

Amendment 10
UT-061254
verizon Om 8-28-08

No Action

Verizon Northwest Inc.

P.O. Box 1003
Everett, WA 98206-1003
Fax: 425-261-5262

July 9, 2008

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

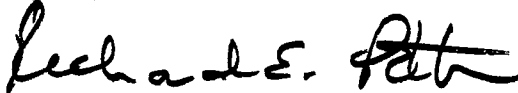
Subject: **AFFILIATED INTEREST AGREEMENT – ADVICE NO. 363**
Ref. Docket UT-061254

To whom it may concern:

Enclosed for the Commission's file are verified copies of Amendment 10 and Service Schedule 010 to a Master Services Agreement between Verizon telephone operating companies, including Verizon Northwest Inc., and Verizon Business companies.

Please call me at 425-261-5006 if you have any questions.

Very truly yours,



Richard E. Potter
Director
Public Affairs, Policy & Communications

Enclosure

2008 JUL 14 PM 2:45
RECEIVED
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

VERIFICATION OF AFFILIATED INTEREST AGREEMENT

I verify that the enclosed are true copies of Amendment 10 and Service Schedule 010 to a Master Services Agreement between Verizon telephone operating companies, including Verizon Northwest Inc., and Verizon Business companies.

Richard E. Potter Date: 7-9-08

Richard E. Potter
Director
Verizon Northwest Inc.

EXECUTION COPY

**AMENDMENT NO.10 TO
MASTER SERVICES AGREEMENT**

THIS AMENDMENT NO. 10 ("Amendment 10") to the Master Services Agreement (the "Agreement") is made by and among Verizon Services Corp., on behalf of the Verizon Telephone Operating Companies set forth in Exhibit A to the Agreement (individually or collectively, "Verizon"), and Verizon Business Network Services Inc., on behalf of the Verizon Business entities set forth in Exhibit A to the Agreement (individually or collectively "Verizon Business"). Verizon and Verizon Business are sometimes referred to individually as a "Party" or collectively as the "Parties."

WHEREAS, the Parties or their predecessors entered into the Agreement effective July 24, 2006; and

WHEREAS, Verizon desires to purchase additional services from Verizon Business and the Parties desire to substitute Verizon Business Network Services, Inc. for Verizon Business Financial Management Corp., which is no longer an active Verizon Business company;

NOW, THEREFORE, in consideration of the mutual promises that follow, the parties, intending to be legally bound hereby, agree as follows:

1. The Parties hereby agree to add Service Schedule 010, attached to this Amendment 10, relating to Fraud Management Services. This Service Schedule is hereby made a part of the Agreement.
2. The Parties hereby agree to substitute Verizon Business Network Services, Inc. for Verizon Business Financial Management Corp.
3. Except as amended hereby, all other rates, terms and conditions of the Agreement shall remain in full force and effect.
4. This Amendment 10 and Service Schedule 010 may be executed in counterparts and by facsimile signature, each of which shall be an original, but all of which shall together constitute one and the same document.

EXECUTION COPY

IN WITNESS WHEREOF, each of the Parties has caused this Amendment 10 to be duly executed effective as of the day and year last written below.

Verizon Services Corp.

Verizon Business Network Services, Inc.

By: Brent Hampton

By: Suleiman Hessami

Name: Brent Hampton

Name: Suleiman Hessami

Title: Director - Contract Management

Title: VP Pricing/Contract Management

Date: 6-23-08

Date: 6/20/08

EXECUTION COPY

SERVICE SCHEDULE 010

**SERVICE DESCRIPTION AND COMPENSATION
FOR SHERIFF AND HIGH TOLL FRAUD MANAGEMENT SYSTEMS**

This Service Schedule 010 (Service Description and Compensation for Sheriff and High Toll Fraud Management Systems) ("**Service Schedule 010**") is attached to that certain Amendment No. 10 ("**Amendment No. 10**") to that certain Master Services Agreement between Verizon Business Financial Management Corp., on behalf of certain of its affiliated entities, and Verizon Services Corp. on behalf of the Verizon operating telephone companies ("**Verizon**"), as the same is amended from time to time ("**MSA**" or "**Agreement**").

I. General

At the written request of a Verizon telephone operating company (individually or collectively "VZ" or "Verizon") set forth in Exhibit A to the Agreement, MCI Communications Services, Inc., d/b/a Verizon Business Services ("VZB" or "Verizon Business") will provide systems, further described below, that will be used by personnel employed by service company affiliates of Verizon or Verizon Business to provide Fraud Management Services ("FMS") further described below, for Verizon voice over Internet Protocol calling services provided over fiber facilities, at least in part, and for Verizon video services substantially in accordance with the terms and conditions set forth in this Service Description and the Agreement, as amended by Amendment No. 10 to the Agreement.

II. FMS Systems, FMS, and Data Feeds

FMS will be provided by personnel employed by service company affiliates of Verizon or Verizon Business and not by Verizon Business. FMS will utilize SHERIFF ("SHERIFF") and High Toll Fraud Management ("HTS") two VZB proprietary platforms for the detection and investigation of potential telecommunications or video services fraud.

III. SHERIFF FRAUD MANAGEMENT SYSTEM

FMS will utilize the VZB proprietary fraud monitoring platform SHERIFF to facilitate detection and investigation of potential telecommunications or video services fraud by analyzing data provided by Verizon to Verizon Business in the form of call record data for telecommunications services and other data agreed upon by the parties for video services ("video data").

The call record data feeds will be delivered to SHERIFF on a near real time basis in EMI format from the Network Mediation Framework (NMF) platform. The NMF will receive all IP to PSTN and IP to IP records for delivery to SHERIFF. The NMF will mediate the records and attach relevant account information and call cost rating to the EMI records for SHERIFF. The video data will be delivered to SHERIFF by the Service Delivery and Management Platform (SDMP) on a near real time basis in files containing XML format data records. The SDMP will provide records of all Video-On-Demand (VOD)

and Pay-Per-View purchase transactions processed for content delivery to a subscriber's Set-Top-Box (STB). SDMP will include the undiscounted price in each data record delivered to SHERIFF, along with other content defining elements including the purchase and viewing dates for each transaction.

IV. FMS System Processing.

SHERIFF will process, filter and normalize the traffic and apply all filtered records to the products looking for patterns indicative of fraud or abuse. SHERIFF thresholds, artificial intelligence models, and alarming rules will dictate whether the call records and video data need further fraud investigation performed by service company employees.

V. HIGH TOLL FRAUD MANAGEMENT SYSTEM

FMS will utilize the VZB proprietary HTS fraud monitoring platform to facilitate detection and investigation of potential telecommunications or video services fraud by analyzing data provided by Verizon to Verizon Business in the form of call record data and video data.

The call record data feeds will be delivered to HTS on a near real time basis in EMI format from the Network Mediation Framework (NMF) platform. The NMF will receive all IP to PSTN and IP to IP records for delivery to HTS. The NMF will mediate the records and attach relevant account information and call cost rating to the EMI records for HTS. The NMF will receive video data from SDMP related to transactions that are reasonably expected to be billable. The NMF will mediate the records and attach relevant account information and other enhancement related to customer identification to EMI-like records based on SDMP provided video data for delivery to HTS.

VI. HIGH TOLL SYSTEM PROCESSING

HTS will process, filter, normalize and accumulate the traffic and apply all filtered records to the products looking for patterns indicative of fraud or toll abuse. HTS thresholds, artificial intelligence models, and alarming rules will dictate whether the call records and video data need further fraud investigation performed by service company employees.

VII. Availability of FMS.

FMS using SHERIFF will be provided on a 24X7 basis for the call record data and video data contained in the files sent by Verizon to SHERIFF.

FMS using HTS will be provided during hours of operation deemed by operations management to best and most effectively meet operational metrics and customer service delivery.

VIII. Compensation

Compensation for services directly provided by service company affiliate paid personnel are not included in this service description and compensation document because such compensation is covered by service company allocations outside the Agreement.

Compensation for use of the SHERIFF and High Toll systems is set forth in the table below. Compensation will be paid by Verizon to Verizon Business monthly in accordance with the Agreement, as amended by this Amendment 10. Payments will be made with thirty days of receipt of invoice. Verizon Business will invoice Verizon monthly for use of the SHERIFF and High Toll systems in the previous month.

Employee Title/Service	Pricing Criterion	Rate per month	Frequency of Transaction: (per service)
Use of SHERIFF and High Toll Systems	FDC ¹	\$ 8,088 per month	Daily

1. Fully Distributed Costs – Services are provided at the lower of the Estimated Fair Market Value (EFMV) and Fully Distributed Cost (FDC). FDC rates are fully loaded rates which include the costs of materials and all direct and indirect miscellaneous and overhead costs.

AGREED TO AND ACCEPTED BY:

Verizon Services Corp.

Verizon Business Network Services Inc.

By: Brent Hampton

By: [Signature] 6/20/08

Name: Brent Hampton

Name: Suleiman Hessami

Title: Director – Contract Management

Title: VP Pricing and Contract Management