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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

Universal Telecommunications, Inc.,
Plaintiff,
v.
Qwest Corporation,
Defendant.

Docket No. IC _____

**UNIVERSAL
TELECOMMUNICATIONS, INC.'S
COMPLAINT FOR ENFORCEMENT
OF INTERCONNECTION
AGREEMENT**

I. PARTIES

1. Universal Telecommunications, Inc. dba USPOPS (“Universal”) is an Oregon corporation authorized to provide local and long-distance telecommunications services in Oregon as a competitive provider pursuant to Oregon Public Utility Commission (“OPUC” or “Commission”) Order No. 07-117, entered April 2, 2007, in Docket CP 1359 (replacing and cancelling the Certificate of Authority granted in Order No. 99-252, Docket 578) .

2. Qwest Corporation (“Qwest”) is a telecommunications utility regulated by the OPUC, with offices in Portland, Oregon.

II. FACTUAL ALLEGATIONS

3. On July 14, 2005, Qwest filed a petition with the Commission requesting arbitration of an interconnection agreement with Universal pursuant to the Telecommunications

1 Act of 1996. On April 19, 2006, the Commission entered Order No. 06-190 in Docket ARB 671
2 (“Arbitration Decision”), in which it made determinations regarding the disputed issues between
3 Qwest and Universal. The Commission’s Order is currently the subject of judicial review in the
4 United States District Court for the District of Oregon (Case No. 06-6222-HO).

5 4. Following the entry of the Commission’s Arbitration Decision, Qwest
6 prepared an Interconnection Agreement (“ICA”) that purportedly reflected the Commission’s
7 resolution of the issues. On or about July 19, 2006, Universal and Qwest executed the ICA and
8 the Commission approved it in Order No. 06-484, Docket ARB 671, entered August 22, 2006.¹

9 5. The ICA provides for Direct Trunk Transport (“DTT”) facilities as a
10 means of interconnecting Qwest’s and Universal’s networks and for the mutual exchange of
11 traffic between the carriers’ networks. *See* ICA Section 7.3.2. Regarding compensation for DTT
12 facilities, the ICA provides in pertinent part:

13 7.3.2.2 If the Parties elect to establish LIS two-way DTT trunks, for
14 reciprocal exchange of Exchange Service (EAS/Local) traffic, the cost of the LIS
15 two-way DTT facilities shall be shared among the Parties by reducing the LIS
16 two-way DTT rate element charges as follows:

17 7.3.2.2.1 The provider of the LIS two-way DTT facility will initially
18 share the cost of the LIS two-way DTT facility by assuming an initial
19 relative use factor of fifty percent (50%) for a minimum of one (1) quarter
20 if the Parties have not exchanged LIS traffic previously. The nominal
21 charge to the other Party for the use of the DTT facility, as described in
22 Exhibit A, shall be reduced by this initial relative use factor. Payments by
23 the other Party will be according to this initial relative use factor for a
24 minimum of one (1) quarter. The initial relative use factor will continue
25 for both bill reduction and payments until the Parties agree to a new factor,
26 based upon actual minutes of use data for non-ISP-bound traffic to
substantiate a change in that factor.

ICA Section 7.3.2.2.

6. The Arbitration Decision states in pertinent part:

¹ Complainants have been advised by the Administrative Hearings Division that filing a copy of the ICA is unnecessary because it is already on file with the Commission in Docket ARB 671.

1 Thus, the FCC has (a) preempted state regulation of transport for the termination
2 of ISP-bound traffic and (b) established an interim compensation plan solely for
3 the termination of ISP-bound traffic. Thus, state jurisdiction is retained for only
4 whatever traffic remains—local transport of non-IP bound traffic, and it was to
5 that traffic alone that the Arbitrator correctly found the RUF applies.

6 Order No. 06-190 at 8.

7 7. On October 30, 2006, Qwest sent Universal a letter in which it proposed a
8 relative use factors (“RUFs”) of 99% Universal and 1% Qwest. Qwest indicated that its
9 proposed RUFs were based on June 2006 through August 2006 traffic usage.

10 8. The traffic usage data upon which Qwest based its proposed RUFs
11 inappropriately includes traffic other than “non-ISP-bound” traffic contrary to the ICA and the
12 Arbitration Decision.

13 9. The correct RUFs, calculated based upon traffic usage data reflecting only
14 “non-ISP-bound” traffic exchanged between Universal and Qwest over the last quarter, as
15 contemplated by the ICA and the Arbitration Decision, should be 42% Universal and 58%
16 Qwest.

17 10. Qwest’s proposed DTT charges also include significant amounts of
18 unused capacity on the DTT facilities. The RUF must be calculated to reflect the actual
19 percentage of the DTT facilities that are being utilized.

20 11. Pursuant to the ICA, Qwest and Universal are obligated to pay each other
21 the same reciprocal compensation rate for both Local/EAS traffic, also defined in the ICA as
22 §251(b)(5) Traffic, and ISP-bound traffic, namely \$.0007 per minute of use. See Exhibit 1,
23 Section 7.3.4.4, and Exhibit J, and Exhibit A, page 2 of 17.

24 12. For traffic it terminates, Qwest has been assessing reciprocal
25 compensation at the higher End Office Call termination rate of \$.0013301 per minute of use,
26 contrary to the terms of the ICA.

13. On December 14, 2006, Universal sent Qwest a letter formally disputing

1 Qwest's proposed charges. Since December 14, 2006, Universal and Qwest have exchanged
2 correspondence and met via conference calls in an attempt to resolve the dispute. Universal and
3 Qwest have not been able to resolve the dispute.

4 14. On July 3, 2007, Qwest sent a letter to Universal demanding full payment
5 of the disputed amounts no later than July 19, 2007 and threatening disconnection of services
6 effective July 23, 2007. Qwest's July 3, 2007 letter also indicates that it has "initiated a hold on
7 all ASR and/or LSR service order activity, submitted by [Universal], effective July 5, 2007."

8 15. On July 6, 2007, Universal sent Qwest, via email and overnight mail, a 10-
9 day notice letter of its intent to file a complaint for enforcement of interconnection agreement, as
10 required by OAR 860-016-0050(3)(a). The notice letter is attached hereto as Exhibit 1 as
11 required by OAR 860-016-0050(2)(b).

12 16. On August 30, 2006 and February 15, 2007, Universal and Qwest
13 convened joint planning meetings pursuant to Section 7.2.2.8.7 of the ICA to discuss network
14 interconnection requirements. At these meetings Universal and Qwest agreed that there was
15 excess capacity on many of the LIS two-way DTT facilities on Qwest's side of the point of
16 interconnection. Despite the discussion at these meetings, Qwest did not disconnect any of these
17 circuits and continued to assess Universal DTT charges associated with these facilities.

18 17. Qwest's continued failure to disconnect these circuits has recently forced
19 Universal to place orders with Qwest to discontinue service on DTT facilities that are not
20 utilized. Universal must be permitted to continue to place additional orders to disconnect
21 unutilized facilities. Qwest's unilateral decision to place a hold on ASR and/or LSR ordering
22 activity will thwart Universal's ability to place these critical orders.

23 **III. RELIEF REQUESTED**

24 18. Universal requests the Commission enforce the terms of the ICA by
25 declaring that the appropriate RUFs to be utilized in determining DTT charges shall be 42%
26 Universal and 58% Qwest, until such time as quarterly usage traffic data indicates that different

1 RUFs should be utilized. To the extent the ICA contains language that could be interpreted to
2 include ISP-bound traffic in the calculation, such language should be stricken from the ICA as it
3 is inconsistent with the Arbitration Decision.

4 19. Universal further requests that the Commission enforce the terms of the
5 ICA by declaring that Qwest should only assess upon Universal DTT charges that reflect the
6 capacity of DTT facilities that Universal actually utilizes.

7 20. Universal further requests that the Commission enforce the terms of the
8 ICA by declaring that Qwest shall assess Universal reciprocal compensation for both “§251(b)(5)
9 Traffic” and ISP-bound traffic at the rate of \$.0007 per minute of use.

10 21. Universal further requests the Commission enforce the terms of the ICA
11 relating to DTT by ordering Qwest to reverse any invoiced amounts for DTT charges and
12 reciprocal compensation to reflect these declarations.

13 22. To the extent allowed by the ICA and/or applicable law, Universal
14 requests reimbursement for fees and costs related to the enforcement of this agreement.

15 23. Universal requests any and all other equitable relief deemed appropriate by
16 the Commission.

17
18 DATED this 16th day of July, 2007.

19 DAVIS WRIGHT TREMAINE LLP

20
21 By _____
22 Mark P. Trincherro, OSB #322
23 1300 SW 5th Avenue, Suite 2300
24 Portland, OR 97201
25 Phone: 503-778-5318
26 Fax: 503-778-5299
Email: marktrincherro@dwt.com

Of Attorneys for Universal Telecommunications, Inc.

1 RUFs should be utilized. To the extent the ICA contains language that could be interpreted to
2 include ISP-bound traffic in the calculation, such language should be stricken from the ICA as it
3 is inconsistent with the Arbitration Decision.

4 19. Universal further requests that the Commission enforce the terms of the
5 ICA by declaring that Qwest should only assess upon Universal DTT charges that reflect the
6 capacity of DTT facilities that Universal actually utilizes.

7 20. Universal further requests that the Commission enforce the terms of the
8 ICA by declaring that Qwest shall assess Universal reciprocal compensation for both “§251(b)(5)
9 Traffic” and ISP-bound traffic at the rate of \$.0007 per minute of use.

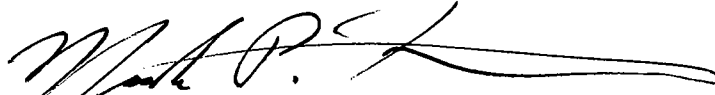
10 21. Universal further requests the Commission enforce the terms of the ICA
11 relating to DTT by ordering Qwest to reverse any invoiced amounts for DTT charges and
12 reciprocal compensation to reflect these declarations.

13 22. To the extent allowed by the ICA and/or applicable law, Universal
14 requests reimbursement for fees and costs related to the enforcement of this agreement.

15 23. Universal requests any and all other equitable relief deemed appropriate by
16 the Commission.

17
18 DATED this 16th day of July, 2007.

19 DAVIS WRIGHT TREMAINE LLP

20 By 

21 Mark P. Trincherro, OSB #322
22 1300 SW 5th Avenue, Suite 2300
23 Portland, OR 97201
24 Phone: 503-778-5318
25 Fax: 503-778-5299
26 Email: marktrincherro@dwt.com

Of Attorneys for Universal Telecommunications, Inc.

MARK P. TRINCHERO
Direct (503) 778-5318
marktrinchero@dwt.com

July 6, 2007

VIA EMAIL and UPS

Qwest Corporation
Director Interconnection Agreements
1801 California, Room 2400
Denver, CO 80202
Email: intagree@qwest.com

Qwest Law Department
Attn: Corporate Counsel, Interconnection
1801 California Street, 10th Floor
Denver, CO 80202

Qwest Corporation
Director Interconnection Agreements
Corporate Counsel
Qwest Communications, Inc.
421 SW Oak Street
Suite 810
Portland, OR 97204
Alex.Duarte@qwest.com

Re: Universal Telecommunications, Inc.'s 10 Day Notice of Intent to File Complaint to Enforce Interconnection Agreement

Dear Qwest:

I am writing to provide you ten (10) days Notice of Intent to File a Complaint to Enforce the Interconnection Agreement ("ICA")¹ between my client, Universal Telecommunications, Inc. ("Universal"), and Qwest Corporation ("Qwest"). This notice is sent to you pursuant to OAR 860-016-0050(3).

¹ Agreement Number CDS-050713-0002, approved by the Oregon Public Utility Commission ("OPUC") in Order No. 06-484, Docket No. ARB 671, entered August 22, 2006.

Qwest Corporation
Director Interconnection Agreements
July 6, 2007
Page 2



The dispute arises out of Qwest's attempt to assess and collect charges for Direct Trunk Transport facilities ("DTT") that are not calculated in conformance with the rates, terms and conditions of the ICA. Qwest's threats to both place a hold on ASR and/or LSR service order activity and to disconnect service for non-payment of disputed amounts also constitute an anticipatory breach of the ICA.

Universal formally disputed Qwest's calculation of the Relative Use Factor ("RUF") applicable to DTT charges under the ICA by letter dated December 14, 2006. Qwest formally acknowledged receipt of the dispute by email dated December 18, 2006, assigning the dispute a Qwest ID number of 42890. Since that time, Universal and Qwest have exchanged correspondence and met via conference call in an attempt to resolve the dispute. Those efforts appear to have failed. On July 3, 2007, Qwest sent a letter to Universal demanding full payment of the disputed amounts no later than July 19, 2007 and threatening disconnection of services effective July 23, 2007. Qwest's July 3, 2007 letter also indicates that it has "initiated a hold on all ASR and/or LSR service order activity, submitted by [Universal], effective July 5, 2007."

Qwest's calculation of the RUF applicable to charges for DTT facilities violates Section 7.3.1.1.3.1 of the ICA. Section 7.3.1.1.3.1 assumes an initial RUF of 50% if the parties have not exchanged LIS traffic previously. The RUF is then subject to change "based upon actual minutes of use data for non-ISP-bound traffic." Qwest has inappropriately included traffic other than solely "non-ISP-bound" traffic in its RUF calculation to arrive at a 99% RUF. Universal contends that minutes of use data for "non-ISP-bound traffic" substantiates an RUF much closer to 41%.

Qwest's proposed DTT charges also include significant amounts of unused capacity on the DTT facilities. The RUF must be calculated to reflect the actual percentage of the DTT facilities that are being utilized. Universal has placed orders with Qwest to discontinue service on DTT facilities that are not utilized. Universal must be permitted to continue to place such additional orders. Qwest's unilateral decision to place a hold on ASR and/or LSR ordering activity will thwart Universal's ability to place these critical orders.

In addition, Qwest has calculated reciprocal compensation amounts between the parties incorrectly. Qwest is attempting to assess Universal a higher per minute of use rate for terminating Universal originated traffic than the rate that is allowed pursuant to the contract. See ICA Section 7.3.4.1.1 and Exhibit A, page 2 of 17. This violates the ICA.

Qwest's threatened disconnection of service and placement of a hold on ordering activity for Universal's non-payment of disputed amounts is a violation of the dispute resolution provisions set forth in Section 5.18 of the ICA. No other provisions in the ICA permit Qwest to avail itself of these "self-help" remedies.

Qwest Corporation
Director Interconnection Agreements
July 6, 2007
Page 3



In light of the inability of Qwest and Universal to resolve this dispute through negotiations, and given Qwest's use of self-help remedies not permitted under the ICA, Universal is compelled to exercise its rights to seek regulatory intervention of the OPUC as provided by state law. Universal intends to file a complaint and to seek temporary and/or injunctive relief to prevent Qwest from unilaterally rejecting service orders and/or disconnecting service.

Please contact me if you have any questions.

Very truly yours,

Davis Wright Tremaine LLP

A handwritten signature in black ink, appearing to read 'Mark P. Trinchero', with a long horizontal flourish extending to the right.

Mark P. Trinchero
Of Attorneys for Universal Telecommunications, Inc.

cc: OPUC

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

Universal Telecommunications, Inc.,
Plaintiff,
v.
Qwest Corporation,
Defendant.

Docket No. IC _____

**UNIVERSAL
TELECOMMUNICATIONS, INC.'S
MOTION FOR TEMPORARY
EMERGENCY RELIEF AND
REQUEST FOR EXPEDITED
CONSIDERATION**

Pursuant to OAR 860-013-0031 and OAR 860-016-0050(2)(f), Complainant Universal Telecommunications, Inc. dba USPOPS ("Universal") files this Motion for Temporary Emergency Relief and Request for Expedited Consideration ("Motion") in the above-entitled matter. In support of its Motion, Universal states as follows:

I. The Commission Should Order Qwest To Refrain From Disconnecting Service To Universal Pending Resolution of the Complaint.

On July 16, 2007, Universal filed, contemporaneous with this Motion, a Complaint for Enforcement of Interconnection Agreement against Qwest Corporation ("Qwest") with the Oregon Public Utility Commission ("Complaint"). As described more fully in the Complaint, Universal and Qwest ("the Parties") disagree on amounts that Qwest claims

1 Universal owes to Qwest pursuant to the rates, terms and conditions set forth in the
2 interconnection agreement currently in effect between the Parties (“ICA”).¹

3 Qwest claims that Universal owes it \$278,387.17 for DTT under the ICA.²

4 Universal disputes this amount and contends that under the terms of the ICA Universal is only
5 liable to Qwest for DTT charges in an amount far less than that.³ To date Universal has, in fact,
6 paid Qwest \$88,200 for DTT and is currently paying Qwest approximately \$20,000 per month
7 for DTT.⁴

8
9 In its letter of July 3, 2007 (“July 3rd Letter”), Qwest threatens that if Universal
10 does not pay Qwest \$278,387.17 in full by July 19, 2007, Qwest “will begin the disconnection
11 process of all Universal Telecom, Inc. services, effective July 23, 2007.”⁵ See Exhibit 1. On
12 July 6, 2007, Universal sent Qwest, via email and overnight mail, a 10 day notice letter of its
13 intent to file a complaint to enforce the terms of the interconnection agreement, as required
14 pursuant to OAR 860-016-0050(a).⁶ On July 12, 2007, Universal contacted Qwest to request
15 that it not disconnect any service pending resolution of the complaint that would be filed.⁷
16 Qwest rejected Universal’s request and indicated that it would move forward with disconnection
17 despite the fact that a complaint over the disputed amounts would be filed as soon as permissible
18 under the Commission’s rules.⁸

19
20
21 As described in the attached Martin Affidavit, if Qwest were to disconnect service

22 ¹ The ICA was filed with the Commission in Docket ARB 671, and approved by the Commission in Order No. 06-
23 484, entered August 22, 2006.

24 ² See Letter from Nancy Batz to Jeff Martin, dated July 3, 2007, attached hereto as Exhibit 1.

25 ³ See Affidavit of Jeffrey R. Martin (“Martin Affidavit”), ¶¶2-3; see also, Complaint, passim.

26 ⁴ See *Id.* at ¶4.

⁵ Exhibit 1.

⁶ See Complaint, Exhibit 1.

⁷ Martin Affidavit at ¶6.

⁸ *Id.*

1 to Universal in this manner, Universal’s customers would experience serious service
2 interruptions.⁹ Qwest’s threatened precipitous disconnection would leave Universal’s customers
3 with insufficient time to seek alternatives. Most of Universal’s customers are internet service
4 providers (“ISPs”). Service disruptions to these Universal customers would, in turn, cause
5 thousands of internet end users to experience serious disruptions in their ability to access the
6 internet.¹⁰
7

8 The ICA does not permit Qwest to disconnect service for non-payment of
9 amounts due under the ICA. In this instance, the amounts in question have been the subject of a
10 formal dispute raised pursuant to the Dispute Resolution provisions of the ICA.¹¹ The Parties
11 have attempted to resolve the dispute but have been unable to do so informally.¹² When a
12 dispute cannot be resolved between the Parties, the Dispute Resolution provisions of the ICA
13 require the Parties to either resort to arbitration before a commercial arbitrator¹³ or to seek relief
14 from this “Commission or the FCC as provided by state and federal law.”¹⁴
15

16 Even if the amounts were not already the subject of a pending dispute, the ICA
17 does not give Qwest the right to disconnect services for non-payment of amounts owing under
18 the ICA. In pertinent part, the ICA provides:

19 If either Party defaults in the payment of any amount due hereunder, or if either
20 Party violates any other material provision of this Agreement, and such default or
21 violation shall continue for thirty (30) calendar Days after written notice thereof,
22 the other Party may seek relief in accordance with the Dispute Resolution
provision of this Agreement.¹⁵

23 ⁹ See *Id.* at ¶7.

24 ¹⁰ *Id.*

25 ¹¹ See Complaint, ¶¶13-14.

26 ¹² See Martin Affidavit at ¶5; see also Exhibit 1.

¹³ See ICA Section 5.18.3.

¹⁴ See ICA Section 5.18.6.

¹⁵ ICA Section 5.13.

1 Thus, even as to a default for non-payment of *undisputed* amounts, the proper recourse for Qwest
2 is to avail itself of the Dispute Resolution procedures set forth in Section 5.18 of the ICA. In no
3 event does the ICA permit Qwest to resort to draconian self-help measures such as its threatened
4 disconnection of all services to Universal.¹⁶

5
6 Universal urges the Commission to issue immediately, and no later than July 23, 2007, an
7 Order prohibiting Qwest from terminating service to Universal pending resolution of the
8 disputed issues in the Complaint. To do otherwise would not only permit Qwest to violate the
9 terms of the ICA, but would wreak havoc on Universal's customers and their end-users. Given
10 Qwest's threat to terminate service effective July 23, 2007, Universal requests expedited
11 consideration of this Motion.

12
13 **II. The Commission Should Order Qwest To Accept Service Order Activity From**
14 **Universal To Permit Universal To Continue To Disconnect Facilities That Are No**
15 **Longer Utilized.**

16 In its July 3rd Letter, Qwest states that it has "*initiated a hold on all ASR and/or*
17 *LSR service order activity, submitted by [Universal], effective July 05, 2007.*"¹⁷ Qwest's stated
18 rationale for placing a hold on ordering activity is "to assure that no additional new charges are
19 accrued" on Universal's account.¹⁸ This hold on service order activity, however, has the
20 perverse impact of denying Universal the opportunity to order disconnection of circuits that it is
21 no longer using, which would in fact *decrease* the level of any future charges on its account.

22
23
24 ¹⁶ Permitting an ILEC to resort to disconnection on 20 days notice, as threatened in Qwest's July 3rd
25 Letter, would be inconsistent with the Commission's abandonment of service rules, which contemplate
the orderly transition of customers through a 90 day notice process. *See* OAR 860-032-0020.

26 ¹⁷ Exhibit 1 (emphasis in original).

¹⁸ *Id.*

1 As described in the attached Martin Affidavit, Universal has agreed with Qwest
2 during joint planning meetings convened pursuant to Section 7.2.2.8.7 of the ICA that there were
3 numerous circuits on Qwest's side of the point of interconnection that were not being utilized to
4 exchange traffic.¹⁹ Despite these discussions, Qwest did not disconnect these circuits and
5 continues to assess DTT charges on Universal for these unused facilities.²⁰ Universal has begun
6 placing orders to disconnect these unused circuits.²¹ Universal must be allowed to continue to
7 submit such orders to disconnect unused circuits in order to bring its DTT charge liability in line
8 with the actual utilization of facilities. If it is not allowed to do so, the disputed amounts will
9 continue to increase.

11 As discussed above with respect to Qwest's threatened disconnection, the ICA
12 does not permit Qwest to unilaterally place a hold on service order activity for non-payment of
13 either disputed or undisputed amounts claimed owing under the interconnection agreement.
14 Section 5.13 of the ICA requires parties to seek relief for non-payment through the Dispute
15 Resolution process set forth in Section 5.18 of the ICA. Section 5.18 in turn requires either
16 commercial arbitration or a complaint to the Commission (or the FCC). Qwest cannot resort to
17 self-help remedies such as its unilateral hold on service order activity.

19 Universal urges the Commission to issue an Order requiring Qwest to continue to
20 accept service orders from Universal. Not only does Qwest's unilateral decision to place a hold
21 on service order activity violate the terms of the ICA, it also has the practical effect of
22 prohibiting Universal from disconnecting many of the very facilities that are the source of the
23 disputed DTT charges. Universal requests expedited consideration of this motion.

25 ¹⁹ Martin Affidavit at ¶9.

26 ²⁰ *Id.*

²¹ *Id.* at ¶10.

1 **CONCLUSION**

2 For the foregoing reasons, Universal requests that the Commission grant the
3 emergency temporary relief requested herein. Specifically, Universal request that the
4 Commission immediately, and in no event later than July 23, 2007, issue an Order prohibiting
5 Qwest from unilaterally disconnecting service to Universal and requiring Qwest to accept service
6 order activity from Universal.
7

8
9 DATED this 16th day of July, 2007.

10
11 DAVIS WRIGHT TREMAINE LLP

12
13 By 

14 Mark P. Trincherro, OSB #322
15 1300 SW 5th Avenue, Suite 2300
16 Portland, OR 97201
17 Phone: 503-778-5318
18 Fax: 503-778-5299
19 Email: marktrincherro@dwt.com

20
21 Of Attorneys for Universal Telecommunications, Inc.
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July 3, 2007

THIS LETTER WAS SENT VIA OVERNIGHT MAIL, and E-MAIL, RECEIPT REQUESTED

Jeff Martin
Universal Telecom, Inc.
1600 SW Western Blvd, Suite 290
Corvallis, OR 97333

Re: Service Order Activity Blocked

Dear Mr. Martin:

This letter is to inform you that Universal Telecom, Inc. (Universal) is in default of payment on its Qwest accounts(s) 503 L08-1126 126 and 503 L08-1127 127 as per the letter dated May 23, 2007 and as modified by Qwest's letters dated June 15, 2007 and June 25, 2007. Although Qwest has met in good faith dispute resolution discussions as requested, with representatives of Universal on June 25, 2007 and again on July 2, 2007, the parties were unsuccessful in reaching a mutually agreeable resolution to Universal's dispute of outstanding charges due Qwest, Universal rejected Qwest's payment plan proposal of June 30, 2007, and Universal declined Qwest's offer to assist regarding potential opportunities to reduce future Qwest's charges through a reduction in the quantity of facilities billed by Qwest. Consequently, this letter constitutes further written notice of non-payment as may be required under applicable contract, tariff and/or state utility commission rules and regulations. Failure to respond to this letter or submit payment may result in disconnection of your services within ten (10) days after the date of this letter.

In order to assure that no additional new charges are accrued on your accounts, **we have initiated a hold on all ASR and/or LSR service order activity, submitted by you, effective July 05, 2007.** All outstanding charges are due prior to restoration of service order activity. Furthermore, in accordance with applicable contract, and/or tariffs, Qwest will condition its continuing provision of services to Universal Telecom, Inc. on its receipt of a security deposit of \$94,500.

As of today, the total past due balance on your Qwest accounts is \$278,387.17. It is imperative we speak with you immediately regarding payment of your account. If Qwest does not receive payment in full on or before July 19, 2007, we will begin the disconnection process of all Universal Telecom, Inc. services, effective July 23, 2007.

Please send payment to the appropriate remittance address located on your return document of your bill.

Please be advised that late payment charges will be assessed in accordance with applicable contracts and/or tariffs to all past due balances. If service disconnection occurs, all outstanding balances, a security deposit and all other applicable charges to have service re-established will be required.

In the event of disconnection, Qwest strongly recommends that you notify your end-users of the upcoming disconnection, so that they may avoid any interruption to their services.

If you have paid in full, please disregard this notice. If you have any questions regarding this notice or the status of your accounts, please contact me at 801 239 4215.

Sincerely,

Valene Kipp
Service Delivery Coordinator
250 E. 2nd S, 601
Salt Lake City, UT 84111-2003

cc: John C. Dodge, Attorney
Cole, Raywid & Braverman, L.L.P.
1919 Pennsylvania Avenue, N.W., Suite 200
Washington, D.C. 20006-3458

AnnMarie Brunk
Josh Nielsen

Attachment

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UNIVERSAL TELECOMMUNICATIONS,
INC.,

Complainant,

Vs.

QWEST CORPORATION,

Defendant.

DOCKET IC ____

AFFIDAVIT OF JEFFRY R. MARTIN
IN SUPPORT OF COMPLAINANT’S
MOTION FOR TEMPORARY
EMERGENCY RELIEF

STATE OF OREGON)
) ss.
County of BENTON)

I, Jeffrey R. Martin, being first duly sworn, hereby state:

1. I am the Chief Financial Officer for Universal Telecommunications, Inc. (“Universal”).
2. Universal and Qwest (“the Parties”) disagree on amounts that Qwest claims Universal owes to Qwest pursuant to the rates, terms and conditions set forth in the interconnection agreement currently in effect between the Parties (“ICA”).

3. Qwest claims that Universal owes it \$278,387.17 for Direct Trunk Transport (“DTT”) under the ICA. Universal disputes this amount and contends that under the terms of the ICA Universal is only liable to Qwest for DTT charges in a far lesser amount.

4. To date Qwest has withheld reciprocal compensation payments owed to Universal in the amount of \$88,200.00 and has applied those payments to Qwest’s purported charges for DTT. Universal continues to make such payments in the amount of approximately \$20,000.00 per month for DTT.

5. On December 14, 2006, Universal notified Qwest by letter that it disputed Qwest’s proposed relative use factors for calculation of DTT charges. Universal and Qwest have attempted to resolve the dispute informally, including correspondence and telephonic meetings convened on June 25, 2007 and July 2, 2007. Universal and Qwest have been unable to resolve the dispute.

6. On July 6, 2007, Universal sent Qwest a letter, via email and overnight mail, notifying Qwest that Universal would be filing a complaint with the Commission to enforce the interconnection agreement. On July 12, 2007, Universal contacted Qwest to request that it not disconnect any service pending resolution of the complaint that would be filed. Qwest rejected Universal’s request and indicated that it would move forward with disconnection despite the fact that a complaint over the disputed amounts would be filed as soon as permissible under the Commission’s rules.

7. If Qwest were to disconnect service to Universal in this manner, Universal’s customers would experience serious service interruptions. Qwest’s threatened precipitous disconnection would leave Universal’s customers with insufficient time to seek alternatives. Most of Universal’s customers are internet service providers (“ISPs”). Service disruptions to

these Universal customers would, in turn, cause thousands of internet end users to experience serious disruptions in their ability to access the internet.

8. Qwest's unilateral decision to place a hold, effective July 5, 2007, on all ASR and LSR service activity by Universal makes it impossible for Universal to order disconnection of circuits that are no longer being utilized. Disconnecting unused circuits would decrease Universal's future DTT charge liability to Qwest.

9. On August 30, 2006 and February 15, 2007, Universal and Qwest convened joint planning meetings pursuant to Section 7.2.2.8.7 of the ICA in order to discuss network interconnection requirements. At those meetings Universal and Qwest agreed that there were numerous circuits on Qwest's side of the point of interconnection that were not utilized to exchange traffic. Despite these discussions, Qwest did not disconnect these circuits and continues to assess DTT charges on Universal for these unused facilities.

10. Due to Qwest's failure to disconnect the unutilized circuits, Universal has been compelled to begin placing orders to disconnect unused circuits. Universal desires to place more orders to disconnect DTT facilities that are not being used.

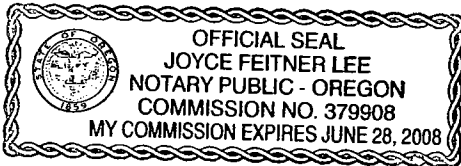
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Dated: July 13, 2007.

Jeffrey R. Martin
JEFF MARTIN

SUBSCRIBED AND SWORN to before me this 13th day of July, 2007.

[Signature]
Notary Public for Oregon
My Commission Expires: 6/28/08



CERTIFICATE OF SERVICE

I hereby certify that on the 16th day of July, 2007, Universal Telecommunications Inc.'s Complaint for Enforcement of Interconnection Agreement, Universal Telecommunications Inc.'s Motion for Temporary Emergency Relief and Request for Expedited Consideration, and the Affidavit of Jeffrey R. Martin in Support of Complainant's Motion for Temporary Emergency Relief were sent via UPS overnight mail to the Oregon Public Utility Commission.

On Monday, the 16th day of July, 2007, a copy of the filing was sent via FAX and UPS overnight to Alex Duarte at Qwest:

Alex M. Duarte
Qwest Corporation
421 SW Oak St., Suite 810
Portland, OR 97204
alex.duarte@qwest.com
FAX: 503-242-8589

DAVIS WRIGHT TREMAINE LLP

By: Barbara Lasswell
Barbara Lasswell for Mark P. Trincherro

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

Universal Telecommunications, Inc.,

Plaintiff,

v.

Qwest Corporation,

Defendant.

Docket No. IC _____

EXECUTIVE SUMMARY OF:

**COMPLAINT FOR ENFORCEMENT
OF INTERCONNECTION
AGREEMENT**

EXECUTIVE SUMMARY

The attached Complaint relates to a billing dispute between Universal Telecommunications, Inc. dba USPOPS (“Universal”) and Qwest Corporation (“Qwest”) under the interconnection agreement between Universal and Qwest, approved by the Commission in Order No. 06-484, Docket ARB 671, entered August 22, 2006 (“ICA”). There are two types of disputed charges at issue: (1) Direct Trunk Transport (“DTT”) facilities used for interconnection and mutual exchange of traffic between Universal and Qwest; and (2) reciprocal compensation for traffic originated on one carrier’s network and terminated on the other carrier’s network.

With respect to the DTT charges there are two disputed issues: (1) the proper calculation of the relative use factor (“RUF”); and (2) DTT charges for facilities that are not being used. First, there is a dispute between the parties regarding the proper calculation of the relative use factor (“RUF”) that is applied to the nominal rate for DTT in order to determine the effective rate for DTT. Qwest has calculated an RUF of 99% for Universal and an RUF of 1% for Qwest. Universal contends that pursuant to Section 7.3.2.2.1 of the ICA, and consistent with the Commission’s directive on this issue in the underlying arbitration decision in Order No. 06-190 at page 8, the RUF for Universal should be 42% Universal and the RUF for Qwest should be 58%. Second, Qwest continues to assess DTT charges on Universal for facilities on Qwest’s side of the point of interconnection that the parties have agreed are not being utilized.

With respect to reciprocal compensation, Qwest is assessing Universal a rate of \$.0013301 per minute of use for traffic originated on Universal’s network and terminated on Qwest’s network. Universal contends that the ICA obligates the parties to assess each other reciprocal compensation at the rate of \$.0007 per minute of use. *See* ICA Section 7.3.4.4, and ICA Exhibit J, and ICA Exhibit A, page 2 of 17.

The Complaint asks the Commission to: (1) declare that the appropriate RUFs to be utilized in determining DTT charges shall be 42% Universal and 58% Qwest, until such time as quarterly usage traffic data indicates that different RUFs should be utilized; (2) strike any ICA language that could be interpreted to require a contrary result; (3) declare that Qwest should only assess upon Universal DTT charges that reflect the capacity of DTT facilities that are actually utilized; (4) declare that Qwest shall assess Universal reciprocal compensation for both “§251(b)(5) Traffic” and ISP-bound traffic at the rate of \$.0007 per minute of use; (5) order Qwest to reverse any invoiced amounts for DTT charges and reciprocal compensation to reflect


these declarations; (6) order Qwest to reimburse fees and costs to the extent permitted by law; and (7) any and all other equitable relief deemed appropriate by the Commission.

Universal has also filed a Motion for Temporary Emergency Relief and Request for Expedited Consideration ("Motion"). On July 3, 2007, Qwest notified Universal that if it did not receive payment of the entire amount that it contends Universal owes for DTT, Qwest "will begin the disconnection process of all Universal Telecom, Inc. services, effective July 23, 2007." Qwest's July 3rd letter also indicates that it "initiated a hold on all ASR and/or LSR service order activity, submitted by [Universal], effective July 05, 2007." The Motion seeks a Commission Order no later than July 23, 2007 directing Qwest: (1) not to disconnect services for non-payment; and (2) to lift its hold on ASR and LSR ordering activity.

DATED this 18th day of July, 2007.

DAVIS WRIGHT TREMAINE LLP

By



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Portland, OR 97201
Phone: 503-778-5318
Fax: 503-778-5299
Email: marktrincherro@dwt.com

Of Attorneys for Universal Telecommunications, Inc.

CERTIFICATE OF SERVICE

I hereby certify on the 18th day of July, 2007, Universal Telecommunications Inc.'s "Supplemental Filing" was sent via UPS overnight mail to the Oregon Public Utility Commission.

A copy of the filing was sent via FAX and UPS overnight to Alex Duarte at Qwest:

Alex M. Duarte
Qwest Corporation
421 SW Oak St., Suite 810
Portland, OR 97204
alex.duarte@qwest.com
FAX: 503-242-8589

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