

RECEIVED
RECORDS SECTION

06 SEP -7 AM 10:24

STATE OF WASHINGTON
OFFICE OF THE ATTORNEY GENERAL
COMMUNICATIONS SECTION



Verizon Northwest Inc.

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

September 6, 2006

Ms. Carole J. Washburn,
Executive Secretary
Washington Utilities and
Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive SW
Olympia, Washington 98504

Subject: **AFFILIATED INTEREST AGREEMENT – ADVICE NO. 285**
Ref. Docket No. UT-061254

Dear Ms. Washburn:

Enclosed for filing with the Commission is a verified copy of Amendment One to a Master Services Agreement between Verizon telephone operating companies, including Verizon Northwest Inc., and Verizon Business.

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

Very truly yours,

A handwritten signature in black ink that reads "Richard E. Potter".

Richard E. Potter
Director
Public Affairs, Policy & Communications

Enclosure

VERIFICATION OF AFFILIATED INTEREST AGREEMENT

I verify that the enclosed is a true copy of Amendment One to a Master Services Agreement between Verizon telephone operating companies, including Verizon Northwest Inc., and Verizon Business.

Richard E. Potter Date: 9.6.06

Richard E. Potter
Director
Verizon Northwest Inc.

**AMENDMENT ONE TO
MASTER SERVICES AGREEMENT**

THIS AMENDMENT ONE to the Master Services Agreement (the "Agreement") is made between and among Verizon Services Corp. on behalf of the Verizon telephone operating companies (collectively, "**Verizon**") set forth in Exhibit A to the Agreement and Verizon Business Financial Management Corp. on behalf of the Verizon Business entities (individually or collectively "**Verizon Business**") set forth in Exhibit A to the Agreement. Verizon and Verizon Business are sometimes referred to collectively as the "**Parties**".

WHEREAS, the Parties entered into the Agreement effective July 24, 2006;

WHEREAS, Verizon desires to purchase additional services from Verizon Business;

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

1. The parties hereby agree to add Service Schedule 002, attached to this Amendment One relating to Optical Card Screening and Repair. This service schedule is hereby made a part of the MSA. Service Schedule 002 shall become effective only after Verizon makes all necessary changes to its cost allocation manual on file with the Federal Communications Commission ("FCC"), files such changes with the FCC, and such changes are approved by the FCC or otherwise become effective under law after opportunity for public comment.
2. Except as amended hereby, all other rates, terms and conditions of the MSA shall remain in full force and effect.
3. This Amendment may be executed in counterparts and by facsimile signature. Each counterpart shall be deemed one and the same document and each facsimile signature shall be deemed an original.

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

Verizon Services Corp.

By: _____

Name: John Ridgeway

Title: Director – Marketing Services

Date: _____

8-30-06

Verizon Business Financial Management Corp.

By: _____

Name: Suleiman Hessami

Title: Vice President – Pricing & Contracts

Date: _____

**AMENDMENT ONE TO
MASTER SERVICES AGREEMENT**

THIS AMENDMENT ONE to the Master Services Agreement (the "Agreement") is made between and among Verizon Services Corp. on behalf of the Verizon telephone operating companies (collectively, "Verizon") set forth in Exhibit A to the Agreement and Verizon Business Financial Management Corp. on behalf of the Verizon Business entities (individually or collectively "Verizon Business") set forth in Exhibit A to the Agreement. Verizon and Verizon Business are sometimes referred to collectively as the "Parties".

WHEREAS, the Parties entered into the Agreement effective July 24, 2006;

WHEREAS, Verizon desires to purchase additional services from Verizon Business;

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

1. The parties hereby agree to add Service Schedule 002, attached to this Amendment One relating to Optical Card Screening and Repair. This service schedule is hereby made a part of the MSA. Service Schedule 002 shall become effective only after Verizon makes all necessary changes to its cost allocation manual on file with the Federal Communications Commission ("FCC"), files such changes with the FCC, and such changes are approved by the FCC or otherwise become effective under law after opportunity for public comment.
2. Except as amended hereby, all other rates, terms and conditions of the MSA shall remain in full force and effect.
3. This Amendment may be executed in counterparts and by facsimile signature. Each counterpart shall be deemed one and the same document and each facsimile signature shall be deemed an original.

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

Verizon Services Corp.

Verizon Business Financial Management Corp.

By: _____

By: 

Name: John Ridgeway

Name: Suleiman Hessami

Title: Director - Marketing Services

Title: Vice President - Pricing & Contracts

Date: _____

Date: 8/29/06

SERVICE: OPTICAL CARD SCREENING AND REPAIR SERVICES

SERVICE DESCRIPTION

During the term of this Agreement, MCI Communications Services, Inc. d/b/a Verizon Business Services (hereinafter referred to as "Verizon Business" or "Supplier") may provide, after request by Verizon (as defined below), optical card screening and repair services ("Optical Card Service") to Verizon Services Corp. on behalf of itself and GTE Southwest Incorporated d/b/a Verizon Southwest, Verizon California Inc., Verizon Florida Inc., Verizon North Inc., Verizon Northwest Inc., Verizon South Inc. and Verizon West Coast, Inc. (collectively, "Verizon" or "Customer").

1.0 OPTICAL CARD SCREENING/REPAIR

- 1.1 Supplier shall provide electronic component level screening and, as applicable, repair of electrical and optical modules used in SONET transmission equipment of Verizon, digital cross connect systems (DXC) of Verizon and other similar periphery of Verizon sent to Supplier by Verizon Logistics' Equipment Resource Services organization on behalf of Customer.
- 1.2 Transportation, handling, and shipping costs are not included in this Agreement and are covered separately under existing intra-company agreements between Verizon Logistics and Customer. Verizon Business will not be required to pay any such costs under this Schedule.

2.0 COMPENSATION

Customer agrees to pay Verizon Business the following for Optical Card Services:

Type of Card	Pricing Criterion	Rate per Unit	Frequency of Transaction: (per service)
Optical	FDC*	\$82.39	Occasionally

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

- i. Services under this schedule will be provided Monday through Friday, excluding Holidays, between 9 AM and 5 PM local time at the location of the dispatched technician. Services under this schedule will not be provided outside of these times.

3.0 NOTICES

Any notices or demands required to be given pursuant to Article 9 of the Agreement which relate to the subject matter of this Service Schedule 002 shall also be provided respective Party as follows:

To Customer:

Mario A. Flores
Executive Director -Equipment Resource Services
Verizon Services Corp.
700 Hidden Ridge
W02N21
Irving, TX USA 75038
Fax: 972-718-1547

With a copy to:

Associate General Counsel
Verizon Services Legal - Sourcing & Logistics
One Verizon Way
VC33E215
Basking Ridge, NJ 07921
Fax: 908-630-2673

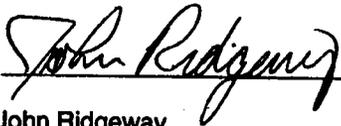
To Verizon Business:

Daniel J Reynolds
Director
Verizon Business
400 International Parkway
Room 1A304
Richardson, TX USA 75081

With a copy to:

Stephen E. Bozzo
VP & Deputy General Counsel
Verizon Business
22001 Loudoun County Parkway
Room E1-3-609
Ashburn, VA 20147

Verizon Services Corp.

By: 
Name: John Ridgeway
Title: Director – Marketing Services
Date: 8-30-06

Verizon Business Financial Management Corp.

By: _____
Name: Suleiman Hessami
Title: Vice President – Pricing & Contracts
Date: _____

3.0 NOTICES

Any notices or demands required to be given pursuant to Article 9 of the Agreement which relate to the subject matter of this Service Schedule 002 shall also be provided respective Party as follows:

To Customer:

Mario A. Flores
Executive Director - Equipment Resource Services
Verizon Services Corp.
700 Hidden Ridge
W02N21
Irving, TX USA 75038
Fax: 972-718-1547

With a copy to:

Associate General Counsel
Verizon Services Legal - Sourcing & Logistics
One Verizon Way
VC33E215
Basking Ridge, NJ 07921
Fax: 908-630-2673

To Verizon Business:

Daniel J Reynolds
Director
Verizon Business
400 International Parkway
Room 1A304
Richardson, TX USA 75081

With a copy to:

Stephen E. Bozzo
VP & Deputy General Counsel
Verizon Business
22001 Loudoun County Parkway
Room E1-3-609
Ashburn, VA 20147

Verizon Services Corp.

Verizon Business Financial Management Corp.

By: _____
Name: John Ridgeway
Title: Director - Marketing Services
Date: _____

By: 
Name: Suleiman Hessami
Title: Vice President - Pricing & Contracts
Date: 8/29/06