

UT-051247-AF
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verizon
No Action

Verizon Northwest Inc.

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

October 7, 2008

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. 370**
Ref. Docket UT-051247

2008 OCT 10 AM 8:27

RECEIVED

To whom it may concern:

Enclosed for the Commission's file is a verified copy of Amendment 37 to the telecommunications services agreement between MCI Communications Services, Inc. and Verizon telephone operating companies, including Verizon Northwest Inc. The footer notwithstanding, the companies are not requesting confidential treatment of the document.

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

Very truly yours,




Richard E. Potter
Director
Public Affairs, Policy & Communications

Enclosure

VERIFICATION OF AFFILIATED INTEREST AGREEMENT

I verify that the enclosed is a true copy of Amendment 37 to the telecommunications services agreement between MCI Communications Services, Inc. and Verizon telephone operating companies, including Verizon Northwest Inc.

 Date:

Richard E. Potter
Director
Verizon Northwest Inc.

AMENDMENT 37
TO THE
TELECOMMUNICATIONS SERVICES AGREEMENT
BETWEEN
VERIZON SERVICES ORGANIZATION INC.
AND
MCI COMMUNICATIONS SERVICES, INC.

This Amendment 37 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 6665 N. MacArthur Boulevard, Irving, Texas 75039 ("Customer") shall be effective on the date set forth below.

1. EFFECTIVE DATE

This Amendment 37 shall be effective upon full execution by both parties. Notwithstanding anything to the contrary contained in this Agreement, the term of this Agreement and the other terms and conditions hereof, are subject to applicable law and regulatory approval. Accordingly, although this Amendment is executed by both Parties, to the extent that any state statute, order, rule or regulation or any regulatory agency having competent jurisdiction over one or both parties to this Agreement, shall require that this Amendment or any subsequent amendment be filed with or approved by such regulatory agency before the amendment may be effective, the Amendment shall not be effective in such state until the first business day after such approval or filing shall have occurred.

2. REGULATORY APPROVAL

This Agreement is subject at all times to any statute, order, rule, or regulation or any state or regulatory agency having competent jurisdiction over one or both of the parties hereto or the services provide hereby. Verizon and Customer agree to cooperate with each other and with any applicable regulatory agency so that any and all necessary approvals may be obtained. During the term of this Agreement, the parties agree to continue to cooperate with each other in any review of this Agreement including subsequent amendments by a regulatory agency so that the benefits of this Agreement or such amendment may be achieved. If any such agency accepts this Agreement or any amendment in part and rejects it in part, or makes a material modification to the Agreement or amendment as a condition of its approval, either party may terminate the Agreement or Amendment in its entirety without penalty or liability.

3. INCREMENTAL CREDIT

Solely with respect to services provided under NASP ID 30GTES, Provider agrees to give Customer a credit (the "Incremental Credit") for Customer's incremental ADVANCED TOLL SERVICE (Dedicated Access Line) minutes of use during the January, 2008 billing period through and including the December, 2008 billing period. The Incremental Credit will be equal to the sum of the First Credit, the Second Credit and the Third Credit all as defined below. The Incremental Credit will be applied no later than Customer's October, 2008 invoice and will be applied to Corp ID 93251164 (the "Account"). In no event will the amount of the Incremental Credit to be applied on any

particular invoice or against the Account exceed the amount thereof or otherwise require Verizon to issue a payment to Customer; any remaining Incremental Credit amounts will be carried over and applied against successive invoices for Services provided under the Account.

(i) The "First Credit" will be equal to \$1,037,918.89, which the parties agree and acknowledge represents (x) \$0.0059 times (y) Customer's minutes of use (both interstate and intrastate) for ADVANCED TOLL FREE Service (Dedicated Access Line) in excess of 105,000,000 minutes each month during the January, 2008 billing period (i.e., February, 2008 invoice) through and including the May, 2008 billing period (i.e., June, 2008 invoice).

(ii) The "Second Credit" will be equal to (x) \$0.0059 times (y) Customer's minutes of use (both interstate and intrastate) for ADVANCED TOLL FREE Service (Dedicated Access Line) in excess of 105,000,000 minutes each month during the June, 2008 billing period (i.e., July, 2008 invoice) through and including the August, 2008 billing period (i.e., September, 2008 invoice).

(iii) The "Third Credit" will be equal to (x) \$0.0059 times (y) Customer's Estimated MOU (as defined herein). For purposes of this Subpart (iii), "Customer Estimated MOU" will be equal to (a) four (4) times (b) Customer's minutes of use (both interstate and intrastate) for ADVANCED TOLL FREE Service (Dedicated Access Line) in excess of 105,000,000 minutes during the August, 2008 billing period (i.e., September, 2008 invoice). The parties agree that the Third Credit is an approximation and is to compensate Customer for Customer's incremental traffic for the September, 2008 billing period (i.e., October, 2008 invoice) through and including the December, 2008 billing period (i.e., January, 2009 invoice).

4. AGREEMENT MODIFICATION

Effective as of January 1, 2009, the parties agree to modify the Agreement as follows:

4.1 Attachment C-5 (as restated in Amendment 18 and amended in Amendment 29), REPLACE Schedule ATF – A (DAL) on Page C-53 as follows:

SCHEDULE ATF-A (DAL)	
Advanced Toll Free Rates – Interstate Rates (Rates are discountable)	Base Rate
Flat Rate Cost Per Minute (CPM) – All LATAs	\$0.020
Advanced Toll Free – Interstate Discount Schedule	Discount
Monthly Revenue = \$0 - \$899,999	0.00%
Monthly Revenue = \$900,000 - \$1,249,999	35.00%
Monthly Revenue = \$1,250,000 and Over	53.00%
High Telco Adjustment	
Surcharge CPM (See Pricing Note 1)	
Interstate ATF Pricing Notes:	
1. Customer must maintain a combined RBOC and fGTE traffic percentage of 70% or Provider retains the right to apply a \$0.015 per minute surcharge to each non-conforming minute.	
2.. A listing of high telcos can be found on Provider's web-based application Portfolio.	
3. Rates only apply for origination in contiguous U.S.	

4. Rates do not include Service Management System (SMS) pass-through charges.
5. Billing increments for Domestic service are 18 second minimum, 6 second increments.
6. ATF Interstate traffic must terminate via dedicated access from a Provider point of presence to a Customer-owned and operate location.
7. In determining the ATF Interstate discount, monthly revenue is defined as ATF (DAL) Interstate usage only; the discount shall only be applied to ATF (DAL) Interstate Usage.

4.2 Attachment C-5, REPLACE the Table set forth in Subsection 2.2 on Pages C-51 and C-52 as follows:

Advanced Toll Free (CBL) -- Rates	
JURISDICTION	RATE PER MINUTE
INTERSTATE • Within the 48 contiguous United States	\$0.0195 (not subject to discount)
INTERSTATE EXTENDED • Alaska to 48 contiguous United States • Hawaii to 48 contiguous United States • Puerto Rico to 48 contiguous United States • US Virgin Islands to 48 contiguous United States • Guam to 48 contiguous United States	\$0.1900 \$0.0800 \$0.0825 \$0.0825 \$0.2050
INTRASTATE	SEE Schedule ATF-G
INTERNATIONAL • International Locations (including Mexico) to 48 contiguous United States	SEE Attachment A-1 (Note: Additional monthly recurring and non-recurring charges are set forth in the "Service Publication and Price Guide" (the "Guide") which is available to Customer at the following website (www.mci.com) and at Verizon's offices at 22001 Loudoun County Parkway, Ashburn, Virginia)
CANADA • Canada to the 48 contiguous United States	\$0.0723

4.3 Attachment C-5, REPLACE Schedule ATF-C on Pages C-53 and C-54 as follows:

Schedule ATF-C			
Intrastate Advanced Toll Free (DAL)			
(rates are not discountable)			
STATE	ATF RATE	STATE	ATF RATE
AL	0.0154	NC	0.0740
AR	0.0504	ND	0.0439
AZ	0.0257	NE	0.0129
CA	0.0212	NH	0.0576
CO	0.0294	NJ	0.0340
CT	0.0178	NM	0.0100

DC	0.0218	NV	0.0313
DE	0.0253	NY	0.0312
FL	0.0381	OH	0.0127
GA	0.0116	OK	0.0160
IA	0.0204	OR	0.0182
ID	0.0718	PA	0.0222
IL	0.0166	RI	0.0159
IN	0.0127	SC	0.0262
KS	0.0100	SD	0.0735
KY	0.0153	TN	0.0132
LA	0.0164	TX	0.0206
MA	0.0141	UT	0.0234
MD	0.0223	VA	0.0202
ME	0.0125	VT	0.0278
MI	0.0108	WA	0.0417
MN	0.0228	WI	0.0113
MO	0.0287	WV	0.0260
MS	0.0128	WY	0.0137
MT	0.0399		

4.4 Attachment C-5, REPLACE Schedule ATF-D on Page C-54 as follows:

Schedule ATF-D	
Canada Advanced Toll Free (DAL) (rates are not discountable)	
To U.S. Mainland from Canada: 0.0140 / per minute (peak and off-peak)	

4.5 Attachment C-5, REPLACE Schedule ATF-G on Pages C-56 and C-57 as follows:

Schedule ATF-G			
Common Business Line Switched Intrastate Rates (rates are not discountable)			
STATE	CBL RATE	STATE	CBL RATE
AL	0.0515	NC	0.0672
AR	0.0887	ND	0.1378
AZ	0.1168	NE	0.0695
CA	0.0379	NH	0.0741
CO	0.0665	NJ	0.0439
CT	0.0286	NM	0.0462
DC	0.0514	NV	0.0533
DE	0.0430	NY	0.0649
FL	0.0771	OH	0.0430
GA	0.0473	OK	0.1056
IA	0.1032	OR	0.0384
ID	0.1332	PA	0.0685
IL	0.0268	RI	0.0383
IN	0.0291	SC	0.0524
KS	0.0392	SD	0.1626
KY	0.0452	TN	0.0588
LA	0.0337	TX	0.0406
MA	0.0271	UT	0.0616
MD	0.0486	VA	0.0432
ME	0.0278	VT	0.0582
MI	0.0218	WA	0.0637

MN	0.0868	WI	0.0555
MO	0.1319	WV	0.0599
MS	0.1162	WY	0.0526
MT	0.0968		

- 4.6 Attachment C-5, REPLACE the following ATF Domestic Features on Page C-56 as follows:

Automatic Number Identification (ANI)	Per ANI Delivered
Toll Free ANI Group	\$0.00/Call
Toll Free ISDN ANI Group	\$0.00/Call
Network Call Redirect per Call Charges	
\$0.00 surcharge per call for NCR calls	

- 4.7 During each calendar month or pro rata portion thereof, Customer agrees to maintain at least eighty percent (80%) of Customer's Total ATF DAL Service Minutes (as defined herein) for preferred origination with a Regional Bell Operating Company (RBOC), Verizon Local Company and/or a Wireless Provider and subject to such entity's tariffed access charges. Verizon shall have the right to apply a \$0.015 per minute surcharge to the number of minutes by which Non-Preferred Originations exceeds twenty percent (20%) of Customer's Total ATF DAL Service Minutes. For purposes of this Subsection 3.2.2, "**Customer's Total ATF DAL Service Minutes**" will be calculated at the invoice level and will include Customer's ATF DAL Service Interstate and Intrastate minutes.

- 4.8 Exhibit C, REPLACE Subsection 23.1.2 (as amended in Amendment 15) as follows:

23.1.2 Provider Access Quotes – Private Line Circuits. Provider's standard access quote process shall be used in lieu of the Flat Rate Access Pricing in the event Customer or the End User provides any part of the local access loop.

Local Access ordered and provisioned on Provider's Option 2 network will receive the percent discount set forth in the table below:

Option 2 Local Access Discounts	
Circuit Type	Minimum 1 Yr Term
DS-0	25%
DS-1	25%
DS-3	25%
OCn	ICB

With respect to new and existing Option 2 Loops, provided Customer has orders (or has ordered) its own Option 2 Loop directly into Provider's IXC POP, Provider will waive monthly recurring Entrance Facility Charges. The associated installation charges for a Customer-provided Option 2 Loop ordered into an IXC POP will be \$25 per end for a DS-0, \$100 per end for a DS-1 and \$250 per end for a DS-3.

Local access continues to bill at the rate in effect at the time the service was ordered until the access loop is re-termed or the service is disconnected. For re-

termed local access, the pricing related to the new term would become effective as of the 1st day of the month following thirty (30) days' written notice from Customer.

4.9 Exhibit C, ADD the following new Subsection 23.5:

23.5 Provider Access Quotes - Circuits Used in Connection with Voice Services.

23.5.1 With respect to Option 2 loops, all new and existing T1/T3 access circuits associated with Customer's Advanced Toll Free (DAL) Service (i.e., voice only) will be re-rated to the VBS III tariff and subject to a ten percent (10%) discount.

5. OTHER TERMS AND CONDITIONS

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

IN WITNESS WHEREOF the parties have entered into this Amendment 37 as of the date set forth above.

MCI COMMUNICATIONS SERVICES, INC.

VERIZON SERVICES ORGANIZATION INC.

Catherine Hopiard
Signature

E.M. Ryan
Signature

Catherine Hopiard
Print Name

Edward M-Ryan
Print Name

Mgr. Wholesale Contract mgmt.
Title

Sr-Spl.
Title

10/2/08
Date

9-16-08
Date