

CARRIER-TO-CARRIER AGREEMENT CHECKLIST

INSTRUCTIONS: Please complete all applicable parts of this form and submit it with related materials when filing a carrier-to-carrier agreement pursuant to 47 U.S.C. 252 and OAR 860-016-0000 et al. The Commission will utilize the information contained in this form to determine how to process the filing.

1. PARTIES	<i>Requesting Carrier</i>	<i>Affected Carrier</i>	
Name:	_____	Qwest Corporation	Don Mason
Address:	<u>ESCHELON TELECOM OF OREGON INC</u>	<u>Director-Interconnect</u>	<u>Qwest Corporation</u>
	<u>730 Second Avenue S., Ste. 1200</u>	<u>1801 California St., Ste. 2401</u>	<u>421 S.W. Oak, Ste. 810</u>
	<u>Minneapolis, MN 55402</u>	<u>Denver, CO 80202</u>	<u>Portland, OR 97204</u>

2. PRIMARY CONTACT PERSON FOR PROCESSING INFORMATION:

Name: Jamaica L. Wilson Phone: (503) 727-2081
Address: Perkins Coie LLP Fax: (503) 727-2222
1211 S.W. Fifth Avenue, Suite 1500 E-Mail: jamaicawilson@perkinscoie.com
Portland, OR 97204

3. TYPE OF FILING (Check all that apply. For example, parties seeking to adopt a previously approved agreement with new negotiated amendments should check both "Adoption" and "Amendment" categories.)

Adoption: Adopts interconnection agreement previously approved by the Commission.
Parties to prior agreement _____ & _____
Approved in Docket ARB _____, Order No(s). _____

Does filing adopt amendments to base agreement previously approved by the Commission?
 NO
 YES, approved in Docket ARB _____, Order No(s). _____

New Agreement: Seeks approval of new negotiated agreement.
Does this filing replace an agreement between the same parties that was previously approved by the Commission?
 NO
 YES, approved in Docket ARB _____, Order No(s). _____

Amendment: Amends an existing carrier-to-carrier agreement.
If the original agreement was negotiated, has it been approved by Commission?
 NO, decision pending in Docket ARB _____
 YES, approved in Docket ARB 199(1), (2), (3), (4), (5-8) Order No(s). 00-248, 00-371, 01-237, 01-309, 01-1041
If original agreement was an adoption, what was its docket number? Docket ARB 3

Other: Please explain.
ARB 199(9) Order No. 02-048; ARB 199(10) Order No. 02-176; ARB 199(11) Order No. 02-276;
ARB 199(12) Order No. 02-480

October 1, 2002

VIA HAND DELIVERY

Ms. Cherie Powers
Administrative Specialist
Oregon Public Utility Commission
Suite 215
550 Capitol Street NE
Salem, OR 97301-2551

**Re: Proof of Service of Materials Filed on September 4, 2002 in
Docket ARB 199**

EXPEDITED TREATMENT REQUESTED

Dear Ms. Powers:

This letter is to advise you that today I served the materials that Qwest filed on September 4, 2002 in this docket (checklist, cover letter, and amendment to the interconnection agreement) on the CLEC's representative, as you requested. A certificate of service demonstrating completion of service is attached.

This is not the first communication Qwest has had with this CLEC regarding this issue. As we discussed yesterday, Qwest previously communicated with the CLEC regarding the filing of this agreement in other states. On August 22, 2002, Qwest sent the CLEC a letter notifying the CLEC that this agreement would be publicly filed in other jurisdictions and posted on the Qwest wholesale Web site for review by any interested parties. The CLEC was provided with an opportunity to object to that filing and posting. Qwest also followed up with telephone calls to the CLEC. The CLEC has not objected to either the public filing of the amendment or the corresponding publication of the agreement on Qwest's wholesale Web site.

Given that Qwest has completed service as you requested, I trust that you will now post the materials to the Commission's Web site to provide the public notice of the filing as described in OAR 860-016-0020. Qwest expected the posting and notice to occur on September 4, the date of filing. Qwest did not receive any indication that the Commission did not post the materials to the Commission's Web site until

Ms. Cherie Powers
October 1, 2002
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September 24, 2002, twenty days after the filing. Given that Qwest did not receive timely notice of the purported deficiencies in the filings, and that the CLEC has already received adequate prior notice of the filing of this agreement in other jurisdictions without voicing an objection, **Qwest requests that the Commission establish a 14-day time period for public comment, as permitted by OAR 860-016-0020(5).**

Thank you for your attention to this matter. If you have any questions, please contact me or Larry Reichman immediately.

Very truly yours,

Jay Nusbaum

JPN:kh

Cc: Dennis Ahlers, Eschelon Telecom of Oregon, Inc.
Brian Robinson, Ater & Hadden, LLP
Todd Lundy
Alex Duarte
Don Mason
Larry Reichman

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CERTIFICATE OF SERVICE

ARB 199

I hereby certify that on this day I served the foregoing **Carrier-to-Carrier Agreement Checklist, Settlement Agreement, and Cover Letter** which Qwest filed with the Public Utility Commission of Oregon on September 4, 2002, on the following persons by causing to be mailed a true copy thereof, contained in a sealed envelope, with postage prepaid, addressed to said persons at the following addresses and deposited in the post office at Portland, Oregon on this day:

**Eschelon Telecom of Oregon, Inc.
Dennis Ahlers
730 Second Ave S Ste. 1200
Minneapolis, MN 55402**

**Brian Robinson
Ater & Hadden, LLP
1801 K St. NW Ste. 400K
Washington DC 20006**

DATED: October 1, 2002.

PERKINS COIE LLP

By _____
Lawrence Reichman, OSB No. 86083
Jay P. Nusbaum, OSB No. 96378

Attorneys for Qwest Corporation

Jay Nusbaum
PHONE: 503.727.2025
EMAIL: nusbj@perkinscoie.com

September 4, 2002

VIA HAND DELIVERY

Ms. Cherie Powers
Oregon Public Utility Commission
Suite 215
550 Capitol Street NE
Salem, OR 97310

**Re: Public Utility Commission of Oregon Docket ARB 199,
Settlement Agreement between Qwest Corporation and
Eschelon Telecom of Oregon Inc.**

Dear Ms. Powers:

Pursuant to Section 252(e)(2) of the Telecommunications Act of 1996, Qwest Corporation ("Qwest") hereby submits three copies of the enclosed fully executed negotiated agreement, Settlement Agreement between Qwest Corporation and Eschelon Telecom of Oregon Inc., for filing with and approval by the Commission. Given the multi-state nature of this agreement, the original is not available for filing. Also enclosed is a completed Carrier-to-Carrier Agreement Checklist, which includes the names of the parties, a contact person, and the type of filing. The electronic version was electronically filed on September 4, 2002.

Qwest has previously submitted hundreds of agreements with CLECs in Oregon for approval by the Commission under Section 252(e)(2). In addition to the filed agreements, Qwest also has implemented other contractual arrangements with CLECs that it does not believe fall within the filing requirements of Section 252.

Earlier this year, questions were raised regarding Qwest's decisions in this area, most notably a complaint filed by the Minnesota Department of Commerce ("DOC") alleging, after a review of dozens of Qwest-CLEC contracts, that eleven should have been filed with the Minnesota PUC. Qwest promptly brought this matter to the Commission's attention in a letter dated March 11, 2002, including providing copies of our answer to the DOC complaint, and copies of those of the 11 identified agreements that also had applicability in Oregon. Qwest invited the Commission to review the agreements for itself. Qwest also filed a petition with the FCC requesting a declaratory ruling as to the scope of the Section 252(a) filing requirement in this area.

Qwest has at all times operated in good faith in filing with the Commission the pertinent interconnection agreements and amendments, and is committed to full compliance with the Act. As a further demonstration of our good faith, after this issue arose Qwest modified its processes and standards for all new agreements with CLECs. Qwest advised the Commission of this policy by letter on May 9, 2002. Under this policy, Qwest is broadly filing all contracts, agreements or letters of understanding between Qwest Corporation and CLECs that create obligations to meet the requirements of Section 251(b) or (c) on a going forward basis. Qwest believes that commitment goes well beyond the requirements of Section 252(a). For example, it reaches details of business-to-business carrier relations that Qwest does not think the Communications Act requires to be filed with state commissions for approval. However, we are committed to follow this standard until the FCC issues a decision on the appropriate line-drawing in this area. Qwest has not been filing routine day-to-day paperwork, orders for specific services, or settlements of past disputes that do not otherwise meet the above definition.

Older agreements provide a more complicated case. Qwest naturally has been concerned about second-guessing of its past filing decisions in an area where the standards have not been clearly defined. Nevertheless, Qwest is now taking a further step as a sign of its good faith. Specifically, Qwest has reviewed all of our currently effective agreements with CLECs in Oregon that were entered into prior to adoption of the new policy. This group includes those agreements that relate to Section 251(b) or (c) services on an on-going basis which have not been terminated or superseded by agreement, Commission order, or otherwise. Qwest has applied its broad new review standard to all such agreements and provided them here.

Qwest is petitioning the Commission to approve the attached agreement such that, to the extent any active provisions of such agreement relate to Section 251 (b) or (c), they are formally available to other CLECs under Section 252(i). For the Commission's benefit, Qwest has marked, highlighted or bracketed those terms and provisions in the agreement which Qwest believes relate to Section 251(b) or (c) services, and have not been terminated or superseded by agreement, Commission order, or otherwise, and are thus subject to filing and approval under Section 252. We are not asking the Commission to decide whether this agreement, or specific provisions therein, in fact are required to be filed under Section 252 as a matter of law. The Commission need simply approve those provisions relating to Section 251(b) or (c) services under its Section 252(e) procedures, and Qwest will make the going forward provisions related to Section 251(b) or (c) available under Section 251(i). Thus, the Commission does not at this time need to reach a legal interpretation of Section 252(a), or decide when the 1996 Act makes a filing mandatory, and when it does not.

As noted above, Qwest has not been and is not filing routine day-to-day paperwork, settlements of past disputes, stipulations or agreements executed in connection with federal bankruptcy proceedings, or orders for specific services. Included in this last category are contract forms for services provided in approved interconnection agreements, such as signaling, call-related databases, and operator or directory services. The parties may execute a form contract memorializing the provision of such services offered and described in the interconnection agreement. Qwest can provide examples of routine paperwork, order documents, or form contracts for the Commission's review.

Qwest realizes that this voluntary decision to submit the attached agreements does not bind the Commission with respect to the question of Qwest's past compliance. However, Qwest submits that it has acted in good faith. In any event, Qwest's actions here remove any argument with respect to Qwest's compliance with Section 252 now and going forward.

Qwest requests that the Commission approve the agreement as soon as reasonably practicable. Qwest reserves its rights to demonstrate that this agreement need not have been filed in the event of an enforcement action in this area. Meanwhile, however, Qwest will offer other CLECs any terms in effect for the benefit of the contracting CLEC pursuant to the policies and rules related to Section 251(i). Provisions that settle past carrier-specific disputes, that do not relate to

September 4, 2002

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Section 251, or that are no longer in effect are not subject to Section 251(i) and this offering.

As a further sign of good faith, Qwest will also be posting this agreement on the website it uses to provide notice to CLECs and announcing the immediate availability to other CLECs in Oregon of the interconnection-related terms and conditions. This will facilitate the ability of CLECs to request terms and conditions, subject to the Commission's decision approving the agreement filed here.

Given the confidentiality provisions contained in some of the agreements filed by Qwest and the fact that the CLECs involved may deem the information contained therein confidential, Qwest has redacted those terms, such as confidential settlement amounts relating to settlement of historical disputes between Qwest and the particular CLEC, confidential billing and bank account numbers and facility locations, which relate solely to the specific CLEC and do not relate to Section 251(b) or (c) services.

Thank you for your attention to this matter.

Sincerely yours,

Jay Nusbaum

JPN:jpn
Enclosure

Cc: Don Mason
Alex Duarte
Todd Lundy
Larry Reichman

Settlement Agreement

This Settlement Agreement (this "Agreement") is dated March 1, 2002 (the "Effective Date"), and is between Qwest Corporation, a Colorado corporation ("Qwest"), and Eschelon Telecom, Inc., a Delaware corporation ("Eschelon"). Qwest and Eschelon are referred to collectively as the "Parties" and individually as the "Party."

Whereas, Qwest is an incumbent local exchange carrier operating in the states of Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming;

Whereas, Eschelon is a competitive local exchange carrier operating in the states of Arizona, Colorado, Minnesota, Oregon, Utah, and Washington, as well as Nevada;

Whereas, each of the Parties seeks to avoid delay and costly litigation and to resolve certain issues in dispute.

Qwest and Eschelon therefore agree as follows:

1. Definitions. When used in this Agreement, the following terms have the following meanings:

"Act" means the Telecommunications Act of 1996.

"CABS" means carrier access billing system.

"Claims" means, individually and collectively, each and every claim, action, causes of action, suit, demand, damage, judgment, execution, cost, expense, liability, controversy, setoff, omission, and loss of any kind whatsoever, whether known or unknown, whether in law or in equity, including any related interest expenses that may have accrued in connection therewith, from the beginning of time through February 28, 2002, that Eschelon or Qwest has, had or may have against the other Party arising out of the Disputes through February 28, 2002.

"Disputes" means, for the time period through February 28, 2002: (1) disputes concerning service credits; (2) disputes concerning consulting and network-related services provided by Eschelon to Qwest; (3) CABS disputes concerning switched access minutes of use; (4) disputes concerning payment of UNE-E line and UNE-E Non-Recurring Charge credits; and (5) disputes concerning Eschelon's claims of anti-competitive conduct and unfair competition.

"Interconnection Agreement" means the interconnection agreements and all amendments thereto filed with the PUC in each state in which Eschelon obtains services and facilities from Qwest.

"PUC" means state public utility commission.

"Terminated Agreements" has the meaning set forth in paragraph 3(b) below.

"UNE-E" means Unbundled Network Element – Eschelon, a product purchased by Eschelon under its Interconnection Agreement, as amended in November of 2000 and July and August of 2001.

"UNE-P" means Unbundled Network Element – Platform.

2. Release of Claims. (a) For valuable consideration to be paid by Qwest to Eschelon as provided in Paragraph 3(a) below, Eschelon hereby fully waives, releases, acquits, and discharges Qwest and its associates, owners, stockholders, successors, assigns, partners, parents, insurance carriers, bonding companies, affiliates and subsidiaries, and each of their respective directors, officers, agents, employees and representatives from any and all Claims arising out of the Disputes through February 28, 2002.

(b) In consideration of the waiver and release described in Paragraph 2(a) above, Qwest hereby fully waives, releases, acquits, and discharges Eschelon and its associates, owners, stockholders, successors, assigns, partners, parents, insurance carriers, bonding companies, affiliates and subsidiaries, and each of their respective directors, officers, agents, employees and representatives from any and all Claims arising out of the Disputes through February 28, 2002.

3. Actions to be Taken. The Parties shall undertake the following actions:

(a) On the Effective Date, Qwest shall provide payment, using credits, to Eschelon in an amount equal to [REDACTED] with offsets as follows: (i) apply [REDACTED] against UNE-E charges and associated charges that are not disputed by the Parties as of February 28, 2002; and (ii) apply and credit [REDACTED] — which sum represents [REDACTED] less [REDACTED] against all current and non-disputed invoices that are payable by Eschelon to Qwest. Eschelon shall determine how the offset amounts in each of clauses (i) and (ii) will be applied and shall so designate in writing to Qwest within ten days of the Effective Date.

(b) For convenience and various reasons, the Parties hereby terminate the following agreements ("Terminated Agreements"), as of the Effective Date:

- (1) Feature Letter dated November 15, 2000;
- (2) Implementation Plan Letter dated November 15, 2000;
- (3) Escalation procedures and business solution letter dated November 15, 2000;
- (4) Confidential Purchase Agreement dated November 15, 2000;
- (5) Confidential Amendment to Confidential/Trade Secret Stipulation dated November 15, 2000;
- (6) Third Amendment to Confidential/Trade Secret Agreement dated July 3, 2001;
- (7) Status of switched access minute reporting letter dated July 3, 2001; and
- (8) Implementation Plan dated July 31, 2001/August 1, 2001.

03/06/02 10:40 AM

Settlement Agreement

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(c) Attachment 3 to the Implementation Plan dated July 31, 2001/August 1, 2001 relating to UNE-E will continue to bind the Parties unless the Parties agree otherwise in a writing executed by both Parties. Eschelon agrees that Qwest will file this Attachment 3 as an amendment to the Interconnection Agreement.

(d) The Billing/Usage letter dated November 15, 2000 will be terminated when the Parties agree the manual process is terminated and Eschelon moves to the mechanized process described in Paragraph 3(g) below.

(e) Qwest shall make the UNE-E offering and existing business processes related to the UNE-E offering available to Eschelon through the current term of the Interconnection Agreement Amendment Terms dated November 15, 2000.

(f) Within ten days of the Effective Date, the Parties shall form a joint team. The purpose of the joint team shall be to develop a mutually acceptable plan (the "Plan") to convert UNE-E lines to UNE - P. Qwest and Eschelon shall use best efforts to cooperate in converting UNE-E lines to UNE-P in accordance with the Plan.

(g) Qwest and Eschelon shall work closely together in moving Eschelon from a manual to a mechanized process so that Eschelon can bill for access on UNE-P. The Parties shall work closely for 60 days to validate working telephone numbers and associated minutes of use, and will terminate the manual process after these 60 days with the consent of both Parties. If the parties are unable to agree on the date of the termination of the manual process, then the Parties shall follow the procedures described in paragraph 8 below.

(h) Level 3 Escalation. Upon execution of this Agreement, Eschelon's February 8, 2002 request for a Level 3 escalation will be deemed permanently withdrawn.

4. Successors and Assigns. The terms and conditions contained in this Agreement shall inure to the benefit of and be binding upon, the respective successors, affiliates and assigns of the Parties.

5. Assignment of Claims. No Party has assigned or transferred to any person any Claim, or portion of any Claim, released or discharged by this Agreement.

6. Filing of Agreement. The Parties agree that negotiation of this Agreement is subject to Rule 408 of the Federal Rules of Evidence, and similar rules at the state level. Notwithstanding the foregoing, nothing in this Agreement shall prevent a Party from asserting a claim against the other Party to enforce this Agreement and nothing herein shall bar a Party from filing this Agreement as it deems necessary and appropriate in order to comply with state or federal law, or in connection with a relevant legal or regulatory proceeding in which Qwest or Eschelon is a party. Qwest and Eschelon expressly contemplate that this Agreement will be filed

with the PUCs in its region in states where Eschelon is certified and has an interconnection agreement.

7. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the Parties. This Agreement can be amended or changed only in a writing or writings executed by both of the Parties, except that this Agreement must not be amended or modified in any way by electronic message or e-mail communications.

8. Dispute Resolution. Each Party reserves its rights to resort to all remedies, including seeking resolution by a PUC or a court, agency, arbitrator, or regulatory authority of competent jurisdiction.

9. Notices. Except as otherwise provided in this Agreement, every notice or other communication to a Party required, permitted or contemplated under this Agreement must be in writing and (a) served personally, in which case delivery will be deemed to occur at the time and on the day of delivery; (b) delivered by certified mail or registered mail, postage prepaid, return receipt requested, in which case delivery will be deemed to occur the day it is officially recorded by the U.S. Postal Service as delivered to the intended recipient; or (c) delivered by next-day delivery to a U.S. address by recognized overnight delivery service such as Federal Express, in which case delivery will be deemed to occur upon receipt. Upon prior agreement of the Parties' designated recipients identified below, notice may also be provided by facsimile. Except as otherwise provided in this Agreement, every notice or other communication must be delivered using one of the alternatives mentioned in this paragraph and must be directed to the applicable address indicated below or such address as the Party to be notified has designated by giving written notice in compliance with this paragraph:

If to Qwest:

Qwest Corporation
Attention: General Counsel
1801 California Street, Suite 5200
Denver, Colorado 80202
Tel: (303) 672-2700
Fax: (303) 295-7046

If to Eschelon:

Eschelon Telecom, Inc.
Attention: General Counsel
730 2nd Avenue, Suite 1200
Minneapolis, MN 55402
Tel: (612) 436-6692
Fax: (612) 436-6792

10. No Waiver. The Parties agree that their entering into this Agreement is without prejudice to, and does not waive, any positions they may have taken previously, or may take in the future, in any legislative, regulatory, judicial, or other forum addressing any matters other than the Claims.

11. No Admission. The Parties acknowledge and agree that they have legitimate disputes relating to the issues described in this Agreement, and that the resolution reached in this Agreement represents a compromise of the Parties' positions. Therefore, the Parties deny any wrongdoing or liability and expressly agree that resolution of the issues

contained in this Agreement cannot be used against the other Party in any manner or in any forum (except for claims related to breaches of this Agreement).

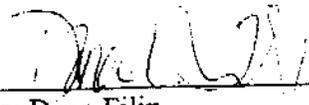
12. Counterparts. This Agreement may be executed by facsimile and in counterparts, each of which is an original and all of which together constitute one and the same instrument.

EXECUTION PAGE FOLLOWS

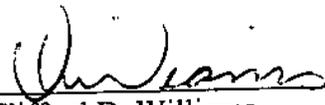
Counterpart Execution Page
Settlement Agreement

The undersigned are executing this Settlement Agreement on the date stated in the introductory clause.

QWEST CORPORATION

By: 
Name: Dana Filip
Title: Senior Vice President

ESCHELON TELECOM, INC.

By: 
Name: Clifford D. Williams
Title: Chief Executive Officer