



January 27, 2006

By Electronic Mail and U.S. Mail

Ms. Carole Washburn
Commission Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

RE: *Integra Telecom v. Verizon Northwest, Inc.*, Docket No. 053038

Dear Ms. Washburn:

Enclosed for filing is the Narrative Supporting Settlement Agreement in the above-referenced matter.

Thank you for your attention to this matter. Please feel free to call if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to be "Jay Nusbaum", with a long horizontal flourish extending to the right.

Jay Nusbaum
Associate Regulatory Attorney
Integra Telecom of Washington, Inc.

JPN:jpn
Encl.

Cc: Greg Romano, Counsel for Verizon

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

INTEGRA TELECOM OF
WASHINGTON, INC.

v.

VERIZON NORTHWEST INC.

DOCKET NO. UT-053038

NARRATIVE SUPPORTING
SETTLEMENT AGREEMENT

I. Introduction

This Narrative Supporting Settlement Agreement ("Narrative") is filed pursuant to WAC 480-07-740(2)(a) on behalf of both Parties, who are signatories to the Settlement Agreement ("Agreement") (copy attached as Exhibit 1).

II. Scope of the Underlying Dispute

The underlying dispute concerns the provision of certain lines from Verizon to Integra. Certain of Integra's customers claimed to have experienced a problem wherein their lines or their equipment using such lines would not disconnect after a caller had hung up the phone. Integra alleged that the disconnect supervision problem occurred when the customer's line was directed through a channel bank facility provided by Verizon. According to Integra, its customers did not experience the disconnect problem when Integra ordered Verizon service on a resale basis, which utilizes the same products and equipment that Verizon itself uses to serve its retail customers. Integra's Complaint alleges that Verizon violated state law and the parties' interconnection agreement by provisioning facilities that

were inferior to the facilities that Verizon uses to provision service to its own end users. Verizon has denied Integra's allegations, and believes that Verizon: (i) has provided lawful service to Integra for Integra's use in serving the retail customers named in the Complaint and (ii) has not been, and is not, responsible for any "disconnect problems" alleged to have been experienced by Integra or its customers.

III. Scope of the Proposed Settlement Agreement

The material terms of the settlement agreement provide as follows:¹

1. Withdrawal. Within three (3) business days of the Effective Date, Integra will withdraw the Complaint with prejudice, except as set forth in section 2 of this Agreement.
2. Cooperation. As part of an attempt by the Parties to facilitate their performance under the Parties' interconnection agreement in Washington, Verizon and Integra will use reasonable best efforts to continue to work together and with appropriate vendors (including encouraging applicable vendors) to determine the cause of, and a possible fix to, the disconnect supervision problems for Integra customers Loren E. Davidson, Woodinville Weekly and NW Telecom. If Integra is not satisfied with the progress on the resolution of these problems within 90 days, it may file a complaint to address disconnect supervision issues associated with Loren

¹ A copy of the settlement agreement is attached hereto.

E. Davidson, Woodinville Weekly and NW Telecom, and Verizon may not challenge such a filing on the basis of section 1 of this Agreement.

3. Continued Cooperation. As part of an attempt by the Parties to facilitate their performance under the Parties' interconnection agreement in Washington, Verizon and Integra will work together in an attempt to prevent and address any similar disconnect supervision problems that may arise after execution of this Agreement on lines served through channel banks, including conducting appropriate testing under the Parties' applicable interconnection agreement, training of Verizon personnel and maintaining an open line of communication. If Integra orders resale on a particular line pending resolution of a disconnect supervision problem with Verizon, and the problem is subsequently fixed, Verizon will work cooperatively with Integra through applicable ordering procedures to convert the line to UNE-L service if Integra is eligible to obtain such service on the particular line. Integra reserves any right it may have to seek a credit for the difference between resale and UNE rates if it believes it is entitled to such a credit, and Verizon reserves the right to challenge any attempt by Integra to seek such a credit.

4. No Waiver. The Parties have entered into this Agreement to continue good faith attempts to reach a mutually acceptable technical solution to the matters in dispute, and nothing in this Agreement shall be construed as a waiver by either

Party of any arguments it may have as to what is or is not required of either Party under the Parties' interconnection agreement in Washington. Nothing in this Agreement shall be (a) cited or construed as precedent or as indicative of a Party's position on a resolved issue, or (b) asserted or deemed to mean that a Party agreed with or adopted another Party's legal or factual assertions in this proceeding. The limitation in this paragraph shall not apply to any proceeding to enforce the terms of this Agreement or any Commission order adopting this Agreement in full.

IV. Statement of Parties' Views

WAC 480-07-740(2)(a) requires this Narrative to include a "statement of parties' views about why the proposal satisfies both their interests and the public interest." Each Settling Party has contributed the following separate statements:

A. Integra

Integra believes the settlement satisfies its interest and the public interest. Verizon has committed to continue to work with Integra – and the appropriate vendor(s) – to identify and implement a technical fix for the disconnect problem experienced by some of Integra's customers. Verizon also has committed to procedures that may assist in avoiding or mitigating the problem in the future, such as testing equipment, training its personnel, and maintaining good communication with Integra. The settlement accomplishes Integra's goals of (a) continuing to work cooperatively on identifying and fixing the problem; (b) taking steps to prevent the

problem from happening in the future; and (c) if the problem happens in the future, having the knowledge to promptly and effectively fix the problem.

B. Verizon

Verizon believes the settlement satisfies its interest and the public interest. The Parties have committed to work together in a continued attempt to identify technical solutions to certain problems alleged to have been experienced by certain of Integra customers and that may arise in the future. Verizon has an interest in cooperating with Integra as both Parties attempt to discharge their respective obligations under the Parties' interconnection agreement in Washington, and the public interest is served by carriers setting aside legal differences to work together to find potential technical solutions to alleged problems, as the Parties are committing to do in the Settlement Agreement.

V. Legal Points that Bear on the Proposed Settlement Agreement

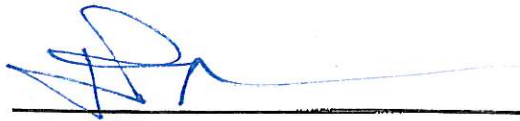
The Settling Parties do not believe there are any legal points that require discussion under WAC 480-07-740(2)(a).

VI. Conclusion

The Parties respectfully request the Commission approve the Settlement Agreement filed in this docket.

DATED this 26 day of January, 2006.

INTEGRA TELECOM OF WASHINGTON, INC.



JAY NUSBAUM
Counsel for Integra

VERIZON NORTHWEST INC.



GREGORY ROMANO
Counsel for Verizon

Exhibit 1: Settlement Agreement

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**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

INTEGRA TELECOM OF WASHINGTON,
INC., a Washington corporation,

Complainant,

vs.

VERIZON NORTHWEST INC.,

Respondent.

) Docket No. 053038

) SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is effective by and between Integra Telecom of Washington, Inc. ("Integra") and Verizon Northwest Inc. ("Verizon") (hereinafter collectively referred to as the "Parties") as of the Effective Date (defined in section 6 of this Agreement).

WHEREAS, the Parties have been engaged in ongoing efforts to work together to resolve issues presented in the above-reference complaint ("Complaint") and believe that such efforts are likely to continue to be productive in resolving remaining issues between the Parties,

NOW, THEREFORE, in order to settle the foregoing matters, and in consideration of the mutual promises contained herein and other good and valuable consideration exchanged between Verizon and Integra, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

- I. Withdrawal. Within three (3) business days of the Effective Date, Integra will withdraw the Complaint with prejudice, except as set forth in section 2 of this Agreement.

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2. Cooperation. As part of an attempt by the Parties to facilitate their performance under the Parties' interconnection agreement in Washington, Verizon and Integra will use reasonable best efforts to continue to work together and with appropriate vendors (including encouraging applicable vendors) to determine the cause of, and a possible fix to, the disconnect supervision problems for Integra customers Loren E. Davidson, Woodinville Weekly and NW Telecom. If Integra is not satisfied with the progress on the resolution of these problems within 90 days, it may file a complaint to address disconnect supervision issues associated with Loren E. Davidson, Woodinville Weekly and NW Telecom, and Verizon may not challenge such a filing on the basis of section 1 of this Agreement.

3. Continued Cooperation. As part of an attempt by the Parties to facilitate their performance under the Parties' interconnection agreement in Washington, Verizon and Integra will work together in an attempt to prevent and address any similar disconnect supervision problems that may arise after execution of this Agreement on lines served through channel banks, including conducting appropriate testing under the Parties' applicable interconnection agreement, training of Verizon personnel and maintaining an open line of communication. If Integra orders resale on a particular line pending resolution of a disconnect supervision problem with Verizon, and the problem is subsequently fixed, Verizon will work cooperatively with Integra through applicable ordering procedures to convert the line to UNE-L service if Integra is eligible to obtain such service on the particular line. Integra reserves any right it may have to seek a credit for the difference between resale and UNE rates if it believes it is entitled to such a credit, and Verizon reserves the right to challenge any attempt by Integra to seek such a credit.

4. No Waiver. The Parties have entered into this Agreement to continue good faith attempts to reach a mutually acceptable technical solution to the matters in dispute, and nothing in this Agreement shall be construed as a waiver by either Party of any arguments it may have as to what is or is not required of either Party under the Parties' interconnection agreement in Washington. Nothing in this Agreement shall be (a) cited or construed as precedent or as indicative of a Party's position on a resolved issue, or (b) asserted or deemed to mean that a Party agreed with or adopted another Party's legal or factual assertions in this proceeding. The limitation in this paragraph shall not apply to any proceeding to enforce the terms of this Agreement or any Commission order adopting this Agreement in full.

5. Positions Not Conceded. In reaching this Agreement, each Party maintains the positions espoused to date in this proceeding. Neither Party necessarily accedes to any argument or position taken by the other Party. The Parties agree that, by entering into this Agreement, neither Party admits any liability concerning any claim related to the Complaint.

6. Effective Date. The effective date of the Agreement ("Effective Date") is the date the Agreement is approved, without change, by order of the Washington State Utilities and Transportation Commission ("Commission"). If the Commission modifies or rejects the Agreement, either Party may terminate the Agreement upon written notice to the other Party such that the Agreement will not take effect.

7. Entire Agreement. The Parties acknowledge that this Agreement is the product of negotiations and compromise and shall not be construed against any Party on the basis that it was the drafter of any or all portions of this Agreement. This Agreement

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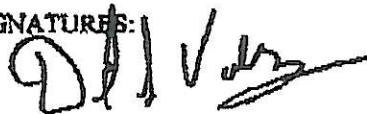
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constitutes the Parties' entire agreement on all matters set forth herein, and it supersedes any and all prior oral and written understandings or agreements, on such matters that previously existed or occurred in this proceeding, and no such prior understanding or agreement or related representations shall be relied upon by the Parties. The Parties recommend that the Commission approve this Agreement with no changes.

8. Counterparts. This Settlement Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized representatives as of the date first written above.

SIGNATURES:



Name: David S. Valdez

Title: Northwest Vice President - Public Affairs, Policy & Communications



Name: Mark Blossch

Title: Senior Vice President Washington - INTEGRA TELECOM

CERTIFICATE OF SERVICE

I hereby certify that I have this day served this document upon all parties of record in this proceeding by the following method(s):

- In person;
- By mail, properly addressed with first class postage prepaid;
- By delivering to a commercial parcel delivery company and making or arranging payment of the pertinent fee;
- By telefacsimile transmission, if other forms of service are waived;
- By electronic mail, if other forms of service are waived.

DATED at Portland, Oregon this 27 day of Jan., 2006.

INTEGRA TELECOM OF WASHINGTON, INC.

By: 

John (Jay) P. Nusbaum, OSB No. 96378
Associate Regulatory Attorney
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Portland, OR 97232
(503) 453-8054
jay.nusbaum@integratelecom.com