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NO ACTION
Qwest.
Spirit of Service

Qwest Corporation
1600 7th Avenue, Room 1506
Seattle, Washington 98191
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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 Agreement for the Provision of Billing and Collection Services. 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

**AGREEMENT FOR THE PROVISION OF
BILLING AND COLLECTION SERVICES
COLORADO, IDAHO, IOWA, MINNESOTA, MONTANA, OREGON, WASHINGTON AND WYOMING**

Pacific Telecom, Inc. on behalf of Eagle Telecommunications, Inc./Colorado, Gem State Utilities Corporation, Inter-Island Telephone Company, Northland Telephone Company, Northwestern Telephone Systems, Inc., Postville Telephone Company, Telephone Utilities of Eastern Oregon, Inc., Telephone Utilities of Oregon, Inc., Telephone Utilities of Washington, Inc. and Telephone Utilities of Wyoming, Inc., all subsidiaries of Pacific Telecom, Inc., ("Exchange Carrier or "EC"), and U S WEST Communications, Inc. ("USWC"), a corporation organized under the Laws of the State of Colorado hereby enter into this Billing and Collection Services Agreement ("Agreement") for the states of Colorado, Idaho, Iowa, Minnesota, Montana, Oregon, Washington and Wyoming. This Agreement may refer to EC or to USWC as a Party ("Party") to this Agreement.

SECTION 1. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to set forth terms and conditions upon which EC will provide Billing and Collection Services to USWC as mutually agreed upon between the Parties.

Billing and Collection Services for any Local Operator Services, Extended Area Services (EAS), Directory Assistance, and/or other local service offerings are not covered by this Agreement.

SECTION 2. SCOPE OF AGREEMENT

- A. A description of Billing and Collection Services covered under this Agreement is set forth in Exhibit A, incorporated herein by this reference and made part of this Agreement.
- B. A list of the Billing and Collection Services contracted for under this Agreement by USWC from EC is shown in Exhibit B, incorporated herein by this reference and made part of this Agreement.
- C. The Parties recognize that the Billing and Collection Services to be provided by EC are dynamic in nature and that new and/or revised billing services may need to be added or amended to conform to changes in business circumstances or regulatory or other legal requirements. The Parties agree to negotiate in good faith with respect to such new or proposed changes to facilitate any change requests.

SECTION 3. SERVICES PROVIDED UNDER THIS AGREEMENT

- A. EC shall render a bill for USWC services to end users.
- B. EC shall remit toll revenues to USWC, subject to recourse, pursuant to Exhibit C, incorporated herein by this reference and made part of this Agreement.
- C. Subject to the prices specified in Exhibit B, all elements on Exhibit B will be purchased from EC by USWC.
- D. EC shall perform collection efforts on behalf of USWC pursuant to Exhibit D, incorporated herein by this reference and made part of this Agreement.
- E. EC agrees to retain all billing records as generated by EC, associated with the services provided under this Agreement for a period of not less than six (6) months.

SECTION 4. TERM OF AGREEMENT

The Parties agree to the terms of this Agreement beginning on October 1, 1994 .

Neither Party may terminate this Agreement unless the terminating Party agrees to give a minimum of ninety (90) days written notice of intent to terminate this Agreement. Written notice shall be directed to Addressee listed in SECTION 16. NOTICES.

SECTION 5. PAYMENT ARRANGEMENTS AND COMPENSATION

Payment arrangements and compensation for Billing and Collection Services described herein shall be as set forth in Exhibit B and Exhibit C.

The rates and charges as listed in Exhibit B are pursuant to the terms and conditions of this Agreement. If rates or terms are or become tariffed and are not subject to individual pricing, the tariffed rates and terms shall prevail.

SECTION 6. DEFAULTS OR VIOLATIONS

If disputes arise with regard to this Agreement or its Attachments during the term of this Agreement the following process will govern:

All claims arising out of this Agreement shall be resolved by arbitration in accordance with the then current rules of the American Arbitration Association. The arbitration shall be conducted by a single arbitrator engaged in the practice of law. The arbitrator's decision and award shall be final and binding and may be entered in any court with jurisdiction.

SECTION 7. AUDIT

A. For purposes of this Section, an audit shall constitute a comprehensive audit encompassing multiple departments and multiple services (hereinafter an "audit").

Not more than one (1) Billing and Collections audit may be conducted by either Party in any twelve (12) month calendar year during the term of this Agreement unless additional audits are mutually agreed to by both Parties.

1. USWC or its authorized representatives shall have the right to commence a comprehensive audit during normal business hours, at a location to be mutually determined, of such source documents, systems, records and procedures as may, under recognized accounting practices, contain information bearing upon:
 - a. Amounts being billed for services located within EC's territory as part of its provision of Billing and Collection Services.
 - b. Charges to USWC for such Billing and Collection Services.
 - c. Determination of the bad debt and written-off accounts.
2. EC or its authorized representative shall have the right to commence an audit, during normal business hours, at a location to be mutually determined, of information bearing upon the determination of the amounts payable to EC by USWC. Such an audit is limited to message or conversation minutes recorded by USWC on behalf of EC, call completion ratios, call busy conditions, trunk supervisory conditions, or data processing functions which bear upon the accuracy of reports provided by USWC to EC.
3. No proprietary information extracted will be used by either Party for any purposes other than the audit and implementation of this Agreement.

- B. The Party requesting the audit shall give a preferred date notice, in writing, of the intent to audit. The Parties shall make every effort to meet the preferred date or will suggest an alternate date that is mutually agreeable to both Parties. Notices shall identify the date which the audit is to commence, the location, and the Party's representatives.
- C. Each Party shall bear its own expenses in connection with the conduct of the audit. Special data extractions required by USWC or EC to conduct its audit will be paid for by the auditing Party. Special data extraction shall mean the creation of an output record from existing data files that cannot normally be created from software programs that are currently resident on the production program library. Software programs developed at USWC's expense may be required to extract data for an audit. EC may use such a software program for other purposes in addition to the USWC audit. EC will not charge USWC for the use of software programs, previously developed at another Party's expense, when used to provide data for a USWC audit. Materials shall be deemed confidential, and their use by the auditing or reviewing Party shall be limited to the conduct of the audit preparation of a report for appropriate distribution to employees or agents with a need to have the results of the audit and to make adjustments to the charges payable in order to correct errors or omissions disclosed by the audit.

SECTION 8. LIMITATION OF LIABILITY/WARRANTY

- A. EC warrants that it will use all reasonable efforts to maintain a performance level with respect to Billing and Collection Services provided which is consistent with EC's own service measurement criteria applied to its own services. THIS WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR QUALITY.
- B. Absent knowing and willful misconduct, EC's or USWC's total liability and EC's or USWC's sole and exclusive remedy for loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, shall be limited to the actual damages incurred as provided for below:
 - 1. Recording Services Provided By EC Or USWC:
 - a. If message billing detail is not available with respect to a group of messages, due to error or omission, lost or damaged tapes, or recording system outages, or other conditions, EC or USWC will compensate the other Party based on revenues, messages, minutes, or upon previously known values for services covered by this Agreement.
 - b. When EC or USWC is notified that, due to its error or omission, incomplete message detail with respect to certain messages has been provided, reasonable effort will be made to reconstruct detail and re-provide it on magnetic tape or re-transmit it at no additional charge. There will be no other damages or compensation due, with respect to reconstruction or re-provision of incomplete message detail.
 - 2. Message Billing Services:

If Message Billing detail is not available due to EC's error or omission, lost or damaged records, or incurred processing system outages, EC will attempt to recover detail. If detail cannot be recovered and EC recorded the detail, the extent of EC's liability for actual damages will be determined as set forth in paragraph 8.B.1.a above. If Message Billing detail is not available due to USWC's error, omission, lost or damaged records, or incurred processing system outages, USWC will attempt to recover detail. If detail cannot be recovered and USWC recorded the detail, the extent of USWC's liability for actual damages will be determined as set forth in paragraph 8.B.1.a above.

SECTION 9. INDEMNIFICATION

Each Party to this Agreement hereby indemnifies and holds harmless the other Party with respect to third-party claims, lawsuits, damages or court actions arising from performance under this Agreement to the extent that indemnifying Party is liable or responsible for third-party claims, losses, damages, or court actions. Whenever claims arise for indemnification hereunder, the Party entitled to indemnification shall promptly notify the other Party, in writing, of the claim and, when known, the facts constituting the basis for such claim.

If one Party to this Agreement disputes the other Party's right to indemnification hereunder, the Party disputing indemnification shall promptly notify the other Party, in writing, of the factual basis for disputing indemnification. Indemnification shall include, but is not limited to, costs and attorney fees.

SECTION 10. LIMITATION PERIODS

A. Charges Under This Agreement

No claim or demand under this Agreement, including claims or demands made under Section 6 hereof, or any other demand or claim with respect to this Agreement may be made or brought by either Party more than two (2) years after the date of the event that gave rise to the demand or claim; provided, however, that a demand or claim for indemnification under this Agreement may be made or brought by a Party within one (1) year after a claim, lawsuit or court action has been made against the Party entitled to indemnification if the notice required under Section 9 has been given by that Party, and provided further that any claim in the nature of fraud or deliberate concealment may be brought within two (2) years of discovery of the existence of such fraud or concealment.

B. Billing To End Users

If EC has collected revenues from the end user but has inadvertently not reported the correct amount of those revenues to USWC, claims by USWC for the revenue under-reported to USWC (or by EC for revenue over-reported to USWC) may be made within two (2) years after revenue was collected; provided, however, that any claim in the nature of fraud or deliberate concealment may be brought within two (2) years of discovery of the existence of such fraud or concealment.

SECTION 11. PROPRIETARY AND CONFIDENTIAL INFORMATION

A. General Provisions: Designation of Proprietary Information

In connection with the Billing and Collection Services to be provided by EC to USWC hereunder, EC and USWC may find it necessary or beneficial for a Party to disclose to or receive from the other Party, specifications, files, drawings, data, records, reports, computer programs or other technical and business information ("Proprietary Information") which the disclosing Party considers proprietary and confidential.

1. For the purpose of this Agreement the following shall be Proprietary Information of EC:

- a. All traffic and usage data internally generated by EC in the normal conduct of EC's business of providing exchange access, information access, or other telecommunications or information services, except traffic and usage data on end users utilizing USWC toll services as explained in paragraph 11.A.(2) below.
- b. All end user account information not related to the USWC toll services utilized by end users.
- c. Except as otherwise specifically provided for in this Agreement, all tools and materials including, but not limited to, software, files, data bases, design documents and reports used by EC to produce data pursuant to this Agreement.

- d. All information associated with EC-owned public telephones.
2. Both Parties claim a proprietary interest in traffic and usage data on USWC's toll services utilized by customers and recorded by the EC. Each Party expressly reserves its rights to assert its respective proprietary interest in such data in any appropriate forum. EC agrees, however, that it will not sell, license, release or disclose data to any competitor of USWC.

USWC similarly agrees that EC may use such information for the purposes of (a) estimation of facilities usage for jurisdictional separations, (b) engineering and network planning of access facilities, (c) switched access measurement, and (d) providing end user specific traffic and usage data to USWC's customer requesting such information from EC.

B. Protection Of Proprietary Information

With respect to Proprietary Information provided to the receiving Party under this Agreement, the receiving Party agrees to:

1. Hold Proprietary Information in confidence and protect it to the same degree it protects its own proprietary and confidential information.
2. Restrict disclosure of Proprietary Information solely to employees, contractors, agents, and representatives of receiving Party (and its affiliates) with a need to know, and not disclose to any third party.
3. Advise those employees, contractors, agents, and representatives of their obligations with respect to the Proprietary Information.
4. Use Proprietary Information only for purposes of this Agreement, except as may otherwise be mutually agreed upon in writing.

Each Party acknowledges that in the performance of Services hereunder, a Party's Proprietary Information may be incorporated with Proprietary Information of the other Party or with Proprietary Information of third parties. Accordingly, the Parties shall, to the extent practicable, use good faith efforts to ensure that such Proprietary Information shall be masked or rendered mechanically inaccessible to the other Party. However, there may be instances in which efforts to mask or screen such Proprietary Information are impracticable, or in which disclosure is inadvertent. In such instances, the receiving Party will neither use nor disclose the Proprietary Information except as required to fulfill its obligations pursuant to this Agreement.

C. Information Not Subject To Section 11.

The receiving Party shall have no obligation to preserve the proprietary nature of any information which:

1. Was previously known to the receiving Party free of any obligation to keep it confidential; or
2. Is disclosed to third parties by the disclosing Party without restriction; or
3. Is or becomes publicly available by other than unauthorized disclosure.
Information shall not be deemed to be in the public domain or in the receiving Party's possession or knowledge merely because such information is embraced by more general information in the public domain or in the receiving Party's possession or knowledge.

D. Requests For Information

If either Party is requested or required by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar legal process, except for individual customer records requested by law enforcement agencies, to disclose Proprietary Information of the other to any lawfully constituted authority, it is agreed that the Party requested or required to furnish the Proprietary Information will provide the other Party with timely notice in order for that Party to seek a protective order or to take other action if requested by the Party.

To avoid administrative burdens associated with advance notice of protective arrangements, either Party may respond to requests for disclosure of Proprietary Information in accordance with mutually agreed upon policies and procedures. A Party may disclose or provide Proprietary Information of the other Party to implement, effect and enforce the Party's tariffs or to meet requirements of a court, regulatory body or government agency having jurisdiction over the Party; provided that, the Party making the disclosure shall notify the other Party to give that Party reasonable opportunity to object to disclosure.

A Party may not unreasonably withhold approval of protective arrangements provided by any court, regulatory body or government agency. Nothing in this Section requires the Parties to support or not support the position of any person or entity on the issue of whether any particular Proprietary Information is proprietary under applicable law or this Agreement.

- E. The provisions of this Section shall survive the termination of this Agreement, and, at the same time of termination, the receiving Party shall, if practicable and upon request, return the Proprietary Information of the disclosing Party which is in tangible form.

SECTION 12. FORCE MAJEURE

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 13. AMENDMENTS

The Parties may by mutual agreement and execution of a written Supplement to this Agreement amend, modify, or add to the provisions of this Agreement.

SECTION 14. SUCCESSORS, ASSIGNMENT

This Agreement binds the Parties, their successors, and their assigns. Either Party may assign its rights and delegate its duties under this Agreement with the written permission of the other Party, which permission shall not unreasonably be withheld; provided, however, that either Party may assign its rights and delegate its duties under this Agreement to its parent, its subsidiaries, or its affiliates without prior, written permission.

SECTION 15. AGREEMENT BENEFITS PARTIES

This Agreement benefits, and is intended to benefit, the Parties, EC and USWC. This Agreement does not in any way change, expand, or reduce any preexisting rights or obligations of any person who is not a Party to this Agreement.

SECTION 16. NOTICES

All notices required by or relating to this Agreement shall be in writing and shall be sent to the Parties to this Agreement at their addresses set forth below, unless the same is changed from time to time, in which event each Party shall notify the other in writing of such change. All such notices shall be deemed duly given if mailed, postage prepaid, and directed to the addresses then prevailing.

The notice period will begin on the postmarked date of the mailed notice.

PACIFIC TELECOM, INC.

USWC

Lawrence W Hull
805 Broadway
Vancouver WA 98660
206 905 5850

SECTION 17. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the Laws of the State in which Billing and Collection Services are provided under this Agreement.

SECTION 18. ENTIRE AGREEMENT

This Agreement, together with all Exhibits, Attachments, Notices, and any jointly-executed written Supplements to this Agreement, constitutes the entire Agreement and the complete understanding between the Parties. No other verbal or written representation of any kind affects the rights or the obligations of the Parties regarding any of the provisions in this Agreement.

SECTION 19. LAWFULNESS OF AGREEMENT

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 including the Modification of Final Judgment ("MFJ"), as issued in United States v. Western Electric Co., et.al. Civil Action No. 82-0192, U.S. District Court for the District of Columbia, and all subsequent orders issued in or related to that proceeding. This Agreement shall only be effective when mandatory regulatory filing requirements are met, if applicable. If a court or a governmental agency with proper jurisdiction determines that this Agreement, or a provision of this Agreement, is unlawful, or if USWC reasonably determines this Agreement or a provision of this Agreement is inconsistent with, or contradictory to the "MFJ", this Agreement, or that provision of this Agreement shall terminate upon written notice to Exchange Carrier to that effect. 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.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed for and on its behalf on the day and year indicated below:

PACIFIC TELECOM, INC.

Therence Atwell
SIGNATURE
AVP
TITLE
12/12/94
DATE

USWC

CLARENCE HOBREYKUTT BY
SIGNATURE *Guy Duncan*
DIRECTOR ECS US WEST
TITLE
1/9/95
DATE

**EXHIBIT A
AGREEMENT FOR THE PROVISION OF
BILLING AND COLLECTION SERVICES
DEFINITIONS**

This Exhibit A is attached to and made a part of the Agreement for the Provision of Billing and Collection Services between U S WEST Communications, Inc. ("USWC") and PTI Communications, Inc. ("EC").

SECTION 1. DEFINITIONS

Accounts Receivable - An account evidencing a legally enforceable right to payment for goods sold, rented or leased or for services rendered.

Adjustments - End user adjustments may include, but are not limited to, debit or credit changes to specific charges on an end user bill which were billed by EC for retroactive charges to compensate for incorrect or incomplete data from a prior month.

AMA - (Automatic Message Accounting) - Recording consists of storage on magnetic tape or another acceptable medium of the recorded details of messages.

Bill Detail - Provides the detailed itemization of the charges and credits appearing on USWC's portion of the end user bill.

Bill Rendering - Is the preparation and mailing of billing statements to the end user for customer message billed and bulk billed services.

Billing Company - The company which bills originating or terminating received collect communications services and collects the charges for such services from end users.

Billing Service Charges - EC's charges to USWC for each of the services provided for under this Agreement.

Customer Bill Date - The date of EC's end user bill.

Customer Messages - A completed call message originated by an end user.

Custom Request Service - A request for information not specifically provided for in the Billing and Collection Services Agreement.

EMR/EMI - Refers to the Bellcore industry standard format mutually agreed to by USWC and EC for the exchange of message data between USWC and EC.

End User - Any customer of any telecommunications service that is not a carrier, except that a carrier shall be deemed to be an "end user" to the extent that such carrier uses a telecommunications service without making such service available to others, directly or indirectly.

Exchange - A specified area established by an EC for the furnishing of local telephone service under a distinct or separate local tariff. It usually embraces a city, town, village or unincorporated community and environs thereto and may consist of one or more central offices, together with the associated plant used in furnishing service within that area.

ICB - Individual Case Basis.

Inquiry - The communications, either written, transmitted or oral, as they pertain to end user billing.

LECTORS - Local Exchange Carrier Terminating to Originating Ratio System.

MTS - Message Telecommunications Service.

Message - Any call which has been completed.

Quality Assurance - A procedure mutually agreed upon by USWC and EC to identify billing problems and errors.

RAO - Revenue Accounting Office.

Revenues - Amounts chargeable to customers for Communications Services less uncollectible revenues related thereto. Each Party accepts the responsibility for the collection efforts on revenues billed by it and on calls originating on its system which are returned for investigation.

Routine Rate Change - Is a change of existing rates within existing rate bands.

Statement of Amount Due Customer (Accounts Receivable Compensation Statement) - The statement sent to USWC by EC summarizing the purchase of accounts receivable.

Treatment and Collection of End User Accounts - Activities performed in an attempt to collect outstanding balance due amounts for previously billed end user charges.

Unbillables - Unbillable messages that are not able to be billed to an end user account.

Uncollectible Revenues - Revenues to which a company is lawfully entitled for services rendered, but have proven to be impracticable or impossible to collect.

WATS - Wide Area Telecommunications Service (800 Service and Outward WATS).

SECTION 2. GENERAL TERMS AND CONDITIONS

EC shall provide the services described herein.

Billing Services will consist of Recording Service, Message Processing Service and Bill Processing Service as set forth in Sections 4, 5, and 6 below. Billing Services, when provided by EC for MTS and WATS, will be provided at rates listed in Exhibit B. The per message rates listed in EXHIBIT B are bundled rates for all Billing Services provided under this Agreement and includes all rates, whether tariffed or non-tariffed, associated with the Billing Services defined in SECTIONS 4, 5, and 6 below (including Recording Service, message Processing Service and Bill Processing Service).

EC may, upon written authorization, specify that USWC direct requests for Routine Rate Changes, Custom Request Service, Market Message Service, and Bill Insert Service to their authorized billing service vendor. This authorization should be delivered to the USWC address listed in SECTION 16. of this Agreement.

SECTION 3. CUSTOM REQUEST SERVICE

A. Description

Services and prices were established assuming standard implementation, as determined by EC, but USWC may request Billing and Collection Services that are not specifically addressed in this description or may request modification to the services described. All such requests will be reviewed to determine feasibility of implementing the request and whether EC wishes to provide the requested service or modification. In such cases where EC has agreed to fulfill USWC's request, the applicable charges, rates, terms and conditions will be determined on an Individual Case Basis ("ICB").

Custom Request Service is the provision of new products, services or changes to existing products or services in response to USWC's request and for which no standard price has been established. All Custom Requests will be reviewed by EC to determine the feasibility of implementing the request and EC reserves the right to deny any request.

Where EC agrees to provide the Custom Request Service, a Time and Cost ("TC") estimate will be prepared based upon user needs document and/or specifications supplied by USWC.

The TC estimate will include prices for non-recurring (developmental) and if applicable, recurring prices. The costs used in developing TC estimates include, but are not limited to; machine time, programming (coding), system design, system procedures development, order writer training, service representative training, miscellaneous hardware requirements (e.g. disks, tapes, cartridges, computer ports, etc.). TC estimate responses are due within thirty (30) days of receipt of request. If USWC requests a TC estimate in less than thirty (30) days, EC may choose to charge premium rates if overtime is required to meet USWC's request.

Scheduling of actual implementation dates for USWC's Custom Request is dependent upon EC's overall scheduling load and upon USWC's approval of EC's estimate. Upon provision of a TC estimate, changes to the specifications may require a revised specifications document and may result in a new TC estimate and/or implementation date.

B. Price Application and Provisioning Parameters

The prices used to establish the Custom Request Service will be developed on an ICB. The price estimate provided to USWC will be valid for a period of thirty (30) days from the date of the written estimate.

SECTION 4. RECORDING SERVICE

A. Description

Recording Service is the recording of the details of a customer message and, when requested by USWC, the provision of those details to USWC. Recording Service includes some or all of the following elements.

B. Definitions

1. Recording is the entering on magnetic tape or other media acceptable to both Parties, the details of customer messages originated through Switched Access Service for which answer and disconnect supervision has been received. Recording is provided 24 hours a day, 7 days a week.
2. Assembly and Editing is the aggregation of the recorded customer message details to create individual messages and the verification that the data required for rating, in accordance with the standard format established by USWC, is present. Assembly and Editing charges apply only when Message Processing Service is not purchased by USWC and EC records call for USWC.
3. Provision of Customer Message Detail is the provision of assembled, edited and posted customer message detail to USWC in exchanges where EC records for USWC, but does not perform message or bill processing services under this Agreement. Except for lost or damaged records, the recorded detail will be provided to USWC not more than ten (10) business days after the message date.

SECTION 5. MESSAGE PROCESSING SERVICE

A. Description

Message Processing Service is the transforming of the recorded customer call details into rated messages in preparation for billing. Message Processing Service includes initial data entry and rating of messages.

B. Definitions

1. Initial Data Entry is the assembly of recorded customer call details into message records, and includes editing and verification of recorded details to assure that the data required for rating are present.
2. Rating of Messages is the computing of applicable charges for each message based on the USWC provided schedule of rates. Rating also includes the preparation of message detail in the standard EMR/EMI format for input to Bill Processing Service, or for delivery to USWC.
3. CMDS1 is the transfer of data required when an end user originates a call in a different EC area other than which provides their local exchange service, and requests the call be billed to their home end user account, e.g., bills using a calling card, third number or sent collect.
4. Local Exchange Carrier Terminating to Originating System (LECTORS) is the system that daily collects, edits and expands a 5% sample of calls to establish a central database to support forecasting and other studies and applications.

SECTION 6. BILL PROCESSING SERVICE

A. Description

Bill Processing Service is the preparation of billing data for Message Billed Service and Bulk Billed Service, and mailing of statements of the amounts due for service received from USWC. Bill Processing Service may include Message-Billed and Bulk-Billed account establishment, posting of rated message and rate elements, rendering of bills, receiving payment, maintenance of accounts, treatment of accounts, message investigation and inquiry.

B. Definitions

1. Message Billed Service is a billing service for an end user account with an end user common line where individual messages or groups of messages (such as message discount Optional Calling Plans) are posted to the account and listed on the bill rendered to the end user.

Message-Billed Service is also a billing service for a credit card end user account without an assigned telephone number or WATS access line or WATS-type service access line where individual messages or groups of messages are posted to the account and listed on the bill rendered to the end user.
2. Bulk Billed Service is a billing service for an end user account having a WATS access line or WATS-type service access line where individual messages are not posted to the account and are not listed on the bill rendered to the end user.
3. Account Establishment is the preparation of an end user record so that a bill can be sent to that end user.
4. Posting of Rated Messages is the process of posting rated messages to master file or data base by specific end user. Posting also is the examination and identification of all the rateable elements specified by USWC to be billed to an end user.
5. Rendering of Bills is preparation of the bill, mailing of statements of amounts due from the end user, processing payments and collection for USWC Message-Billed and Bulk-Billed Services. These statements may, at the EC's choice, be included as part of the regular monthly bill for Local Telephone Exchange Service mailed to the end user, or a separate bill.
6. Receiving Payment and Maintenance of Accounts is the collecting of monies from end users for services furnished by USWC and maintenance of records of all transactions.

7. Treatment of Accounts is the forwarding of notices to end users by mail or telephone calls of delinquent or unpaid end user accounts and posting of credits and adjustments.
8. Message Investigation is that activity undertaken by EC to secure, or attempt to secure, proper billing information for USWC messages when the billing is disputed.
9. Inquiry is the answering of end user questions about charges billed for USWC services, as prescribed by USWC reference, and application of credits and adjustments to end user accounts.

SECTION 7. MARKET MESSAGE SERVICE AND BILL INSERT SERVICE

A. Description

Market Message Service is a message containing lines of information and advertisement on USWC's detail of current charges page of the bill. USWC has the right to request that EC insert a market message that is mutually agreed upon by both Parties on USWC's page of the bill. EC will have the right to indicate maximum message length and location on the USWC bill page based upon technical parameters of EC's billing system.

Bill Insert Service is a bill insert containing information and/or advertisement associated with USWC provided services. USWC has the right to request that EC place a bill insert that is mutually agreed upon by both Parties in bills to USWC customers in a specifically identified billing cycle. EC will have the right to define the size of inserts that the EC system can handle.

SECTION 8. BILLING INFORMATION SERVICE

A. Description

Billing Information Service is the provision of information to USWC from EC's end user records, billing files, and account data bases. EC will provide Billing Information Service as mutually agreed upon between USWC and EC.

B. Definition

Information is defined as any entry in records or data bases which is not identified as proprietary to EC or to a customer. An entry listed as proprietary to any customer other than the requesting customer will not be provided. An entry listed as proprietary to EC will be protected by EC.

Information may include but is not necessarily limited to the following:

1. Customer message detail for an end user message.
2. Account detail for an end user.

C. Rate Application and Provisioning Parameters

When Billing Information Service is ordered by USWC, EC will determine on a request by request basis its capability to meet the request.

The charges, implementation and type of data to be provided will also be determined on an individual case basis (ICB). The three types of charges that may be assessed to USWC for Billing Information Services Are:

1. Service Request

A charge will be assessed for hours required to define, design, develop, test and maintain the necessary end user programs.

2. Recurring Provision of Data

This charge will be assessed for ongoing provision of requested data.

3. Media Provisioning

When applicable, media charges for mechanized data transfer, magnetic tapes and delivery, etc., will be assessed.

**EXHIBIT B
AGREEMENT FOR THE PROVISION OF
BILLING AND COLLECTION SERVICES
RATES**

This Exhibit B is attached to and made a part of the Agreement for the Provision of Billing and Collection Services between U S WEST Communications, Inc. ("USWC") and PTI Communications, Inc. ("EC").

Following are the Exchanges where Billing And Collection Services are performed:

EXCHANGES

All EC exchanges existing and established in Colorado, Idaho, Iowa, Minnesota, Montana, Oregon, Washington and Wyoming during the term of this Agreement are included.

APPLICABLE RATES FOR BILLING SERVICES

USWC will purchase full billing services as described on EXHIBIT A, SECTION 2. GENERAL TERMS AND CONDITIONS, including Recording Services, Message Processing Service and Bill Processing Service, from EC at the per message rates listed below:

RATE PER BILLED MESSAGE

\$.09 Per Billed Message - Intrastate/IntraLATA
\$.14 Per Billed Message - Interstate/IntraLATA

NON-RECURRING CHARGE ELEMENTS

<u>RATE ELEMENT</u>	<u>RATE</u>
Optional Calling Plan Rate Change	ICB per USWC request
Custom Request Service	ICB per USWC request
Market Message Service	ICB per USWC request
Bill Insert Service	ICB per USWC request
Billing Information Service	ICB per USWC request

**EXHIBIT C
AGREEMENT FOR THE PROVISION OF
BILLING AND COLLECTION SERVICES
PAYMENT ARRANGEMENTS**

This Exhibit C is attached to and made a part of the Agreement for the Provision of Billing and Collection Services between U S WEST Communications, Inc. ("USWC") and PTI Communications, Inc. ("EC").

From the effective date hereof, payment arrangements for the Billing and Collection Services described in the aforementioned Agreement shall be as set forth below:

SECTION 1. GENERAL

In connection with providing Billing and Collection Services to USWC under this Agreement, EC agrees to remit toll revenues, subject to recourse as described below, the Accounts Receivable from USWC as set forth in this Exhibit C.

SECTION 2. CALCULATION OF AMOUNT DUE USWC

EC will calculate the Amount due USWC on any end user bill date under this Agreement, using the following formula:

$$\text{Amount Due USWC} = A + (-) B$$

- A. Total current amount billed is the amount of revenues lawfully billed to end users by EC for USWC's services on the end user bill date.
- B. Recourse Adjustments are the amounts debited or credited to each end user bill for end user adjustments, customer uncollectible bad debt allowance (for bad debt on final accounts), direct uncollectible additional charges, live account recourse, and EC and USWC adjustments. Refer to Section 3 of this Exhibit.
- C. All non-recurring charge elements will be billed to USWC under a separate invoice as those charges are incurred based upon USWC's authorization of the ICB request.

The total current amount billed shall be detailed in the Purchase of Accounts Receivable Statement.

SECTION 3. RECOURSE ADJUSTMENTS

For each monthly billing cycle, EC will make recourse adjustments to the total current amount billed as follows:

A. End User Adjustments

For each monthly billing cycle, EC will subtract from total current amount billed the lawfully billed amounts which EC removes from end users balances due in accordance with USWC inquiry instructions. EC's decision to authorize end user adjustment as a result, if made in good faith, shall be conclusive and final between Parties to this Agreement.

B. Billing Adjustments

For each monthly billing cycle, EC may make adjustments to the total current amount billed to account for amounts on statements received from USWC for additions or subtractions to an end user balance due for services billed in prior periods.

Also, each monthly billing cycle, EC may make adjustments to the total current amount billed to account for additions and subtractions for USWC or EC prior billing period errors.

C. **Uncollectible Adjustments**

For each monthly billing cycle, EC will subtract from the total current amount billed the amount for uncollectibles associated with the purchase of accounts receivable. Uncollectibles are amounts billed by EC to end users on final customer bills that are unpaid. During the period covered by this Agreement, EC will determine the amount for uncollectibles for each monthly billing cycle by using actual uncollectibles.

SECTION 4. BILLING DETAIL

A statement of amount due USWC will be provided to USWC by EC, including all rate element detail by exchange, in a format to be mutually agreed upon.

SECTION 5. USWC BILLING SCHEDULE

If all prefixes contained in a billing period are to be rescheduled, EC will notify USWC sixty (60) business days prior to the change.

SECTION 6. PAYMENT DATE

For any end user bill date, the payment date for the payment of the amount due USWC is determined by adding thirty (30) calendar days to the end user bill date.

If such payment date would cause payment to be due on a Saturday, Sunday or Holiday, payment for the amount due USWC will be as follows:

- A. If such payment date falls on a Weekend or on a Holiday, the payment date shall be the next business day following such Weekend or Holiday.
- B. EC will remit to USWC all end user toll amounts due USWC within thirty (30) calendar days of the end user bill date.

SECTION 7. PAYMENT METHOD

Any payment to USWC or EC of one hundred thousand dollars (\$100,000) or more must be transmitted by EC or USWC to a designated bank account of USWC or EC by electronic funds (wire) transfer. Any payment to USWC or EC of less than one hundred thousand dollars (\$100,000) may be paid by check or draft to USWC or EC's lockbox address, or by electronic funds transfer to a designated bank account of USWC or EC.

SECTION 8. LATE PAYMENTS

Any payment received by USWC or EC, which does not comply with the payment methods defined in Section 7 will be subject to a late payment penalty. The late payment penalty shall be the portion of the amount due USWC or EC received after the payment date times a late factor. The following late factors shall be applied on a situation specific basis previously defined and shall be the lesser of:

- (1) The highest interest rate (in decimal value) which may be levied by law for commercial transactions in the State for which service is provided in, compounded daily for the number of calendar days from the payment date to and including the date that the payment is made, or
- (2) 0.000310 per day compounded daily for the number of calendar days from the payment date to and including the date that the payment is actually made, which would result in an annual percentage rate of 12%.

SECTION 9. NOTIFICATION OF DISPUTED ACCOUNTS RECEIVABLE AMOUNT

Should either Party dispute any portion of the amount due, said Party shall notify the other Party, in writing, of the nature and basis of the dispute within a reasonable period of time from the date of discovery of that which gave rise to the dispute. The written notice will be provided by the claiming Party with sufficient detail to allow investigation by the other Party.

SECTION 10. PAYMENT OF DISPUTED ACCOUNTS RECEIVABLE AMOUNT

In the event that a dispute is not resolved by the payment date, the notifying Party shall pay a sum of money equal to the amount of the undisputed portion of the bill.

SECTION 11. ULTIMATE SETTLEMENT OF DISPUTED ACCOUNTS RECEIVABLE AMOUNT

The Party receiving the notice will have thirty (30) business days from the notification date, or other mutually agreed period, to process the claim and inform the notifying Party of the claim status.

Payment or refund must result in immediately available funds on the payment date. The total amount of the refund, shall be paid no later than thirty (30) business days after notice to both Parties that the claim has been sustained is given in writing.

SECTION 12. RETENTION OF SUPPORTING DATA CONCERNING DISPUTED AMOUNT

Both Parties shall retain such detailed information as may be reasonably be required for resolution of the disputed amount during the duration of the dispute.

**EXHIBIT D
AGREEMENT FOR THE PROVISION OF
BILLING AND COLLECTION SERVICES
COLLECTION/PAYMENT OF TAXES**

This Exhibit D is attached to and made a part of the Agreement for the Provision of Billing and Collection Services between U S WEST Communications, Inc. ("USWC") and PTI Communications, Inc. ("EC").

From the effective date hereof, EC's collection policy for the Billing and Collection Services described in the aforementioned Agreement shall be as set forth below:

END USER BILL COLLECTION PROCESS

- A. EC shall remit billed monthly amounts to USWC pursuant to the formula as described in EXHIBIT B, SECTION 2. CALCULATION OF AMOUNT DUE USWC.
- B. EC shall not separate payments by or for USWC provided services, unless otherwise provided herein, or unless required by law or by an order of a regulatory authority.
- C. If an end user withholds payment of a disputed portion of its bill, but pays the undisputed portion, in whole or in part, EC will apply such payment first to the undisputed portion of the balance due and the remainder, if any, to the disputed parts.
- D. If the end user renders payment, in whole or in part, conditioned upon said payment being applied to the end user's balance due in a specified manner, EC will apply the proceeds in accordance with the end user's instruction as or required by law or by order of a regulatory authority.
- E. Except as otherwise agreed to in writing by EC and USWC, EC will employ a mutually agreeable standard collection and treatment methods for collecting payment, including, but not limited to, timely suspension and denial of local service for delinquent accounts to the extent permitted by law, rules, or orders of any regulatory authority having jurisdiction, and initiation of normal collection efforts, including legal action.
- F. EC shall not regard any undisputed amount as uncollectible until after termination of USWC service has taken place.

Amendment 1

OREGON AMENDMENT TO AGREEMENT FOR THE PROVISION OF BILLING AND COLLECTION SERVICES-COLORADO, IDAHO, IOWA, MINNESOTA, MONTANA, OREGON, WASHINGTON AND WYOMING

This Amendment ("Amendment") to the AGREEMENT FOR THE PROVISION OF BILLING AND COLLECTION SERVICES- COLORADO, IDAHO, IOWA, MINNESOTA, MONTANA, OREGON, WASHINGTON AND WYOMING, effective October 1, 1994, is made and entered into effective as of October 21, 1995, by and between U S WEST Communications, Inc., a Colorado corporation, ("USWC") and Telephone Utilities of Eastern Oregon, Inc., dba Pacific Telecom, Inc. ("PTI").

RECITALS

- A. Effective October 1, 1994, USWC and PTI entered into a Billing and Collection Service Agreement (the "Agreement").
- B. The Parties desire to amend the Agreement in certain respects.

WHEREAS, PTI intends to purchase the following USWC exchanges in Oregon:

<u>EXCHANGE</u>	<u>EXCHANGE</u>
Bly	Ione
Bonanza	Jewell
Burns	John Day
Camas Valley	Lexington
Drain	Malin
Durkee	Merrill
Echo	North Harney
Gilchrist	North Umpqua
Glide	North Powder
Government Camp	Seneca
Heppner	Shedd
Huntington	South Harney

Now, therefore, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, the Parties agree as follows:

Effective with the closing date of the Sale of Exchanges (the "Closing Date"), Exhibit B, "Rate Per Billed Message" is amended to add the following: Billing and Collections rate per billed message for the exchanges listed above shall be:

\$.08704 Per Billed Message - Intrastate/IntraLATA
\$.13211 Per Billed Message - Interstate/IntraLATA

PTI, at its option, will apply either a billing rate of \$0.0860 for the Exchanges included in the Purchase Agreement, or an equivalent "Blended Rate" for all of its exchanges, including the acquired Exchanges for a period of five (5) years from the Closing Date, except that PTI is free to assess lower billing rates at any time.

PTI further agrees that the Billing and Collection costs for the above exchanges will not be included nor reflected in any other access rate development for these exchanges or any of PTI's other exchanges.

Except as modified by this Amendment, in all other respects the Agreement shall remain in full force and effect; provided, however, that to the extent of any inconsistency between the provisions of the Agreement and the provision of this Amendment, the provisions of this Amendment shall control.

IN WITNESS WHEREOF, the undersigned have executed this Amendment effective as of the date set forth above.

TELEPHONE UTILITIES OF EASTERN
OREGON, INC., DBA PTI COMMUNICATIONS

USWC

SIGNATURE: J. N. H. F.

SIGNATURE: R. C. Petrone

PRINT NAME: James H. Huesgen

PRINT NAME: R. C. Petrone

TITLE: Exec VP: CFO

TITLE: Director. EE

DATE: Oct 20, 95

DATE: Oct 20, 1995

Amendment 2

**WASHINGTON AMENDMENT TO AGREEMENT FOR THE PROVISION OF
BILLING AND COLLECTION SERVICES-COLORADO, IDAHO, IOWA,
MINNESOTA, MONTANA, OREGON, WASHINGTON AND WYOMING**

This Amendment ("Amendment") to the AGREEMENT FOR THE PROVISION OF BILLING AND COLLECTION SERVICES COLORADO, IDAHO, IOWA, MINNESOTA, MONTANA, OREGON, WASHINGTON AND WYOMING, effective October 1, 1994, is made and entered into effective as of September 30, 1995, by and between U S WEST Communications, Inc., a Colorado corporation, ("USWC") and Pacific Telecom, Inc. ("PTI").

RECITALS

A. Effective October 1, 1994, USWC and PTI entered into a Billing and Collection Service Agreement (the "Agreement").

B. The Parties desire to amend the Agreement in certain respects.

WHEREAS, PTI intends to purchase the following USWC exchanges in Washington:

<u>EXCHANGE</u>	<u>EXCHANGE</u>
Almira	Ocosta
Ashford	Odessa
Benge	Pacific Beach
Cathlamet	Pe Ell
Coulee City	Raymond
Curtis	Ritzville
Edwall-Tyler	Royal City
Eureka	South Bend
Harrington	Sprague
Humptulips	Starbuck
Lake Quinault	Vader
Lebam	Wilbur
Lind	Wilson Creek
Nespelem	Yacolt

Now, therefore, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, the Parties agree as follows:

Effective with the closing date of the Sale of Exchanges (the "Closing Date"), Exhibit B, "Rate Per Billed Message" is amended to add the following: Billing and Collections rate per billed message for the exchanges listed above shall be:

\$.08825 Per Billed Message - Intrastate/IntraLATA

\$.13126 Per Billed Message - Interstate/IntraLATA

PTI, at it's option, will apply either a billing rate of \$0.0886 for the Exchanges included in the Purchase Agreement, or an equivalent "Blended Rate" for all of it's exchanges, including the acquired Exchanges for a period of five (5) years from the Closing Date, except that PTI is free to assess lower billing rates at any time.

PTI further agrees that the Billing and Collection costs for the above exchanges will not be included nor reflected in any other access rate development for these exchanges or any of PTI's other exchanges.

Except as modified by this Amendment, in all other respects the Agreement shall remain in full force and effect; provided, however, that to the extent of any inconsistency between the provisions of the Agreement and the provision of this Amendment, the provisions of this Amendment shall control.

IN WITNESS WHEREOF, the undersigned have executed this Amendment effective as of the date set forth above.

**TELEPHONE UTILITIES OF WASHINGTON, INC. USWC
DBA PTI COMMUNICATIONS**

SIGNATURE

James H. Huesgen

NAME TYPED

Executive V. P. and Chief Financial Officer

TITLE

DATE

SIGNATURE

R. C. Petrone

NAME TYPED

Director - ECS

TITLE

DATE

**AMENDMENT NO. 3 TO
AGREEMENT FOR THE PROVISION OF BILLING AND COLLECTION SERVICES
COLORADO, IDAHO, IOWA, MINNESOTA, MONTANA, OREGON, WASHINGTON AND WYOMING**

This Amendment Number Three is made and entered into by and between Qwest Corporation ("Qwest") and CenturyTel Service Group, LLC ("CenturyTel"). Qwest and CenturyTel may hereafter be referred to individually as a "Party" and collectively as the "Parties".

RECITALS

U S WEST Communications, Inc., Qwest's predecessor in interest, and Pacific Telecom, Inc., et al., CenturyTel's predecessor in interest, entered into that certain AGREEMENT FOR THE PROVISION OF BILLING AND COLLECTION SERVICES COLORADO, IDAHO, IOWA, MINNESOTA, MONTANA, OREGON, WASHINGTON AND WYOMING, effective October 1, 1994 as may have been previously amended ("Agreement");

The Agreement provided for CenturyTel to perform and provide Billing and Collection Services to Qwest for Toll billed to CenturyTel's end users on Qwest's behalf. Billing and Collection Services for any Local Operator Services, Extended Area Services (EAS), Directory Assistance and/or other local service offerings are not covered by this Agreement.

As contemplated in Section 2 C of the Agreement, Qwest and CenturyTel have since negotiated changes to CenturyTel's provided Billing and Collection services in order to better reflect current business circumstances and requirements.

AGREEMENT

In consideration of mutual promises and advantages to the Parties, the Parties incorporate by reference and agree to the accuracy of the above recitals and further agree as follows:

1. DESCRIPTION OF AMENDMENT TO THE AGREEMENT

1.1 Section 8 (Defaults or Violations) of the Agreement

The following language will replace Section 6 of the Agreement in its entirety:

6.1.1 Dispute Resolution - Day-to-Day Inquiries

a. **Single Point of Contact.** CenturyTel shall provide a Single Point of Contact (SPOC) at the Managerial level, for responding to questions about CenturyTel's billing and collection services, and resolution of billing disputes.

CenturyTel's SPOC for the purpose of these discussions will be:

John Ford
100 CenturyTel Drive
Monroe, LA 71203
(318) 330-6315
john.ford@centurytel.com

Qwest's SPOC for the purpose of these discussions will be:

Tamah Matejka
1855 S. Flatiron Court, Rm 215
Boulder, CO 80301-2839
(303) 441-6988
Tamah.matejka@qwest.com

If the designated SPOC changes, the Parties will provide notification to one another in writing, pursuant to the provisions below.

b. **Dispute Process.** Qwest will pay disputed charges but submit disputes in writing (certified mail) regarding Billing and Collections charges. CenturyTel has forty-five (45) calendar days from the date of its receipt of the dispute to research Qwest's dispute and either provide an explanation or issue an adjustment. If CenturyTel has not completed its research at the end of the forty-five (45) day calendar period, Qwest may withhold payments for the B&C charges up to the amount of the dispute.

c. Qwest will pay disputed charges but submit disputes in writing (certified mail) regarding Toll, and/or uncollectible charges. CenturyTel has forty-five (45) calendar days from the date of its receipt of the dispute to research Qwest's dispute and either provide an explanation or issue an adjustment. If CenturyTel has not completed its research at the end of the forty-five (45) day calendar period, CenturyTel will refund to Qwest those Uncollectibles which are in excess of 5.0% and \$1,500.00 (Percent Bad Debt, as defined in 1.10.E of this Amendment), up to the amount of the dispute, without causing Qwest to incur late payment charges (or interest), until CenturyTel's research is complete, even if the charges ultimately are shown to be legitimate.

d. If CenturyTel has not completed its research at the end of ninety (90) calendar days from when a dispute is submitted and received, as outlined above, the dispute can be taken to the first level dispute resolution contacts. During the dispute resolution process referenced herein, Statutes of Limitations will be tolled for claims addressed in said dispute. During the pendency of the dispute resolution, CenturyTel shall not withhold Toll revenues due Qwest in order to offset disputed charges.

CenturyTel's first level dispute resolution SPOC will be:

Max Cox
100 CenturyTel Drive
Monroe, LA 71203
(318) 330-6745
max.cox@centurytel.com

Qwest's first level dispute resolution SPOC will be:

Thomas P. Staebell
1314 Douglas St - 3rd Floor

Omaha, NE 68102
(402) 422-2141
Tom.Staebell@qwest.com

The Parties must make notification of changes in contacts as outlined above.

If this first level dispute resolution contact is unable to resolve the issue within ninety (90) days, the Parties will designate a second-level dispute resolution contact, a vice-president level employee or a representative with authority to make commitments to review, meet, and negotiate, in good faith, to resolve the dispute. At Qwest and CenturyTel this will be the Vice President of Carrier Relations (or his/her designate). The Parties intend that these negotiations be conducted by non-lawyer, business representatives, and the locations, format, frequency, duration, and conclusions of these discussions will be at the discretion of the representatives. By mutual agreement, the representatives may use other procedures to assist in these negotiations. The discussions and correspondence among the representatives for the purposes of these negotiations will be treated as Confidential Information developed for purposes of settlement, and will be exempt from discovery and production, and are not admissible in any subsequent proceedings without the concurrence of both Parties.

If the second level dispute resolution contacts have not reached a resolution of the dispute within thirty (30) calendar days (or such longer period as agreed to in writing by the Parties), then either Party may commence a civil action or regulatory proceeding, as appropriate.

e. **Payments of Disputes.** Failure by Qwest to pay any invoiced charges disputed in good faith in accordance with the terms of this Agreement, as amended, shall not constitute default under this Agreement. Notwithstanding the foregoing, Qwest shall pay all undisputed invoiced charges in accordance with the terms of this Agreement as amended. Payment of an amount less than the total amount due on disputed invoices shall be credited as directed by Qwest. In no event shall CenturyTel apply a credit, in lieu of a payment to Qwest for other services, to the amounts due it or apply any payment or portion thereof to any particular amount or item which is subject to any claim of error or dispute between the Parties. Credits may also not be applied in lieu of other amounts owed Qwest.

6.2 Waiver of Jury Trial and Class Action. Each Party, to the extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a trial by jury and any right to pursue any claim or action arising out of or relating to this Agreement on a class or consolidated basis or in a representative capacity.

1.2 Section 7 (Audit) of the Agreement

A. The second paragraph of Section 7 A. of the Agreement is deleted and replaced with the following:

An audit can be conducted by either Party to this Agreement. Not more than one (1) audit may be conducted by either Party in any twelve (12) month calendar year during the term of this Agreement unless Qwest's right to audit is triggered by a Percent Bad Debt for a CenturyTel property as defined in Section 1.10 Exhibit D Item H of this Amendment to the Agreement.

In the event either Party utilizes representatives from a third party to conduct the audit, the auditing Party agrees that all members of the audit team will sign the Non-Disclosure Agreement attached as Exhibit F to the Agreement.

B. The following language is added to Section 7 A.1 of the Agreement:

d Application of Treatment policies and procedures to Qwest accounts.

C. The following language is added to Section 7 of the Agreement:

D. Upon completion of the Audit, corrective action and/or any necessary adjustments, shall be made within sixty (60) days of the completion of the audit (or within such other timeframes as may be mutually agreed upon by the Parties in writing). If the Parties cannot agree on the audit findings, either Party reserves its rights to pursue Dispute Resolution at the Second Level Dispute Resolution Process defined in Section 6.1.1 of the Agreement, as Amended above.

1.3 Section 16 (Notices) of the Agreement is updated as follows:

For Qwest:

**Qwest Corporation
Attn: Senior Attorney, Wholesale
1801 California St., 10th Floor
Denver, CO 80202
Fax: 888-778-0054**

For EC:

**CenturyTel
Attn: Director of Carrier Relations
100 CenturyTel Drive
Monroe, LA 71203
Fax: (318) 388-9072**

and

**Thomas P. Staebell
Qwest
Manager - Program/Project
1314 Douglas on the Mall, 3rd Floor
Omaha, NE 68102-1818
(402) 422-2141
FAX (402) 422-2182**

**CenturyTel
Attn: Legal Department
100 CenturyTel Drive
Monroe, LA 71203
Fax: 318-388-9488
Phone: 318-388-9000**

tom.staebell@qwest.com

1.4.1 Exhibit A, Section 1 (Definitions) to the Agreement is hereby updated by the addition of the following:

Account Uncollectibles - Specific End User accounts where CenturyTel Business Office has completed all live collection activities, bills have been issued and all final collection steps have been exhausted, resulting in subsequent partial or full write off by CenturyTel.

Call Type - Type of message including, but not limited to, Direct Dialed, 8XX, Operator Handled Collect, Operator Handled third Number Billed, Directory Assistance, etc.

Credit Class - EC's categorization of customers according to credit risk based on payment and treatment history and credit information available from publicly-available commercial sources.

Denied Toll - Charges appearing on a customer's portion of the bill that are disputed by an End User as being unauthorized. Also called "Uncollectible-Direct", "Denied all Knowledge" or "DAK".

1.4.2 Exhibit A, Section 1 (Definitions) to the Agreement is hereby updated by deleting the following definitions:
LECTORS

1.4.3 Exhibit A, Section 1 (Definitions) to the Agreement is hereby updated by substituting the following for the definitions of:

Adjustments -

1. **End User Adjustments:** End User Adjustments may include, but are not limited to, debit or credit changes to specific charges on an end user bill which were billed by CenturyTel for retroactive charges to compensate for incorrect or incomplete data from a prior month.
2. **Wholesale Adjustments:** Post-billing transactions issued for the purpose of debiting or crediting lawfully billed charges on CenturyTel's invoice to Qwest for Billing and Collections services.

Message - Any intraLATA Toll call which has been completed.

1.5 Exhibit A, Section 5 (Message Processing Service) of the Agreement is hereby updated by deleting B. Definitions item #4 (Local Exchange Carrier Terminating to Originating System (LECTORS)).

1.6 Exhibit C, Section 2 (Calculation of Amount due Qwest) of the Agreement is hereby updated by substituting the following for item B:

B. Recourse Adjustments are the amounts debited or credited to each end user's Toll charges for the following: end user adjustments, customer uncollectible bad debt allowance (for bad debt on accounts), and Denied Toll.

1.7 Exhibit C, Section 3 (Recourse Adjustments) of the Agreement is hereby updated by substituting the following language.

a. For item A. End User Adjustments:

For each monthly billing cycle, CenturyTel will subtract from total current amount billed the lawfully billed amounts which CenturyTel removes from end user balances due in accordance with

CenturyTel's documented procedures for handling End User adjustments to its own ILEC Toll services. Per FCC Rule 42.6, CenturyTel will maintain original call records for at least eighteen months. Upon Qwest's request, in the event that CenturyTel has additional information or documentation about the written off calls, those will be made accessible to Qwest.

b. For item C, Uncollectible Adjustments

For reporting each month, CenturyTel will subtract the total current amount of Account Uncollectibles associated with Qwest Toll previously billed by CenturyTel. CenturyTel will determine the amount of Account Uncollectibles for each month by using actual, rather than estimated, data.

1.8 Exhibit C, Section 3 (Recourse Adjustments) of the Agreement is hereby updated by adding the following language.

D. Credits Applied for End User Adjustments and/or Account Uncollectibles

For each month, CenturyTel will credit applicable amounts recovered from End User Adjustments/writeoffs or recovered Uncollectible amounts in compliance with applicable state law.

1.9 Exhibit C, Sections 9 (Notification of Disputed Accounts Receivable Amount), 10 (Payment of Disputed Accounts Receivable Amount) and 11 (Ultimate Settlement of Disputed Accounts Receivable Amount) to the Agreement are hereby deleted.

1.10 Exhibit D, End User Bill Collection Process of the Agreement, Sections A through F, are deleted and replaced with the following:

A. Actual data will be used in the calculation of monthly amounts due Qwest—not estimates.

B. CenturyTel shall remit billed monthly amounts to Qwest (PARS) pursuant to the formula as described in Exhibit C, Section 2. (Calculation of Amount due Qwest). Only Toll charges associated with the amounts remitted by CenturyTel shall be included in uncollectibles netted against PARS. For DA and Operator Services traffic, only the Toll L-PICed to Qwest, and Toll alternately billed to CenturyTel end users, associated with this traffic should be remitted to Qwest in PARS and is subsequently eligible for write-off by CenturyTel as uncollectibles.

C. CenturyTel will supply a monthly uncollectible report detailing all Qwest Account Uncollectibles by customer telephone number.

D. CenturyTel will supply a monthly report detailing all charges written off of Qwest accounts due to customers denying charges (Denied Toll or DAK) by customer telephone number.

E. For each property within each state, CenturyTel will report the

Percent Bad Debt calculated for each month. The Percent Bad Debt will be calculated as follows:

Total amount written off (Uncollectibles) less recoveries

Divided by

Amounts reported monthly to Qwest via PARs (B above)

F. When the quarterly Percent Bad Debt for a CenturyTel property is reported to be greater than 5.0% and \$1,500.00, CenturyTel will supply at Qwest's request customer account-level detail by month which supports the uncollectible reports itemized in C and the Denied Toll in D above. This data will include, but is not limited to:

- i. Customer telephone number
- ii. Amounts written off
For each individual customer amount written off which is \$250 or larger in a given month, CenturyTel will provide, upon Qwest's commercially reasonable request call detail records as referenced in Section 1.7.A. and
- iii. Account Status (Live or Disconnected) and
- iv. Blocking Status and date block applied, if applicable

G. If through CenturyTel's process of investigation and collection procedures, CenturyTel suspects that the reason for customer's non-payment or denial of knowledge of calls may be fraud, CenturyTel will promptly notify the Qwest SPOC referenced in Section 1.1 above in order that the Parties may work together to determine the root cause of the potential fraud and take preventive action as needed.

H. Treatment and service denial activity are dependent upon the regulatory requirements of each state and the FCC. Where Percent Bad Debt is greater than 5.0% and \$1,500.00 for a quarter, arrangements may be made, at Qwest's request, for CenturyTel to commence an audit of CenturyTel's B&C processes to ensure that collection activity is utilized, consistent with the Treatment Procedures detailed in Exhibit E, to the full extent allowed by the law. Where such activity has not been applied, CenturyTel will retroactively adjust its reported uncollectibles to maintain the 5.0% level. This collections audit may occur up to 4 (four) times in a calendar year. The audit may be waived by CenturyTel by substitution of a retroactive 5.0% uncollectibles in lieu of the amount originally reported.

I. End User Deposits are taken on new accounts based on Customer's credit class and in accordance with State Regulatory Rules. Deposits are taken to include both local and toll services. Where end user accounts have been deemed to be in Final Account Uncollectible status, deposits are applied to the account based on state regulatory rules. End Users which have been disconnected due to lack of payments for Qwest Toll Services will not be restored to Qwest Toll Service unless prior amounts due

are repaid, or as required by regulatory authority. To the extent that incremental end user deposits are taken on existing accounts, e.g. as a result of increased toll usage, such deposits will include Qwest Toll services in a manner similar to deposits taken for CenturyTel's own Toll services.

J. End User accounts in Account Uncollectible status shall be referred to an outside collection agency using the same criteria applied to CenturyTel's ILEC long distance customers.

K. If an End User withholds payment of a disputed portion of its bill, but pays the undisputed portion, in whole or in part, CenturyTel will apply such payment first to the undisputed portion of the balance due and the remainder, if any, to the disputed parts. Partial payments, when the amounts are not disputed, are applied to customer's bills based on the state regulatory rules.

L. If the End User renders payment, in whole or in part, conditioned upon said payment being applied to the End User's balance due in a specified manner, CenturyTel will apply the proceeds in accordance with CenturyTel's standard procedures it applies to its own ILEC long distance service, and in accordance with applicable law and regulation.

M. Exchange Carrier will employ industry standard collection and treatment methods, to the extent permitted by law, rules or orders of any regulatory authority having jurisdiction, which at a minimum reflect those used for the collection of CenturyTel's ILEC long distance accounts. These treatment methods include, but are not limited to, collection of initial and subsequent deposits, demand for payment or payment arrangements, application of Toll blocking or Toll restriction, termination of service, or referral to an outside collection agency.

1.11 The Agreement is hereby updated with the addition of Exhibit E:

**EXHIBIT E
TREATMENT PROCEDURES**

CenturyTel's treatment processes are automated within its End User Billing System and shall be administered consistently with Qwest Toll customers in the same manner as utilized with its own ILEC Toll customers. When payments are not made and payment arrangements cannot be established, temporary or permanent Toll blocking are placed on the account as soon as allowed under State Regulatory Rules. New customers' credit status are checked and accounts are assigned a Credit Class status within the End User Billing System. Customers with poor credit history or no credit history are required to pay a higher deposit. Customer blocked for Toll services are not allowed Toll access until prior balances are paid or payment arrangements are established. To the extent that incremental end user deposits are taken on existing accounts, e.g. as a result of increased toll usage, such deposits will include Qwest Toll services in a manner similar to deposits taken for its own ILEC Toll services.

Note: Detailed Treatment Methods and Procedures including, but not limited to, Thresholds by Credit Class, Deposit Amount Requirements by Credit Class, etc. are to be established by CenturyTel and provided to Qwest under Audit circumstances if requested. This information is considered confidential and will be treated as such by Qwest, subject to the provisions of Sections 11 and 7. These specific Methods and Procedures may be modified by CenturyTel, time to time, as required by business needs.

1.12 The Agreement is hereby updated with the addition of Exhibit F:

EXHIBIT F
CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement"), effective [insert date], [insert year], is made by and between [insert company], a [insert state] corporation, having its principal place of business at [insert business address], and CenturyTel Service Group, LLC a [insert state] limited liability corporation, and its Affiliates ("CenturyTel"), collectively ("Parties").

The undersigned Parties hereby agree to and execute the following Agreement and agree to abide by its terms with respect to all confidential information (as defined herein) pertaining to the provisions of the AGREEMENT FOR THE PROVISION OF BILLING AND COLLECTION SERVICES COLORADO, IDAHO, IOWA, MINNESOTA, MONTANA, OREGON, WASHINGTON AND WYOMING, effective October 1, 1994 ("B&C Agreement"), and the subsequent Amendment No. 3, effective January 1, 2008, between Qwest Corporation and CenturyTel and appropriately designated by CenturyTel per the provisions designated in this Agreement. The terms of the Agreement are as follows:

1. Confidential Information. All documents and information (including confidential information in computer storage media or devices of every type or description) pertaining to the B&C Agreement furnished to [insert company name] and that are claimed by CenturyTel to be of a trade secret, proprietary, or confidential nature (hereinafter referred to as confidential information) shall be so marked by CenturyTel so claiming, by stamping the same with a designation indicating its trade secret, proprietary

or confidential nature. Access to and review of confidential information shall be strictly controlled by the terms of this Agreement.

2. Nondisclosure Agreement. No access to confidential information shall be authorized under the terms of this Agreement to any person until the person desiring access to such information signs a copy of Nondisclosure Agreement (attached hereto as Attachment A). A copy of the signed agreement shall be served upon CenturyTel.

3. Availability to Parties. Confidential information shall be disclosed only as follows:

- (a) Prior to receipt of confidential information, the employee of the Party seeking disclosure shall provide to CenturyTel an executed Non-Disclosure Agreement.
- (b) Subject to the requirements of Sections 3(a) and 3(b), the undersigned agrees that [Insert name] may receive confidential information from CenturyTel provided that such information shall be used by the receiving party only with respect to the presentation of the issues raised in regard to the B&C Agreement.

4. Preservation of Confidentiality. No persons who are afforded access to any confidential information by reason of this Agreement shall use or disclose the confidential information for purposes of business or competition, or any other purpose other than those matters that fall within the scope of the B&C Agreement. Persons afforded access to confidential information shall use such information solely as contemplated herein, and shall take all reasonable precautions to keep the confidential information secure as trade secret, confidential, or proprietary information and in

accordance with the purposes and intent of this Agreement. No person may copy, microfilm, microfiche or otherwise reproduce the information without the written consent of the party claiming protection except for his or her own use, or the use of persons permitted access to the confidential information and who have signed a Nondisclosure Agreement (if required).

5. Use of Confidential Material. In the event any party, including third parties already possessing access to the confidential information, intends to use or uses confidential information obtained pursuant to the Nondisclosure Agreement under this Agreement in testimony, exhibits, discovery or discovery responses, cross-examination, briefs or any other pleading or document to be filed in regard to the B&C Agreement, the confidential material must be filed in conjunction with a Request that Information be Withheld from Public Inspection in accordance with the applicable procedures set forth in the Rules pertaining to the forum in which the disclosure is made. In addition, the following shall apply:

- (a) Testimony, briefs or other pleadings containing the confidential information claimed to be confidential shall be filed under seal by the party preparing and using the same in sealed envelopes or other appropriate containers, which shall be prominently marked with the legend CONFIDENTIAL--SUBJECT TO PROTECTIVE AGREEMENT. A copy thereof shall be served on the parties who have signed Nondisclosure Agreements (if required). The complete document containing the protected material shall not be filed in the public record.

- (b) The pages of the documents referred to in Paragraph 5(a) above which contain information claimed to be confidential shall be clearly marked.
- (c) Any party who has not executed a Nondisclosure Agreement, and is required to do so, shall receive a copy of the documents referred to in Paragraph 5(a) above from which information claimed to be protected has been omitted.

6. Challenge to Confidentiality. This Agreement establishes a procedure for the expeditious handling of information that CenturyTel claims is confidential; it shall not be construed as an agreement or ruling on the confidentiality of any document. In the event that any party, including third parties already having right of access to said information, challenges a claim for protection under this Agreement, the party objecting to the removal of the confidential designation bears the burden of demonstrating the harm that would result from public disclosure of the material for which protection is sought. Any party may challenge the characterization of any document or specific information claimed by the providing party to be confidential in the following manner:

- (a) A party challenging the confidentiality of any materials pursuant to this Agreement shall first contact counsel for CenturyTel and attempt to resolve any differences informally;
- (b) If the parties cannot resolve the disagreement informally, the party challenging the claim for protection shall do so by filing a motion with the appropriate regulatory or other adjudicatory entity which identifies with

specificity the material challenged and requests a ruling whether a document or information is confidential.

- (c) If the appropriate regulatory body or adjudicatory entity rules that any document or specific information should be removed from the restrictions imposed by this Agreement, no party shall disclose such document or specific information, or use it in the public record for five (5) business days unless authorized by the providing party to do so. The provisions of this subparagraph are entered to enable the party claiming protection to seek a stay or other relief from the order denying that party such protection.

7. Return of Documents. All Confidential Information provided pursuant to this Agreement shall, upon request of the disclosing party, be returned to the disclosing party within 60 days of the conclusion of the proceeding or any appeal taken therefrom.

8. Responses to Subpoena or Order. If any person receiving Confidential Information receives a subpoena or order for production of Confidential Information produced under the terms of this Agreement, that person shall notify the counsel of record for each party to this Agreement and to the B&C Agreement within 24 hours after receiving the subpoena or order and before the documents are produced, identifying the date and location of the ordered or requested production.

9. Damages. Any Person who violates this Agreement by reason of unauthorized use, or disclosure, or failure to keep the information confidential shall be liable for damages and penalties as provided by law.

Entered into on this _____ day of _____, _____, by:

Name (print or type)

Name (print or type)

Title

Title

Representing

Representing

Signature

Signature

ATTACHMENT A

NONDISCLOSURE AGREEMENT

I hereby certify that I am familiar with the terms and conditions of the Confidentiality Agreement between [insert company name] and CenturyTel Service Group, LLC, dated [insert date] and agree to be bound by the terms and conditions thereof. I further certify that I am eligible to receive confidential information under the terms of the Agreement.

Name (print or type)

Title

Representing

Business Address

Signature

Date

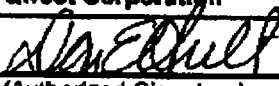
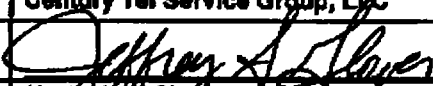
2. **ENTIRE UNDERSTANDING**

This Amendment shall become binding when signed by both Parties. This Agreement, including all Exhibits, constitutes the entire understanding of the Parties, and supersedes all prior and contemporaneous written and oral agreements, with respect to the subject matter. This Agreement may not be modified or amended except in writing signed by both Parties. Any person not a Party shall not have any interest or be deemed a third party beneficiary.

3. **EFFECTIVE DATE**

This Amendment No. 3 shall be deemed effective on January 1, 2008, upon signature by both Parties (the "Amendment Effective Date").

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the Effective Date first written above.

Qwest Corporation	Century Tel Service Group, LLC
	
(Authorized Signature)	(Authorized Signature)
<u>Dan E. Hult</u>	<u>Jeffrey S. Glover</u>
(Print or Type Name of Signatory)	(Print or Type Name of Signatory)
<u>Director - Carrier Relations</u>	<u>V.P. External Relations</u>
(Title)	(Title)
<u>2/19/08</u>	<u>2-18-08</u>
(Execution Date)	(Execution Date)

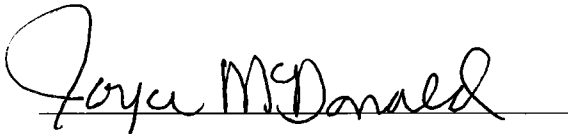
VERIFIED STATEMENT OF AFFILIATED INTEREST TRANSACTION

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 Agreement for the Provision of Billing and Collection Services 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.