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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION



Verizon Northwest Inc.

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

February 18, 2007

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. 309**
Ref. UT-061091

Dear Ms. Washburn:

Enclosed for the Commission's file is a verified copy of Attachment 4 to the Master Services Agreement between Verizon telephone operating companies, including Verizon Northwest Inc., and VGNI.

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". The signature is written in a cursive, flowing style.

Richard E. Potter
Director
Public Affairs, Policy & Communications

Enclosure

VERIFICATION OF AFFILIATED INTEREST AGREEMENT

I verify that the enclosed is a true copy of Attachment 4 to the Master Services Agreement between Verizon telephone operating companies, including Verizon Northwest Inc., and VGNI.

Richard E. Potter Date: 2-18-07

Richard E. Potter
Director
Verizon Northwest Inc.

**Attachment 4 – Description of Pricing and Services for
Optical Hubbing Service**

This Attachment 4 (Description of Pricing and Services for Optical Hubbing Service) (this **Product Schedule**) is entered into as of the date of last signature by a Party (the **Product Schedule Effective Date**) by and among Verizon Global Networks Inc. (“VGNI”) (**Customer**) and Verizon Services Corp. on behalf of the Verizon operating telephone companies set forth on the signature page to this Product Schedule (individually and collectively, **Verizon**). This Product Schedule is attached to that certain Master Services Agreement (**Agreement**), dated as of June 19, 2006, by and among the Parties, and made a part thereof. All capitalized terms not otherwise defined in this Product Schedule, Product Guide, or in the Agreement shall have the meanings set forth in Verizon’s Tariffs FCC Nos. 1, 11, and 14 (individually, **Tariff**, and collectively, **Tariffs**), as applicable.

1. **Service Description**

1.1 **General Description:** Verizon’s Optical Hubbing Service (the **Service**, or **OHS**) provides a dedicated high capacity optical facility for the transmission of up to eight (8) optical connections between Customer designated Premises and a Verizon designated Optical Hub. The Optical Hub is a Verizon wire center assigned to OHS where optical connections to OHS occur. The proximity between these two locations is subject to engineering standards as determined by Verizon. OHS supports point to point SONET at OC3 through OC48 as well as 1 Gigabit Ethernet and 1 Gigabit Fibre Channel. A full description of the Service is set forth in the Product Guide (defined below).

1.2 **Product Guide for the Service:** To the extent not inconsistent with the provisions of this Product Schedule or the Agreement, the complete description of the Service and all terms and conditions for the Service are contained in the ‘OHS Product Guide’ (**Product Guide**) which is incorporated herein by reference and attached to this Product Schedule. The Product Guide contains a comprehensive description of the Service for use by Customer, including without limitation for the following reasons: (i) in connection with its initial review and analysis of the Service; (ii) in making a decision as to whether or not to enter into negotiations for the Service to satisfy its particular business needs; (iii) in maintaining its Service in the most advantageous manner; and (iv) in staying abreast of enhancements or other modifications to the Service.

1.3 **Changes to the Product Guide:** Subject in all respects to the terms and conditions of this Product Schedule and the Agreement, Verizon in its sole discretion shall have the right to change terms set forth in the Product Guide. In accordance with Section 25 (Notices) of the Agreement, Verizon shall provide notice of any change to the Product Guide, and such changed Product Guide shall be the Product Guide as defined herein, and such changed Product Guide shall apply to all existing and new Services provided to Customer pursuant to the Agreement, the Product Guide and this Product Schedule from the date of such change to the Product Guide.

1.4 **Tariffed OHS and New Purchases of the Services:**

The Parties hereby agree as follows:

(a) ***New Purchases of OHS Services:*** As of the Product Schedule Effective Date, Customer shall not place any new orders for OHS services which are offered pursuant to the Tariffs (including such services offered pursuant to contract tariff options, individual case basis tariffs, specialized service arrangements, and all other tariffed arrangements) (collectively, **Tariffed Service(s)**). Customer shall place all new orders for the Service pursuant to the terms and conditions of this Product Schedule, the Product Guide and the Agreement.

(b) *Conversion of Existing Tariffed Service(s) to OHS Service:* Tariffed Service(s) purchased prior to the Product Schedule Effective Date shall, as of the Product Schedule Effective Date, be provided pursuant to the terms of this Product Schedule and the Agreement. At Customer's option, Customer may either: (a) convert its Tariffed Service(s) to OHS under this Agreement with the existing Commitment Period, on the terms and conditions, including the rates and charges, set forth in this Product Schedule and the Product Guide; or (b) convert its Tariffed Service(s) to OHS Service under this Agreement and subscribe to a new Commitment Period of equal or longer length than the Commitment Period for the Tariffed Service(s), on the terms and conditions, including the rates and charges, set forth in this Product Schedule and the Product Guide.

(c) *Orders in Progress:* Any orders previously placed under the Tariffs for Tariffed Service(s) shall, as of the Product Schedule Effective Date, be governed by the terms of this Agreement, and Customer acknowledges and agrees that any and all amounts and obligations owed to Verizon on or after the Product Schedule Effective Date for Tariffed Service(s) provisioned or orders placed under Tariff shall be due and owing under this Product Schedule and be governed by the terms and conditions of this Agreement as if such Tariffed Service or orders for Tariffed Service had been provisioned or placed under the Agreement.

2. **Rates and Charges.** Together with the charges set forth in the Product Guide, the Agreement, or incorporated by reference therein, the rates and charges for the Service are set forth below.

	<u>Verizon Operating Territories</u>				<u>Monthly recurring Rate</u>	<u>Non-Recurring Charge</u>
	<u>In FCC 1 or 11</u>		<u>In FCC 14</u>			
	<u>Special Access USOC</u>	<u>Switched Access USOC*</u>	<u>Special Access USOC</u>	<u>Switched Access USOC*</u>		
2.1 Optical Hubbing Facility Per Arrangement						
3-Year	OHVA3	OHVX3	OHVAX	OHVXX	\$14,000.00	\$1.00
5-Year	OHVA5	OHVX5	OHVAX	OHVXX	10,000.00	1.00
7-Year	OHVA7	OHVX7	OHVAX	OHVXX	8,750.00	1.00
2.2 Optical Channel Facility Per Arrangement						
Optical Channel Facility 123 (OCF-123)						
3-Year	S9F13	S9G13	S9F1X	S9G1X	\$4,500.00	\$1.00
5-Year	S9F15	S9G15	S9F1X	S9G1X	3,500.00	1.00
7-Year	S9F17	S9G17	S9F1X	S9G1X	3,250.00	1.00
Optical Channel Facility - Gigabit* (OCF-G)						
3-Year	S9F23	N/A	S9F2X	N/A	\$2,000.00	\$1.00
5-Year	S9F25	N/A	S9F2X	N/A	1,500.00	1.00
7-Year	S9F27	N/A	S9F2X	N/A	1,350.00	1.00

* Optical Channel Facility – Gigabit is not available for Switched Access.

Verizon Operating Territories

In FCC 1 or 11 In FCC 14

	Special Access <u>USOC</u>	Switched Access <u>USOC*</u>	Special Access <u>USOC</u>	Switched Access <u>USOC*</u>	Monthly recurring Rate	Non- Recurring Charge
2.3 Optical Hubbing Interfaces						
Per Circuit						
OC3 or OC3c						
Month-to-Month	OCQ4X	OCQ1X	OCQ4X	OCQ1X	\$500.00	\$1.00
3-Year	OCQ43	OCQ13	OCQ4X	OCQ1X	200.00	1.00
5-Year	OCQ45	OCQ15	OCQ4X	OCQ1X	200.00	1.00
7-Year	OCQ47	OCQ17	OCQ4X	OCQ1X	200.00	1.00
OC12 or OC12c						
Month-to-Month	OCQ5X	OCQ2X	OCQ5X	OCQ2X	\$500.00	\$1.00
3-Year	OCQ53	OCQ23	OCQ5X	OCQ2X	200.00	1.00
5-Year	OCQ55	OCQ25	OCQ5X	OCQ2X	200.00	1.00
7-Year	OCQ57	OCQ27	OCQ5X	OCQ2X	200.00	1.00
OC48 or OC48c						
Month-to-Month	OCQ6X	OCQ3X	OCQ6X	OCQ3X	\$2,500.00	\$1.00
3-Year	OCQ63	OCQ33	OCQ6X	OCQ3X	2,000.00	1.00
5-Year	OCQ65	OCQ35	OCQ6X	OCQ3X	1,500.00	1.00
7-Year**	OCQ67	N/A	OCQ6X	OCQ3X	1,350.00	1.00
1 Gigabit Ethernet						
Month-to-Month	OCQ7X	N/A	OCQ7X	N/A	\$500.00	\$1.00
3-Year	OCQ73	N/A	OCQ7X	N/A	200.00	1.00
5-Year	OCQ75	N/A	OCQ7X	N/A	200.00	1.00
7-Year	OCQ77	N/A	OCQ7X	N/A	200.00	1.00
1 Gigabit Fibre Channel						
Month-to-Month	OCQ8X	N/A	OCQ8X	N/A	\$500.00	\$1.00
3-Year	OCQ83	N/A	OCQ8X	N/A	200.00	1.00
5-Year	OCQ85	N/A	OCQ8X	N/A	200.00	1.00
7-Year	OCQ87	N/A	OCQ8X	N/A	200.00	1.00

* OC3c, OC12c, OC48c, Gigabit Ethernet and Fibre Channel are not available for Switched Access.

**Available only with connections to Verizon Optical Networking which is subscribed to a 7-year term plan in the territories of Verizon operating telephone companies in FCC 1 or 11.

In confirmation of their consent and agreement to the terms and conditions contained in this Product Schedule and intending to be legally bound hereby, the Parties have executed this Product Schedule as of the Product Schedule Effective Date.

Verizon Global Networks Inc.

By: _____

Name: SCOTT C. PIERCE
Title: EXECUTIVE DIRECTOR
ALLIANCE MANAGEMENT
Date: 1/15/07

**Verizon Services Corp., on behalf of
the Verizon Operating Telephone Companies
identified below**

By: _____

Name: JOHN RIDGEWAY
Title: DIRECTOR
Date: 1-31-07

Verizon Operating Telephone Companies

Verizon California Inc.
Verizon Delaware LLC
Verizon Florida LLC
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon Virginia Inc.
GTE Southwest Incorporated, d/b/a Verizon Southwest
Verizon Washington, DC Inc.