path will not be billable. In other words, for DS1s in service that exceed the Initial Threshold up to a maximum capacity of two DS3s, the rate for those DS1s will be \$0, provided, however, the standard DS1 rate will continue to apply to those number of DS1s in service below the Initial Threshold.
- c. If the number of DS1 interconnection trunks per Route Path exceed the capacity of two DS3s ("Initial DS3s") such that additional DS3s ("Incremental DS3s") would be required, the Parties agree to set a "Subsequent Threshold".

The "Subsequent Threshold" is defined as the point at which the number of DS1s in service above the capacity of the Initial DS3s on a Route Path make it financially the same as purchasing one (1) Incremental DS3. After the quantity of DS1s would exceed the capacity of the Initial DS3s on a Route Path, for any Incremental DS3s after that on the Route Path, each DS1 will be billed at the DS1 rate set forth in Exhibit A of the Agreement until the number of DS1s on an Incremental DS3 exceeds the Subsequent Threshold on the Route Path. Each and every DS1 above the Subsequent Threshold on an Incremental DS3 on the Route Path will be billed at a rate of zero (\$0) until the capacity of the Incremental DS3 is completely full or utilized, provided, however, the standard DS1 rate will continue to apply to those number of DS1s in service on the Incremental DS3 below the Subsequent Threshold. The same methodology and Subsequent Threshold shall apply to any and all subsequent DS3s capacity thresholds on an individual Route Path.

d. The Parties agree that the Initial Thresholds for two (2) DS3s is 15 DS1s, the first 15 DS1s ordered on a Route Path will be billed at the DS1 rate set forth in Exhibit A of the Agreement. The 16st through the 56th DS1s will be billed at a zero (0) rate. The Parties agree that the Subsequent Threshold for Incremental DS3s is 10. Accordingly, when the 57th DS1 on a Route Path is ordered, an Incremental DS3 will have been established, and the 57th through the 66th DS1s will be billed at the DS1 rate set forth in Exhibit A of the Agreement. The 67th through the 84th DS1s on a Route Path will be at a zero (0) rate and so on. The Parties agree to meet on a semi-annual basis to review inventories and to adjust thresholds and billing for going forward purposes.

EXHIBIT 1

Qwest and CLEC Traffic Specific RUFs

Qwest and CLEC agree that the RUF percentages specifically identified below reflect the actual traffic exchanged between the Parties over LIS trunks. The specific traffic characteristics of this exchange of traffic are unique to the traffic patterns between each other and the factors set forth below are not applicable, nor valid with any other party.

State	TQW RUF	QC (TQW) RUF	AFY RUF	QC (AFY) RUF
WA	39%	61%	44%	56%

EXHIBIT 2

Determination of Facility Volumes for CLEC Billing of EF and DTT at DS1 Levels

Qwest and CLEC agree that the structure of the billing methodology in Attachment 2 and payment matrix specifically identified below reflects the actual network configuration and local traffic exchanged between the Parties. The specific network configuration and traffic characteristics of this exchange of traffic are unique to the networks and traffic patterns between each other and the factors set forth below are not applicable, nor valid with any other party.

Table Summary of Billing Methodology:

Number of DS1's in Service	1-15	16-56	57-66	67-84	85-94	95-112	113- 122	Above 122 – pattern continues
Rate CLEC will bill for these circuits	DS1 rate	Zero rated	DS1 rate	Zero rated	DS1 rate	Zero rated	DS1 rate	Above 122 – pattern continues

Example of Billing Methodolgy:

Assume CLEC has 60 DS1s that they are entitled to bill to Qwest. The bill will show 19 DS1 (1-15 plus 57, 58, 59, 60) at the DS1 rates reflected in Exhibit A of the Agreement and 41 DS1s (16-56) will be zero rated.

EXHIBIT H

Calculation of the Relative Use Factor (RUF)

Minutes Routed over LIS Trunks that are Qwest's responsibility (A):

- All EAS/Local 251(b)(5) and ISP MOU that Qwest sends to CLEC
- All Exchange Access MOU that Qwest sends to CLEC
- All EAS/Local 251(b)(5) and ISP traffic that transits Qwest network and is terminated to CLEC
- All EAS/Local 251(b)(5) and ISP traffic that Qwest sends to CLEC for termination on another Carrier's network, provided that the Parties have agreed to exchange this type of traffic
- All IntraLATA transit MOU that Qwest sends to CLEC.
- All VoIP traffic that Qwest sends to CLEC
- All VNXX MOU that CLEC sends to Qwest*
- All VNXX MOU that transits CLEC's network and is terminated to Qwest, provided that the Parties have agreed to exchange this type of traffic *
- All FX MOU that CLEC sends to Qwest

Minutes Routed over LIS Trunks that are CLEC's responsibility (B):

- All EAS/Local 251(b)(5) and ISP MOU that CLEC sends to Qwest
- All Exchange Access MOU that CLEC sends to Qwest
- All EAS/Local 251(b)(5) and ISP traffic that CLEC sends to Qwest for termination on another Carrier's network
- All IntraLATA transit MOU that CLEC sends to Qwest
- All Jointly Provided Switched Access (unless joint NECA 4 billing percentages have been filed) that Qwest sends to CLEC and that CLEC sends to Qwest
- All VoIP traffic that CLEC sends to Qwest
- All VNXX MOU that Qwest sends to CLEC*
- All VNXX MOU that transits Qwest network and is terminated to CLEC*

The mathematical equation for RUF is as follows:

Qwest (A) / (A+B) Rounded to nearest whole percentage

CLEC (B) / (A+B) Rounded to nearest whole percentage

Data used for the calculation will be the average of the most recent three (3) months' usage determined not to be an anomaly.*

^{*} The Commission has not yet determined the regulatory treatment of VNXX traffic, and each Party reserves its rights to advocate its position on, or otherwise pursue its interests with respect to, that issue before the Commission, the FCC, and the courts. Once the Commission has issued a final order making its determination, the Parties will amend this Amendment to reflect that determination.