

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

QWEST CORPORATION,  
Complainant,

v.

LEVEL 3 COMMUNICATIONS, LLC;  
PAC-WEST TELECOMM, INC.;  
NORTHWEST TELEPHONE INC.;  
TCG-SEATTLE; ELECTRIC  
LIGHTWAVE, LLC; ADVANCED  
TELCOM GROUP, INC. D/B/A  
ESCHELON TELECOM, INC.;  
BROADWING COMMUNICATIONS,  
LLC; GLOBAL CROSSING LOCAL  
SERVICES INC; AND, MCIMETRO  
ACCESS TRANSMISSION SERVICES  
LLC D/B/A VERIZON ACCESS  
TRANSMISSION SERVICES,

Respondents.

Docket No. UT-063038

NARRATIVE SUPPORTING  
SETTLEMENT AGREEMENT

*I* Pursuant to WAC 480-07-740(2), this Narrative Supporting Settlement Agreement (“Narrative”) summarizes the Confidential Settlement Agreement (“Settlement Agreement” or “Agreement”) that is being filed concurrently with this Narrative. It is not intended to modify any terms of the Settlement Agreement.

- 2 This docket concerns a dispute between Qwest Corporation (“Qwest”) and various other carriers, including MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services (hereinafter “Verizon Access”). The dispute concerns the use of the virtual NXX (“VNXX”) dialing pattern in the state of Washington, and the proper intercarrier compensation for VNXX calls. Details of the dispute are set forth in Qwest’s complaint and the parties’ answers, filed under this same docket number with the Washington Utilities and Transportation Commission (“Commission”).
- 3 Qwest has alleged in its complaint that the use of VNXX arrangements by other carriers, without payment of access charges or other appropriate arrangements, is unlawful. Verizon Access disputed that allegation, and took the position that carriers should negotiate appropriate arrangements for compensation for those types of calls.
- 4 Qwest and Verizon Access agreed to settle this dispute as between themselves, as well as other disputes between them, by entering into a Confidential Settlement Agreement. The Settlement Agreement resolves historical disputes, and contains an agreement to enter into an amendment to the parties’ interconnection agreement (“ICA”). That amendment will be filed with the Commission for approval in the appropriate docket, and for the Commission’s information in this docket, after it is executed. The Confidential Settlement Agreement contains, as non-confidential Exhibit B-1, the amendment that is contemplated as of the date of the execution of the Settlement Agreement.
- 5 This matter is within the jurisdiction of the Commission. The Settlement Agreement resolves the issues raised in Qwest’s complaint as to named respondent MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services.
- 6 The Agreement is in the public interest and should be approved. The Agreement and soon-to-be-executed Amendment to the ICA resolve the dispute between the parties regarding whether

a carrier should be permitted to use VNXX dialing patterns, and if so, what compensation arrangements should apply. Under both Washington and federal law, carriers are permitted to enter into agreements of this type.<sup>1</sup> This Agreement addresses Qwest's concerns with being charged (inappropriately, in Qwest's view) reciprocal compensation or ISP-bound compensation for what Qwest believes to be non-local calls, and creates an agreed-upon arrangement for the exchange of VNXX traffic. The Agreement is consistent with the position taken by Verizon Access in this docket that carriers should negotiate intercarrier compensation agreements to govern the exchange of VNXX traffic pending completion of the intercarrier compensation docket at the Federal Communications Commission.<sup>2</sup> The Agreement expressly does not resolve Qwest's complaint against respondents other than Verizon Access in this docket.

7 In Qwest's view, VNXX traffic is and remains unlawful when both carriers who participate in the origination and termination of the VNXX call have not agreed to the terms and conditions for the exchange of that traffic. Qwest and Verizon Access have attempted to reconcile at least some of the problems created by VNXX traffic by agreeing to a methodology for the exchange of VNXX traffic.

8 Qwest and Verizon Access have filed a joint motion requesting Commission approval of the confidential Settlement Agreement, and dismissal of Verizon Access as a respondent in this case. The Parties will provide witnesses in support of the Settlement Agreement if requested to do so by the Commission.

---

<sup>1</sup> RCW 80.36.150 expressly contemplates that carriers may enter into contracts for telecommunications services or the use of facilities. There is no Commission rule or regulation that such contracts be filed with the Commission, except for those contracts entered into under 47 U.S.C § 252. Under 47 U.S.C § 252, parties may negotiate agreements to implement the requirements of Section 251, and may do so without regard to the standards set forth in Section 251(b) and (c). A state commission may reject such an agreement only if it is discriminatory against a carrier who is not a party, or if implementation of the agreement is not consistent with the public interest. 47 U.S.C. § 252 (e)(2)(A).

<sup>2</sup> See *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, Notice of Proposed Rulemaking (April 27, 2001) and Further Notice of Proposed rulemaking (March 3, 2005).

DATED this 7th day of March, 2007.

QWEST CORPORATION

MCIMETRO ACCESS TRANSMISSION SERVICE LLC  
D/B/A VERIZON ACCESS TRANSMISSION SERVICES

---

Lisa A. Anderl, WSBA #13236  
Adam L. Sherr, WSBA #25291  
1600 7<sup>th</sup> Avenue, Room 3206  
Seattle, WA 98191  
Phone: (206) 398-2500

---

Gregory M. Romano, WSBA #38544  
1800 41st St., WA0105GC  
Everett, WA 98201  
Phone: (425)261-5460