

UT-051247-AF
OM 7-31-08
verizon No Action

Verizon Northwest Inc.

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

June 18, 2008

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

Subject: **AFFILIATED INTEREST AGREEMENT – ADVICE NO. 357**
Ref. Docket UT-051247

Dear Ms. Washburn:

Enclosed for the Commission's file are verified copies of Amendment 34 to a Telecommunications Services Agreement between Verizon telephone operating companies, including Verizon Northwest Inc., and MCI Communications Services, Inc.

The footer notwithstanding, the companies are not requesting confidential treatment.

Please call me at 425-261-5006 if you have any questions.

Very truly yours,



Richard E. Potter
Director
Public Affairs, Policy & Communications

Enclosure

2008 JUN 20 AM 8:09

VERIFICATION OF AFFILIATED INTEREST AGREEMENT

I verify that the enclosed is a true copy of Amendment 34 to a Telecommunications Services Agreement between Verizon telephone operating companies, including Verizon Northwest Inc., and MCI Communications Services, Inc.

Richard E. Potter Date: 6.18.08

Richard E. Potter
Director
Verizon Northwest Inc.

AMENDMENT 34
TO THE
TELECOMMUNICATIONS SERVICES AGREEMENT
BETWEEN
VERIZON SERVICES ORGANIZATION, INC.
AND
MCI COMMUNICATIONS SERVICES, INC.

This Amendment 34 to the Telecommunications Services Agreement (Contract No. TSA010302-1) (Agreement) by and between MCI Communications Services, Inc. d/b/a Verizon Business Services, a Delaware corporation, with offices at 6929 N. Lakewood Avenue, Tulsa, Oklahoma 74117 ("Provider"), and Verizon Services Organization Inc., a Delaware Corporation, with offices at One Verizon Way, Basking Ridge, NJ 07920 ("Customer") shall be effective on the date set forth below.

1. EFFECTIVE DATE

This Amendment 34 shall be effective upon full execution by both parties.

2. AGREEMENT MODIFICATION

2.1 ADD a new section 52.0, Optional Network Reporting Services and Network Performance data gathering, CPE Probes, installation and maintenance services to Exhibit C as set forth in Attachment 1.

2.2 ADD a new Attachment C-26, Optional Network Reporting Services Pricing as set forth in Attachment 2.

3. OTHER TERMS AND CONDITIONS

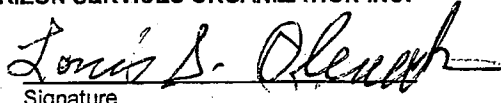
Except as specifically amended herein, the terms and conditions of the Agreement, including any Amendments hereto, shall remain in full force and effect during the term of the Agreement.

IN WITNESS WHEREOF the parties have entered into this Amendment 34 as of the date set forth above.

MCI COMMUNICATIONS SERVICES, INC.

VERIZON SERVICES ORGANIZATION INC.


Signature


Signature

Melissa Heffley
Print Name

Louis Olenick
Print Name

Mgr. Wholesale Contract Mgmt.
Title

Sourcing Process Leader
Title

6-10-08
Date

5-9-08
Date

ATTACHMENT 1

(ADD THE NEW SECTION 52 TO EXHIBIT C AS SET FORTH BELOW)

MCI/Verizon
TSA 010302-1
Amendment 34 (11/13/07)

Confidential

52.

Optional Network Reporting Services and Network Performance Data Gathering, CPE Probes, Installation, and Maintenance Services.

End-User Feature Package	MRC								
<p>52.1 Network Management Reporting – Visual</p> <p>Network Management Reporting – Visual is a service that provides for the collection of network performance data from network probes, and organizes, displays, and retains that data for Customers use and analysis. The service provides the necessary network connections to retrieve the data and the Customer's access to and use of the remote servers that provide graphical and tabular presentations of the data. The service provides for all of the server hardware and software maintenance, support, and upgrades necessary to provide the Customer with the Customer network data.</p> <p>The service depends upon the placement of Fluke Network probes and software licenses on the Customer premise, described separately.</p>	<table border="1"> <thead> <tr> <th data-bbox="902 537 992 680">Term Length</th> <th data-bbox="992 537 1117 680">Monthly Recurring Charge (per device)</th> </tr> </thead> <tbody> <tr> <td data-bbox="902 680 992 751">12 months</td> <td data-bbox="992 680 1117 751">\$65</td> </tr> <tr> <td data-bbox="902 751 992 823">24 months</td> <td data-bbox="992 751 1117 823">\$45</td> </tr> <tr> <td data-bbox="902 823 992 894">36 months</td> <td data-bbox="992 823 1117 894">\$35</td> </tr> </tbody> </table>	Term Length	Monthly Recurring Charge (per device)	12 months	\$65	24 months	\$45	36 months	\$35
Term Length	Monthly Recurring Charge (per device)								
12 months	\$65								
24 months	\$45								
36 months	\$35								
<p>52.2 Customer Premise Equipment</p>	<p>Note: Customer Premise Equipment that may be needed for this service may be obtained by Customer pursuant to the terms and conditions set forth in an existing agreement with Fluke Networks.</p>								
<p>52.3 Managed WAN Services.</p> <p>These services provide for the monitoring of the Customer's network and depending upon the level of service subscribed to, Verizon's notification and specific actions in response to network events. All Managed WAN services provide for detailed network reporting. The following levels of service</p>	<p>See Attachment C-26</p>								

are options within the portfolio:

52.3.1 Managed WAN Monitor and Notify Service provides proactive monitoring of the network and Customer CPE, and provides fault notification to Customer.

52.3.2 Managed WAN Physical Management. In addition to Managed WAN Services provided by Monitor and Notify service, Physical Management service provides ISDN dial backup design, implementation, testing and fault isolation and the network design consultation, physical and logical Managed Device fault isolation, detection and monitoring. Physical faults will be resolved by Verizon with logical faults remaining Customer's responsibility.

52.3.4 Managed WAN Full Management is a comprehensive managed WAN service that provides full testing of the ISDN dial backup design in addition to Physical Management service. Verizon is responsible to clear both logical and physical issues with Customer's reasonable cooperation. Verizon may clear the fault condition remotely or by dispatching a technician to Customer's site at Verizon's option. Where ISDN is not available, Verizon will provide an analog dial backup design, if applicable

ATTACHMENT 2

(ADD THE NEW ATTACHMENT C-26 TO EXHIBIT C AS SET FORTH BELOW)

MCI/Verizon
TSA 010302-1
Amendment 34 (11/13/07)

Confidential

ATTACHMENT C-26

Optional Network Reporting Services and Network Performance Data Gathering, CPE Probes, Installation, and Maintenance Services Pricing.

26. Managed WAN Pricing

Managed WAN pricing consists of two elements:

1. Monthly recurring pricing for network management functions.
2. Non-recurring or one-time fees for service activation and implementation, as well as change management.
 - o Optional Non-recurring Change Management charges may also apply.
 - o Pricing for Managed WAN does not include CPE; and the implementation or takeover charge for Managed WAN does not include equipment install charges.

Managed WAN is provided in three unique service options. A Customer may elect to have either:

- Managed WAN Full Management
- Managed WAN Physical Management
- Managed WAN Monitor and Notify

26.1 Managed WAN Monthly Recurring Charges

- Monthly Recurring Charges for Managed WAN
 - o Per-router charge.
 - o Based on router size of small, medium, and large.
 - o For U.S.-sold Customers, the same price applies to U.S. and international locations.
- The monthly recurring charge covers all standard Managed WAN Services features.
- Additional charges apply for service expedites physical move/add/change/delete activity, and special Customer requests.
- Once the contract is signed, the prices contained in the contract will remain in effect for the term of the contract. The price can only be adjusted if a new contract is signed or the contract is being renewed.

26.2 Managed WAN Full Management

Managed WAN (Management) Pricing by Router Size, Term and Volume Full Management WAN			
Monthly Recurring Charges (MRC)			
1 Year Pricing			
Router Size	Net Price (Small)	Net Price (Medium)	Net Price (Large)
	\$155	\$200	\$335

26.3 Managed WAN Physical Management

Managed WAN (Management) Pricing by Router Size, Physical Management WAN Service			
Monthly Recurring Charges (MRC)			
1 Year Pricing			
Router Size	Net Price (Small)	Net Price (Medium)	Net Price (Large)
	\$135	\$170	\$285

26.4 Managed WAN Monitor and Notify

Managed WAN (Management) Pricing by Router Size, Term and Volume Managed WAN Monitor and Notify			
Monthly Recurring Charges (MRC)			
1 Year Pricing			
Router Size	Net Price (Small)	Net Price (Medium)	Net Price (Large)
	\$70	\$80	\$120

Router Sizes

Size	Router Series
Small	Cisco 1000 series and Cisco 2000 series
Medium	Cisco 3000 series up to Cisco 4000 series
Large*	Cisco 7000 series

*The Cisco 5000 and 6000 series routers are custom only and must be proposed through a custom bid.

26.5 Managed WAN Non-Recurring Charges

- Non-Recurring Service Activation Charges
 - Per-router charge.
 - Applied each time a piece of equipment e.g., router is brought under management by the company.
 - Implementation charge is for management implementation, not equipment install (CPE install is separate).
- Different charges based on Customer type
 - Managed Implementation is for new Customers only.
 - Managed Takeover is for Customers with an existing network service (Frame Relay, Private IP, ATM, or Private Line) and is adding Managed WAN.

	Price (\$) NRC per router
Managed Takeover	\$450.00
Managed Implementation (New Install)	\$550.00
Monitor only Price (New Implementation or Takeover)	\$350.00

- Depending upon network readiness, additional equipment or equipment upgrade may be required.
 - Equipment costs are not included in this fee. CPE will be contracted, ordered and billed through the normal CPE processes.

26.6 Frame Relay to Private IP Managed Migration Charges

- Managed Frame Relay to Managed Private IP
- Frame Relay (unmanaged) to Managed Private IP
- One-time, service activation/implementation charge per router; applied for each router or site
- Implementation charge is for management implementation, not equipment upgrades if required

Implementation Type	Per Router Charge
Basic	\$375
Complex	\$575

Managed Migration Attributes	Managed Migration Physical Management	Managed Migration Complex
Customer Premises Equipment (CPE)	<ul style="list-style-type: none"> • Install/re-use existing out-of-band modem • No CPE upgrades or modifications • IOS version requirement 12.0 or above 	<ul style="list-style-type: none"> • Install/re-use existing out of band modem • Supports CPE and/or IOS upgrades or modifications
Access Circuit	<ul style="list-style-type: none"> • Use existing circuit 	<ul style="list-style-type: none"> • Use existing or install new circuit for controlled migration
Routing Options	<ul style="list-style-type: none"> • Static routes (no dynamic routing) 	<ul style="list-style-type: none"> • Dynamic routing BGP or RIP2 or static
Routed Protocols	<ul style="list-style-type: none"> • IP only 	<ul style="list-style-type: none"> • IP only; Non-IP based routing protocols will be supported through IP tunneling.

Quality of Service Options	<ul style="list-style-type: none"> One level Standard Service Private IP, no ETM 	<ul style="list-style-type: none"> Supports multiple service levels (e.g., silver and gold) and Enhanced Traffic Management (ETM) for IP data applications
Load Balancing	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Session-based load balancing Packet-based load balancing is not supported
Dial Back-up (e.g., ISDN)	<ul style="list-style-type: none"> Incremental fee 	<ul style="list-style-type: none"> Incremental fee
VRF/VPN	<ul style="list-style-type: none"> Single VPN (no extranet) 	<ul style="list-style-type: none"> Single VPN (no extranet)
Hub Sites	<ul style="list-style-type: none"> Single hub site with single CPE 	<ul style="list-style-type: none"> Multiple hub sites Multiple CPE and/or access circuits supported at hub site(s) Does not support deterministic routing to multiple VPNs

26.7 Change Management Charges

Note: Some change management charges are included as part of the Monthly Recurring Charge listed above.

Change Management for Managed WAN falls into three categories:

- Implementation Change Management
- Standard Change Management
- Optional Change Management

26.8 Implementation Change Management

Activity	Cost
Expedite Charge	\$1,100
Rescheduling	\$300
After-Hours Premium	\$600

26.9 Standard Change Management

Activity	Cost
Modify analog or ISDN DBU	Included in MRC
Circuit Upgrade/Downgrade	Included in MRC
Dialer Interface Modify	Included in MRC
Discontinue Managed Services	Included in MRC
Emergency IOS Upgrade	Included in MRC
Filters/Access Lists	Included in MRC
IOS Vulnerability Upgrade	Included in MRC
Single Site IP Address/Subnet Mask Changes	Included in MRC
Privilege Exec Commands Add/Modify	Included in MRC
Request Copy of Router Configuration	Included in MRC
SNMP community strings Add/Modify/Delete	Included in MRC
**Static Route Add/Modify/Delete	Included in MRC
PVC for Unmanaged Remote Device Add/Modify/Delete	Included in MRC
TACACS Add	Included in MRC
Password Change	Included in MRC
Bandwidth Increase/Decrease Logical	Included in MRC
Host Name Change	Included in MRC
IP Address/Subnet Mask Changes Add/Modify/Delete	Included in MRC
Modify Buffer Allocation	Included in MRC
Modify Dial Back-up/Dialer (interface)	Included in MRC

26.10 Optional Change Management for Managed WAN

Optional Change Management	Cost
DHCP IP Helper Add/Modify/Delete	\$50
IP Network Address Translation Add/Modify/Delete	\$50
Network Routed Protocol Add/Modify/Delete	\$50
New MSO IP Address/Subnet Mask Changes Add/Modify/Delete	\$50
PVC Add/Modify/Delete	\$50
Routing Protocol Add/Modify/Delete	\$50
VPN Tunnel Add/Modify/Delete	\$50
Bandwidth Increase/Decrease Physical	\$350
Hardware Module Upgrade	\$350
Intra-building Move	\$350
Router Move, inter-building or across town	\$600
Memory Upgrade	\$350
Router Exchange	\$350
Router IOS Change support new features	\$350
Traffic Shaping/Queuing Add/Modify/Delete	\$350
Traffic Filter Design	\$350
Demand Dispatches Outside Scope of Normal Work 2-hour minimum charge	\$135/hour
Demand Dispatches Weekends or after 5 p.m. local time 2-hour minimum charge	\$170/hour

Optional Change Management provides additional change management support for items Customers are not likely to encounter on a daily basis. Optional Change Management items are charged on a per-incident basis, and are available to Customers that subscribe to the company's Full Management level of Managed WAN or LAN services.

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Equipment Spend for Managed Service		
Annual Budgeted Spend	Negotiated Discount	Discount Amount
\$280,000	30%	\$84,000

Note: The equipment spend is "as ordered". The savings occurs on the equipment installed for Managed Services.