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August 21, 2002

Ms. Carole J. Washburn, Secretary
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Dr. S.W.
P.O. Box 47250
Olympia, WA 98504-7254

Re: Docket No. UT-960309
Request for approval of negotiated agreement between Qwest Corporation
and AT&T Corporation

Dear Ms. Washburn:

In accordance with the Interpretive and Policy Statement issued on June 28, 1996 in Docket No. UT-960269, please find enclosed three (3) copies of the negotiated Facility Decommissioning Reimbursement Agreement between Qwest and AT&T Corporation for filing with the Commission. Qwest seeks approval of the bracketed language in the enclosed agreement.

Qwest has previously submitted hundreds of agreements with CLECs in Washington for approval by the Commission under Section 252(e)(1). In addition to the filed agreements, Qwest also has implemented other contractual arrangements with CLECs that it does not believe fall within the filing requirements of Section 252 of the Telecommunications Act of 1996.

As the Commission is aware, earlier this year questions were raised regarding Qwest's decisions about these other, unfiled agreements. Notably, a complaint was filed by the Minnesota Department of Commerce alleging, after a review of dozens of Qwest-CLEC contracts, that eleven should have been filed with the Minnesota PUC. The Commission addressed this issue in the 39th Supplemental Order in Docket Nos. UT-003022/003040, paragraphs 289-95. Qwest also filed a petition with the FCC requesting a declaratory ruling as to the scope of the Section 252(a) filing requirement in this area.

Qwest has at all times operated in good faith in filing with the Commission interconnection agreements and amendments, and is committed to full compliance with the Act. After this issue arose Qwest modified its processes and standards for all new agreements with CLECs. Qwest advised the Commission of this policy by letter on May 9, 2002. Under this policy Qwest is filing all new contracts, agreements or letters of understanding between Qwest Corporation and

CLECs that create obligations to meet the requirements of Section 251(b) or (c) on a going forward basis. Qwest believes that this commitment goes well beyond the requirements of Section 252(a). For example, this policy reaches details of business-to-business carrier relations that Qwest does not think the Act requires to be filed with state commissions for approval. However, Qwest is committed to follow this standard until the FCC issues a decision on the appropriate standard in this area. (Unless requested by the Commission, Qwest has not been filing routine day-to-day paperwork, orders for specific services, or settlements of past disputes that do not otherwise meet the above definition.)

Older agreements provide a more complicated case. Qwest naturally has been concerned about any potential penalty liability with regard to "second-guessing" of its past filing decisions, especially in an area where the standards have not been clearly defined. Nevertheless, Qwest is now taking a further step as a sign of good faith. Specifically, Qwest has reviewed its currently effective agreements with CLECs in Washington that were entered into prior to adoption of the new policy. This group includes those agreements that relate to Section 251(b) or (c) services on an on-going basis which have not been terminated or superseded by agreement, commission order, or otherwise. These agreements have previously been provided in response to the Commission Bench Request in Docket Nos. UT-003022/003040. Qwest has applied its broad new review standard to all such agreements and as a result is now filing those agreements for approval under Section 252 of the Act. The agreement attached to this letter for filing is one of those agreements.

Qwest asks the Commission to approve the attached agreement such that, to the extent any active provisions of such agreements relate to Section 251(b) or (c), they are formally available to other CLECs under Section 252(i). For ease of review, Qwest has bracketed those terms and provisions in the agreement which arguably relate to Section 251(b) or (c) services, and which have not otherwise been terminated or superseded by agreement or Commission order. Qwest will make the bracketed provisions available under Section 251(i).

As noted above, Qwest has not been and is not filing routine day-to-day paperwork, settlements of past disputes, stipulations or agreements executed in connection with federal bankruptcy proceedings, or orders for specific services. Included in this last category are contract forms for services provided in approved interconnection agreements, such as signaling and call-related databases. The parties may execute a form contract memorializing the provision of such services offered and described in the interconnection agreement. Upon the Commission's request, Qwest can provide examples of routine paperwork, order documents, or form contracts for its review.

Qwest realizes that its voluntary decision to submit the attached agreement does not bind the Commission with respect to the question of Qwest's past compliance. However, Qwest submits that it has acted in good faith. In any event, Qwest's actions here should remove any argument with respect to Qwest's compliance with Section 252 now and going forward.

Qwest requests that the Commission approve the bracketed portion of this agreement as soon as reasonably practicable. Qwest reserves its rights to demonstrate that the agreement need not

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have been filed in the event of an enforcement action in this area. Meanwhile, however, Qwest will offer other CLECs any bracketed terms in effect for the benefit of the contracting CLEC pursuant to the policies and rules related to Section 251(i).

Qwest will also be posting the agreement on the website it uses to provide notice to CLECs and announcing the immediate availability to other CLECs in Washington of the bracketed terms and conditions. This will facilitate the ability of CLECs to request terms and conditions, subject to the Commission's decision approving the bracketed provisions of the agreement filed here.

Given the confidentiality provisions contained in some of these agreements and the fact that the CLECs involved may deem the information contained therein confidential, Qwest has redacted those terms, such as confidential settlement amounts relating to settlement of historical disputes between Qwest and the particular CLEC, confidential billing and bank account numbers and facility locations, which relate solely to the specific CLEC and do not relate to Section 251(b) or (c) services.

The enclosed agreement does not discriminate against non-party carriers. It is consistent with the public interest, convenience, and necessity. It is also consistent with applicable state law requirements, including Commission orders regarding interconnection issues. Qwest respectfully requests that the Commission approve this agreement expeditiously.

The Order on Arbitration Procedure also requests that a proposed order accompany the filing. Qwest requests a waiver of that requirement, and is not providing one with this filing, as the Commission has, in the past, used its own format for Orders. If this is not satisfactory to the Commission, please contact me and I will forward a proposed order immediately.

Sincerely,

Adam L. Sherr

ALS/llw

Enclosures

cc: Mitchell H. Menezes, AT&T

CONFIDENTIAL & PROPRIETARY

FACILITY DECOMMISSIONING REIMBURSEMENT AGREEMENT

THIS FACILITY DECOMMISSIONING REIMBURSEMENT AGREEMENT ("Agreement"), is made and entered into as of this 27 day of DECEMBER, 2001 (the "Effective Date"), between Qwest Corporation ("Qwest") and AT&T Corp., on behalf itself and certain of its affiliates who ordered the Facilities, ("CLEC") (Qwest and CLEC being sometimes hereinafter referred to collectively as the "Parties" and individually as a "Party").

RECITALS

WHEREAS, Qwest, a local incumbent exchange provider, and CLEC, a competitive local exchange provider, are parties to certain interconnection agreements (the "Interconnection Agreements"), executed pursuant to sections 251 and 252 of the Federal Telecommunications Act of 1996 (the "Act"); and

WHEREAS, pursuant to the Interconnection Agreements, CLEC has purchased physical and/or virtual collocation and ancillary services from Qwest. CLEC now desires to return, or has already returned, to Qwest the collocation sites identified in Exhibit A (the "Facilities") attached hereto and incorporated by reference; and

WHEREAS, the Parties dispute the rates, terms and conditions that are applicable when CLEC decommissions a collocation site; and

WHEREAS, for some or all of the Facilities, Qwest has charged and CLEC has paid such charges to Qwest in order to decommission the Facilities; and

WHEREAS, the Parties voluntarily enter into this Agreement as a final resolution to disputes arising between the Parties regarding the terms and conditions of CLEC's return of the Facilities and the financial obligations of each Party with respect to each of the Facilities under the Interconnection Agreements.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Facility Decommissioning. In consideration for the Release and Waiver set forth below, Qwest hereby agrees to decommission the Facilities and to waive all fees and charges associated therewith.

2. Credit/Reimbursement. In the event that CLEC was previously invoiced and paid Qwest for the decommissioning quotes and the monthly recurring charges past the date of acceptance of the valid decommissioning application, Qwest shall make a one-time credit to CLEC for the sum of any non-recurring charges paid for the decommissioning and any monthly recurring charges paid for the Facilities after the date of Qwest's acceptance and validation of the decommissioning request. The estimated aggregate credit amount for each collocation site is reflected on Exhibit A. This credit amount will be applied, first, to satisfy any outstanding balances (except amounts in dispute) owed by CLEC to Qwest, if any. If a credit balance remains, the CLEC may request the credit be paid them via check. Such check shall be issued by Qwest within thirty (30) days of the Effective Date hereof.

3. Release and Waiver.

(a) In consideration for the credit and/or payments to be made by Qwest to CLEC as provided in Sections 1 and 2 above, CLEC hereby releases and forever discharges Qwest and its 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,

EXECUTION AGREEMENT

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 decommissioning of the Facilities hereunder (the "CLEC Release and Waiver") as of the Effective Date of this Agreement. CLEC 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 Agreement.

(b) In consideration for the CLEC Release and Waiver, Qwest hereby releases and forever discharges CLEC and its 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 decommissioning of the Facilities hereunder (the "Qwest Release and Waiver") as of the Effective Date of this Agreement. Qwest 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 Agreement.

(c) As part of the CLEC Release and Waiver described, CLEC expressly agrees to relinquish forever all rights and interest whatsoever in the Facilities and to remove all property it owns from the Facilities within thirty (30) days after the Effective Date of this Agreement at CLEC's own expense.

(d) In the event CLEC fails to remove its equipment from the Facilities as provided above, Qwest may, without notice or demand and in addition to any other right or remedy available at law or equity, remove all of CLEC's equipment from the Facility and store the same at CLEC's expense. CLEC expressly waives any damages occasioned by such removal, provided that Qwest has used due care. Any equipment so removed will be returned to CLEC upon payment in full of all storage costs. If within forty-five (45) days following such equipment removal, CLEC has not requested the return of its equipment and paid any sums owed, then Qwest may exercise all rights of ownership over such equipment including the right to sell same and retain possession of any sale proceeds to cover Qwest's costs of sale and any other undisputed amounts owed by CLEC to Qwest for the Facilities. If there are any amounts in excess of what CLEC owes to Qwest as described in the preceding sentence, Qwest shall remit such amounts to CLEC within thirty (30) days after such sale. Qwest's exercise of any remedies provided for in this Section 3 shall be without prejudice to any other remedies Qwest may have provided for herein or by law.

4. Confidentiality.⁷

(a) 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 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 Agreement. The Parties agree that this Agreement and negotiations, and all matters related to these two matters, shall be subject to Rule 408 of the Rules of Evidence, at the federal and state level. The Parties further agree that in the event of a breach of the confidentiality provisions of this Agreement, the harm suffered by the injured Party would not be compensable by monetary damages alone and, accordingly, that the injured Party shall, in addition to other available legal or equitable remedies, be entitled to seek an injunction against such breach. Notwithstanding the foregoing, the Parties acknowledge that the fact that Qwest will reimburse CLECs for decommissioning payments previously

made to Qwest has been the subject of non-confidential discussions among Qwest and a group of CLECs. Those discussions are not made confidential by entering into this Agreement. The intent of this Section 4(a) is to maintain in confidence the negotiations between CLEC and Qwest that were specific to the terms of this Agreement, including but not limited to the specific facilities and reimbursement amounts.

(b) In the event either Party has a legal obligation which requires disclosure of the terms and conditions of this 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. At least ten days advance notice under this paragraph shall be provided to the other Party, whenever possible.

5. **Binding Arbitration.** Any claim, controversy or dispute between the Parties in connection with this 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.

6. **Full Settlement.** The Parties acknowledge and agree that legitimate disputes regarding decommissioning of the Facilities and the monetary obligations of each of the Parties with respect to the decommissioning of the Facilities have been raised and that the resolution reached in this Agreement represents a binding compromise of the Parties' positions. Therefore, the Parties agree that resolution of the issues contained in this Agreement shall be deemed full and complete and, except as provided in Section 5 above, cannot be used to the detriment of either Party.

7. **Governing Law.** This Agreement shall be interpreted and construed in accordance with the laws of the State of Colorado, and shall not be interpreted in favor or against any Party to this Agreement except as expressly provided herein.

8. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cannot be rescinded, amended or modified except in a writing executed by authorized representatives of both Parties. The Parties have entered into this Agreement after conferring with legal counsel. Each of the Parties forever waives all right to assert that this Agreement was a result of a mistake in law or in fact.

9. **Binding Agreement.** The terms and conditions contained in this Agreement shall inure to the benefit of, and be binding upon, the Parties, their respective successors, affiliates and assigns.

10. **Severability.** If any provision of this Agreement should be declared to be unenforceable by any administrative agency, court of law, or other tribunal of competent jurisdiction the remainder of the 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 Agreement.

11. **Waiver.** The waiver of any right on one or more occasions by either Party shall not constitute a waiver of any such right in any other instance.

12. **Counterparts.** This Agreement may be executed by facsimile signature (provided it is immediately followed by the original by mail) and in any number of counterparts, each of which would be deemed to be original and all of which taken together shall constitute one and the same agreement.

13. **Rules of Construction.** The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement or as amplifying or limiting any of its content. Words in this Agreement which import the singular connotation shall be interpreted as plural, and words

which import the plural connotation shall be interpreted as singular, as the identity of the Parties or objects referred to may require. Unless expressly defined herein, words having well known technical or trade meanings shall be so construed. All listing of items shall not be taken to be exclusive, but shall include other items, whether similar or dissimilar to those listed, as the context reasonably requires.

IN WITNESS THEREOF, the Parties have caused this Facility Decommissioning Reimbursement Agreement to be executed as of this 27 day of Dec. 2001.

AT&T Corp.

By: [Signature]
Name of Signatory
Title: District Manager

QWEST CORPORATION

By: [Signature]
Audrey McKenney
Title: Senior Vice President

By: [Signature]
Steve Hansen
Title: Vice President

ATT - TCS Decommissions

C Name	Current Accounting BANK	Related BANKs	APP Submits DATE	Verification DATE	Decommissioning Completion Date (Actual Date) (MRC's Change)	State	11 Character CALL ID Code	CO Name	Decommission MRC's Paid *	Decommission MRC's Not Paid	MRC Rate # *	Monthly Recurring Charges *	Monthly Recurring Charges Not Paid *	# of Days in Credit MRC's *	MRC Amount to be Created	MRCs and Amount to MRCs to be Created	Effective Bill Date for MRC Credit	With an Order OO of 11-4- 01. Credit AMT

REDACTED

Proprietary Information
This information contained herein should not be disclosed to unauthorized persons. It is intended for authorized representatives of Corell and ATT-TCC only.
Prepared by Teresa McKenzie