Joan C. Peterson Corporate Counsel

April 5, 2007



Patricia Van Gerpen **Executive Director** South Dakota Public Utilities Commission 500 East Capitol Avenue Pierre, SD 57501

> Amendment Regarding Certain Reciprocal Compensation and Network Re: Interconnection Rates, Terms, and Conditions to the Interconnection Agreement between Qwest Corporation and MCImetro Access Transmission Services LLC for the State of South Dakota

Dear Ms. Van Gerpen:

cc:

Enclosed for filing for approval by the South Dakota Public Utilities Commission pursuant to 47 U.S.C. § 252 is the Amendment Regarding Certain Reciprocal Compensation and Network Interconnection Rates, Terms, and Conditions to the Interconnection Agreement between Qwest Corporation and MCImetro Access Transmission Services LLC for the State of South Dakota.

Contact information for MCImetro Access Transmission Services LLC is as follows:

Thomas F. Dixon Assistant General Counsel NW Region c/o Verizon Business 707 17th Street, #4200 Denver, CO 80202 (303) 390-6206 thomas.f.dixon@verizon.com

Thank you for your help with this matter. Please contact me if you have any questions or concerns.

Very truly yours. Joan C. Peterson JCP/bardm Enclosure Thomas Dixon (via e-mail) Colleen Sevold

Amendment Regarding Certain Reciprocal Compensation and Network Interconnection Rates, Terms and Conditions to the Interconnection Agreement between Qwest Corporation and MCImetro Access Transmission Services LLC for the State of South Dakota

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This is an amendment ("Amendment") to incorporate certain reciprocal compensation and network interconnection rates, terms and conditions into the Agreement between Qwest Corporation ("Qwest"), formerly known as U S WEST Communications, Inc., a Colorado corporation, and MCImetro Access Transmission Services LLC ("CLEC"). CLEC and Qwest shall be known jointly as the "Parties."

RECITALS

WHEREAS, CLEC and Qwest entered into an interconnection agreement (such interconnection agreement, as amended to date, being referred to herein as the "Agreement") for services in the state of South Dakota which was approved by the South Dakota Public Utilities Commission ("Commission"); and

WHEREAS, that Agreement memorialized certain reciprocal compensation and network interconnection disputes (the "Disputes") between the Parties; and

WHEREAS, the Parties wish to amend the Agreement to reflect their settlement of the Disputes and hereby agree to do so under the terms and conditions contained herein.

AGREEMENT

NOW THEREFORE, in consideration of the mutual terms, covenants and conditions contained in this Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

I. Amendment Terms.

The Agreement is hereby amended to incorporate the rates, terms and conditions set forth in Attachment 1 to this Amendment, attached hereto and incorporated herein by this reference. In addition, the Parties agree that this Amendment terminates and supersedes in its entirety (1) all conflicting provisions regarding reciprocal compensation in the Agreement; and (2) the Interim Amendment For Certain Disputed Traffic, originally executed on November 16, 2004 and filed as an amendment to the Agreement. The Parties further agree to waive all true up rights they may have under the Interim Amendment For Certain Disputed Traffic.

II. Conflicts.

In the event of a conflict between this Amendment and the terms and conditions of the

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Agreement, this Amendment shall control.

III. Scope.

This Amendment shall amend, modify and revise the Agreement only to the extent specifically set forth in Section I of this Amendment. All other terms and provisions of the Agreement shall remain in full force and effect as specified therein.

IV. Effective Date.

This Amendment shall be deemed effective upon approval by the Commission and shall be effective for the term of the Agreement, including any applicable renewal or "evergreen" period. The Parties agree to implement the provisions of this Amendment as of January 1, 2007, ("Effective Date") including, without limitation, compensating each other at the Unitary Rate for traffic exchanged from and after the Effective Date in accordance with Attachment 1. In the event that the Parties enter into a new Section 251/252 interconnection agreement on or before December 31, 2008 that replaces and supersedes the Agreement ("Replacement Agreement"), this Amendment shall also be filed and incorporated into the Replacement Agreement, and shall be effective for the term of that Replacement Agreement, including any applicable renewal or "evergreen" period.

V. Further Amendments.

The provisions of this Amendment, including the provisions of this sentence, shall remain in effect during the term of the Agreement including any renewal or "evergreen" terms, such that if the Agreement remains in effect through any renewal or evergreen provision, this Amendment shall remain in effect during the same period, and may not be amended, modified or supplemented, and waivers or consents to departures from the provisions of this Amendment may not be given, without a written instrument executed by both Parties' authorized representatives. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

VI. Entire Agreement.

The Agreement as amended (including the documents referred to herein) constitutes the full and entire understanding and agreement between the Parties with regard to the subjects of the Agreement as amended and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they relate in any way to the subjects of the Agreement as amended.

The Parties intending to be legally bound have executed this Amendment as of the dates set forth below, in multiple counterparts, each of which is deemed an original, but all of which shall constitute one and the same instrument.

MCImetro Access Transmission Services LLC

Signature

Peter H. Reynolds Name Printed/Typed

<u>Director – National Carrier Contracts and</u> <u>Initiatives</u> Title

Mach 7.20 Date

Qwest Corporation

Signature

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L.T. Christensen Name Printed/Typed

Director- Interconnection Agreements Title

3/8/07 Date

ATTACHMENT 1

1.0 Definitions

"Initial PCMF" means the PCMF in effect as of the Effective Date.

"Initial RUF" means the RUF in effect as of the Effective Date.

"Initial Unitary Rate" means the Unitary Rate in effect as of the Effective Date.

Local Dialing Pattern" means a call for which the originating NPA-NXX and terminating NPA-NXX are assigned in the Local Exchange Routing Guide to rate centers in exchanges within the same mandatory local calling area, as defined in Qwest's tariffs as of the Effective Date (for the purpose of defining exchanges contained within a local calling area only), or as may be defined by the Commission in an order establishing mandatory Extended Area Service for one or more exchanges, regardless of the actual geographic end points of the call, and the term expressly includes, without limitation, ISP-bound calls that involve a "virtual-NXX" serving arrangement.

"Local Voice Traffic" means all voice traffic, exchanged by the Parties pursuant to the Agreement, dialed with a Local Dialing Pattern.

"Local ISP-bound Traffic" means ISP-bound traffic, exchanged by the Parties pursuant to the Agreement, dialed with a Local Dialing Pattern when the ISP server is physically located in the local calling area where the call is originated.

"PCMF" or "Percent Compensable Minute Factor" means the formula set forth in Section 3.1 of the Amendment, which the Parties shall use to determine which traffic exchanged by the Parties pursuant to the Agreement is subject to compensation at the Unitary Rate.

"RUF" or "Relative Use Factor" means each Party's relative use of LIS two-way DTT or SPOP facilities.

"Total Local Dialed Traffic" means the combination of all Local Voice Traffic, Local ISPbound Traffic and Virtual NXX Traffic. For purposes of this Amendment, Total Local Dialed Traffic shall include only traffic originated on one Party's network that is terminated on the other Party's network.

"Unitary Rate" means a 12-state weighted average rate based upon the ratios of Local Voice Traffic to Total Local Dialed Traffic and Local ISP-bound Traffic to Total Local Dialed Traffic and the application of the TELRIC end office and tandem rates by state, as approved by the applicable state commission(s), to Local Voice Traffic and the application of the FCC's ISP rate of \$0.0007 for Local ISP-bound Traffic. For purposes of this Amendment, the term "12-state" means all states in Qwest's fourteen-state territory except Colorado and Iowa.

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"Virtual NXX Traffic" means traffic, including but not limited to ISP-bound traffic, exchanged by the Parties pursuant to the Agreement, dialed with a Local Dialing Pattern when the ISP server (or, for non-ISP traffic, the physical end point of the call) is located outside the local calling area where the call originated.

2. Compensation

The Parties shall compensate each other for all Total Local Dialed Traffic in accordance with the terms of this Section 2.

2.1 CLEC-Originated Traffic. Qwest shall bill CLEC, in accordance with the billing provisions of the Agreement, for all CLEC-originated Total Local Dialed Traffic based on an Initial PCMF of zero percent (0%) at the Initial Unitary Rate of \$0.00078651 per minute. For example, if CLEC originated 50,000 minutes of Total Local Dialed Traffic to Qwest in a given month, Qwest will bill CLEC an amount equal to 50,000 times zero percent (0%) times \$0.00078651. CLEC shall pay Qwest's invoices in accordance with the payment provisions of the Agreement.

2.2 Qwest-Originated Traffic. CLEC shall bill Qwest, in accordance with the billing provisions of the Agreement, for all Qwest-originated Total Local Dialed Traffic based on an Initial PCMF of zero percent (0%) at the Initial Unitary Rate of \$0.00078651 per minute. For example, if Qwest originated 50,000 minutes of Total Local Dialed Traffic to CLEC in a given month, CLEC will bill Qwest an amount equal to 50,000 times zero percent (0%) times \$0.00078651. Qwest shall pay CLEC's invoices in accordance with the payment provisions of the Agreement.

3. PCMF

3.1 The PCMF is the ratio of: a) the quantity of Local Voice Traffic *plus* Local ISP-bound Traffic to b) the quantity of Virtual NXX Traffic *plus* Local Voice Traffic and Local ISP-bound Traffic.

3.2 Initial PCMF. The Initial PCMFs are set forth in Section 2 and shall remain in effect for an initial period of one year from the Effective Date, and, unless revised in accordance with the requirements of Section 3.3, shall continue in effect for the term of the Agreement.

3.3 Revised PCMF. After the initial one-year period, either Party can request revisions to the Initial PCMF, based on actual data regarding traffic pattern or network configuration, to include but not limited to, expansion of ISP servers into local calling areas by CLEC. At such a request, the Parties will negotiate an amendment to the Agreement reflecting the revised PCMF ("Revised PCMF"), as applicable based on the scope of the request. Once negotiations are completed, the Revised PCMF shall be implemented by the Parties retroactive to the date of the request for revision. That Revised PCMF will be in effect for a minimum 12-month period after which either Party may request further revision.

4. Unitary Rate.

4.1 As set forth in Section 2, the Initial Unitary Rate is \$0.00078651 per minute and shall remain in effect for an initial period of one year from the Effective Date, and, unless revised in accordance with the requirements of Section 4.2, shall continue in effect for the term of the Agreement.

4.2 Revised Unitary Rate. After the initial one-year period, either Party can request revisions to the Initial Unitary Rate, based on changes to the ratios of Local Voice Traffic to Total Local Dialed Traffic and Local ISP-bound Traffic to Total Local Dialed Traffic. The then current applicable TELRIC end office and/or tandem rates as approved by the applicable state commission(s) and the then current FCC ISP rate shall be applied in revising the Initial Unitary Rate. At such a request, the Parties will negotiate an amendment to the Agreement reflecting the revised Unitary Rate ("Revised Unitary Rate"), as applicable based on the scope of the request. Once negotiations are completed, the Revised Unitary Rate shall be implemented by the Parties retroactive to the date of the request for revision. That Revised Unitary Rate will be in effect for a minimum 12-month period after which either Party may request further revision. The Parties agree that negotiations for, and implementation of, any Revised Unitary Rate shall be on a 12-state basis (all states in Qwest's fourteen-state territory except Colorado and Iowa, excepting any state that moves to a bill-and-keep regime for reciprocal compensation between the Effective Date and the date of any request for revisions under this section, provided that the state has adopted a mandatory bill-andkeep regime for traffic with a Local Dialing Pattern applicable to all telecommunications carriers).

5. Relative Use Factors.

5.1 RUF. The provider of the LIS two-way DTT or SPOP facility will share the cost of the LIS two-way DTT or SPOP facility with the other Party by applying a RUF determined pursuant to the requirements of this Section 5. The RUF percentage reflects the percentage of traffic that is the responsibility of CLEC; the remaining percentage of traffic (100% minus RUF) is the responsibility of Qwest. The rates otherwise applicable to the LIS two-way DTT or SPOP facility shall be reduced by the RUF in effect between the Parties for the billing period in question.

5.2 The Initial RUF shall be one hundred percent (100%) and shall remain in effect for an initial period of one year from the Effective Date, and, unless revised in accordance with the requirements of Section 5.3, shall continue in effect for the term of the Agreement.

5.3 After the initial one-year period, if the Initial PCMF (but not the Initial Unitary Rate) is revised according to Section 3.3, the Initial RUF shall also be revised to a factor derived as the quantity of one minus the revised CLEC PCMF (1-CLEC PCMF) ("Revised RUF"). Any Revised RUF shall be effective retroactive to the same date as

the corresponding revised PCMF and shall remain in effect for a minimum 12-month period until further revised in connection with subsequent revision to the PCMF.

6. LIS Trunking/SPOP Arrangements.

Total Local Dialed Traffic will be exchanged over LIS trunking facilities, including SPOP arrangements, ordered pursuant to the terms of the Agreement. No separate trunking or specialized routing or billing for ISP-bound traffic (including without limitation Virtual NXX Traffic) will be required. ISP-bound traffic (including without limitation Virtual NXX Traffic) may be commingled with Local Voice Traffic on LIS trunking facilities and SPOP arrangements.

7. Change of Law.

7.1 For a period of two (2) years from the Effective Date, each Party specifically waives any change-of-law rights under the Agreement or Applicable Law with respect to subsequent events that may bear on the rights and obligations of the Parties addressed in this Amendment; provided, however, that if the FCC issues an order of general application and national scope which expressly establishes compensation mechanisms for each of Virtual NXX Traffic, Local Voice Traffic and Local ISP-bound Traffic, either party may invoke change-of-law rights under the Agreement or applicable law.

7.2 If any provision of this Amendment is found to be illegal as a result of a final, binding, and non-appealable regulatory or judicial process, then the Parties shall renegotiate a replacement amendment to the Agreement and all other interconnection agreements between the Parties in other states to replace the unenforceable provision with an enforceable provision that is mutually acceptable and that reflects the original intent of the Parties as closely as possible (including a substantially similar economic outcome for both Parties on a region-wide basis throughout the 14-state region).

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