

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

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In the Matter of the Second Six-Month)	DOCKET NO. UT-043007
Review of Qwest Corporation's)	
Performance Assurance Plan)	
)	Settlement of Disputed Issues
)	
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.....)	

COME NOW Qwest Corporation (“Qwest”), MCI, Inc. (“MCI”), Eschelon Telecom of Washington, Inc. (“Eschelon”) and Covad Communications Company (“Covad”), (collectively, the “Stipulating Parties”) and submit the following Stipulation, resolving all outstanding issues in this Second Six-Month Review proceeding.

The Stipulating Parties have agreed and respectfully recommend, that the Washington Utilities and Transportation Commission (“WUTC” or “Commission”) issue its Order approving the following dispositions of the issues which appear on the Final Issues List in this Proceeding. This Stipulation is intended to be a comprehensive resolution. Each Stipulating Party has agreed to compromise its positions, including legal positions, with the goal of achieving an overall resolution that is fair and in the public interest. The Stipulating Parties have agreed to support the Stipulation, and are aware that the WUTC Staff has not joined the Stipulation and has filed testimony that is in material disagreement with at least one proposed disposition in the Stipulation. However, the Stipulating Parties, at arms’ length and with full

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knowledge of the facts, recommend that this Stipulation be approved by the Commission as it is consistent with the Federal Telecommunications Act of 1996 (“the Act”) and this Commission’s prior orders regarding the Qwest Performance Assurance Plan (“QPAP”).

The Stipulating Parties have entered into this Stipulation with the intent that it be submitted to and recommended by these same Parties to the other commissions in Qwest’s 14-state region. The Stipulating Parties agree, however, that provisions relating to PO-20 will not be submitted in Colorado as that commission has previously resolved these issues.

If the Commission does not adopt the proposal in this Stipulation in whole or in part, the Stipulating Parties reserve their rights to take positions on issues in future proceedings that may be contrary to this Stipulation. Except as necessary to effectuate their agreement to promptly submit and recommend this Stipulation to all remaining state regulatory commissions, nothing in this Stipulation may be used as precedent or an admission against interest by any Stipulating Party against any other Stipulating Party in any future proceeding.

1. Line Splitting: What standard should be used for the Line Splitting product for the MR-3, 4, 6, and 8, and the OP-5A PIDs?

Resolution: Parity with Qwest DSL. This new standard should apply to performance data beginning September 1, 2004.¹

2. Loop Splitting: Should Loop Splitting be included in the PO-5, OP-3 through 6 and 15 and MR-3, 4 and 6 through 8 PIDs at this time, and if so, what standard should apply?

Resolution: Loop Splitting should be included in the named PIDs and Qwest shall begin reporting on the Loop Splitting product with a diagnostic standard at the time CLECs order the product, in any quantity, for three consecutive months.

3. x-DSL: Should x-DSL loops be included in the OP and MR PIDs and if so, what standard should apply?

Resolution: x-DSL loops should be included in the OP and MR PIDs with the following standards: 90% for OP-3; 6 business days for OP-4; parity with Qwest DSL for OP-5A; diagnostic for OP-5B, OP-5R, and OP-5T; parity with Qwest DSL with dispatch for OP-6; parity with Qwest IDSL for the MR-3, MR-4, MR-6, MR-7, and MR-8; and diagnostic for MR-10. These new standards should apply to performance data beginning on September 1, 2004.²

4. PO-20.

A. How will the new PO-20 be incorporated into Exhibit B?

Resolution: Expanded PO-20 was incorporated into the Washington Exhibit B through Qwest's June 25, 2004, filing of an amendment to the SGAT, and the Commission's issuance of Order No. 7 in this proceeding and Order No. 1 in Docket UT-043068. The incorporation of Expanded PO-20 into Exhibit B in other jurisdictions occurred with filings Qwest made in June 2004 to amend the

¹ Qwest will report PID performance beginning with September data as governed by the business rules for each measurement. Qwest will report PAP payments for September data pursuant to the applicable section of the PAP.

SGATs in those various jurisdictions, subject to the appropriate procedures in each state.

B. What Tier should be assigned to this new PID?

Resolution: Tier 1 Medium (in Minnesota, Tier 1B); no Tier 2.³

C. Should Qwest be allowed a low volume exception?

Resolution: Yes, a standard of “no more than one order with PO-20 errors” should be assigned, applicable when CLEC volumes are lower than seventeen in a month during the time the 97% benchmark applies, lower than thirteen in a month during the time the 96% benchmark applies, and lower than ten in a month during the time the 95% benchmark applies, except in Colorado and Minnesota. In Minnesota, the resolution is yes, a standard of “no more than one order with PO-20 errors” should be assigned, applicable when CLEC volumes are lower than or equal to thirty-three in a month during the time the 97% benchmark applies, lower than or equal to twenty-five in a month during the time the 96% benchmark applies, and lower than or equal to twenty in a month during the time the 95% benchmark applies.

D. Should Qwest be allowed a stabilization or “burn in” period?

Resolution: Yes, Qwest should be allowed a stabilization or “burn in period” of up to three months on each Phase, during which payments are not required

² Qwest will report PID performance beginning with September data as governed by the business rules for each measurement. Qwest will report PAP payments for September data pursuant to the applicable section of the PAP.

³ Should the staff pursue Tier 2 payments separately, the Stipulating Parties agree to abide by the remainder of the Settlement.

for “misses” in the Phase being “burned in,” but payments are required for “misses” that exceed the applicable benchmark in the previous Phase and that are reported based on the PID requirements for the previous Phase.⁴

5. What changes should be made to the QPAP for LTPA agreements and to reflect the replacement of the existing PO-20 with the Expanded PO-20 in those states that have an Exhibit B-1?

Resolution: No changes other than those in the following three sentences are needed to adapt the QPAP to LTPA agreements or to reflect the replacement of the existing PO-20 with the Expanded PO-20 in states that have an Exhibit B-1. Qwest will, according to the implementation schedule discussed below, in all states in Qwest’s local service region except Colorado, file to add Expanded PO-20 to Tier 1 Medium (in Minnesota Tier 1B), and without a Tier 2 assignment, in Attachment 1 to Exhibit K (in Minnesota Appendices A and B), and will include a footnote to the amended Attachment 1 to reflect the agreement on the “burn in period” and low volume relief set forth in Sections 4(C) and (D) above. In Washington and other states that have an existing PO-20, Qwest will simultaneously make a filing to change Exhibit K consistent with the treatment in Exhibit (DWB-5). Qwest will simultaneously file to delete Exhibit B-1 in those states that have such an exhibit, and will request the

⁴ Qwest will begin making PAP payments based on Phase 1 for August 2004 performance pursuant to the applicable section of the PAP.

Commission in each state to issue its order approving all such changes with an effective date no later than October 1, 2004.

6. Publishing Aggregate Payments: Should Qwest be required to publish aggregate payments by PID and Product under QPAP?

Resolution: Beginning with September 2004 performance, Qwest will publish on its website for each state the payment report by major PID category that Qwest currently files with each state Commission for that state; and Qwest will make available a report similar to that which it provides individual CLECs in Tab 2 of the CLEC payment report showing QPAP payments at the PID/Product submeasure level, and will total the payments for the state for each submeasure and/or product.

7. Low Volume Exception for Line Splitting: Should a Low Volume Exception Exist for OP-3 for Line Splitting?

Resolution: No Low Volume Exception will be allowed for OP-3 for Line Splitting.

8. Implementation: Qwest stipulates to promptly file SGAT revisions to Exhibits B, B-1 (where applicable) and K no later than August 31, 2004, for Washington and no later than September 15, 2004, for the remaining states. Qwest agrees to represent the substance of this Stipulation in Arizona, to the extent more is required there than the filing requirement in this section. This Stipulation may be executed in counterparts. If and when this Stipulation is approved and adopted by the Washington Commission and other state

regulatory commissions through approvals of the amended Exhibit B, deletion of Exhibit B-1 in those states that currently have such an exhibit and amended Exhibit K, these changes will amend the agreements of all CLECs that have adopted or elected Exhibits B and K in such states or the Minnesota Wholesale Service Quality plan.

So have we all stipulated.

QWEST CORPORATION

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