

SUBJECT TO RULE OF EVIDENCE 408

CONFIDENTIAL BILLING SETTLEMENT AGREEMENT

This Confidential Billing Settlement Agreement ("Agreement"), dated July 13, 2001, is between Qwest Corporation ("Qwest") and Global Crossing Local Services, Inc. and Global Crossing Telemanagement, Inc., and all of its agents, affiliates, employees, principals, officers, directors, successors, assigns, parents, and subsidiaries (hereafter "Global Crossing") (together the "Parties"). The Parties hereby enter into this Confidential Billing Settlement Agreement with regard to the following:

RECITALS

Whereas, Qwest is an incumbent local exchange provider operating in the states of Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

Whereas, Global Crossing is a competitive local exchange provider and an interexchange carrier that operates in the various states listed above.

Whereas, the Parties have had various disputes regarding the pricing for private line facilities, including the provisioning and pricing of private line on an EEL basis.

Whereas the Parties entered into a Settlement Agreement and Release dated September 18, 2000 as part of the Qwest/U S WEST merger, which covered the following areas: (1) billing for the unbundled network element platform ("UNE-P") when a service (including Centrex and Centrex-like service) is converted from a resold or

other service; (2) installation intervals for subsequent UNE-P requests placed through Qwest's intermediate mediated access for POTS (plain old telephone service); and (3) installation intervals for subsequent manual UNE-P requests for designed circuits.

Whereas disputes have arisen between the Parties with regard to the September 18, 2000, Settlement Agreement and Release, and its meaning and financial impact to the Parties.

Now therefore, in an attempt to finally resolve the issues in dispute and to avoid delay and costly litigation, and for valuable consideration, the Parties voluntarily enter into this Confidential Billing Settlement Agreement to resolve the existing disputes, claims and controversies between the Parties, as of the date of this Agreement that relate to the matters addressed herein and release all existing claims related to these matters.

CONFIDENTIAL BILLING SETTLEMENT AGREEMENT

1. Qwest will make a one-time [REDACTED] payment to Global Crossing in exchange for a release and satisfaction of the September 18, 2000, Settlement Agreement and other billing and provisioning disputes which exist between the Parties. Global Crossing will provide to Qwest wiring instructions within three business days of the signing of this Confidential Billing Settlement Agreement, and Qwest will transmit by wire transfer to Global Crossing the total payment of [REDACTED] within five business days of receiving the wiring instructions.

2. For those lines or private lines that have not been converted from resale or other lines to UNE-P or EEL, Qwest will bill Global Crossing at the appropriate resale or other rate, until the date that each such line has been converted to UNE-P or EEL (the "Conversion Date"). With respect to each such line (including Centrex and Centrex-like lines) that is converted, the Effective Billing Date ("EBD") shall be the Conversion Date. Upon the Conversion Date, Qwest shall bill Global Crossing, with respect to each such line that has been converted, the applicable UNE-P or EEL rate and shall cease billing interstate and intrastate access and related charges (including primary interexchange carrier charge) with respect to each such line, but shall in no way be precluded from billing the appropriate charge to change the primary interexchange carrier on any such line. Until such resale or other line has been converted to UNE-P or EEL, Qwest will bill Global Crossing applicable interstate and intrastate access, and associated charges, with respect to each such line. In order for Global Crossing to receive a UNE-P or EEL rate, it must submit an accurate and complete order, and follow Qwest's processes to convert services to UNE-P or EEL. Also, Global Crossing must meet applicable restrictions, as they may exist or change from time to time, on UNE conversion. Qwest shall process such orders in a timely and accurate manner in accordance with standard provisioning intervals as may be specified in applicable tariffs, interconnection agreements or state commission regulations or rulings.

3. For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Global Crossing and Qwest do hereby release and forever discharge the other and the other's associates, owners, stockholders, predecessors, successors, agents, directors, officers, partners, employees, representatives, employees of

affiliates, employees of parents, employees of subsidiaries, affiliates, parents, subsidiaries, insurance carriers, bonding companies and attorneys, from any and all manner of action or actions, causes or causes of action, in law, under statute, or in equity, suits, appeals, petitions, debts, liens, contracts, agreements, promises, liability, claims, affirmative defenses, offsets, demands, damages, losses, costs, claims for restitution, and expenses, of any nature whatsoever, fixed or contingent, known or unknown, past and present asserted or that could have been asserted or could be asserted in any way relating to or arising out of the matters addressed herein as of the date of the execution of this Confidential Billing Settlement Agreement by both Parties.

4. The terms and conditions contained in this Confidential Billing Settlement Agreement shall inure to the benefit of, and be binding upon, the respective successors, affiliates and assigns of the Parties.

5. Each Party hereby covenants and warrants that it has not assigned or transferred to any person any claim, or portion of any claim which is released or discharged by this Confidential Billing Settlement Agreement.

6. The Parties expressly agree that they will keep the substance of the negotiations and or conditions of the settlement and the terms or substance of this Confidential Billing Settlement Agreement strictly confidential. The Parties further agree that they will not communicate (orally or in writing) or in any way disclose the substance of negotiations and/or conditions of the settlement and the terms or substance of this Agreement to any person, judicial or administrative agency or body, business, entity or association or anyone else for any reason whatsoever, without the prior express written consent of the other Party unless compelled to do so by law. It is expressly agreed that

this confidentiality provision is an essential element of this Confidential Billing Settlement Agreement. The Parties agree that this Confidential Billing Settlement Agreement and negotiations, and all matters related to these two matters, shall be subject to the Rule 408 of the Rules of Evidence, at the federal and state level.

7. In the event either Party has a legal obligation which requires disclosure of the terms and conditions of this Confidential Billing Settlement Agreement, the Party having the obligation shall immediately notify the other Party in writing of the nature, scope and source of such obligation so as to enable the other Party, at its option, to take such action as may be legally permissible so as to protect the confidentiality provided for in this Agreement.

8. This Confidential Billing Settlement Agreement constitutes the entire agreement between the Parties and can only be changed in a writing or writings executed by both of the Parties. Each of the Parties forever waives all right to assert that this Confidential Billing Settlement Agreement was a result of a mistake in law or in fact.

9. This Confidential Billing Settlement Agreement shall be interpreted and construed in accordance with the laws of the State of Minnesota, and shall not be interpreted in favor or against any Party to this Agreement except as expressly provided herein.

10. The Parties have entered into this Confidential Billing Settlement Agreement after conferring with legal counsel.

11. If any provision of this Confidential Billing Settlement Agreement should be declared to be unenforceable by any administrative agency or court of law, the remainder of the Confidential Billing Settlement Agreement shall remain in full force and

effect, and shall be binding upon the Parties hereto as if the invalidated provision were not part of this Confidential Billing Settlement Agreement.

12. Any claim, controversy or dispute between the Parties in connection with this Confidential Billing Settlement Agreement shall be resolved by private and confidential arbitration conducted by a single arbitrator engaged in the practice of law, under the then current rules of the American Arbitration Association. The Federal Arbitration Act, 9 U.S.C. §§ 1-16, not state law, shall govern the arbitrability of all disputes. The arbitrator shall only have the authority to determine breach of this Agreement, but shall not have the authority to award punitive damages. The arbitrator's decision shall be final and binding and may be entered in any court having jurisdiction thereof. Each Party shall bear its own costs and attorneys' fees and shall share equally in the fees and expenses of the arbitrator.

13. The Parties acknowledge and agree that they have a legitimate billing dispute about the issues described in this Confidential Billing Settlement Agreement and that the resolution reached in this Agreement represents a compromise of the Parties' positions. Therefore, the Parties agree that resolution of the issues contained in this Agreement cannot be used against the other Party.

14. This Confidential Billing Settlement Agreement may be executed in counterparts and by facsimile.

IN WITNESS THEREOF, the Parties have caused this Confidential Billing Settlement Agreement to be executed as of this 13th day of July 2001.

Global Crossing Local Services, Inc.
Global Crossing Telemanagement, Inc.

By: _____

Title: _____

Date: _____

Qwest Corporation

By: Audrey McHenry

Title: SVP - Wholesale Markets

Date: 7-20-01

JUL 18 2001 1:10PM GLOBAL CROSSING

NO. 961

P. 2

IN WITNESS THEREOF, the Parties have caused this Confidential Billing Agreement to be executed as of this 17th day of July 2001.

Global Crossing Local Services, Inc.
Global Crossing Telemangement, Inc.

Qwest Corporation

By: [Signature]

By: _____

Title: Sr. VP Network Cost & Carrier Mgmt

Title: _____

Date: 7-18-01

Date: _____