

Qwest

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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-970368
Request for approval of negotiated agreement between Qwest Corp., Global
Crossing Local Services, Inc. and Global Crossing Telemanagement, Inc.
Confidential Treatment Requested

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 Confidential Billing Settlement Agreement among Qwest and Global Crossing 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

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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.

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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 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.

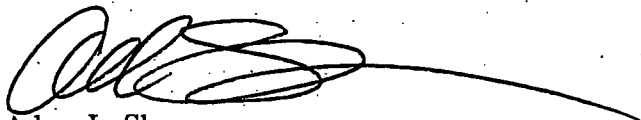
Given the confidentiality provisions contained in some of these agreements and the fact that the CLECs involved may deem the information contained therein confidential, Qwest has redacted those terms, such as confidential settlement amounts relating to settlement of historical disputes between Qwest 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.

In addition, Qwest asks that this agreement be considered confidential pursuant to WAC 480-09-015 for a period of seven (7) days to allow the CLECs sufficient time to object to public disclosure. Qwest will notify the CLEC of this filing and advise it of its opportunity to submit any objections regarding public disclosure to the Commission within the seven-day period.

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.

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: Director-ALEC Facility Based Development, Global Crossing Local Services, Inc.

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 Telemanagement, Inc.

Qwest Corporation

By: [Signature]

By: _____

Title: Sr. VP Network Cost & Carrier Mgmt

Title: _____

Date: 7-18-01

Date: _____