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NO ACTION

Qwest. 
Spirit of Service

Qwest Corporation

1600 7th Avenue, Room 1506
Seattle, Washington 98191
(206) 345-1568
Facsimile (206) 343-4040

Mark S. Reynolds
Assistant Vice President
Public Policy & Regulatory Affairs

March 29, 2011

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

Attn: Betty Erdahl

RE: WAC 480-120-375 Affiliated Interest Agreement

Dear Mr. Danner:

In accordance with WAC 480-120-375, Qwest Corporation is filing notification of the enclosed affiliated interest agreement between Qwest Corporation (QC) and CenturyLink. This is a new agreement entitled Foreign Exchange (FX) Service Agreement (Inter-Island Telephone Company), including Amendment 1. Also enclosed is a verified statement.

Please call Joyce McDonald on 206 345-1514 if you have any questions or require any additional information.

Very truly yours,



for Mark Reynolds

Enclosures

AMENDMENT
(WASHINGTON)

AGREEMENT: FOREIGN EXCHANGE (FX) SERVICE AGREEMENT
BETWEEN: PACIFIC NORTHWEST BELL TELEPHONE COMPANY
doing business as U S WEST COMMUNICATIONS (USWC)

AND

Inter Island Telephone Company, Peninsula Telecommunica-
tions, Inc. and Telephone Utilities of Washington, Inc.,
subsidiaries of PACIFIC TELECOM, INC. (EC)

AGREEMENT DATE: January 1, 1984

AMENDMENT DATE: July 1, 1989

AMENDMENT NUMBER: 1

The above AMENDMENT is made and entered into between USWC and Pacific Telecom, Inc. in order to change specified portions of the Agreement to better meet the needs of both parties, and to be effective July 1, 1989.

The Agreement is hereby amended as follows:

Section 14. Lawfulness of Agreement

Add this section:

"This Agreement and the parties' actions under this Agreement shall comply with all applicable federal, state, and local laws, rules, regulations, court orders, and governmental agency orders. If a court or a governmental agency with proper jurisdiction determines that this Agreement, or a provision of this Agreement, is unlawful, this Agreement, or that provision of this Agreement, shall terminate. If a provision of this Agreement is so terminated but the parties legally, commercially, and practicably can continue this Agreement without the terminated provision, the remainder of this Agreement shall continue in effect."

Section 15. Force Majeure

Add this section:

"With the exception of payment of charges due under this Agreement, a party shall be excused from performance if its performance is prevented by acts or events beyond the party's reasonable control including but not limited to: severe weather and storms, earthquakes or other natural occurrences, strikes or other labor unrest, power failures, computer failures, nuclear or other civil or military emergencies, or acts of legislative, judicial, executive, or administrative authorities."

Section 16. Limitation of Liability

Add this section:

- A. "A party's total liability to the other party for a violation of this agreement, in part or in sum, shall be limited to direct damages:
- (1) Direct damages, for purpose of computing damages under this agreement, shall be limited to the average monthly dollar amount charged by USWC to the EC, for providing Foreign Exchange services under this agreement.
 - (2) The average monthly dollar amount will be the medial sum of the monthly amounts charged the EC by USWC, from the effective date of the agreement to current month, but not exceeding twelve (12) months."

Section 17. Indemnity

Add this section:

"Both parties to this Agreement shall indemnify and hold harmless the other party, with respect to any third party claims, losses damages or court actions arising from services under this Agreement, to the extent that the indemnifying party is liable or responsible for said third party claims, losses, damages or court actions. Whenever any claim shall arise for indemnification hereunder, the party entitled to indemnification shall promptly notify the other party of the claim and, when known, the facts constituting the basis for such claim. In the event that one party to this Agreement disputes the other party's right to indemnification hereunder, the party disputing indemnification shall promptly notify the other party of the factual basis for disputing indemnification. Indemnification shall include, but is not limited to, costs and attorneys' fees."

Section 18. Notice

Add this section:

"Any notice required or desired to be given pursuant to this Agreement shall be in writing and mailed by certified mail to the representatives at the addresses stated below. Notice is effective upon receipt. Either party may change its representatives with advance written notice to the other party in accordance with this section."

Section 18. Notice (con't.)

A. For USWC:

G. A. Rees
Director - E.C.M.
U S WEST Communications
1600 7th Avenue
Room 1806
Seattle, Washington 98191

Telephone Number: (206) 345-5002

B. For EC:

Mr. Vern K. Dunham
Sr. Vice President
Pacific Telecom, Inc.
P.O. Box 9901
Vancouver, Washington 98668-9901

Telephone Number: (206) 696-0983

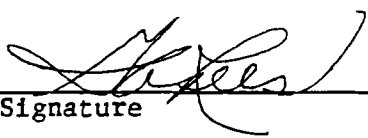
Exhibit II. FX Services

Delete subparagraph 1.b. in its entirety.

Except as modified herein, all terms and conditions of Foreign Exchange Service Agreement shall remain in full force and effect.

U S WEST COMMUNICATIONS

PACIFIC TELECOM, INC.

BY 
Signature

BY 
Signature

G. A. Rees
Printed Name

Vern K. Dunham
Printed Name

Director - Exch Carr Mkt
Title

Sr. Vice President
Title

JUN 22 1989
Date of Execution

July 20, 1989
Date of Execution

Form Approved
Date 5/24/89
By BAH
Legal Department
Pacific Northwest Bell

FOREIGN EXCHANGE (FX) SERVICE AGREEMENT
(WASHINGTON)

This Agreement between Pacific Northwest Bell Telephone Company, a Washington corporation, hereinafter called PNB, and Inter Island Telephone Company and Telephone Utilities of Washington, Inc., Washington Corporations which are subsidiaries of Pacific Telecom, Inc., a Washington corporation, hereinafter called Exchange Carrier (EC), covers arrangements for concurrently provided intraLATA (Local Access and Transport Area) FX Services.

1. Services

For the purposes of this Agreement, foreign exchange (FX) Services are provided on an intraLATA basis only and may encompass the following types of services:

- a. Contiguous and/or non-contiguous FX business and residence individual and party line services (including farmer line services) and private branch exchange (PBX) trunk services between the exchanges of the respective companies, and
- b. Contiguous and/or non-contiguous off-premises FX business and residence individual line extension station service and private branch exchange (PBX) extension station service between the exchanges of the respective companies.

The FX Services described herein are offered only if provided for in each Company's filed tariffs with the appropriate regulatory agency.

Notwithstanding any other provision of this Agreement, this Agreement shall not be construed to obligate either the EC or PNB to provide FX Services.

Exhibit I, attached hereto, indicates which of the above FX Services are concurrently provided between the respective companies.

2. Definitions

- a. Access Charges are charges payable by a customer or carrier to a local exchange company for Access Services.
- b. Access Services are services and facilities used in the origination, termination or transporting of interstate intraLATA and intrastate intraLATA LDMTS.
- c. Carrier is the company responsible for tariffing and providing intraLATA LDMTS.

- d. Contiguous exchanges are where a linear portion of the boundary of one exchange area coincides with a linear portion of the boundary of another exchange area and such exchanges are hereinafter referred to as having a "common boundary."
- e. Exchange denotes a specified geographic area established by tariff for the furnishing of local telephone service.
- f. Farmer line FX Service is that service where the subscriber furnishes, owns and maintains all station equipment and the line to the point of connection with the Serving Company which furnishes the FX Service. Such FX Service is limited to those subscribers in-service prior to January 1, 1984.
- g. Foreign exchange service, hereinafter referred to as FX Service, is exchange service furnished by means of a circuit connecting a customer's station in one exchange (local exchange) to the primary serving dial tone office of another exchange (serving exchange).
- h. Interexchange channel denotes that portion of a private line circuit which is included in the interexchange circuit plant; i.e., interexchange outside plant and interexchange circuit equipment.
- i. LATA (Local Access and Transport Area) is a geographic area encompassing one or more local PNB exchange areas within which it may provide LDMTS. Solely for purposes of this Agreement, LATA also includes those EC exchanges designated in the IntraLATA Toll Services Agreement, plus any amendments, modifications or successors thereto, between the companies hereto as "associated" with the LATA.
- j. LDMTS is Long Distance Message Telecommunications Service provided on an intrastate intraLATA and interstate intraLATA basis by the Carrier.
- k. Local company means the company which operates the local exchange.
- l. Local exchange denotes that exchange in which the termination of station equipment is located.
- m. Non-contiguous exchanges are where a linear portion of the boundary of one exchange area does not coincide with a linear portion of the boundary of another exchange area, and therefore do not have a common boundary.
- n. Serving company means the company which operates the serving exchange.
- o. Serving exchange denotes that exchange in which the central office facilities which provide the dial tone for the FX Service are located.

3. Tariff Filings

Each company will be responsible for the establishment and regulatory approval of the rates and charges applying to its service offering and to the portion of the facilities and services it provides.

4. Methods and Practices

The FX Services described herein shall be provided in accordance with mutually agreeable methods and practices of each company hereto.

5. Provision of Facilities

a. Point of Connection

- (1) If the contiguous or non-contiguous service is furnished via interexchange channel facilities, then the physical point of connection will be the same as the point of connection for the interchange of LDMTS traffic as authorized in the existing IntraLATA Toll Services Agreement, plus any amendments, modifications or successors thereto, between our companies.
- (2) If the contiguous service is furnished using local cable pairs, then the point of connection will be at or near the common boundary of the serving and local exchanges, at a point determined with due consideration of the existing facility arrangements of both companies. Final decision as to the location of the point of connection will rest with the Serving Company.

b. Provision and Maintenance

- (1) If the contiguous or non-contiguous service is furnished via interexchange channel facilities, that facility will be provided, installed and maintained under the same division of ownership that applies to channels used for the interchange of LDMTS between the local and serving exchanges. The Local Company will provide, install and maintain the wire facilities required to connect the equipment at the customer's premises with the interexchange channel. The Serving Company will provide, install and maintain the wire facilities required to connect the central office equipment through which the FX Service dial tone is furnished with the interexchange channel.
- (2) If the contiguous service is furnished using local cable pairs, each company will provide, install and maintain its portion of the circuit to the point of connection on the common boundary. The quality of each portion of the circuit will be appropriate to meet the requirements of the service.

c. Design of Circuit

The Serving Company will specify the circuit design, including transmission and special equipment requirements.

When repeater equipment is required, it will be provided, installed and maintained by the company in whose exchange it is located.

6. Customer Contacts

If requested by the customer, each Company will quote its rates to the customer for its tariffed portion of the FX Service described herein.

The Local Company will make the necessary arrangements for FX Service with the customer on FX Service and the Serving Company will make the necessary arrangements for service with the customer on off-premises FX Service.

7. Customer Billing

The method of billing the FX Service customer for FX Services provided under exchange tariff(s) may be either Local Company Billing or Serving Company Billing.

If the Serving Company Billing method is selected, Local Company Billing may be retained on a temporary, deviation basis if a particular customer indicates Serving Company Billing presents an undue hardship. Said deviation is to be mutually agreeable between the companies hereto and is to be reviewed periodically to determine when Serving Company Billing could be implemented.

a. Local Company Billing Option

The Local Company will bill to and collect from the FX Service customer the following items:

- (1) The following FX Service charges of the Serving Company, as set forth in the Serving Company's tariff(s), including LDMTS charges and applicable Access Charges:
 - (a) Business and residence individual and party line service rates (including those rates for farmer line service) and PBX trunk line rates.
 - (b) Contiguous FX mileage rates.
 - (c) Additional listings in the Serving Company's directory and/or directories.

- (d) Any other rates and charges applicable in the Serving Company's tariff(s) for FX Service or off-premise FX Service.
- (2) The following FX Service charges of the Local Company, as set forth in the Local Company's tariff(s):
 - (a) Contiguous FX mileage rates.
 - (b) Any other rates and charges applicable in the Local Company's tariff(s) for FX Service or off-premise FX Service.
 - (3) Non-contiguous mileage rate(s) as set forth in the tariff(s) of each company hereto.
 - (4) Any applicable end user common line charges.
- b. Serving Company Billing Option
- (1) The Serving Company will bill to and collect from the FX Service customer the following items, as set forth in the Serving Company's tariff(s):
 - (a) Business and residence individual and party line service rates (including those rates for farmer line service) and PBX trunk line rates.
 - (b) Contiguous FX mileage rates. (See paragraph 7.b.(3) below for treatment of non-contiguous mileage rates.)
 - (c) Additional listings in the Serving Company's directory and/or directories.
 - (d) Where applicable, directory advertising in the Serving Company's directory and/or directories.
 - (e) Any other rates and charges applicable in the Serving Company's tariff(s) for FX Service or off-premises FX Service.

The Serving Company will also bill and collect any applicable LDMTS charges associated with the FX Service in accordance with the applicable tariffed rates.

- (2) The Local Company will bill to and collect from the FX Service customer the following items, as set forth in the Local Company's tariff(s):
 - (a) Contiguous FX mileage rates. (See paragraph 7.b.(3) below for treatment of non-contiguous mileage rates.)
 - (b) Any other rates and charges applicable in the Local Company's tariff(s) for FX service or off-premises FX service.
 - (c) Any applicable end user common line charges.
- (3) Billing to the customer for the non-contiguous mileage rate will be as mutually agreed between the companies hereto.

8. Uncollectibles

Revenue which may prove to be uncollectible will be assumed by both companies in the proportion that such revenue would have been distributed had it been collected.

9. Basis of Compensation

Compensation associated with the FX Services described herein shall be in accordance with the Basis of Compensation contained in Exhibit II attached hereto.

10. Modification of Exhibits

From time to time, new Exhibits, duly executed by the companies hereto, may be substituted for the attached Exhibits, superseding and cancelling Exhibits then in effect.

11. Defaults or Violations

If either company defaults in the payment of any amount due hereunder, or if either company violates any other provision of this Agreement, and such default or violation continues for thirty (30) days after written notice thereof is given to the defaulting company, the other company may terminate this Agreement forthwith by written notice.

The failure of either company to enforce any of the provisions of this Agreement in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision.

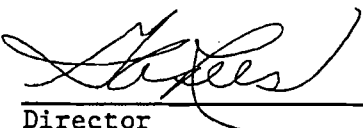
12. Cancellation of Previous Agreements

Except as to any amount due thereunder, this Agreement cancels the Foreign Exchange Service Agreement which had an issue date of February 3, 1984, and which was effective January 1, 1984.

13. Term of Agreement

This Agreement will become effective January 1, 1984, and will continue in force until terminated by thirty (30) days' prior notice in writing from either company to the other.

PACIFIC NORTHWEST BELL
TELEPHONE COMPANY

By 
Director
Exchange Carrier Marketing

FEB 19 1988
Date of Execution

PACIFIC TELECOM, INC.

By 
Sr. Vice President

April 21, 88
Date of Execution

FORM APPROVED
Date 3/29/87
By MKH
Legal Department
Pacific Northwest Bell

EXHIBIT I
FOREIGN EXCHANGE (FX) SERVICE AGREEMENT
(WASHINGTON)

SERVICES PROVIDED AND METHOD OF CUSTOMER BILLING

This Exhibit I will become effective January 1, 1984, and is attached to and made a part of the Foreign Exchange (FX) Service Agreement effective January 1, 1984, between Pacific Northwest Bell Telephone Company and Inter Island Telephone Company and Telephone Utilities of Washington, Inc. which are subsidiaries of Pacific Telecom, Inc.

A. Services Provided

The FX Services described in the Foreign Exchange (FX) Service Agreement and provided on a joint basis are (show with an "X" in the appropriate column):

	<u>Contiguous Exchanges Only*</u>	<u>Contiguous and Non-Contiguous Exchanges*</u>	<u>Limited to Subscribers with This Service Prior to January 1, 1984*</u>
1. FX Service	_____	_____X_____	_____
2. Off-premise Extension FX Service	_____X_____	_____	_____
3. Farmer Line FX Service	_____	_____	_____X_____

* As provided in each company's tariffs.

B. Option of Customer Billing

The option for customer billing described in the Foreign Exchange (FX) Service Agreement and mutually agreed upon is (show with an "X" in the appropriate column):

- 1. Local Company Billing X (DECCO Only If Applicable)
- 2. Serving Company Billing X

PACIFIC NORTHWEST BELL
TELEPHONE COMPANY

By *[Signature]*
Director
Exchange Carrier Marketing

FEB 19 1988
Date of Execution

PACIFIC TELECOM, INC.

By *[Signature]*
Sr. Vice President

Apr 21, 88
Date of Execution

FORM APPROVED
Date <u>3/29/87</u>
By <u>m k h</u>
Legal Department
Pacific Northwest Bell

EXHIBIT II
FOREIGN EXCHANGE (FX) SERVICE AGREEMENT
(WASHINGTON)

BASIS OF COMPENSATION

This Exhibit II will become effective January 1, 1984, and is attached to and made a part of the Foreign Exchange (FX) Service Agreement effective January 1, 1984, between Pacific Northwest Bell Telephone Company, hereinafter called PNB, and Inter Island Telephone Company and Telephone Utilities of Washington, Inc. which are subsidiaries of Pacific Telecom, Inc., hereinafter called Exchange Carrier (EC).

Except as hereinafter provided, each company will receive as its portion of charges collected from the FX Service customer an amount equal to that company's tariff charges for the service it provides.

1. FX Services

a. Tariff Charges - Local Company Billing Option Only

The Serving Company will bill to and collect from the Local Company all FX Service charges of the Serving Company, including LDMTS charges. The Local Company will retain the end user common line charges. The Serving Company will render monthly statements to the Local Company and remittance in full will be made by the Local Company within thirty (30) days after receipt of the bill.

b. Local Loop

A local loop is defined as a pair of wires, or its equivalent, between a customer's station and the central office from which the customer is served.

Expenses for the local loop are currently included in the Serving Company's tariffed access line charge. Because the local loop associated with certain FX Services is provided to the customer by the Local Company, the Serving Company needs to compensate the Local Company for that portion of the service. Therefore, the Local Company will receive \$5.00 from the Serving Company for local loop settlement on all FX Service access lines, contiguous and non-contiguous, completed via interexchange channel facilities.

The \$5.00 local loop settlement described herein will be discontinued when the Serving Company unbundles its local loop charge from the access line charge.

c. Cross-Boundary Facilities

If any FX Services are provided between contiguous exchanges via cross-boundary facilities (local cable pairs), then no compensation for the local loop as set forth in paragraph 1.b. above will be provided to the Local Company by the Serving Company.

d. Interexchange Channel Facility

If the EC provides all or part of the interexchange channel facility for a non-contiguous FX Service and applies thereto the same interexchange channel mileage rates as PNB, then the EC will receive compensation in the same manner as PLS interexchange channel facilities which are covered under the IntraLATA Toll Services Agreement, plus any amendments, modifications or successors thereto, between the companies hereto.

2. LDMTS

Any applicable traffic sensitive/non-traffic sensitive compensation for the EC's handling of intraLATA LDMTS generated by the FX Services provided hereunder will be in accordance with the current IntraLATA Toll Services Agreement, plus any amendments, modifications or successors thereto, between the companies hereto.

For an EC using average schedules for its traffic sensitive revenue requirement, and until the EC's effective date of its tariff for intraLATA traffic sensitive access charges, it will receive for each sent-paid and received-collect LDMTS message charged to FX Service customers one-half the full compensation payment per message for each function performed by the EC.

4. Access Charges

IntraLATA Access Charges related to intraLATA LDMTS generated by the FX Services provided hereunder and collected by the companies hereto will be subject to the arrangements covered under the current IntraLATA Toll Services Agreement and the NTS Fund Administration Agreement, plus any amendments, modifications or successors thereto for each Agreement, between the companies hereto.

PACIFIC NORTHWEST BELL
TELEPHONE COMPANY

By

[Signature]
Director
Exchange Carrier Marketing

FEB 19 1988

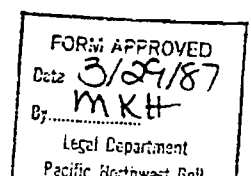
Date of Execution

PACIFIC TELECOM, INC.

By

[Signature]
Sr. Vice President

[Signature]
Date of Execution



VERIFIED STATEMENT OF AFFILIATED INTEREST TRANSACTION

Qwest Corporation

WAC 480-120-375 states:

Every public service company must file a verified copy, or a verified summary, if unwritten, of contracts or arrangements with affiliated interests before the effective date of the contract or arrangement. Verified copies of modifications or amendments to the contract or arrangements must be filed before the effective date of the modification or amendment. If the contract or arrangement is unwritten, then a public service company must file a verified summary of any amendment or modification. The Commission may institute an investigation and disapprove the contract or arrangement if the commission finds the public service company has failed to prove that it is reasonable and consistent with the public interest.

Joyce L. McDonald, Lead Finance/Business Analyst of Qwest Corporation certifies that the attached Foreign Exchange (FX) Service Agreement (Inter-Island Telephone Company), including Amendment 1, describes the affiliate arrangement between Qwest Corporation and CenturyLink.

A handwritten signature in black ink that reads "Joyce McDonald". The signature is written in a cursive style and is positioned above a horizontal line.

Joyce L. McDonald

Dated at Seattle this 29th day of March, 2011.