

Gregory M. Romano
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Northwest Region



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August 14, 2006

VIA DHL and EMAIL

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

Re: Integra Telecom v. Verizon Northwest Inc. – Docket No. UT-053038

Dear Ms. Washburn:

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

If you have any questions, please contact me at 425-261-5460.

Sincerely,

A handwritten signature in cursive script that reads "Gregory M. Romano".

Gregory M. Romano

c: Jay Nusbaum, Counsel for Integra

Enclosures

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, and was explained in detail in the Narrative Supporting Settlement Agreement filed in this docket on January 27, 2006. The settlement agreement filed on January 27, 2006 (“Original Settlement Agreement”) was rejected because it left open the possibility that Integra may refile the complaint if the parties did not resolve certain issues within a specified period of time. *See* Order No. 4 at ¶10. The parties have since resolved all issues, and there is no language in the current Agreement that would allow for the re-filing of the complaint.

III. Scope of the Proposed Settlement Agreement

The material terms of the Agreement provide as follows:¹

1. Withdrawal. Within three (3) business days of the Effective Date, Integra will withdraw the Complaint with prejudice.

2. 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 (including maintaining an open line of communication with respect to prospective ordering, as well as interacting with equipment vendors on a going-forward basis in problem-solving efforts for the mutual benefit of both Parties). 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

¹ A copy of the Agreement is attached hereto.

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.

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. Verizon

Verizon believes the settlement satisfies its interest and the public interest. The only stated concern of the Commission with the Original Settlement Agreement has been removed, and all relevant issues between the Parties have been resolved. Accordingly, the Agreement represents the collective work of the Parties to find technical solutions to alleged problems, and is the type of cooperation to resolve disputes on a commercial basis that should be encouraged by the Commission.

B. Integra

Integra believes the settlement satisfies its interest and the public interest. The Parties have resolved the issues with respect to the customers identified in Integra's Complaint. Therefore, Integra is willing to dismiss its Complaint with prejudice upon Commission approval of the settlement. 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) fixing the problem as it existed for the specific customers identified by Integra, (b) taking steps to prevent the problem from happening in the future; and (c) if the problem happens in the future, having the knowledge and cooperation to promptly and effectively fix it.

V. Legal Points that Bear on the Proposed Settlement Agreement

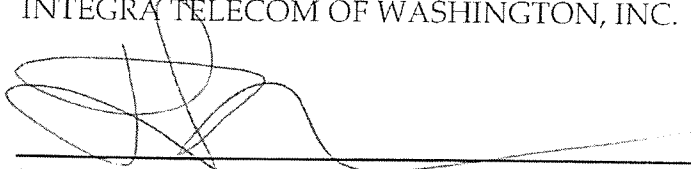
The Settling Parties do not believe there are any legal points that require discussion under WAC 480-07-740(2)(a).

VI. Conclusion

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

DATED this 11th day of August, 2006.

INTEGRA TELECOM OF WASHINGTON, INC.

A handwritten signature in black ink, appearing to read "Jay Nusbaum", written over a horizontal line.

JAY NUSBAUM
Counsel for Integra

VERIZON NORTHWEST INC.


GREGORY ROMANO
Counsel for Verizon

DATED this 11th day of August, 2006.

INTEGRA TELECOM OF WASHINGTON, INC.

JAY NUSBAUM
Counsel for Integra

VERIZON NORTHWEST INC.



GREGORY ROMANO
Counsel for Verizon

Exhibit 1: Settlement Agreement

**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)))))))))
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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:

1. Withdrawal. Within three (3) business days of the Effective Date, Integra will withdraw the Complaint with prejudice.
2. *Intentionally left blank.*

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 (including maintaining an open line of communication with respect to prospective ordering, as well as interacting with equipment vendors on a going-forward basis in problem-solving efforts for the mutual benefit of both Parties). 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 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.

Aug 11 06 11:03a

Mark Blosch

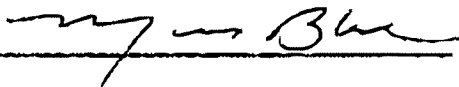
206-859-5861

p. 4

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: Maria Blosch

Title: Senior Vice President Washington



Name: David Valdez

Title: Senior Vice President

CERTIFICATE OF SERVICE

I hereby certify that I have this day served this document upon all of the following parties, as follows:

By email and overnight mail:

Carole Washburn, Executive Secretary
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Drive, SW
Olympia, Washington 98504-7250
VIA OVERNIGHT MAIL & EMAIL

Jay Nusbaum
1201 NE Lloyd Blvd, Ste. 500
Portland, OR 97232
jay.nusbaum@integratelecom.com

DATED this 14th day of August, 2006.



Kim Douglass