

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

QWEST CORPORATION'S REPLY TO
COMMISSION STAFF'S RESPONSE TO
QWEST AND VERIZON'S PROPOSED
PARTIAL SETTLEMENT

- 1 Qwest Corporation ("Qwest") hereby replies to the "Response of Commission Staff to Qwest and Verizon's Proposed Partial Settlement" ("Staff Response") filed by Commission Staff on March 19, 2007. Specifically Qwest responds to one issue.
- 2 Qwest replies to Staff's suggestion that the Commission "treat the proposed settlement as Qwest's revised litigation position and proceed to hearing and briefing on that basis." (Staff

Response 4). As Qwest understands this Staff proposal, Qwest disagrees with it for the reasons set forth herein.

3 Staff suggests that the Commission “treat the proposed settlement as Qwest’s revised litigation position and proceed to hearing and briefing on that basis.” Qwest has concerns with this proposal that may stem from the fact that it is unclear as to the precise meaning of the proposal.

4 The Narrative filed with the proposed settlement states Qwest’s position that “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.”

(Narrative ¶ 7). Also, as noted in the Narrative, while MCI would be dismissed from this matter with prejudice, the Agreement does not purport to resolve and should not be interpreted as resolving Qwest’s complaints against the other parties to this docket, nor does it represent a concession by Qwest on any legal issues. (*Id.* ¶ 6).

5 At the same time, the settlement, consistent with the Act’s preference for voluntary negotiation of interconnection arrangement, represents a voluntary, arms-length settlement of several historic disputes between Qwest and MCI. If approved, Qwest recognizes that, as to MCI, it will forego its claim for originating access charges on VNXX traffic during the term of the agreement; on the other hand, MCI will forego any claim that it is entitled to terminating compensation on VNXX traffic during the term of the agreement. Further, if approved, other CLECs would be able to opt in to the same agreement (the whole agreement) that Qwest will

then have with MCI, though of course the specific Unitary Rate and the PCMF provisions would produce different rates and ratios for each party based on their unique mixes of traffic exchanged with Qwest.

- 6 Thus, while Qwest's litigation position on general VNXX issues remains the same and Qwest has conceded no legal positions, the approval of the agreement would allow other CLECs to opt in to the MCI agreement and thus avoid access charges on VNXX traffic while at the same time an opting-in CLEC would concede that it is not entitled to terminating compensation on VNXX traffic. The parties would likewise be bound by all other terms of the agreement.
- 7 From Qwest's perspective, the foregoing represents the full extent of any change in its litigation position in this matter.

DATED this 23rd day of March, 2007.

QWEST

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