



Qwest
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Carla M. Butler
Lead Paralegal

July 30, 2007

Frances Nichols Anglin
Oregon Public Utility Commission
550 Capitol St., NE
Suite 215
Salem, OR 97301

Re: IC 13

Dear Ms. Nichols Anglin:

Enclosed for filing in the above entitled matter please find an original and two (2) copies of Qwest Corporation's Withdrawal of Counterclaim, along with a certificate of service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Carla". The signature is written in a cursive, flowing style.

Carla M. Butler

CMB:

Enclosure

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BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IC 13

UNIVERSAL TELECOMMUNICATIONS, INC.,

Plaintiff,

v.

QWEST CORPORATION,

Defendant

**QWEST CORPORATION'S
WITHDRAWAL OF COUNTERCLAIM**

Qwest Corporation (“Qwest”), pursuant discussions in recent telephone conferences with Universal Telecommunication, Inc. (“Universal”) and Judge Allan Arlow, hereby withdraws the counterclaim it filed as paragraph 27 to its Answer dated July 23, 2007 for the reasons, and on the basis, set forth hereafter.

As Qwest has analyzed the matter, its counterclaim is not technically necessary because Universal’s claim, if denied in whole or in part, will mean that Qwest’s billings, in whole or in part, have been properly rendered under the existing interconnection agreement (“ICA”) and that Universal will be obligated thereunder to pay Qwest for the amounts the Oregon Public Utility Commission (“Commission”) determines to be amounts owed by Universal to Qwest under the ICA. Thus, the counterclaim asserted by Qwest is not technically necessary given that it merely represents the flipside of the same bills and billing dispute raised in Universal’s complaint. It does not represent a separate claim.

Furthermore, the existence of the counterclaim creates a procedural impediment to the expedited resolution of issues in this case because, while Universal must reply to Qwest's Answer on Wednesday, August 1, it would be able to defer filing a reply to the counterclaim for several more days. Thus, in the interest of expediting this matter without undue procedural complication and to allow Judge Arlow to make preliminary decisions based on the responses to his questions filed by the parties last week as soon as possible, Qwest's withdrawal of the counterclaim makes sense in order to facilitate an early resolution of this dispute.

Finally, Qwest's withdrawal of its counterclaim is not and should not be viewed as a waiver or concession by Qwest that amounts placed at issue by the Universal's complaint as discussed in detail in Qwest's answer, its response to Commission questions, and the affidavits of Nancy Batz that amounts billed by Qwest, except insofar as those amounts have been adjusted as set forth in Qwest's pleadings and affidavits, are not due and owing to Qwest. Nor does this withdrawal represent a waiver or concession that Qwest is not entitled to other remedies under the ICA, including but not limited to suspension of order activity and disconnection of services.

DATED: July 30, 2007

Respectfully submitted,



Alex M. Duarte, OSB No. 02045
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and

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Admitted Pro Hac Vice
Attorneys for Qwest Corporation

CERTIFICATE OF SERVICE

IC 13

I hereby certify that on the 30th day of July, 2007, I served the foregoing **QWEST CORPORATION'S WITHDRAWAL OF COUNTERCLAIM** in the above-entitled docket on the following persons via U.S. Mail and electronic mail, by mailing a correct copy to them in a sealed envelope, with postage prepaid, addressed to them at their regular office address shown below, and deposited in the U.S. post office at Portland, Oregon, as well as submitting to the counsel listed below a courtesy electronic copy of same:

Mark Trincherro
Davis Wright Tremaine LLP
1300 S.W. Fifth Ave., Suite 2300
Portland, OR 97201
marktrincherro@dwt.com

Jeffry Martin
Universal Telecom, Inc.
1600 SW Western Blvd., Suite 290
Corvallis, OR 97333
martinj@uspops.com

DATED this 30th day of July, 2007.

QWEST CORPORATION



By: _____
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Attorney for Qwest Corporation