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Carla M. Butler
Lead Paralegal

July 23, 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 (5) copies of the Non-confidential Affidavit of Nancy J. Batz in Support of Qwest Corporation's Answer to Universal Telecommunications, Inc.'s Complaint for Enforcement of Interconnection Agreement, and Counterclaim of Qwest Corporation Against Universal Telecommunications, Inc., which was filed earlier today. Also enclosed for filing is 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".

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

DOCKET IC 13

**NON-CONFIDENTIAL AFFIDAVIT
OF NANCY J. BATZ**

STATE OF OREGON)
):ss
COUNTY OF MULTNOMAH)

I, Nancy J. Batz, being first duly sworn, depose and state as follows:

1. I am a Senior Access Manager in the Wholesale Carrier Relations Department of Qwest Corporation (“Qwest”). My business address is 421 SW Oak Street, Room 8S16, Portland, Oregon 97204. My current job responsibilities include (a) providing account and access management services to independent telephone companies in Oregon, and (b) providing access management services to 24 competitive local exchange carriers (“CLECs”), including Universal Telecom, Inc. (Universal). I have personal knowledge of the facts set forth below, unless otherwise stated.

2. I received a Bachelor of Arts degree from Willamette University in 1976 and a Master of Business Administration from the University of Oregon in 1978 and have been employed in the telecommunications industry in Oregon for over twenty nine years. In 1978, I joined Pacific Northwest Bell, where I held a variety of staff positions in several different departments, including Customer Services, Business Services, and Operator Services. At the

Bell System Divestiture in 1983, I transferred to AT&T, where I was a Financial Administration Manager for Operator Services. I returned to Pacific Northwest Bell in 1985 and became a member of the Switched Access Product Management team. In 1987, I accepted my current position as Senior Access Manager in the Wholesale Department of what is now Qwest.

3. As part of my duties as Senior Access Manager, I am responsible for reviewing reciprocal compensation bills submitted to Qwest by several CLECs, including Universal. My related duties include (a) analyzing CLEC billed usage and charges in comparison to Qwest's traffic measurements; (b) issuing payment requests and/or dispute letters in order to ensure accurate compensation to the CLECs for local/EAS traffic, internet service provider (ISP-bound) traffic, and/or switched access traffic in compliance with each CLEC's respective interconnection agreement and applicable state or federal rules; (c) negotiating relative use factors ("RUFs") to be applied to the carriers' facility charges under specific interconnection agreements; and (d) providing analysis, research, and other support to Qwest management to assist in dispute resolution.

4. I have gained extensive experience dealing with CLECs in connection with the following issues: (a) the number of billed minutes of use; (b) classification of traffic (e.g., ISP vs. non-ISP, transit vs. non-transit, local vs. toll); (c) billed rates; (d) interpretation of interconnection agreement terms and applicable state and federal rules; (e) determination of the relative use factor ("RUF") to be applied to facility charges; and (f) determination of those facility charges that are subject to the RUF.

5. One of my responsibilities with regard to Universal is to maintain the official company file of correspondence related to RUF, billing, reciprocal compensation, and other similar issues. The documents attached hereto are taken from my paper and email files.

I. AMOUNTS OWED BY UNIVERSAL TO QWEST FOR DTT, EF, MULTIPLEXING

6. The interconnection agreement (“ICA”) in this matter became effective in August 2006. Pursuant to the terms of the ICA and as part of my duties, on October 30, 2006, I sent a certified letter and email to Mr. Jeff Martin of Universal proposing relative use factors of 99% Universal and 1% Qwest based on June 2006 through August 2006 traffic usage per the terms of sections 7.3.1.1.3.1 and 7.3.2.2.1 and Exhibit H of the current ICA. Accompanying the letter was a confidential and proprietary worksheet with supporting documentation regarding the development of the factors. Qwest requested Universal’s concurrence with the factors, or in the alternative, Universal’s proposed relative use factors for the same time period including supporting documentation. Because of the confidential nature of the supporting worksheet, a full copy of the letter and the confidential attachment is Attachment A to my confidential affidavit. A copy of this October 30, 2006 letter, which is not confidential, is attached as Attachment A.

7. On November 10, 2006, Mr. Martin replied to me by letter indicating that during the pendency of Universal’s appeal of the Commission decision in docket ARB 671 to federal court, “Universal declines to adopt any position on an interconnection issue, including relative use, that could imperil the company’s legal or equitable rights. Consequently, Universal respectfully suggests that the parties continue exchanging traffic as has been their practice since 2000.” The RUF in place at that time (reflecting the terms of the prior interconnection agreement) was 100% Qwest, 0% Universal. A copy of this November 10, 2006 letter is attached hereto as Attachment B.

8. On December 1, 2006, I replied by letter to Mr. Martin that Qwest did not agree to Universal’s November 10, 2006 proposal. I reiterated Qwest’s RUF proposal of October 30, 2006 and advised Universal that “in the absence of a response to Qwest’s relative use proposal from Universal Telecom by December 15, 2006 that is based on the terms of the interconnection

agreement (i.e. either a concurrence or alternate proposal using data for the same June 2006 through August 2006 time frame), Qwest will being implementation of its proposed relative use factors.” A copy of this December 1, 2006 letter is attached hereto as Attachment C.

9. On December 14, 2006, Mr. Martin sent me a letter responding to Qwest’s relative use factor proposal and formally disputing Qwest’s November and December 2006 facility charges for Qwest’s BANs 503 L08-1126 126 and 503 L08-1127 127. The only basis for the dispute was “because the legal justification for these charges is in dispute. As you know, the question of the lawfulness of Qwest’s proposed charges is one issue now pending before the federal district court in Oregon in Case No. 06-6222-HO. Therefore, there is no basis for Qwest to assess such charges at this time, and Universal requests that Qwest cease and desist from assessing additional charges in the future.” A copy of this December 14, 2006 letter is attached hereto as Attachment D.

10. On or about December 14, 2006, Universal sent a form (“Billing Dispute Notification Form”) to Qwest’s billing office summarizing the disputed charges, citing the December 14, 2006 letter (Attachment D). The amounts disputed on the Billing Dispute Notification Form (Attachment E) are as follows:

Invoice Date	503 L08-1126 126	503 L08-1127 127	Total Disputed Charges
11/5/2006	\$ 8,470.48	\$4,613.55	\$13,084.03
12/5/2006	\$ 1,868.50	\$1,309.44	\$ 3,177.94
Two Month Total	\$10,338.98	\$5,922.99	\$16,261.97

11. On December 20, 2006, I sent a letter to Mr. Martin reminding Universal that the interconnection agreement was in effect and binding on both parties and had not been stayed. I also stated Qwest’s position that the basis for Universal’s disputes was not appropriate under

the ICA. I asked Universal to provide Qwest within 15 days justification for its non-payment of Qwest's charges. A copy of this December 20, 2006 letter is attached hereto as Attachment F.

12. On December 27, 2006, Mr. John Dodge, Universal's counsel, sent an email to Qwest outside counsel Ted Smith suggesting an informal resolution whereby Qwest would be "free to impose its RUF calculation, but must wait for final, favorable judgment in the appeal before collecting RUF charges". A copy of this December 27, 2006 email is attached as Attachment G.

13. On January 2, 2007, Qwest outside counsel Mr. Smith advised Mr. Dodge via email that Qwest did not agree with Mr. Dodge's proposed resolution and added a comment stating that the ICA is in effect. Further, Mr. Smith stated that Qwest was "not threatening disconnection of service at this time. Any action of that type would be pursuant to the terms of the ICA." A copy of the January 2, 2007 email is attached hereto as Attachment H.

14. On January 9, 2007, Mr. Dodge sent me a letter replying to Qwest's December 20, 2006 letter by asserting that section 5.4 of the ICA does not limit disputes to only "factual" ones (in effect that section 5.4 also encompasses "legal" disputes that are on appeal) and stating that Section 5.18, Dispute Resolution, addresses "*any* claim, controversy or dispute between the parties" (which in effect meant that so long as Universal disputed the legal sufficiency of the ICA (in the Commission's decisions), Universal did not need to pay these charges). A copy of this January 9, 2007 letter is attached hereto as Attachment I.

15. On January 24, 2007, Mr. Smith sent a letter to Mr. Dodge advising that Qwest disagreed with Universal's interpretation of Section 5.18 of the ICA stating that "the Dispute Resolution provision applies when the Parties disagree as to the proper application of the *approved terms of the agreement.*" (Emphasis added.) Mr. Smith further advised Mr. Dodge

that in the absence of any factual information from Universal regarding the RUF, Qwest intended to implement the RUF provisions as set forth in the ICA. A copy of this January 24, 2007 letter is attached hereto as Attachment J.

16. On January 24, 2007, I sent an email to Linda Kae Olsen, Qwest Senior Process Analyst, requesting that Qwest implement Relative Use Factors of 99% Universal / 1% Qwest effective October 30, 2006, the date that Qwest first proposed those factors. Section 7.3.1.1.3.1 (EF) and 7.3.2.2.1 (DTT) of the ICA state in part: “Once the Parties finalize a new factor, bill reductions and payments will apply going forward from the date *the original notice was sent.*” (emphasis added). A copy of my January 24, 2007 email is attached hereto as Attachment K.

17. On February 21, 2007, Universal sent Qwest’s billing office a Billing Notification Dispute Form disputing Qwest’s January 5, 2007 and February 5, 2007 charges for BANs 503 L08-1126 126 and 503 L08-1127 127. The detailed dispute reason provided by Universal was a copy of its December 14, 2006 letter. (Attachment D.) As noted above, the only basis for a dispute that was stated in the December 14, 2006 letter was that Universal was disputing the charges: “because the legal justification for these charges is in dispute. As you know, the question of the lawfulness of Qwest’s proposed charges is one issue now pending before the federal district court in Oregon in Case No. 06-6222-HO. Therefore, there is no basis for Qwest to assess such charges at this time, and Universal requests that Qwest cease and desist from assessing additional charges in the future.” The amounts disputed on the Billing Dispute Notification Forms (Attachment L) are as follows:

Invoice Date	503 L08-1126 126	503 L08-1127 127	Total Disputed Charges
1/5/2007	\$ 1,868.50	\$ 1,221.24	\$ 3,089.74
2/5/2007*	\$96,819.02	\$62,709.73	\$159,528.75
Two Month Total	\$98,687.52	\$63,930.97	\$162,618.49

* Reflects the implementation of the 99% Universal and 1% Qwest RUF effective 10/30/06.

18. On April 6, 2007, Ms. Kathie Maki, Qwest Service Delivery Coordinator, sent Mr. Martin of Universal a letter via certified mail regarding a past due balance amount of \$162,618.49. The letter advised that “[f]ailure to respond to this letter or submit payment may result in additional treatment activity (discussed below) being initiated thirty (30) days after the date of this letter.” The letter added that “[i]f Qwest does not receive payment in full on or before 5-6-07 it may take action with respect to your accounts including, but not limited to the suspension of all service order activity and the eventual disconnection of your services. Further in accordance with applicable contract, and/or tariffs, during this 30 day period or thereafter Qwest may demand a security deposit as a condition of its continuing provision of services to Universal Telecom.” A copy of Ms. Maki’s April 6, 2007 letter is attached as Attachment M.

19. On April 17, 2007, Universal sent Qwest billing disputes to Qwest’s billing office of Qwest’s March 5, 2007 and April 5, 2007 charges for BANs 503 L08-1126 126 and 503 L08-1127 127. The detailed dispute reason that was provided by Universal was a copy of its December 14, 2006 letter to me, which identifies Universal’s appeal as the only basis for disputing the charges. (Attachment D.) The amounts disputed on the Billing Dispute Notification Forms (Attachment N) are as follows:

Invoice Date	503 L08-1126 126	503 L08-1127 127	Total Disputed Charges
3/5/2007	\$27,023.48	\$18,734.22	\$45,757.70
4/5/2007	\$27,038.48	\$17,411.95	\$44,450.43
Two Month Total	\$54,061.96	\$36,146.17	\$90,208.13

20. On May 7, 2007, Ms. Maki of Qwest sent Mr. Martin of Universal a letter via overnight mail providing “additional written notice of non-payment as may be required under your applicable contract, tariff and/or state utility commission rules or regulations. Failure to

respond to this letter or submit payment may result in additional treatment activity (described below) being initiated ten (10) business days after the date of this letter.” Ms. Maki added that as of the date of the letter “the total past due balance on your Qwest account(s) is \$251,504.35. Therefore, if Qwest does not receive payment in full on or before 5-21-07 it will take action with respect to your accounts, without further notice, including, but not limited to the suspension of all service order activity, and disconnection of your services, effective 5-21-07. Further in accordance with applicable contract, and/or tariffs, during this 10 day period or thereafter Qwest will demand a security deposit as a condition of its continuing provision of services to Universal Telecom.” A copy of Ms. Maki’s May 7, 2007 letter is attached hereto as Attachment O.

21. On May 16, 2007, Universal sent Qwest’s billing office billing disputes of Qwest’s May 5, 2007 charges for BANs 503 L08-1126 126 and 503 L08-1127 127. The detailed dispute reason that was provided by Universal was a copy of its December 14, 2006 letter to me, which identifies Universal’s appeal as the only basis for disputing the charges. (Attachment D.) The amounts disputed on the Billing Dispute Notification Forms (Attachment P) are as follows:

Invoice Date	503 L08-1126 126	503 L08-1127 127	Total Disputed Charges
5/5/2007	\$26,889.48	\$17,411.95	\$44,301.43

22. On May 23, 2007, Ms. Maki of Qwest sent Mr. Martin of Universal a letter via overnight mail denying Universal’s disputes of Qwest’s November 2006 – May 2007 charges for accounts 503 L08-1126 126 and 503 L08-1127 127 advising Universal and Qwest was sustaining its charges as “they are appropriate under the terms of the interconnection agreement.” Ms. Maki’s letter noted that Qwest had already responded on December 20, 2006 (Attachment F) to Mr. Martin’s December 14, 2006 letter (Attachment D) and noted the additional correspondence exchanged between me and Universal counsel Mr. Dodge on January 9, 2007 (Attachment I) and

between Qwest counsel Mr. Smith and Universal counsel Mr. Dodge on January 24, 2007 (Attachment J). The letter informed Universal that it was in default of its payment obligations and noted that “[f]ailure to respond to this letter or submit payment may result in additional treatment activity (described below) being initiated ten (10) business days after the date of this letter.” Ms. Maki added that as of the date of the letter “the total past due balance on your Qwest account(s) is \$252,810.71. Therefore, consistent with the terms of the interconnection agreement, if Qwest does not receive payment in full on or before 6/8/2007 it will take action with respect to your accounts, without further notice, including, but not limited to the suspension of all service order activity, and disconnection of your services, effective 6/11/07. Further in accordance with applicable contract, and/or tariffs, during this 10 day period or thereafter Qwest will demand a security deposit as a condition of its continuing provision of services to Universal Telecom, Inc. And, until such time that Universal has remitted payment in full for all past due balances, effective immediately Qwest will apply any monies due Universal (for example, compensation for termination local ISP minutes of use in Oregon) as a credit to the charges due Qwest for accounts 503 L08-1126 126 and 503 L08-1127 127.” A copy of Ms. Maki’s May 23, 2007 letter is attached hereto as Attachment Q.

23. On June 1, 2007, Mr. Martin of Universal responded to Ms. Maki’s May 23, 2007 letter. Mr. Martin’s response stated, in part, that “[w]ith respect to your assertion that Qwest ‘denies’ Universal’s disputes, we do not accept that Qwest has the unilateral authority under the agreement to make such a determination. Instead, the dispute resolution procedures must be adhered to in order for the parties to determine the validity of Qwest’s charges, and Universal’s dispute of such charges, respectively.” The letter closed with “Qwest’s disconnection notices notwithstanding, Universal requests that the parties attempt to resolve this dispute through

informal discussions, and consistent with Section 5 of the agreement, through a meeting or teleconference of designated representatives.” A copy of this June 1, 2007 letter is attached hereto as Attachment R.

24. On June 7, 2007, I sent a letter to Mr. Martin responding to Mr. Martin’s letter of June 1, 2007. I again noted that:

[b]ased on Universal’s description of the nature of the dispute, Universal’s only claim goes to the legality of the portions of the interconnection agreement that require Universal to pay for the transport of ISP traffic. Thus, Universal is in effect claiming that Qwest’s charges are not appropriate under the terms of an effective interconnection agreement that was approved by the Oregon Public Utility Commission. Universal’s disputes are, as Universal has stated, based on “the question of the lawfulness of Qwest’s proposed charges” as “one issue now pending before the federal district court in Oregon in Case No. 06-6222-HO.” As Qwest has previously stated, the Universal dispute goes, not to the proper application of the current, effective interconnection agreement, but instead to the legality of portions of the interconnection agreement (issues that are part of Universal’s appeal). As Qwest has stated in previous letters, this is not a valid dispute under the agreement.

Nonetheless, Qwest identified Mr. Dan Hult, Qwest Director Carrier Relations, Wholesale Markets, as Qwest’s designated representative for a dispute resolution discussion and stated that Mr. Hult was available to meet with Universal’s business representatives before June 16, 2007, which was 15 calendar days after Universal’s Resolution Request on June 1, 2007. Qwest advised Universal that “[g]iven that Qwest is willing to meet with Universal as a show of good faith, Qwest will temporarily suspend its collections activity until the June 16th date; however, if the parties are unable to reach a satisfactory resolution to Universal’s disputes in the dispute resolution meeting, Qwest will immediately proceed with the next phase of its collections efforts at the same point at which the activity was temporarily halted. As detailed in Qwest’s May 23, 2007 letter, this includes, but is not limited to, the suspension of all service order activity and disconnection of your services.” A copy of my June 7, 2007 letter is attached as Attachment S.

25. On June 15, 2007, Universal, represented by Mr. Martin and Mr. Steven Roderick, met via conference call in a dispute resolution meeting with Qwest, represented by Mr. Hult and me. No resolution was reached during that meeting and the parties agreed to meet again in approximately another week.

26. Also on June 15, 2007, I sent a letter to Mr. Martin as a follow-up to the June 15, 2007 dispute resolution meeting. The letter advised that “with the understanding that the representatives will meet again in a dispute resolution meeting on either June 21, 2007 or June 22, 2007, Qwest, in a show of good faith, will temporarily suspend its collections activity until June 25, 2007. However, if the parties are unable to reach a satisfactory resolution to Universal’s disputes in the dispute resolution meeting, Qwest will immediately proceed with the next phase of its collections efforts at the same point at which the activity was temporarily halted. As detailed in Qwest’s May 23, 2007 letter, this includes, but is not limited to, the suspension of all service order activity and disconnection of your services.” A copy of my June 15, 2007 letter is attached hereto as Attachment T.

27. Due to scheduling conflicts, the next dispute resolution meeting via conference call, set for July 2, 2007, was not scheduled until June 25, 2007. Consequently, on June 25, 2007, I sent a letter to Mr. Martin extending the temporary halt on Qwest’s collections activities until July 3, 2007. A copy of my June 25, 2007 letter is attached hereto as Attachment U.

28. On June 29, 2007, Qwest sent a settlement proposal via email to Mr. Martin and Mr. Roderick in advance of the scheduled July 2, 2007 dispute resolution meeting. Without getting into details of settlement discussions, Qwest offer included (1) a payment plan for the back balances due, (2) a requirement that Universal remit payment for all current charges within the time frames specified in Section 5.4.1 of the interconnection agreement, and (3) an

agreement about how credits would be handled with regard to back balances. Because this email contains specific settlement information, it is not attached.

29. On July 2, 2007, Universal, represented by Mr. Martin and Mr. Roderick, met via conference call in a dispute resolution meeting with Qwest, represented by Mr. Hult and me. No mutually agreeable resolution was reached during that meeting.

30. On July 3, 2007, Ms. Valene Kipp, Qwest Service Delivery Coordinator, sent Mr. Martin a letter via overnight mail and email informing Universal that it was in default of its payment on Qwest accounts 503 L08-1126 126 and 503 L08-1127 127. The letter noted that Qwest met with Universal in good faith dispute resolution discussions as requested on June 15, 2007 and again on July 2, 2007, that Universal had rejected Qwest's payment plan proposal of June 29, 2007, that Universal declined Qwest's offer to assist regarding potential opportunities to reduce future Qwest charges through a reduction in quantity of facilities billed, and that the parties had been unsuccessful in reaching a mutually agreeable resolution to Universal's dispute of the outstanding charges due Qwest. The letter constituted:

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.

A copy of Ms. Kipp's July 3, 2007 letter is attached hereto as Attachment V.

31. On July 9, 2007, after Universal failed to respond to Qwest's terms, Qwest initiated a stop order activity on Universal's accounts.

32. On July 16, 2007, Universal sent Qwest billing disputes of Qwest's June 5, 2007 and July 5, 2007 charges for accounts 503 L08-1126 126 and 503 L08-1127 127. The detailed dispute reason that was provided by Universal was a copy of its December 14, 2006 letter (Attachment D) to me that identified the appeal to federal court as the only basis for Universal's dispute. The amounts disputed on the Billing Dispute Notification Forms (Attachment W) are as follows:

Invoice Date	503 L08-1126 126	503 L08-1127 127	Total Disputed Charges
6/5/2007	\$27,263.23	\$17,411.95	\$44,675.18
7/5/2007	\$15,495.99	\$17,411.95	\$32,907.94
Two Month Total	\$42,759.22	\$34,823.90	\$77,583.12

33. On July 18, 2007, Mr. Cal Lund, Qwest Service Delivery Coordinator, advised Universal that Qwest was denying Universal's disputes dated July 16, 2007 and that Qwest was sustaining its charges as they are appropriate under the terms of the interconnection agreement.

II. AMOUNTS BILLED BY UNIVERSAL TO QWEST (INCLUDING SMALL AMOUNTS RELATED TO THE STATE OF WASHINGTON)

A. Oregon Reciprocal Compensation Disputes

34. On November 10, 2006, Mr. Martin sent me a letter regarding a "Reciprocal Compensation billing adjustment." He explained that it had come to Universal's attention "that the rating software that we have been using has been under billing reciprocal compensation. The main reasons for the under billing is that the software was not billing for calls to ported numbers." This November 10, 2007 letter is attached hereto as Attachment X.

35. On November 22, 2006, Mr. Martin sent me a letter regarding the “Reciprocal Compensation billing adjustment,” and attached “new invoices for the months since November of 2005 for those unbilled minutes which reflect the additional minutes of traffic for the same time period.” The total charges for those invoices were \$62,740.96. The invoice numbers were #RC2-2005-11-OR; #RC2-2005-12-OR; #RC2-2006-01-OR; #RC2-2006-02-OR; #RC2-2006-03-OR; #RC2-2006-04-OR; #RC2-2006-05-OR; #RC2-2006-06-OR; #RC2-2006-07-OR; #RC2-2006-08-21-OR; #RC2-2006-08-31-OR; #RC2-2006-09-OR. The November 22, 2007 letter and attachments are attached hereto as Attachment Y. Because Universal may consider its invoices confidential, I am submitting only the November 22, 2006 letter as Attachment Y in this affidavit, but I include both the letter and the invoices as Attachment C to my confidential affidavit.

36. On December 6, 2006, I sent a letter to Mr. Martin advising that Qwest was issuing a payment for \$62,740.96 for the incremental charges associated with Universal’s invoices #RC2-2005-11-OR; #RC2-2005-12-OR; #RC2-2006-01-OR; #RC2-2006-02-OR; #RC2-2006-03-OR; #RC2-2006-04-OR; #RC2-2006-05-OR; #RC2-2006-06-OR; #RC2-2006-07-OR; #RC2-2006-08-21-OR; #RC2-2006-08-31-OR; #RC2-2006-09-OR. The December 6, 2006 letter is attached hereto as Attachment Z.

37. On May 23, 2007, I sent a letter to Mr. Martin regarding Universal’s invoice RC-2007-04-OR advising that, consistent with Ms. Maki’s May 23, 2007 letter (Attachment Q), I had requested that a credit of \$14,955.61 be applied to the outstanding balances for BANs 503 L08-1126 126 and 503 L08-1127 127. This May 23, 2007 letter is attached as Attachment AA.

38. On June 26, 2007, I sent a letter to Mr. Martin regarding Universal’s invoice RC-2007-05-OR advising that, consistent with Ms. Maki’s May 23, 2007 letter, I had requested that

a credit of \$18,724.97 be applied to the outstanding balances for BANs 503 L08-1126 126 and 503 L08-1127 127. This June 26, 2007 letter is attached hereto as Attachment BB.

39. On or about June 29, 2007, Qwest received invoices from Universal for incremental charges for January through April 2007 usage in Oregon and January through March 2007 usage in Washington. The invoices noted that the “[m]inutes of use for this billing period are in addition to what was previously billed and are the result of an audit of usage.” At the time that Universal filed its Complaint, any amounts billed by Universal on or about June 29, 2007 were not yet payable under Section 5.4.1 of the interconnection agreement: “Amounts payable under this Agreement are due and payable within thirty (30) calendar Days after the date of invoice, or within twenty (20) calendar Days after receipt of the invoice, whichever is later (payment due date).” Because Universal may consider its invoices confidential, I am submitting only a redacted version of the first page of the invoice as Attachment CC in this affidavit, but I include the entire invoice (unredacted) as Attachment D to my confidential affidavit.

40. On or about July 13, 2007, Qwest received invoices from Universal for incremental charges for January through December 2006 usage in Oregon and Washington. The invoices noted that the “[m]inutes of use for this billing period are in addition to what was previously billed and are the result of an audit of usage.” Qwest has reviewed these invoices and concluded that approximately 80%, or \$52,983.49, of the billed charges for \$66,325.66 in Oregon were previously billed by Universal on November 22, 2006. When comparing the invoices accompanying Mr. Martin’s November 22, 2006 letter (Attachment Y) and those received on or about July 13, 2007, there are numerous examples where the incremental number of billed minutes and charges for a given trunk group are identical (or different by nominal

amounts). Qwest had already issued a payment for much of this incremental billed usage as noted in my December 6, 2006 letter to Mr. Martin.

41. Included in Universal's Motion for Temporary Emergency Relief and Request for Emergency Relief is the following statement: "To date Universal has, in fact, paid Qwest, \$88,200 for DTT and is currently paying Qwest approximately \$20,000 per month for DTT." (See also Martin Affidavit, ¶ 4.) Mr. Martin, in paragraph 4 of his affidavit, states that "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."

42. Aside from the lack of detail in his allegation, Mr. Martin's statements are simply untrue. In lieu of a payment to Universal, Qwest has to date applied a total of \$33,680.58 as credits to Qwest's the charges due Qwest for BANs 503 L08-1126 126 and 503 L08-1127 127 (see Attachments AA and BB as stated in my aforementioned May 23, 2007 and June 26, 2007 letters for April and May 2007 usage respectively.) In addition, Qwest has withheld a total of \$6,553.00 for disputed Washington VNXX charges. (See Attachment KK (my May 25, 2007 letter) and Attachment LL (my June 26, 2007 letter) discussed below.) I do not consider Qwest's application of a credit to the outstanding balances due Qwest the same as a payment being issued to Qwest. Since Qwest received its first dispute of its charges from Universal (associated with the November 2006 and December 2006 invoices), Universal has made no payments whatsoever to Qwest for DTT, EF, or Multiplexing, or for anything else, for the charges reflected on accounts 503 L08-1126 126 and 503 L08-1127 127.

B. Washington Reciprocal Compensation Disputes

43. The incremental invoices referenced above in paragraph 40 also included \$1,134.72 for January through December 2006 usage in Washington. Universal's charges in Washington reflect the similar duplicate billing. Qwest has already issued a payment to Universal for much of this incremental billed usage as noted in my January 15, 2007 letter to Mr. Martin. (See paragraph 45, below, and Attachment DD.) In addition, all of the incremental billed minutes prior to August 22, 2006, or 76% of the total Washington billed minutes, are incorrectly billed at the Oregon state rate of \$0.0013 instead of the ISP rate of \$0.0007. Consequently, Universal overstated its Washington charges to Qwest at a minimum by \$460.75 or 68% based on utilization of the incorrect rate.

44. Finally, any amounts billed by Universal on or about July 13, 2007 are not yet payable under Section 5.4.1 of the ICA: "Amounts payable under this Agreement are due and payable within thirty (30) calendar Days after the date of invoice, or within twenty (20) calendar Days after receipt of the invoice, whichever is later (payment due date)."

45. On January 4, 2007, I sent a letter to Mr. Martin disputing Universal's charges in Washington for \$719.88 associated with its invoices for November 2005 through November 2006 usage that were received on or about December 15, 2006 because the traffic appeared to be VNXX traffic. The January 4, 2007 letter is attached hereto as Attachment DD.

46. On January 8, 2007, Mr. Martin sent me a letter in response to mine of January 4, 2007. Universal contended that its "read of the interconnection agreement does not limit either party's compensation obligations for ISP-bound VNXX traffic." Universal noted that "as recently as last year the Washington Utilities and Transportation Commission (WUTC) specifically ruled that Qwest was required to compensate Level 3 for terminating ISP-bound VNXX traffic. (See *Level 3 v. Qwest*, Docket No. UT-053039, Order No. 5, Order Accepting

Interlocutory Review; Granting, in Part, and Denying, in Part, Level 3's Petition for Interlocutory Review, 2006 WUTC LEXIS 59 (February 10, 2006)." Universal further noted that "Universal's agreement in Washington is the result of an adoption of the Qwest – Level 3 interconnection agreement in Washington." This January 8, 2007 letter is attached hereto as Attachment EE.

47. On January 15, 2007, I sent a letter to Mr. Martin, in response to his of January 8, 2007, advising Universal that upon further review, Qwest was issuing a \$719.88 payment to Universal associated with its invoices for November 2005 through November 2006 usage. Qwest continued to maintain that Universal's charges are for ISP traffic that appeared to be Virtual NXX traffic and therefore not subject to compensation. However, in recognition of the WUTC's ruling in Docket No. UT-053039, the fact that Universal had adopted the Qwest/Level 3 interconnection agreement in Washington, and the fact that Universal and Qwest had executed an ISP-Bound Reciprocal Compensation Amendment in November 2006, Qwest agreed to issue the payment. Finally, Qwest noted that it was making the payment "even though it has appealed the WUTC's ruling in Docket No. UT-053059 (and other dockets) with the U.S. District Court in Seattle (CV06-0956)." This January 15, 2007 letter is attached hereto as Attachment FF.

48. On January 23, 2007, I sent a letter to Mr. Martin regarding Universal's Invoice RC-2006-12-WA. I noted that Qwest was issuing a payment to Universal for the Washington charges although they appeared to be associated with VNXX traffic and Qwest had appealed the WUTC's ruling in Docket No. UT-053059 (and other dockets) with the U.S. District Court in Seattle (CV06—0956). My January 23, 2007 letter is attached hereto as Attachment GG.

49. On February 19, 2007, I sent a letter to Mr. Martin regarding Universal's Invoice RC-2007-01-WA. I noted that Qwest was issuing a payment to Universal for the Washington

charges although they appeared to be associated with VNXX traffic and Qwest had appealed the WUTC's ruling in Docket No. UT-053059 (and other dockets) with the U.S. District Court in Seattle (CV06—0956). My February 19, 2007 letter is attached hereto as Attachment HH.

50. On March 22, 2007, I sent a letter to Mr. Martin regarding Universal's Invoice RC-2007-02-WA. I noted that Qwest was issuing a payment to Universal for the Washington charges although they appeared to be associated with VNXX traffic and Qwest had appealed the WUTC's ruling in Docket No. UT-053059 (and other dockets) with the U.S. District Court in Seattle (CV06—0956). My March 22, 2007 letter is attached hereto as Attachment II.

51. On April 25, 2007, I sent a letter to Mr. Martin regarding Universal's Invoice RC-2007-03-WA. I noted that Qwest was issuing a payment to Universal for the Washington charges although they appeared to be associated with VNXX traffic and Qwest had appealed the WUTC's ruling in Docket No. UT-053059 (and other dockets) with the U.S. District Court in Seattle (CV06—0956). My April 25, 2007 letter is attached hereto as Attachment JJ.

52. On May 25, 2007, I sent a letter to Mr. Martin regarding Universal's Invoice RC-2007-04-WA. I disputed the \$3,129.23 billed by Universal based on Qwest's determination that "some or all of the billings are for what Qwest refers to as VNXX Traffic." I noted that "(a)s most recently stated by the United States District Court for the Western District of Washington, as a matter of federal law, the *ISP Remand Order* issued by the Federal Communications Commission applies only to local ISP traffic. *Qwest Corporation v. Washington State Utilities and Transp. Comm'n*, ___F.Supp.2d ___, 2007 WL 1071956 (W.D. Wa. 2007)." My May 25, 2007 letter is attached hereto as Attachment KK.

53. On June 26, 2007, I sent a letter to Mr. Martin regarding Universal's Invoice RC-2007-05-WA. I disputed \$3,423.77 billed by Universal based on Qwest's determination that

“some or all of the billings are for what Qwest refers to as VNXX Traffic”. I noted that “(a)s most recently stated by the United States District Court for the Western District of Washington, as a matter of federal law, the *ISP Remand Order* issued by the Federal Communications Commission applies only to local ISP traffic. *Qwest Corporation v. Washington State Utilities and Transp. Comm’n*, ___F.Supp.2d ___, 2007 WL 1071956 (W.D. Wa. 2007).” This June 26, 2007 letter is attached hereto as Attachment LL.

C. Qwest’s Best Estimate of the Source of the \$88,200 Amount Quoted by Mr. Martin

54. Based on my analysis, it appears that the \$88,200 total may include Universal’s attempt to bill Qwest retroactive (and some duplicate) charges for 2006 Oregon minutes (\$66,325.66), plus retroactive billings for 2007 Oregon and Washington minutes (\$15,294.24), plus the total disputed charges in Washington (\$6,553.00), for a total of \$88,172.90. Because of the lack of detail in Mr. Martin’s affidavit, it is impossible for Qwest to determine if this is the correct source for his claim. However, if it is, under the ICA, well over \$80,000 has only recently been billed to Qwest and those amounts, even if proper, are not even due under the terms of the ICA. In fact, however, my preliminary analysis indicates that a large portion, and perhaps the vast majority, of these minutes have previously been billed and that Qwest has paid those portions that represent valid compensable minutes under the ICA.

55. The first time that I became aware that Universal was claiming that Qwest had not paid the alleged \$88,200 set forth in Mr. Martin’s affidavit was when I reviewed the Complaint and his affidavit late last week.

III. CALCULATION OF RELATIVE USE FACTOR (RUF)

56. In paragraph 9 of its Complaint, Universal alleges that the “correct RUFs, calculated based upon traffic usage data reflecting only ‘non-ISP-bound’ traffic exchanged between Universal and Qwest over the last quarter, as contemplated by the ICA and the

Arbitration Decision, should be 42% Universal and 58% Qwest.” Despite numerous letters on this subject from Qwest to Universal, Universal provides no documentation in its Complaint or in the affidavit of Mr. Martin to support its calculation. Furthermore, no such calculations have ever been provided to me by Universal.

57. I have calculated RUFs on many occasions for many CLECs and have never encountered a situation like the present one. Based on my experience, it appears to me, based on Qwest’s calculations of a RUF for March through May 2007 data, that Universal has not acknowledged Exhibit H (Attachment A to Qwest’s Answer) or applied the formula in that Exhibit; furthermore, it appears that Universal has ignored those portions of Sections 7.3.2.2.1 and 7.3.1.1.3.1 of the ICA that state: “For purposes of determining the relative use factor, the terminating carrier is responsible for ISP-bound traffic and for VNXX traffic.” Given that the vast majority of the traffic exchanged between Qwest and Universal is one-way ISP traffic, it is mathematically impossible to calculate a RUF that imposes 58 percent responsibility on Qwest. I have been unable to replicate a calculation that leads to such a RUF based on usage information available to me.

58. For comparison purposes, attached as Attachment B to my confidential affidavit are my calculations of the RUF using March through May 2007 data. Using the methodology from Exhibit H, Qwest calculates the RUF to be 99% Universal and 1% Qwest. These are the same factors that Qwest is using to bill Universal today in Oregon. However, even if one to accept Universal’s unsupported calculations that the RUF for non-ISP traffic is 42% Universal and 58% Qwest based on applying the RUF only to non-ISP/non-VNXX traffic (which represents about 1% of the total traffic exchanged between the companies), and applied the terms of the ICA whereby the terminating carrier is responsible for ISP-bound traffic to the remaining

99% of the traffic exchanged between the companies, the composite RUF is the same as that calculated using Exhibit H (i.e., 99% Universal and 1% Qwest). The only way that Universal can achieve a final RUF of 58% Qwest and 42% Universal is to completely ignore ISP traffic, a position that is manifestly inconsistent with the formula in Exhibit H to the ICA and the principles of the applicable sections of the ICA that govern the RUF for DTT and EF (sections 7.3.2.2.1 and 7.3.1.1.3.1).

IV. UNIVERSAL'S COMMUNICATION THAT ITS DISPUTE WAS ANYTHING OTHER THAN BASED ON ITS APPEAL

59. The first time that I became aware that Universal was purporting to assert a substantive dispute with regard to billing under the current ICA other than its continual assertion that the basis for its claim was its appeal of the ICA to federal court was within the past month during the dispute resolution conference calls.

60. Moreover, the first time I became aware that Universal was asserting that Qwest was billing an incorrect rate for Universal to Qwest traffic was when I reviewed the Complaint.

V. FACILITY PLANNING MEETINGS

61. With regard to paragraph 16 of Universal's Complaint, I was advised by Renae Samuels, Qwest's Trunk Forecasting Engineer, on July 18, 2007 that her meeting notes indicate the following with respect to her trunk forecasting meetings with Universal:

- "August 30, 2006- Universal Telecom did not attend the forecast call."
- "February 15, 2007, Customer was aware of under utilized trunk groups & indicated they would be disconnecting some of their trunk groups."

A copy of a July 18, 2007 email from Ms. Samuels to me regarding her notes with respect to trunk forecasting meetings with Universal is attached hereto as Attachment MM.

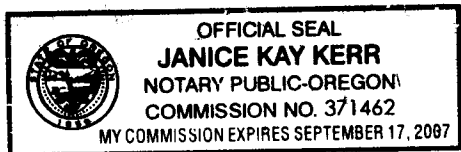
VI. QWEST'S ERRONEOUS BILLING FOR UNIVERSAL-TO-QWEST TRAFFIC

62. As a result of the Complaint, Qwest became aware that it was erroneously billing Universal the wrong rate for the miniscule amount of traffic that originates with Universal and terminates with Qwest. Pursuant to Universal's election of Option 1 in Exhibit J, the rate should be "the same as the rates established in ISP-bound traffic pursuant to Section 7.3.6.2.3. Such rate for ISP-bound traffic will apply to §251(b)(5) Traffic in lieu of End Office Call Termination rates, and Tandem Switched Transport rates." In other words, the correct rate should have been \$.0007 per MOU. Qwest has corrected the rate in its system for future billing and is calculating a refund amount, which it currently estimates will total approximately \$500.

DATED this 23rd day of July, 2007.

Nancy J. Batz
Nancy J. Batz

Subscribed and sworn to before me this 23 day of July, 2007.



Janice Kay Kerr
NOTARY PUBLIC
Residing at Multnomah County

My Commission expires: 9/17/07

Attachment A

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



October 30, 2006

Jeffry R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Sent via certified mail and email

Re: Relative Use Factor

Dear Jeff:

Per the terms of sections 7.3.1.1.3.1 and 7.3.2.2.1 and Exhibit H of the current interconnection agreement that was approved the Public Utility Commission of Oregon on August 22, 2006 (Order No. 06-484 in docket ARB 671), Qwest proposes relative use factors of 99% Universal Telecom and 1% Qwest based on June 2006 through August 2006 traffic usage. Please see the attached confidential and proprietary worksheet with supporting documentation regarding the development of these factors.

Please advise Qwest of Universal's concurrence with these proposed factors; or in the alternative, provide Universal's proposed relative use factors (using data for the same June 2006 through August 2006 timeframe) along with the supporting documentation. Please note that per the terms of sections 7.3.1.1.3.1 and 7.3.2.2.1 of the current interconnection agreement, any bill reductions and payments will apply to recurring entrance facility and direct trunked transport charges for two-way LIS facilities going forward from the date that the original notice of the proposed relative use factors was sent.

Sincerely,

Nancy Batz
Nancy Batz

Attachment



November 10, 2006

Nancy Batz
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204

Sent via mail and email

Re: Relative Use Factor letter of October 30th

Dear Nancy:

As you are aware, Universal has appealed the decision of the Oregon Public Utility Commission in ARB 671 to federal court here in Oregon. During the pendency of that appeal Universal declines to adopt any position on an interconnection issue, including relative use, that could imperil the company's legal or equitable rights. Consequently, Universal respectfully suggests that the parties continue exchanging traffic as has been their practice since 2000.

Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey R. Martin', is written over the typed name.

Jeffrey R. Martin
President

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



December 1, 2006

Jeffrey R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Sent via certified mail and email

Re: Relative Use Factor

Dear Jeff:

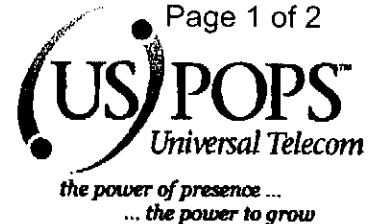
This letter is in response to Universal Telecom's November 10, 2006 letter (which was sent to Qwest in response to Qwest's October 30, 2006 relative use proposal of 99% Universal Telecom and 1% Qwest). Qwest cannot agree to your proposal.

While Universal has appealed the Oregon Public Utility Commission's ("OPUC's") decision in ARB 671 to federal court, the terms of the interconnection agreement approved in ARB 671 are effective, and Universal's appeal does not alter that fact. Consequently, Qwest respectfully declines Universal's suggestion "that the parties continue exchanging traffic as has been their practice since 2000," (which Qwest interprets as Universal's proposal that the current relative use factors of 0% Universal and 100% Qwest be maintained). Furthermore, the OPUC's decision on the relative use factor is consistent with at least one prior decision of the OPUC on the same issue (as well as other federal court decisions) and is well-grounded in the law. Qwest is confident that the OPUC's decision will be affirmed and sees no reason to presume otherwise, which appears to be the essence of Universal's proposal.

Qwest reiterates its October 30, 2006 proposed relative use factors of 99% Universal Telecom and 1% Qwest that are based on June 2006 through August 2006 traffic usage and are calculated per the terms of sections 7.3.1.1.3.1. and 7.3.2.2.1 and Exhibit H of the interconnection agreement that was approved by the OPUC on August 22, 2006. (Order No. 06-484 in docket ARB 671). (Please note that per the terms of sections 7.3.1.1.3.1 and 7.3.2.2.1 of the interconnection agreement, any bill reductions and payments will apply to recurring entrance facility and direct trunked transport charges for two-way LIS facilities going forward from the October 30, 2006 date that the original notice of the proposed relative use factors was sent.) In the absence of a response to Qwest's relative use proposal from Universal Telecom by December 15, 2006 that is based on the terms of the interconnection agreement (i.e. either a concurrence or alternate proposal using data for the same June 2006 through August 2006 time frame), Qwest will begin implementation of its proposed relative use factors.

Sincerely,

Nancy Batz
Nancy Batz



December 14, 2006

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204

Re: Relative Use Factor and Formal Notice of Dispute of Charges

Dear Nancy:

This letter responds to Qwest Corporation's letter of December 1, 2006, concerning Qwest's relative use proposal. In addition, this letter serves to provide notice of Universal's intent to formally dispute recent charges assessed by Qwest.

During a telephone conference on July 10, 2006 in ARB 671 before Administrative Judge Arlow Qwest's counsel Ted Smith repeatedly implied that Qwest would not take any "precipitous action" under the new interconnection agreement during the appeals process for ARB 671. Mr. Smith further represented that he would communicate to Qwest Judge Arlow's concern that Qwest take no such action. In particular Mr. Smith stated: "And to Mr. Dodge, I'd just reiterate, Qwest certainly has no immediate intentions to do anything to disrupt or otherwise compromise the interconnection."

Your letter dated December 1, 2006, and the invoices we have received since 11/05/06, appear to represent a change in Qwest policy. If this is the case, kindly advise us at your earliest convenience so that we and our attorneys can consider our options under the interconnection agreement and before Judge Hogan in federal court.

Finally, this letter serves as Universal's notice of its intent to formally dispute recent charges assessed by Qwest since 11/05/06 pursuant to Section 5.4 and other applicable provisions of the parties' interconnection agreement. Specifically, Universal is disputing \$16,261.97 identified in Qwest invoices #L081127127-06309, L081126.126.06309, L081126126-06339 and L081127127-06339 dated 11/05/06 and 12/05/06 because the legal justification for these charges is in dispute. As you know, the question of

the lawfulness of Qwest's proposed charges is one issue now pending before the federal district court in Oregon in Case No. 06-6222-HO. Therefore, there is no basis for Qwest to assess such charges at this time, and Universal requests that Qwest cease and desist from assessing additional charges in the future.

Sincerely,



Jeffrey R. Martin
Universal Telecom, Inc.

cc: Qwest Corporation
Director Interconnection Agreements
1801 California, Room 2400
Denver, CO 80202

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

John Dodge
Cole, Raywid & Braverman, LLP
1919 Pennsylvania Ave NW
Suite 2000
Washington, D. C. 20006

Billing Dispute Notification Form

1. Company Name: Universal Telecom	2. Dispute Submittal Date: 4/17/2007
3. Company Contact: Jeff Martin	4. Telephone #: 541-752-9818 Ext: 121
5. Email Address: martinj@uspops.com	6. Fax #: 541-752-1525
7. Customer Dispute #: (If applicable)	8. Customer Code: (Access Carrier Name (ACNA) RSID, ZCID), TRAK FID, Universe Code (OCN) (LEXCIS Billing) : UNUL

9. Qwest Billing Service Delivery Coordinator Name: ??

10. Billing Telephone Number: (including customer code (CUS)): 503 L08-1127 127 and 503 L08-1126 126 For LEXCIS Accounts, Provide State, Common Language Company Code (CLCC) and Cycle number: Example: WA XXXX 20	11. Disputed Bill Month (mm/dd/yyyy). If IABS Billing, include INVOICE # 03/05/2007 – L081127127-07064 - \$18734.22 03/05/2007 – L081126126-07064 - \$27023.48 04/05/2007 – L081127127-07095 - \$17411.95 04/05/2007 – L081126126-07095 - \$27038.48	
12. Disputed \$ Amount Total: \$90,208.13	13. Paid \$ Disputed Amount Total: \$0.00	14. Total # or Disputed Items: 4

15. Detailed dispute reason per dispute description/dispute type: See letter copied below.

December 14, 2006

Nancy Batz

Senior Access Manager

Wholesale Carrier Relations

421 SW Oak, Room 8S16

Portland, Oregon 97204

Re: *Relative Use Factor and Formal Notice of Dispute of Charges*

Dear Nancy:

This letter responds to Qwest Corporation's letter of December 1, 2006, concerning Qwest's relative use proposal. In addition, this letter serves to provide notice of Universal's intent to formally dispute recent charges assessed by Qwest.

During a telephone conference on July 10, 2006 in ARB 671 before Administrative Judge Arlow Qwest's counsel Ted Smith repeatedly implied that Qwest would not take any "precipitous action" under the new interconnection

agreement during the appeals process for ARB 671. Mr. Smith further represented that he would communicate to Qwest Judge Arlow's concern that Qwest take no such action. In particular Mr. Smith stated: "And to Mr. Dodge, I'd just reiterate, Qwest certainly has no immediate intentions to do anything to disrupt or otherwise compromise the interconnection."

Your letter dated December 1, 2006, and the invoices we have received since 11/05/06, appear to represent a change in Qwest policy. If this is the case, kindly advise us at your earliest convenience so that we and our attorneys can consider our options under the interconnection agreement and before Judge Hogan in federal court.

Finally, this letter serves as Universal's notice of its intent to formally dispute recent charges assessed by Qwest since 11/05/06 pursuant to Section 5.4 and other applicable provisions of the parties' interconnection agreement. Specifically, Universal is disputing \$16,261.97 identified in Qwest invoices #L081127127-06309, L081126.126.06309, L081126126-06339 and L081127127-06339 dated 11/05/06 and 12/05/06 because the legal justification for these charges is in dispute. As you know, the question of the lawfulness of Qwest's proposed charges is one issue now pending before the federal district court in Oregon in Case No. 06-6222-HO. Therefore, there is no basis for Qwest to assess such charges at this time, and Universal requests that Qwest cease and desist from assessing additional charges in the future.

Sincerely,

Jeffrey R. Martin
Universal Telecom, Inc.

16. Previous Qwest Dispute ID #:



Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-8054
Fax: 503/242-8556
Email: Nancy.Batz@qwest.com

December 20, 2006

Jeffrey R. Martin, President
Universal Telecom, Inc.
1800 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Sent via U.S. Mail and email

Re: Universal's Letter of December 14, 2006 (Relative Use Factor and Formal Notice of Dispute of Charges)

Dear Jeff:

This letter is in response to yours of December 14, 2006, in which Universal stated its intent to formally dispute recent charges assessed by Qwest pursuant to Section 5.4 of the agreement between the parties.

Before addressing the issues in your letter let me first remind you of the current situation with regard to the interconnection agreement between Qwest and Universal. Following the filing of testimony, briefs, the Arbitrator's decision, the Commission's order (Order No. 06-190), and motion for reconsideration and response, the Oregon Public Utility Commission ("OPUC") on August 22, 2006 issued its Order approving an interconnection agreement that is compliant with its orders in this matter (Order No. 06-484). Thus, as of that date, the agreement became effective and binding on both Universal and Qwest.

With that in mind, let me address the issues you raised in your letter.

First, your references to Mr. Smith's comments on Qwest not taking "precipitous action" are taken completely out of context. The telephone conference to which the letter refers addressed, among other things, whether Qwest intended to take immediate action to prevent Universal from continuing to provide service to its customers using VNXX. The specific context was whether Qwest would literally disconnect service, and it was in that context that Mr. Smith stated that Qwest planned to take no "precipitous action." The question of whether Qwest would implement the relative use factor ("RUF") section of the agreement was not the subject of the discussion. Consistent with Mr. Smith's statements, Qwest has taken no precipitous action, as evidenced by the fact that Qwest has worked with Universal on the issue of confirming modern relocations.

Thus, your second point, that Qwest appears to have changed its policy, is therefore based on a misrepresentation of the subject matter of the call. Enforcing a legally binding interconnection is hardly "precipitous action." In Qwest's experience, it is simply the way we and other telephone companies with which we interconnect do business with each other. Qwest's policy is that effective interconnection agreements are enforceable and should be followed by the parties. In fact, there have been many

situations in which Qwest has disagreed with a state commission's decision on a particular agreement. Nonetheless, Qwest has filed a compliant agreement and has complied with its terms, even while it appealed certain provisions of the state commission's order. I might also add that the RUF provision that Qwest is enforcing is substantially identical to RUF provisions that apply in agreements between Qwest and many other carriers in Oregon. Qwest, therefore, is proposing to treat Universal in a manner identical to its treatment of other similarly situated CLECs.

It is true that Universal is pursuing an appeal of the OPUC's decision. However, the agreement approved by the OPUC is not stayed. Thus, your third claim, that "there is no basis for Qwest to assess such charges at this time" is simply untrue. Qwest's basis for assessing the charges in question is the agreement that has been in effect since August 22, 2006.

As far as I can tell from your letter, Universal is not challenging the application of the RUF based on a claim that Qwest's calculation of the RUF is in error, but is basing its claim that Qwest may not assess the charges thereunder solely because Universal has appealed the OPUC's order. My reading of your letter does not disclose a factual or other dispute as to the calculation of the RUF or any other facts (other than that Universal has filed an appeal) that serve as the basis for Universal's dispute under Section 5.4 of the agreement. My basis for that conclusion is your statement that "the legal justification for these charges is in dispute" and your reference to the appeal.

It is Qwest's position that this is not an appropriate basis for a dispute under the agreement. Under Section 5.4, Universal has the obligation to "promptly provide all documentation regarding the amount disputed that is reasonably requested by the other party." Thus, pursuant to that provision in Section 5.4, Qwest hereby requests that, with fifteen days of the date of this letter, Universal provide me with the documents or other information it has in its possession that serve as a justification for non-payment of the charges identified in the final paragraph of your letter of December 14, 2006.

Sincerely,


Nancy Batz

cc: John Dodge (via email)
K.C. Halm (via email)
Ted Smith (via email)
Alex Duarte (via email)
Michael Weirich (via email)

Batz, Nancy

From: Batz, Nancy
Sent: Wednesday, December 20, 2006 11:36 AM
To: 'martinj@uspops.com'
Cc: 'jdodge@crblaw.com'; 'khaim@crblaw.com'; 'Smith, Ted'; Duarte, Alex; 'michael.weirich@doj.state.or.us'
Subject: Qwest Reply Regarding Universal's December 14, 2006 Letter (Relative Use Factor and Formal Notice of Dispute of Charges)
Attachments: UNU Qwest Reply 12_20_06.doc

Please see the attached Qwest reply to Universal's December 14, 2006 letter regarding the relative use factor and formal notice of dispute of charges.

Nancy Batz

12/20/2006

-----Original Message-----

From: John Dodge [mailto:JDodge@crblaw.com]
Sent: Wednesday, December 27, 2006 12:06 PM
To: Smith, Ted
Subject: RE: Conference call for Universal v. OPUC; 6:06-cv-06222-HO

Ted --

I've just caught wind of the RUF dispute between Universal and Qwest. I was wondering whether we couldn't resolve it informally, perhaps by agreeing that Qwest is free to impose its RUF calculation, but must await for final, favorable judgment in the appeal before collecting RUF charges? In other words, a true up after the appeal is done.

I'm presuming, of course, that Qwest is not threatening shut off, but wants to start accounting in accordance with the ICA. Obviously Universal differs on whether the RUF is lawful, and that's the nut we have to crack.

This suggestion offered not only in the holiday spirit, but with the forewarning that I haven't approached Universal about it, it's subject to Rule 408, etc.

J.

This electronic mail transmission may contain confidential or privileged information. If you believe that you have received the message in error, please notify the sender by reply transmission and delete the message without copying or disclosing it.

This communication is the property of Qwest and may contain confidential or privileged information. Unauthorized use of this communication is strictly prohibited and may be unlawful. If you have received this communication

in error, please immediately notify the sender by reply e-mail and destroy all copies of the communication and any attachments.

-----Original Message-----

From: Smith, Ted [mailto:TSMITH@stoel.com]
Sent: Tuesday, January 02, 2007 3:08 PM
To: John Dodge
Cc: Hult, Dan E; Downey, Linda; Batz, Nancy; Nodland, Jeff; Lund, Callis; Duarte, Alex;
don.mason@qwest.com
Subject: Universal/Qwest RUF Issue

Subject to Rule 408

John: I have reviewed your email of December 27, 2006 with Qwest.

Qwest does not agree with your proposal, and its position is as expressed in the letter that Nancy Batz sent to Jeff Martin on December 20, 2006. If you don't have a copy of that letter, it is attached.

I would only add that it is Qwest's position that a valid, enforceable ICA exists (albeit subject to Universal's appeal) and that it should be followed by the parties (including the payment of Direct Trunked Transport and Entrance Facility recurring charges subject to the RUF).

As Qwest does in similar situations in which it is appealing a state commission decision, it complies with the ICA until the court rules; if changes are necessary as the result of the court's decision, they are made based on the decision (including any refunds, if necessary).

Qwest is certainly not threatening disconnection of service at this time. Any action of that type would be pursuant to the terms of the ICA.

This communication is meant to supplement the December 20, 2006 letter, and Qwest reaffirms its request that Universal respond to that letter, in particular the request for information set forth in the last paragraph.

Best wishes, Ted

-----Original Message-----

From: John Dodge [mailto:JohnDodge@dwt.com]
Sent: Tuesday, January 02, 2007 10:19 AM
To: Smith, Ted
Subject: RE: Conference call for Universal v. OPUC; 6:06-cv-06222-HO



Davis Wright Tremaine LLP

ANCHORAGE BELLEVUE LOS ANGELES NEW YORK PORTLAND SAN FRANCISCO SEATTLE SHANGHAI WASHINGTON, D.C.

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FAX (202) 452-0067
www.dwt.com

January 9, 2007

Nance Batz
Qwest Communications
421 SW Oak, Room 8516
Portland, OR 97204

Re: Qwest's Letter of December 20, 2005 (Relative Use Factor)

Dear Nancy:

This letter is in response to your letter of December 20, 2006, to Jeffrey Martin of Universal Telecom, Inc. ("Universal"), regarding Universal's intent to dispute recent charges assessed by Qwest.

Your recitation of the history of the administrative proceeding before the Oregon Public Utility Commission ("OPUC") is, largely, accurate. It is true that the OPUC issued a ruling in ARB 671 approving an interconnection agreement between Universal and Qwest. As you may know the validity of Qwest's charges were at issue in that proceeding; and Universal challenged the lawfulness of such charges.

In our view, the OPUC's decision affirming Qwest's proposed charges was contrary to federal law, and therefore unlawful. That is, of course, why Universal has challenged the OPUC decision by filing a complaint in federal district court. One component of that action is Universal's assertion that, as a matter of federal law, Qwest does not have the right to assess certain charges against Universal.

It is on this basis that Universal is challenging Qwest's proposed charges: Universal believes (and several courts agree) that federal law prohibits the type of charges assessed by Qwest recently. In other words, Universal believes that Qwest does not have the legal authority to assess those charges. Your letter suggests that the parties may only dispute charges based

Nance Batz
Qwest Communications
421 SW Oak, Room 8516
Portland, OR 97204
January 9, 2007
Page 2



upon *factual* disputes, rather than legal disputes, and that any dispute of charges must be supported by documentary evidence.

We disagree. The parties' agreement does not so limit either party's right to dispute charges. There is no language in Section 5.4 that limits either party's right to dispute charges based solely upon factual disputes, and it would be contrary to industry practice to interpret the agreement in that narrow, limited fashion. In addition, other provisions of the agreement clearly establish that either party has the right to dispute charges, so long as those disputes are made in good faith. For example, Section 5.18 states that "*any* claim, controversy or dispute between the Parties" that arises between the parties should be addressed and resolved. Notably, that provision is not limited solely to disputes based upon factual disputes, but is broadly construed to include "*any* ... dispute between the Parties." Therefore, it is clear that the parties' agreement does not preclude either party from disputing charges based upon legal, rather than factual, disputes.

Furthermore, it is instructive to note that Universal previously disputed Qwest's facilities charges, based upon legal disputes. As you know, the federal district court in Oregon ultimately affirmed Universal's right to so dispute those charges when the court ruled that Qwest's charges were unlawful. Indeed, it is common in the industry for one party to dispute charges of another party when the legal authority for such charges is in question. A simple review of reported federal cases and FCC decisions involving Qwest make that clear.

For these reasons it is Universal's position that disputing Qwest's legal authority to assess charges on Universal is an appropriate basis for a dispute under the agreement. There is support for that approach in both the language of the agreement, the parties' prior actions, and the practice in the industry. Universal has satisfied its obligations under Section 5.4 of the agreement by providing (in previous correspondence) the "amount, reason and rationale of such dispute." Documentation supporting the basis for Universal's claims would be the decisions of the federal district court of Oregon, the FCC, and other federal authorities clearly ruling that Qwest's charges are unlawful. I believe you, or the company's attorneys, already have these reported decisions. But if for some reason you don't have those cases, I would be happy to forward copies to you.

Sincerely,

A handwritten signature in black ink, appearing to read 'John C. Dodge', written over a circular stamp or mark.

John C. Dodge



201 S. Main Street, Suite 1100
Salt Lake City, Utah 84111
main 801.328.3131
fax 801.578.6999
www.stoel.com

TED D. SMITH
Direct (801) 578-6961
tsmith@stoel.com

January 24, 2007

John A. Dodge, Esq.
Davis Wright & Tremaine
Suite 200
1919 Pennsylvania Ave., N.W.
Washington, D. C. 20006-3485

Re: Your Letter of January 9, 2007 (Qwest/Universal RUF Issue)

Dear John:


I am responding to your letter of January 9, 2007 to Nancy Batz. Because Universal has brought counsel into this discussion, I would appreciate any further communications on this issue to be directed to Mr. Duarte and me.

I do not believe we need to re-state the history, other than to state Qwest's position that a legally binding agreement that has been approved by the OPUC exists between Qwest and Universal, that pursuant to the relative use factor ("RUF") provisions of that agreement Qwest has calculated the appropriate current RUF, that Qwest has communicated the means by which it made that calculation to Universal, and Universal has not provided Qwest with any factual information challenging the calculation made by Qwest.

In other words, Universal's dispute of charges is its claim that the OPUC rendered an unlawful decision, which is the only basis for Universal's refusal to pay the charges billed by Qwest including those subject to the RUF.

Qwest disagrees with your interpretation of the Dispute Resolution provision of the agreement (Section 5.18). As Qwest reads the agreement, the Dispute Resolution provision applies when the Parties disagree as to the proper application of the *approved terms of the agreement*—in other words, the Dispute Resolution provisions assume the validity of the provisions of the agreement, and provide a process by which the parties can resolve disputes as to the

Oregon
Washington
California
Utah
Idaho



John A. Dodge, Esq.
Davis Wright & Tremaine
January 24, 2007
Page 2


interpretation and application of those terms. Your letter suggests that the Dispute Resolution provisions apply when a Party to a commission-approved agreement disagrees with the language ordered by the state commission. Thus, in this case, Universal is not disputing the means by which the RUF terms of the approved agreement are applied or the basis for Qwest's charges, but it instead is challenging the lawfulness of those sections of the agreement via an appeal to federal district court under Section 252(e)(6) of the Act.

Universal's interpretation makes no sense because the dispute upon which you rely is precisely the dispute (i.e., which language to adopt) that was resolved by the OPUC when it rendered its orders in the arbitration docket. Universal sought rehearing of those orders and the OPUC denied its request. In other words, that dispute was placed before the OPUC and resolved by the OPUC.

Universal's dispute about the lawfulness of the language adopted by the OPUC is quite properly now before a federal district court under section 252(e)(6) of the Act, which is the statutory means of resolving the kind of dispute that currently exists between Qwest and Universal relating to the lawfulness of the Commission's orders.

But your claim that the subject matter of your section 252(e)(6) appeal also falls within the Dispute Resolution provisions of the agreement is a contradiction in terms and completely inconsistent with the language and intent of the Dispute Resolution provisions of the ICA. Universal's appeal clearly falls outside the Dispute Resolution provisions of the ICA as approved by the OPUC.

Given that Universal has provided no factual information that challenges the RUF calculation made by Ms. Batz that she communicated earlier to Universal, Qwest intends to implement the RUF provisions as set forth in the agreement and will bill Universal each month under those approved contract terms. In the absence of a stay of the existing agreement, Universal has an undeniable obligation to comply with its terms of that commission-approved contract, including the payment provisions of the agreement. Qwest fully intends to operate under that agreement as



John A. Dodge, Esq.
Davis Wright & Tremaine
January 24, 2007
Page 3

it relates to services it received from Universal and demands Universal do the same for the services Qwest provides.

Sincerely,



Ted D. Smith

cc: Alex Duarte
Dan Hult
Linda Downey
Nancy Batz

From: Smith, Ted [TSMITH@stoel.com]
Sent: Wednesday, January 24, 2007 9:29 AM
To: John Dodge; K.C. Halm
Cc: Duarte, Alex; Hult, Dan E; Downey, Linda; Batz, Nancy; Nodland, Jeff; Lund, Callis; Smith, Ted; Rushton, Lyle
Subject: Response to Your Letter of 1-9-07 to Nancy Batz (Universal/Qwest)
Attachments: Universal-Qwest RUF Issue.PDF



Universal-Qwest
RUF Issue.PDF ...

John: Attached is Qwest's letter responding to yours to Nancy Batz of 1-9-07.

The original is being sent via regular U. S. Mail.

Ted Smith
Stoel Rives

DTT/EF RUF (Relative Use Factor/Percent Utilization) Notification

Access Manager completes top portion.

Customer Name: Universal Telecom Inc. (dba U S POPS)

ACNA: UNU

Contract Number: CDS-050713-0002

State: Oregon

CLEC Negotiator:

USW Negotiator: Nancy Batz

DTT/EF Percent-CLEC: 99%

DTT/EF Percent-USW: 1%

Effective from date: October 30, 2006

Effective through date:

Miscellaneous notes and information:

Despite multiple efforts to negotiate a RUF with Universal Telecom, Universal has declined stating on November 10, 2006 "(a)s you are aware, Universal has appealed the decision of the Oregon Public Utility Commission in ARB 671 to federal court here in Oregon. During the pendency of that appeal Universal declines to adopt any position on an interconnection issue, including relative use, that could imperil the company's legal or equitable rights." On 1/24/07 Qwest advised Universal of Qwest's intent to implement the RUF provisions as set forth in the ICA.

Completed by: Nancy Batz

Telephone number: 503/242-6054

Date: 1/24/2007

(E-mail to Linda Kae Olsen Wanda Bryan, Susan Hutchins and Vickie Boone when completed)

SDC Use Only:

LATA:

BAN:

Bill Date:

Adjusted Amount:

JAN	FEB	MAR
APR	MAY	JUN
JUL	AUG	SEP
OCT	NOV	DEC

Completed By:

Date:

Batz, Nancy

From: Batz, Nancy
Sent: Wednesday, January 24, 2007 10:21 AM
To: Olsen, Linda Kae
Cc: Downey, Linda
Subject: Universal RUF Effective 10/30/2006

Attachments: Universal DTT RUF Form Eff 10_30_06.doc

Hi Linda Kae,

Please see the attached RUF Notification for Universal Telecom Inc. in Oregon.

If there are any questions, please let me know.

Thanks,
Nancy Batz
503/242-6054



Universal DTT RUF
Form Eff 10_...

Billing Dispute Notification Form

1. Company Name: Universal Telecom	2. Dispute Submittal Date: 2/21/2007
3. Company Contact: Jeff Martin	4. Telephone #: 541-752-9818 Ext: 121
5. Email Address: martinj@uspops.com	6. Fax #: 541-752-1525
7. Customer Dispute #: (If applicable)	8. Customer Code: (Access Carrier Name (ACNA) RSID, ZCID), TRAK FID, Universe Code (OCN) (LEXCIS Billing) : UNUL

9. Qwest Billing Service Delivery Coordinator Name: ??

10. Billing Telephone Number: (including customer code (CUS)): 503 L08-1127 127 and 503 L08-1126 126 For LEXCIS Accounts, Provide State, Common Language Company Code (CLCC) and Cycle number: Example: WA XXXX 20	11. Disputed Bill Month (mm/dd/yyyy). If IABS Billing, include INVOICE # 01/05/2007 – L081127127-07005 - \$1221.24 01/05/2007 – L081126126-07005 - \$1868.50 02/05/2007 – L081127127-07036 - \$62709.73 02/05/2007 – L081126126-07036 - \$96819.02	
12. Disputed \$ Amount Total: \$162,618.49	13. Paid \$ Disputed Amount Total: \$.00	14. Total # or Disputed Items: 4

15. Detailed dispute reason per dispute description/dispute type: See letter copied below.

December 14, 2006

Nancy Batz

Senior Access Manager

Wholesale Carrier Relations

421 SW Oak, Room 8S16

Portland, Oregon 97204

Re: Relative Use Factor and Formal Notice of Dispute of Charges

Dear Nancy:

This letter responds to Qwest Corporation's letter of December 1, 2006, concerning Qwest's relative use proposal. In addition, this letter serves to provide notice of Universal's intent to formally dispute recent charges assessed by Qwest.

During a telephone conference on July 10, 2006 in ARB 671 before Administrative Judge Arlow Qwest's counsel Ted Smith repeatedly implied that Qwest would not take any "precipitous action" under the new interconnection

agreement during the appeals process for ARB 671. Mr. Smith further represented that he would communicate to Qwest Judge Arlow's concern that Qwest take no such action. In particular Mr. Smith stated: "And to Mr. Dodge, I'd just reiterate, Qwest certainly has no immediate intentions to do anything to disrupt or otherwise compromise the interconnection."

Your letter dated December 1, 2006, and the invoices we have received since 11/05/06, appear to represent a change in Qwest policy. If this is the case, kindly advise us at your earliest convenience so that we and our attorneys can consider our options under the interconnection agreement and before Judge Hogan in federal court.

Finally, this letter serves as Universal's notice of its intent to formally dispute recent charges assessed by Qwest since 11/05/06 pursuant to Section 5.4 and other applicable provisions of the parties' interconnection agreement. Specifically, Universal is disputing \$16,261.97 identified in Qwest invoices #L081127127-06309, L081126.126.06309, L081126126-06339 and L081127127-06339 dated 11/05/06 and 12/05/06 because the legal justification for these charges is in dispute. As you know, the question of the lawfulness of Qwest's proposed charges is one issue now pending before the federal district court in Oregon in Case No. 06-6222-HO. Therefore, there is no basis for Qwest to assess such charges at this time, and Universal requests that Qwest cease and desist from assessing additional charges in the future.

Sincerely,

Jeffry R. Martin
Universal Telecom, Inc.

16. Previous Qwest Dispute ID #:

Supporting Information

Customer Billing Dispute Notification Form – Supporting Information		
Dispute Type	Description	Additional Required Supporting Information If Available
<p>Rates (includes USOC or Service Order Issues or could include Jurisdiction)</p> <p>Non-Recurring Charges (NRC)</p> <p>Monthly Recurring Charges (MRC or RC)</p>	<p>Rate Examples:</p> <p>Appearing on bill invoice does not match customer contractual agreements or Cost Docket or Tariff</p> <p>Service Order Issue Examples</p> <p>Outages, maintenance of service, Invalid Circuit or CLLI code, Circuit Start Date or End Date, Disconnect Issue, invalid or missing field identifiers</p> <p>Charges related to minimum term requirements (early termination) are in dispute or circuit is disconnected but still billing. The bill begin date for a circuit is prior to the Customer requested due date. Customer experience problems with Service (i.e. outage, maintenance.) Charges relating to a disconnect order are incorrectly appearing on the invoice or service was not disconnected in the interval requested.</p> <p>Charges relating to Bill Media</p> <p>Jurisdiction</p>	<p>Rates:</p> <p>Name (or Number) of Cost Docket, Contract or Tariff</p> <p>Identify a reference (page # and/or section #) showing the rate in question (i.e. from your Contract, SGAT, Cost Docket #, Tariff or Exhibit A).</p> <p>Dispute Amount/Reason</p> <p>Page reference in the bill relating to the dispute (unless electronic media)</p> <p>Service Order Issues:</p> <p>Service Order Number or Purchase Order Number (PON) & due date</p> <p>Dispute Amount/Reason</p> <p>Page reference in the bill relating to the dispute (unless electronic media)</p> <p>If Service Outages, provide the Trouble Ticket Number</p> <p>USOC:</p> <p>Dispute Amount/Reason</p> <p>Circuit ID or OCL or TSC</p> <p>Working Telephone Number (WTN)</p> <p>Provide the USOC & reason for dispute (i.e. quantity, etc.)</p>
<p>Tax</p> <p>Surcharge</p>	<p>Incorrect Tax Assessed</p> <p>Surcharge (i.e. FUSF, E911)</p> <p>Tax exempt and tax charges are appearing on the invoice or they are incorrect</p>	<p>Dispute Amount/Reason</p> <p>Page reference in the bill relating to the dispute (unless electronic media)</p> <p>Tax Exemption Form</p>
<p>Toll/Usage</p>	<p>Charges specific to a call.</p> <p>Minutes of Use (MOU) or Call Detail</p> <p>Examples:</p>	<p>If CRIS Account:</p> <p>Call Detail or MOU Detail</p> <p>Dispute Amount per itemized call/Reason</p> <p>Domestic or International</p>

	<p>IABS: Carrier Common Line, Local Switching Charges, Local Transport Facility, usage in general</p> <p>CRIS:</p> <p>Examples: Pay-Per-Use, local usage and operator services</p>	<p>Page reference in the bill relating to the dispute (unless electronic media)</p> <p>If IABS Account:</p> <p>Dispute Amount/Reason End Office (EO) or TSC Jurisdiction Total Minutes of Use (MOU) CIC, if applies Traffic Type Originating or Terminating Credit Calculations Usage Dates</p> <p>If Percent Interstate Usage (PIU), if applies</p> <p>Dispute Amount/Reason Documentation of Self Reporting Date Range in Question Dates Filed OCL or TSC Traffic Type Credit Calculation</p> <p>Incorrect BIP (if Meet Point Billing (MPB) applies</p> <p>Dispute Reason/Amount Date Range in Question Credit Calculations</p>
<p>Late Payment Charges/ Interest Charges</p>	<p>Charges relating to late payment charges or interest charges or misapplied payments</p>	<p>Date check cleared and copy (front and back) of cancelled check if already paid</p> <p>Other supporting reason for dispute (i.e. unpaid balance has formal dispute)</p> <p>Dispute Amount/Reason</p>

Dispute Submittal Form Field Dictionary

Field #	Required Y/N	Field:	Field Description:
1	Y	Company Name:	The name of the company submitting the dispute
2	Y	Dispute Submittal Date	The date you are issuing the dispute to Qwest
3	Y	Company Contact	The person to whom Qwest should contact regarding the dispute
4	Y	Telephone #	The telephone number of the person to whom Qwest should contact regarding the dispute
5	Y, if you have email address	Email Address	The email address of the person to whom Qwest should contact regarding the dispute; If you submit dispute via U.S. Mail, provide street , city, state and zip code
6	Y, if you have fax #	Fax #	The fax # of the person to whom Qwest should contact regarding the dispute
7	N	Customer Dispute #	Customer dispute #. This is not a required field.
8	Y	Customer Code	Common Language abbreviation of the billed access customer's name (ACNA) or Reseller Identification or Facility Customer Identification. For GET accounts, identify TRAK FID, if available. For LEXCIS accounts, identify Universe Code – also known as Operating Company Number (OCN)
9	N	Qwest Billing Service Delivery Coordinator Name	Name of the Qwest Billing Service Delivery Coordinator . This is not a required field.
10	Y	Summary Billing Telephone Number (BTN), Billing Account Number (BAN)	The summary Billing Telephone Number of the bill for which charges are being disputed. Customer code is also required. You are required to split out by Billing Telephone Number if more than one Billing Telephone Number submitted on the dispute. For LEXCIS Accounts, Provide State, Common Language Company Code (CLCC) and Cycle number: Example: WA XXXX 20
11	Y	Disputed Bill Month/Day/Year	If multiple bill months are disputed on one dispute form, Qwest will use the oldest bill month when entering the dispute. If IABS Billing, include INVOICE #
12	Y	Disputed \$ Amount	The total money amount you are disputing; You are required to split out by Billing Telephone Number if more than one Billing Telephone Number submitted on the dispute. Do not lump non disputed amounts with disputed money amounts
13	Y	Disputed \$ Amount Paid	The amount of the total disputed amount that is being paid Note: the total of the disputed Amount withheld plus the Disputed Amount Paid should equal the disputed Amount You are required to split out by Billing Telephone Number if more than one Billing Telephone Number submitted on the dispute.

14	N	Total # disputed items	The number of items being disputed, for example 1500 items (i.e. Sub-Accounts). You are required to split out by Billing Telephone Number if more than one Billing Telephone Number submitted on the dispute. This is not a required field.
15	Y	Detailed Explanation for Dispute listing each Dispute Type	<p>Per Dispute Type Code, provide:</p> <p>Reason for Dispute (i.e. tariff page 2 says should bill \$1.00 not \$2.00 as billed)</p> <p>Detail explanation of the dispute</p> <p>\$ amount disputed</p> <p>Required supporting information</p> <p>Note:</p> <p>If required information is not available (n/a) then Indicate "required information not available" as the dispute reason</p> <p>Field 15 information can be provided on a spreadsheet</p> <p>If provided on your bill, a List of Sub Accounts is required if the Summary Billing Telephone Number provided is a CRIS summary billing account. (Must include customer code (CUS)).</p> <p>Since Sub Account is not provided in CABS BOS format, then (if provided on your bill) for Summary Billing Accounts produced in the CABS BOS record format, a list of the Working Telephone Numbers (WTNs) is required for UNE-P accounts and a list of the Circuit IDs is required for Unbundled Loop accounts.</p>
16	Y	Previous Qwest Dispute ID #	This field is required if you disagree with original Qwest Resolution of a Dispute; You can either resend the original Qwest Dispute form including the Qwest Dispute ID # and additional remark why you disagree or email, to the Wholesale Billing SDC, the Qwest Dispute ID # and reason why you disagree.



THIS LETTER WAS SENT VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

4-6-07

Jeff Martin

Universal Telecom

1600 SW Western Blvd

Corvallis, OR 97333

Re: Past Due Balances

Dear Jeff,

The purpose of this letter is to inform you that Universal Telecom has past due balances on its Qwest account(s). This letter constitutes 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 additional treatment activity (discussed below) being initiated thirty (30) days after the date of this letter.

The total amount past due as of today is \$162,618.49. If Qwest does not receive payment in full on or before 5-6-07 it may take action with respect to your accounts including, but not limited to the suspension of all service order activity and the eventual disconnection of your services. Further in accordance with applicable contract, and/or tariffs, during this 30 day period or thereafter Qwest may demand a security deposit as a condition of its continuing provision of services to Universal Telecom.

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

Please be advised that if service order processing is interrupted, or service is disconnected, all outstanding charges and a security deposit will be due prior to service restoration. If service disconnection occurs, other charges may also apply to re-establish the account(s). Late payment charges will be assessed to all past due balances in accordance with applicable contracts, and/or tariffs.

If you have already 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 800 335-5672 x4483.

Sincerely,

Kathie Maki

Service Delivery Coordinator

250 Bell Plaza Rm 601

Salt Lake City, Utah 84111

Attachment

Billing Dispute Notification Form

1. Company Name: <u>Universal Telecom, Inc.</u>	2. Dispute Submittal Date: <u>12/14/06</u>
3. Company Contact: <u>Jeff Martin</u>	4. Telephone #: <u>541 752 9818</u> Ext: <u>121</u>
5. Email Address: <u>martini@uspops.com</u>	6. Fax #: <u>541 752 1525</u>
7. Customer Dispute #: (If applicable)	8. Customer Code: (Access Carrier Name (ACNA) RSID, ZCID), TRAK FID, Universe Code (OCN) (LEXCIS Billing) : <u>UNUL</u>

9. Qwest Billing Service Delivery Coordinator Name: <u>?</u>
--

10. Billing Telephone Number: (including customer code (CUS)): <u>503 L08-1127 127 and 503 L08-1126 126</u> For LEXCIS Accounts, Provide State, Common Language Company Code (CLCC) and Cycle number: Example: WA XXXX 20	11. Disputed Bill Month (mm/dd/yyyy). If IABS Billing, include INVOICE # <u>11/05/06</u> <u>L081127127-06309 \$4613.55</u> <u>L081126126-06309 \$8470.48</u> <u>12/05/06</u> <u>L081126126-06339 \$1868.50</u> <u>L081127127-06339 \$1309.44</u>	
12. Disputed \$ Amount Total: <u>16,261.97</u>	13. Paid \$ Disputed Amount Total: <u>0</u>	14. Total # or Disputed Items:

15. Detailed dispute reason per dispute description/dispute type: <u>see attached letter</u> <u>Nancy Batz</u> <u>Senior Access Manager</u> <u>Wholesale Carrier Relations</u> <u>421 SW Oak, Room 8S16</u> <u>Portland, Oregon 97204</u> Re: <u>Relative Use Factor and Formal Notice of Dispute of Charges</u> Dear Nancy: <u>This letter responds to Qwest Corporation's letter of December 1, 2006, concerning Qwest's relative use proposal. In addition, this letter serves to provide notice of Universal's intent to formally dispute recent charges assessed by Qwest.</u> <u>During a telephone conference on July 10, 2006 in ARB 671 before Administrative Judge Arlow Qwest's</u>

counsel Ted Smith repeatedly implied that Qwest would not take any "precipitous action" under the new interconnection agreement during the appeals process for ARB 671. Mr. Smith further represented that he would communicate to Qwest Judge Arlow's concern that Qwest take no such action. In particular Mr. Smith stated: "And to Mr. Dodge, I'd just reiterate, Qwest certainly has no immediate intentions to do anything to disrupt or otherwise compromise the interconnection."

Your letter dated December 1, 2006, and the invoices we have received since 11/05/06, appear to represent a change in Qwest policy. If this is the case, kindly advise us at your earliest convenience so that we and our attorneys can consider our options under the interconnection agreement and before Judge Hogan in federal court.

Finally, this letter serves as Universal's notice of its intent to formally dispute recent charges assessed by Qwest since 11/05/06 pursuant to Section 5.4 and other applicable provisions of the parties' interconnection agreement. Specifically, Universal is disputing \$16,261.97 identified in Qwest invoices #L081127127-06309, L081126.126.06309, L081126126-06339 and L081127127-06339 dated 11/05/06 and 12/05/06 because the legal justification for these charges is in dispute. As you know, the question of the lawfulness of Qwest's proposed charges is one issue now pending before the federal district court in Oregon in Case No. 06-6222-HO. Therefore, there is no basis for Qwest to assess such charges at this time, and Universal requests that Qwest cease and desist from assessing additional charges in the future.

16. Previous Qwest Dispute ID #:

Supporting Information

Customer Billing Dispute Notification Form - Supporting Information		
Dispute Type	Description	Additional Required Supporting Information If Available
<p>Rates (includes USOC or Service Order Issues or could include Jurisdiction)</p> <p>Non-Recurring Charges (NRC)</p> <p>Monthly Recurring Charges (MRC or RC)</p>	<p>Rate Examples:</p> <p>Appearing on bill invoice does not match customer contractual agreements or Cost Docket or Tariff</p> <p>Service Order Issue Examples</p> <p>Outages, maintenance of service, Invalid Circuit or GLLI code, Circuit Start Date or End Date, Disconnect Issue, invalid or missing field identifiers</p> <p>Charges related to minimum term requirements (early termination) are in dispute or circuit is disconnected but still billing. The bill begin date for a circuit is prior to the Customer requested due date. Customer experience problems with Service (i.e. outage, maintenance.) Charges relating to a disconnect order are incorrectly appearing on the invoice or service was not disconnected in the interval requested.</p> <p>Charges relating to Bill Media Jurisdiction</p>	<p>Rates:</p> <p>Name (or Number) of Cost Docket, Contract or Tariff</p> <p>Identify a reference (page # and/or section #) showing the rate in question (i.e. from your Contract, SGAT, Cost Docket #, Tariff or Exhibit A).</p> <p>Dispute Amount/Reason</p> <p>Page reference in the bill relating to the dispute (unless electronic media)</p> <p>Service Order Issues:</p> <p>Service Order Number or Purchase Order Number (PON) & due date</p> <p>Dispute Amount/Reason</p> <p>Page reference in the bill relating to the dispute (unless electronic media)</p> <p>If Service Outages, provide the Trouble Ticket Number</p> <p>USOC:</p> <p>Dispute Amount/Reason</p> <p>Circuit ID or OCL or TSC</p> <p>Working Telephone Number (WTN)</p> <p>Provide the USOC & reason for dispute (i.e. quantity, etc.)</p>
<p>Tax</p> <p>Surcharge</p>	<p>Incorrect Tax Assessed</p> <p>Surcharge (i.e. FUSF, E911)</p> <p>Tax exempt and tax charges are appearing on the invoice or they are incorrect</p>	<p>Dispute Amount/Reason</p> <p>Page reference in the bill relating to the dispute (unless electronic media)</p> <p>Tax Exemption Form</p>
<p>Toll/Usage</p>	<p>Charges specific to a call.</p> <p>Minutes of Use (MOU) or Call Detail</p> <p>Examples:</p>	<p>If CRIS Account:</p> <p>Call Detail or MOU Detail</p> <p>Dispute Amount per itemized call/Reason</p> <p>Domestic or International</p>

	<p>IABS: Carrier Common Line, Local Switching Charges, Local Transport Facility, usage in general</p> <p>CRIS: Examples: Pay Per Use, local usage and operator services</p>	<p>Page reference in the bill relating to the dispute (unless electronic media)</p> <p>If IABS Account:</p> <p>Dispute Amount/Reason End Office (EO) or TSC Jurisdiction Total Minutes of Use (MOU) CIC, if applies Traffic Type Originating or Terminating Credit Calculations Usage Dates If Percent Interstate Usage (PIU), if applies Dispute Amount/Reason Documentation of Self-Reporting Date Range in Question Dates Filed OCL or TSC Traffic Type Credit Calculation Incorrect BIP (if Meet Point Billing (MPB) applies Dispute Reason/Amount Date Range in Question Credit Calculations</p>
<p>Late Payment Charges/ Interest Charges</p>	<p>Charges relating to late payment charges or interest charges or misapplied payments</p>	<p>Date check cleared and copy (front and back) of cancelled check if already paid</p> <p>Other supporting reason for dispute (i.e. unpaid balance has formal dispute)</p> <p>Dispute Amount/Reason</p>

Dispute Submittal Form Field Dictionary

Field #	Required Y/N	Field:	Field Description:
1	Y	Company Name:	The name of the company submitting the dispute
2	Y	Dispute Submittal Date	The date you are issuing the dispute to Qwest
3	Y	Company Contact	The person to whom Qwest should contact regarding the dispute
4	Y	Telephone #	The telephone number of the person to whom Qwest should contact regarding the dispute
5	Y, if you have email address	Email Address	The email address of the person to whom Qwest should contact regarding the dispute; if you submit dispute via U.S. Mail, provide street, city, state and zip code
6	Y, if you have fax #	Fax #	The fax # of the person to whom Qwest should contact regarding the dispute
7	N	Customer Dispute #	Customer dispute #. This is not a required field.
8	Y	Customer Code	Common Language abbreviation of the billed access customer's name (ACNA) or Reseller Identification or Facility Customer Identification. For GET accounts, identify TRAK FID, if available. For LEXCIS accounts, identify Universe Code—also known as Operating Company Number (OCN)
9	N	Qwest Billing Service Delivery Coordinator Name	Name of the Qwest Billing Service Delivery Coordinator. This is not a required field.
10	Y	Summary Billing Telephone Number (BTN), Billing Account Number (BAN)	The summary Billing Telephone Number of the bill for which charges are being disputed. Customer code is also required. You are required to split out by Billing Telephone Number if more than one Billing Telephone Number submitted on the dispute. For LEXCIS Accounts, Provide State, Common Language Company Code (CLCC) and Cycle number: Example: WA XXXX 20
11	Y	Disputed Bill Month/Day/Year	If multiple bill months are disputed on one dispute form, Qwest will use the eldest bill month when entering the dispute. If IABS Billing, include INVOICE #
12	Y	Disputed \$ Amount	The total money amount you are disputing; You are required to split out by Billing Telephone Number if more than one Billing Telephone Number submitted on the dispute. Do not lump non disputed amounts with disputed money amounts
13	Y	Disputed \$ Amount Paid	The amount of the total disputed amount that is being paid Note: the total of the disputed Amount withhold plus the Disputed Amount Paid should equal the disputed Amount You are required to split out by Billing Telephone Number if more than one Billing Telephone Number submitted on the dispute.

14	N	Total # disputed items	The number of items being disputed, for example 1500 items (i.e. Sub Accounts). You are required to split out by Billing Telephone Number if more than one Billing Telephone Number submitted on the dispute. This is not a required field.
15	Y	Detailed Explanation for Dispute listing each Dispute Type	<p>Per Dispute Type Code, provide:</p> <p>Reason for Dispute (i.e. tariff page 2 says should bill \$1.00 not \$2.00 as billed)</p> <p>Detail explanation of the dispute</p> <p>\$ amount disputed</p> <p>Required supporting information</p> <p>Note:</p> <p>If required information is not available (n/a) then Indicate "required information not available" as the dispute reason</p> <p>Field 15 information can be provided on a spreadsheet</p> <p>If provided on your bill, a List of Sub Accounts is required if the Summary Billing Telephone Number provided is a CRIS summary billing account. (Must include customer code (CUS)).</p> <p>Since Sub Account is not provided in CABS BOS format, then (if provided on your bill) for Summary Billing Accounts produced in the CABS BOS record format, a list of the Working Telephone Numbers (WTNs) is required for UNE P accounts and a list of the Circuit IDs is required for Unbundled Loop accounts.</p>
16	Y	Previous Qwest Dispute ID #	This field is required if you disagree with original Qwest Resolution of a Dispute; You can either resend the original Qwest Dispute form including the Qwest Dispute ID # and additional remark why you disagree or email, to the Wholesale Billing SDC, the Qwest Dispute ID # and reason why you disagree.



Date 5-7-07

THIS LETTER WAS SENT VIA OVERNIGHT MAIL

Jeff Martin

Universal Telecom

1600 S W Western Blvd

Corvallis, OR 97333

Re: Past due balances

Dear Jeff,

This letter is to inform you that Universal Telecom is in default of payment on its Qwest account(s) as per the letter dated 4-6-07. This letter constitutes additional written notice of non-payment as may be required under your applicable contract, tariff and/or state utility commission rules and regulations. Failure to respond to this letter or submit payment may result in additional treatment activity (described below) being initiated ten (10) business days after the date of this letter.

As of today, the total past due balance on your Qwest account(s) is \$251,504.35. Therefore, if Qwest does not receive payment in full on or before 5-21-07 it will take action with respect to your accounts, without further notice, including, but not limited to the suspension of all service order activity, and disconnection of your services, effective 5-21-07. Further in accordance with applicable contract, and/or tariffs, during this 10 day period or thereafter Qwest will demand a security deposit as a condition of its continuing provision of services to Universal Telecom.

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

Please be advised that if service order processing is interrupted or service is disconnected, all outstanding charges and a security deposit will be due prior to restoration. If service disconnection occurs, other charges may also apply to re-establish the account(s). Late payment charges will be assessed to all past due balances in accordance with applicable contracts and/or tariffs.

If you have already 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 800 335-5672 x4483.

Sincerely,

Kathie Maki

Service Delivery Coordinator

250 Bell Plaza Rm 601

Salt Lake City, Utah 84111

Attachment

Billing Dispute Notification Form

1. Company Name: Universal Telecom	2. Dispute Submittal Date: 5/16/2007
3. Company Contact: Jeff Marin	4. Telephone #: 541-752-9818 Ext: 121
5. Email Address: martinj@uspops.com	6. Fax #: 541-752-1525
7. Customer Dispute #: L081126-07126-050507	8. Customer Code: (Access Carrier Name (ACNA) RSID, ZCID), TRAK FID, Universe Code (OCN) (LEXCIS Billing) : UNUL

9. Qwest Billing Service Delivery Coordinator Name: ??

10. Billing Telephone Number: (including customer code (CUS)): 503 L08-1126 126 For LEXCIS Accounts, Provide State, Common Language Company Code (CLCC) and Cycle number: Example: WA XXXX 20	11. Disputed Bill Month (mm/dd/yyyy). If IABS Billing, include INVOICE # 05/05/2007 - L081126126-07125 - \$26889.48
12. Disputed \$ Amount Total: \$26889.48	13. Paid \$ Disputed Amount Total: \$.00
14. Total # or Disputed Items: 1	

15. Detailed dispute reason per dispute description/dispute type: *See letter copied below.*

December 14, 2006

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204

47382

Re: *Relative Use Factor and Formal Notice of Dispute of Charges*

Dear Nancy:

This letter responds to Qwest Corporation's letter of December 1, 2006, concerning Qwest's relative use proposal. In addition, this letter serves to provide notice of Universal's intent to formally dispute recent charges assessed by Qwest.

During a telephone conference on July 10, 2006 in ARB 671 before Administrative Judge Arlow Qwest's

Billing Dispute Notification Form

1. Company Name: Universal Telecom	2. Dispute Submittal Date: 5/16/2007
3. Company Contact: Jeff Martin	4. Telephone #: 541-752-9818 Ext: 121
5. Email Address: martinj@uspops.com	6. Fax #: 541-752-1525
7. Customer Dispute #: L081127-07126-050507	8. Customer Code: (Access Carrier Name (ACNA) RSID, ZCID), TRAK FID, Universe Code (OCN) (LEXCIS Billing) : UNUL

9. Qwest Billing Service Delivery Coordinator Name: ??
--

10. Billing Telephone Number: (including customer code (CUS)): 503 L08-1127 127 For LEXCIS Accounts, Provide State, Common Language Company Code (CLCC) and Cycle number: Example: WA XXXX 20	11. Disputed Bill Month (mm/dd/yyyy). If IABS Billing, include INVOICE # 05/05/2007 - L081127127-07125 - \$17411.95	
12. Disputed \$ Amount Total: \$17411.95	13. Paid \$ Disputed Amount Total: \$.00	14. Total # or Disputed Items: 1

15. Detailed dispute reason per dispute description/dispute type: *See letter copied below.*

December 14, 2006

47381

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204

Re: *Relative Use Factor and Formal Notice of Dispute of Charges*

Dear Nancy:

This letter responds to Qwest Corporation's letter of December 1, 2006, concerning Qwest's relative use proposal. In addition, this letter serves to provide notice of Universal's intent to formally dispute recent charges assessed by Qwest.

During a telephone conference on July 10, 2006 in ARB 671 before Administrative Judge Arlow Qwest's



5/23/2007

THIS LETTER WAS SENT VIA OVERNIGHT MAIL

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

Re: Past Due Balances

Dear Mr. Martin:

Qwest has reviewed the disputes of Qwest's charges filed by Universal Telecom, Inc. (Universal) for accounts 503 L08-1126 126 and 503 L08-1127 127, and denies Universal's disputes and is sustaining its charges as they are appropriate under the terms of the interconnection agreement. Universal's disputes were filed on 12/14/2006 for Qwest's 11/5/2006 and 12/5/2006 invoices, on 2/21/2007 for Qwest's 1/5/2007 and 2/5/2007 invoices, on 4/17/2007 for Qwest's 3/5/2007 and 4/5/2007 invoices and on 5/17/2007 for Qwest's 5/5/2007 invoices. In each case the reason provided for Universal's disputes referenced Universal's 12/14/2006 letter to Nancy Batz, Senior Access Manager at Qwest.

Qwest has already responded to Universal's letter on 12/20/2006 in a letter from Nancy Batz to you; and there has been additional correspondence exchanged on the subject on 1/9/2007 and 1/24/2007 between Ted Smith, Qwest's counsel, and John Dodge, Universal's counsel. Qwest asserted that the terms of the interconnection agreement are in effect by order of the Oregon Public Utility Commission and that Section 5.18, Dispute Resolution, of the interconnection agreement applies to claims arising out the approved agreement, not the Commission's decision regarding the arbitration of the agreement and the application of the Commission's order. Universal's disputes are not based on the terms of the agreement itself, but whether the Commission erred when it approved the interconnection agreement. This is not a dispute under the approved agreement; rather it is more appropriately brought as part of Universal's appeal.

Consequently, this letter is to inform you that Universal Telecom, Inc. is in default of its payment obligations under the recently approved agreement, specifically, on its Qwest accounts 503 L08-1126 126 and 503 L08-1127 127 as listed in the letter dated 4/6/2007. This letter constitutes additional written notice of non-payment as may be required under your applicable contract, tariff and/or state utility commission rules and regulations. Failure to respond to this letter or submit payment may result in additional treatment activity (described below) being initiated ten (10) business days after the date of this letter.

As of today, the total past due balance on your Qwest account(s) is \$252,810.71. Therefore, consistent with the terms of the interconnection agreement, if Qwest does not receive payment in full on or before 6/8/2007 it will take action with respect to your accounts, without further notice, including, but not limited to the suspension of all service order activity, and disconnection of your services, effective 6/11/07. Further in accordance with applicable contract, and/or tariffs, during this 10 day period or thereafter Qwest will demand a security deposit as a condition of its continuing provision of services to Universal Telecom, Inc. And, until such time that Universal has remitted payment in full for all past due balances, effective immediately Qwest will apply any monies due Universal (for example, compensation for terminating local ISP minutes of use in Oregon) as a credit to the charges due Qwest for accounts 503 L08-1126 126 and 503 L08-1127 127.

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

Please be advised that if service order processing is interrupted or service is disconnected, all outstanding charges and a security deposit will be due prior to restoration. If service disconnection occurs, other charges may also apply to re-establish the account(s). Late payment charges will be assessed to all past due balances in accordance with applicable contracts and/or tariffs.

If you have already 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 4483.

Sincerely,

Kathie Maki
Service Delivery Coordinator
250 E. 2nd S, 601
Salt Lake City, UT 84111

cc: John C. Dodge, Esq.
Davis Wright & Tremaine
1919 Pennsylvania Avenue, N.W., Suite 200
Washington, D.C. 20006-3458

Attachment

Qwest Communications International Inc.
Local Wholesale

Aging Details By Parent

Parent Name	HCID	Acct Type	Acct Type ID	Billing Name	Account	Current Amount Due	31-60 Days	61-90 Days	> 90 Days	Total Amount Due	Disputed Amount	Treatable Amount	Payments Since Last Bill Date	Adjmts Since Last Bill Date
UNIVERSAL TELECOM	20000000429	ACNA D8179		UNIVERSAL TELECOM	541D087971971	\$458.78	\$0.00	\$0.00	\$0.00	\$458.78	\$0.00	\$0.00	\$0.00	\$0.00
UNIVERSAL TELECOM	20000000429	ACNA UNUL		UNIVERSAL TELECOM	503R817002002	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$726.79)	\$0.00
UNIVERSAL TELECOM	20000000429	ACNA UNUL		UNIVERSAL TELECOM	503L081127127	\$17,411.95	\$17,411.95	\$17,411.95	\$63,341.79	\$115,577.64	\$0.00	\$98,165.69	(\$1,512.92)	(\$6,512.17)
UNIVERSAL TELECOM	20000000429	ACNA UNUL		UNIVERSAL TELECOM	503L081126126	\$26,889.48	\$27,038.48	\$27,023.48	\$100,583.06	\$181,534.50	\$0.00	\$154,845.02	\$0.00	(\$8,443.44)
UNIVERSAL TELECOM	20000000429	ACNA UNUL		UNIVERSAL TELECOM	503L041127127	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$4.87)	\$0.00
UNIVERSAL TELECOM	20000000429	ACNA UNUL		UNIVERSAL TELECOM	503L041126126	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$840.29)	\$0.00
UNIVERSAL TELECOM	20000000429	RSID U13		UNIVERSAL TELECOM	503Z250442206	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UNIVERSAL TELECOM	20000000429	RSID U13		UNIVERSAL TELECOM	503Z250443177	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UNIVERSAL TELECOM	20000000429	TRAK WHLU13 BLVD		UNIVERSAL TELECOM	5417529118064	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$75.50)	\$0.00
UNIVERSAL TELECOM	20000000429	ZCID U13		UNIVERSAL TELECOM	503Z250443177	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Parent Name	MCID	Acct Type	Acct Type ID	Billing Name	Account	Current Amount Due	31-60 Days	61-90 Days	> 90 Days	Total Amount Due	Disputed Amount	Treatable Amount	Payments Since Last Bill Date	Adjmts Since Last Bill Date
TOTAL						\$44,760.21	\$44,450.43	\$44,435.43	\$163,924.85	\$297,570.92	\$0.00	\$232,810.71	(\$3,160.47)	(\$14,955.67)
<p>May 23, 2007</p> <p style="text-align: center;">PROPRIETARY AND CONFIDENTIAL</p> <p style="text-align: center;">This application contains DC information and should not be shared with QCC/QLDC employees.</p>														



June 1, 2007

Ms. Kathie Maki
Qwest Communications
Service Delivery Coordinator
250 E. 2nd S, 601
Salt Lake City, UT 84111

Re: Universal Telecom, Inc. Disputed Charges; Qwest's Letter of May 23, 2007

Dear Ms. Maki:

I write in response to your letter of May 23, 2007, in which you state that Qwest "denies" Universal Telecom, Inc.'s ("Universal") notice of its dispute of charges assessed by Qwest upon Universal for accounts 503 L08-1126 126 and 503 L08-1127 127.

As you noted in your letter, Universal has consistently filed its disputes of these charges under Section 5 of the parties' interconnection agreement, and in that way has complied with the appropriate billing dispute, and dispute resolution procedures, of the parties' agreement. Universal has, therefore, complied with the appropriate provision of the agreement concerning dispute of charges, Section 5.4.4, because Universal has identified "the amount, reason and rationale of such dispute." Therefore, Universal is not in default of its payment obligations under the agreement.

Moreover, Section 5 of the agreement requires that the parties expedite the investigation of any disputed amounts, promptly provide all documentation regarding the amount disputed that is reasonably requested by the other Party, and work in good faith in an effort to resolve and settle the dispute through informal means prior to initiating any other rights or remedies. Accordingly, and in an effort to resolve the disputed charges through informal means Universal is requesting a meeting with Qwest to discuss these charges and an appropriate resolution that is mutually agreeable to both parties. Please provide the name and contact information of Qwest's designated representative for such meeting within ten (10) days of receipt of this letter.

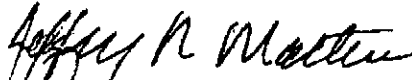
With respect to your assertion that Qwest "denies" Universal's disputes, we do not accept that Qwest has the unilateral authority under the agreement to make such a determination. Instead, the dispute resolution procedures must be adhered to in order for the parties to determine the validity of Qwest's charges, and Universal's dispute of such charges, respectively.

Finally, Qwest's statement that it may be authorized to suspend service order activity, and disconnection of Universal's services, is not consistent with Qwest's contractual obligations. Specifically, Section 5.4.2 states that either party may "discontinue processing orders for the failure of the other Party to make full payment for the relevant services, *less any disputed amount* as provided for in

Section 5.4.4 of this Agreement, ..." Thus, this provision does not allow Qwest to take any action upon any amounts disputed by Universal. As noted above, Universal has consistently disputed these charges per Section 5 of the parties agreement. It is simply not within Qwest's power under the agreement, or governing law, for Qwest to unilaterally suspend service or disconnect circuits.

Qwest's disconnection notices notwithstanding, Universal requests that the parties attempt to resolve this dispute through informal discussions, and consistent with Section 5 of the agreement, through a meeting or teleconference of designated representatives. Please contact me with the name of such person in the manner requested above. Thank you.

Sincerely,



Jeffrey Martin

President

Universal Telecom, Inc.

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



June 7, 2007

Jeffrey R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

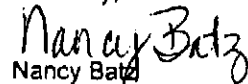
Re: Universal Telecom, Inc.'s June 1, 2007 Letter

Dear Jeff:

This letter is in response to your June 1, 2007 letter to Ms. Kathie Maki regarding "Universal Telecom, Inc. Disputed Charges" and Qwest's May 23, 2007 collections letter for past due balances that Universal owes to Qwest. Universal Telecom, Inc. ("Universal"), pursuant to section 5 of the parties' interconnection agreement, requested that Qwest provide the name and contact information of its designated representative for a meeting to discuss Qwest's charges and "an appropriate resolution that is mutually agreeable to both parties". Based on Universal's description of the nature of the dispute, Universal's only claim goes to the legality of the portions of the interconnection agreement that require Universal to pay for the transport of ISP traffic. Thus, Universal is in effect claiming that Qwest's charges are not appropriate under the terms of an effective interconnection agreement that was approved by the Oregon Public Utility Commission. Universal's disputes are, as Universal has stated, based on "the question of the lawfulness of Qwest's proposed charges" as "one issue now pending before the federal district court in Oregon in Case No. 06-6222-HO." As Qwest has previously stated, the Universal dispute goes, not to the proper application of the current, effective interconnection agreement, but instead to the legality of portions of the interconnection agreement (issues that are part of Universal's appeal). As Qwest has stated in previous letters, this is not a valid dispute under the agreement.

Nonetheless, Mr. Dan Hult, Qwest Director Carrier Relations, Wholesale Markets, is available to meet with Universal's non-lawyer, business representatives before June 16, 2007, which is 15 calendar days after Universal's Resolution Request date of June 1, 2007. Please contact me at either 503/242-6054 or at Nancy.Batz@qwest.com, and I will make the arrangements for a conference call meeting with the parties' representatives. Given that Qwest is willing to meet with Universal as a show of good faith, Qwest will temporarily suspend its collections activity until the June 16th date; however, if the parties are unable to reach a satisfactory resolution to Universal's disputes in the dispute resolution meeting, Qwest will immediately proceed with the next phase of its collections efforts at the same point at which the activity was temporarily halted. As detailed in Qwest's May 23, 2007 letter, this includes, but is not limited to, the suspension of all service order activity and disconnection of your services.

Sincerely,


Nancy Batz

cc: Dan Hult
Kathie Maki

From: Batz, Nancy
Sent: Thursday, June 07, 2007 1:26 PM
To: 'Jeffry Martin (martinj@uspops.com)'
Cc: Hult, Dan E; Maki, Kathleen
Subject: Qwest's Response to Universal Telecom Inc.'s June 1, 2007 Letter

Contacts: Jeffry Martin
Attachments: Martin Letter.PDF

Hi Jeff,

Please see the attached response to Universal Telecom Inc.'s June 1, 2007 letter. The original document will be sent overnight for delivery on Friday, June 8th.

Nancy Batz
503/242-6054



Martin Letter.PDF
(59 KB)

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



June 15, 2007

Jeffry R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

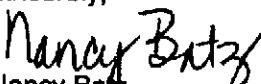
Sent via e-mail and U.S. Mail

Re: Qwest's Collections Activities

Dear Jeff:

As a follow-up to this morning's dispute resolution meeting between Universal Telecom, Inc., represented by Jeff Martin and Steven Roderick, and Qwest, represented by Dan Hult and Nancy Batz, and with the understanding that the representatives will meet again in a dispute resolution meeting on either June 21, 2007 or June 22, 2007, Qwest, in a show of good faith, will temporarily suspend its collections activity until June 25, 2007. However, if the parties are unable to reach a satisfactory resolution to Universal's disputes in the dispute resolution meeting, Qwest will immediately proceed with the next phase of its collections efforts at the same point at which the activity was temporarily halted. As detailed in Qwest's May 23, 2007 letter, this includes, but is not limited to, the suspension of all service order activity and disconnection of your services.

Sincerely,


Nancy Batz

cc: Dan Hult
Kathie Maki

Batz, Nancy

Attachment T

From: Batz, Nancy
Sent: Friday, June 15, 2007 1:39 PM
To: 'martinj@uspops.com'
Cc: Hult, Dan E; Maki, Kathleen
Subject: Qwest Collections

Attachments: UNU - Qwest 6_15_07 Ltr.tif

Hi Jeff,

Please see the attached. A copy of this letter will also be send via U.S. Mail.

Regards,
Nancy Batz



UNU - Qwest
6_15_07 Ltr.tif (3...

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



June 25, 2007

Jeffrey R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Sent via e-mail and U.S. Mail

Re: Qwest's Collections Activities

Dear Jeff:

As a follow-up to the June 15, 2007 dispute resolution meeting between Universal Telecom, Inc., represented by Jeff Martin and Steven Roderick, and Qwest, represented by Dan Hult and Nancy Batz, and with the understanding that the representatives will meet again in a dispute resolution meeting on July 2, 2007 at 9:00 PDT, Qwest, in a show of good faith, will temporarily suspend its collections activity until July 3, 2007. However, if the parties are unable to reach a satisfactory resolution to Universal's disputes of Qwest's charges in that dispute resolution meeting, Qwest will immediately proceed with the next phase of its collections efforts at the same point at which the activity was temporarily halted. As detailed in Qwest's May 23, 2007 letter, this includes, but is not limited to, the suspension of all service order activity and disconnection of your services.

Sincerely,

Nancy Batz
Nancy Batz

cc: Dan Hult
Kathie Maki



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

Detailed Account View

UNIVERSAL TELECOM

Customer Name	Acct Type ID	Account	Product	ST	Current Amount Due	31-60 Days	61-90 Days	> 90 Days	Total Amount Due	Disputed Amount	Treatable Amount	Payments Since Last Bill Date	# of Pymts Since Last Bill Date	Adjts Since Last Bill Date
UNIVERSAL TELECOM	D8179	541D087971971	SPECIAL ACCESS	OR	\$458.78	\$0.00	\$0.00	\$0.00	\$458.78	\$0.00	\$0.00	\$0.00	0	\$0.00
UNIVERSAL TELECOM	UNU	503R817002002	SPECIAL ACCESS	OR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
UNIVERSAL TELECOM	UNUL	503L081126126	LIS SPECIAL S	OR	\$27,263.23	\$28,889.48	\$27,038.48	\$115,124.52	\$196,315.71	\$0.00	\$188,062.48	\$0.00	0	\$0.00
UNIVERSAL TELECOM	UNUL	503L081127127	LIS SPECIAL S	OR	\$17,411.95	\$17,411.95	\$17,411.95	\$74,510.79	\$128,748.64	\$0.00	\$108,334.69	\$0.00	0	\$0.00
UNIVERSAL TELECOM	UNUL	503L041126126	LIS SWITCH ED	OR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
UNIVERSAL TELECOM	UNUL	503L041127127	LIS SWITCH ED	OR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
UNIVERSAL TELECOM	U13	503Z50439177	RSID	OR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
UNIVERSAL TELECOM	U13	503Z50442206	RSID	OR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
UNIVERSAL TELECOM	WPHU13	541752818084	TRAKIG ET	OR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$75.50)	1	\$0.00
UNIVERSAL TELECOM	U13	503Z50443377	ZCID	OR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
TOTAL					\$46,133.96	\$44,391.43	\$44,460.43	\$189,635.31	\$323,621.43	\$0.00	\$278,287.17	\$0.00		\$0.00

Batz, Nancy

From: Kipp, Valene
Date: Tuesday, July 03, 2007 12:45 PM
To: 'martinj@uspops.com'; 'JohnDodge@DWT.com'
Cc: Nielsen, Joshua; Brunk, AnnMarie; Batz, Nancy
Importance: High
Follow Up Flag: Follow up
Flag Status: Flagged
Attachments: Universal 07-03-07.xls; Universal Collections 7_3_07.doc



Please see the attachments

Valene Kipp

Valene.Kipp@qwest.com
250 Bell Plaza Room 601
Salt Lake City, UT 84111
T 801-239-4215
Fax 801-239-4149

Billing Dispute Notification Form

1. Company Name: Universal Telecom	2. Dispute Submittal Date: 7/16/2007
3. Company Contact: Jeff Martin	4. Telephone #: 541-752-9818 Ext: 121
5. Email Address: martinj@uspops.com	6. Fax #: 541-752-1525
7. Customer Dispute #: L081126-07126-060507	8. Customer Code: (Access Carrier Name (ACNA) RSID, ZCID), TRAK FID, Universe Code (OCN) (LEXCIS Billing) : UNUL

9. Qwest Billing Service Delivery Coordinator Name: ??
--

10. Billing Telephone Number: (including customer code (CUS)): 503 L08-1126 126 For LEXCIS Accounts, Provide State, Common Language Company Code (CLCC) and Cycle number: Example: WA XXXX 20	11. Disputed Bill Month (mm/dd/yyyy). If IABS Billing, include INVOICE # 06/05/2007 – L081126126-07156 - \$27,263.23	
12. Disputed \$ Amount Total: \$27263.23	13. Paid \$ Disputed Amount Total: \$.00	14. Total # or Disputed Items: 1

15. Detailed dispute reason per dispute description/dispute type: <i>See letter copied below.</i> <i>December 14, 2006</i> <i>Nancy Batz</i> <i>Senior Access Manager</i> <i>Wholesale Carrier Relations</i> <i>421 SW Oak, Room 8S16</i> <i>Portland, Oregon 97204</i> <i>Re: Relative Use Factor and Formal Notice of Dispute of Charges</i> <i>Dear Nancy:</i> <i>This letter responds to Qwest Corporation's letter of December 1, 2006, concerning Qwest's relative use proposal. In addition, this letter serves to provide notice of Universal's intent to formally dispute recent charges assessed by Qwest.</i> <i>During a telephone conference on July 10, 2006 in ARB 671 before Administrative Judge Arlow Qwest's</i>
--

counsel Ted Smith repeatedly implied that Qwest would not take any "precipitous action" under the new interconnection agreement during the appeals process for ARB 671. Mr. Smith further represented that he would communicate to Qwest Judge Arlow's concern that Qwest take no such action. In particular Mr. Smith stated: "And to Mr. Dodge, I'd just reiterate, Qwest certainly has no immediate intentions to do anything to disrupt or otherwise compromise the interconnection."

Your letter dated December 1, 2006, and the invoices we have received since 11/05/06, appear to represent a change in Qwest policy. If this is the case, kindly advise us at your earliest convenience so that we and our attorneys can consider our options under the interconnection agreement and before Judge Hogan in federal court.

Finally, this letter serves as Universal's notice of its intent to formally dispute recent charges assessed by Qwest since 11/05/06 pursuant to Section 5.4 and other applicable provisions of the parties' interconnection agreement. Specifically, Universal is disputing \$16,261.97 identified in Qwest invoices #L081127127-06309, L081126.126.06309, L081126126-06339 and L081127127-06339 dated 11/05/06 and 12/05/06 because the legal justification for these charges is in dispute. As you know, the question of the lawfulness of Qwest's proposed charges is one issue now pending before the federal district court in Oregon in Case No. 06-6222-HO. Therefore, there is no basis for Qwest to assess such charges at this time, and Universal requests that Qwest cease and desist from assessing additional charges in the future.

Sincerely,

Jeffry R. Martin
Universal Telecom, Inc.

16. Previous Qwest Dispute ID #:

Billing Dispute Notification Form

1. Company Name: Universal Telecom	2. Dispute Submittal Date: 7/16/2007
3. Company Contact: Jeff Martin	4. Telephone #: 541-752-9818 Ext: 121
5. Email Address: martinj@uspops.com	6. Fax #: 541-752-1525
7. Customer Dispute #: L081126-07126-070507	8. Customer Code: (Access Carrier Name (ACNA) RSID, ZCID), TRAK FID, Universe Code (OCN) (LEXCIS Billing) : UNUL

9. Qwest Billing Service Delivery Coordinator Name: ??

10. Billing Telephone Number: (including customer code (CUS)): 503 L08-1126 126 For LEXCIS Accounts, Provide State, Common Language Company Code (CLCC) and Cycle number: Example: WA XXXX 20	11. Disputed Bill Month (mm/dd/yyyy). If IABS Billing, include INVOICE # 07/05/2007 – L081126126-07186 - \$15,495.99	
12. Disputed \$ Amount Total: \$15495.99	13. Paid \$ Disputed Amount Total: \$.00	14. Total # or Disputed Items: 1

15. Detailed dispute reason per dispute description/dispute type: *See letter copied below.*

December 14, 2006

Nancy Batz

Senior Access Manager

Wholesale Carrier Relations

421 SW Oak, Room 8S16

Portland, Oregon 97204

Re: Relative Use Factor and Formal Notice of Dispute of Charges

Dear Nancy:

This letter responds to Qwest Corporation's letter of December 1, 2006, concerning Qwest's relative use proposal. In addition, this letter serves to provide notice of Universal's intent to formally dispute recent charges assessed by Qwest.

During a telephone conference on July 10, 2006 in ARB 671 before Administrative Judge Arlow Qwest's

counsel Ted Smith repeatedly implied that Qwest would not take any "precipitous action" under the new interconnection agreement during the appeals process for ARB 671. Mr. Smith further represented that he would communicate to Qwest Judge Arlow's concern that Qwest take no such action. In particular Mr. Smith stated: "And to Mr. Dodge, I'd just reiterate, Qwest certainly has no immediate intentions to do anything to disrupt or otherwise compromise the interconnection."

Your letter dated December 1, 2006, and the invoices we have received since 11/05/06, appear to represent a change in Qwest policy. If this is the case, kindly advise us at your earliest convenience so that we and our attorneys can consider our options under the interconnection agreement and before Judge Hogan in federal court.

Finally, this letter serves as Universal's notice of its intent to formally dispute recent charges assessed by Qwest since 11/05/06 pursuant to Section 5.4 and other applicable provisions of the parties' interconnection agreement. Specifically, Universal is disputing \$16,261.97 identified in Qwest invoices #L081127127-06309, L081126.126.06309, L081126126-06339 and L081127127-06339 dated 11/05/06 and 12/05/06 because the legal justification for these charges is in dispute. As you know, the question of the lawfulness of Qwest's proposed charges is one issue now pending before the federal district court in Oregon in Case No. 06-6222-HO. Therefore, there is no basis for Qwest to assess such charges at this time, and Universal requests that Qwest cease and desist from assessing additional charges in the future.

Sincerely,

Jeffry R. Martin

Universal Telecom, Inc.

16. Previous Qwest Dispute ID #:

Billing Dispute Notification Form

1. Company Name: Universal Telecom	2. Dispute Submittal Date: 7/16/2007
3. Company Contact: Jeff Martin	4. Telephone #: 541-752-9818 Ext: 121
5. Email Address: accounting@uspops.com	6. Fax #: 541-752-1525
7. Customer Dispute #: L081127-07126-070507	8. Customer Code: (Access Carrier Name (ACNA) RSID, ZCID), TRAK FID, Universe Code (OCN) (LEXCIS Billing) : UNUL

9. Qwest Billing Service Delivery Coordinator Name: ??
--

10. Billing Telephone Number: (including customer code (CUS)): 503 L08-1127 127 For LEXCIS Accounts, Provide State, Common Language Company Code (CLCC) and Cycle number: Example: WA XXXX 20	11. Disputed Bill Month (mm/dd/yyyy). If IABS Billing, include INVOICE # 07/05/2007 – L081127127-07186 - \$17411.95	
12. Disputed \$ Amount Total: \$17411.95	13. Paid \$ Disputed Amount Total: \$.00	14. Total # or Disputed Items: 1

15. Detailed dispute reason per dispute description/dispute type: <i>See letter copied below.</i> <i>December 14, 2006</i> <i>Nancy Batz</i> <i>Senior Access Manager</i> <i>Wholesale Carrier Relations</i> <i>421 SW Oak, Room 8S16</i> <i>Portland, Oregon 97204</i> <i>Re: Relative Use Factor and Formal Notice of Dispute of Charges</i> <i>Dear Nancy:</i> <i>This letter responds to Qwest Corporation's letter of December 1, 2006, concerning Qwest's relative use proposal. In addition, this letter serves to provide notice of Universal's intent to formally dispute recent charges assessed by Qwest.</i> <i>During a telephone conference on July 10, 2006 in ARB 671 before Administrative Judge Arlow Qwest's</i>

counsel Ted Smith repeatedly implied that Qwest would not take any "precipitous action" under the new interconnection agreement during the appeals process for ARB 671. Mr. Smith further represented that he would communicate to Qwest Judge Arlow's concern that Qwest take no such action. In particular Mr. Smith stated: "And to Mr. Dodge, I'd just reiterate, Qwest certainly has no immediate intentions to do anything to disrupt or otherwise compromise the interconnection."

Your letter dated December 1, 2006, and the invoices we have received since 11/05/06, appear to represent a change in Qwest policy. If this is the case, kindly advise us at your earliest convenience so that we and our attorneys can consider our options under the interconnection agreement and before Judge Hogan in federal court.

Finally, this letter serves as Universal's notice of its intent to formally dispute recent charges assessed by Qwest since 11/05/06 pursuant to Section 5.4 and other applicable provisions of the parties' interconnection agreement. Specifically, Universal is disputing \$16,261.97 identified in Qwest invoices #L081127127-06309, L081126.126.06309, L081126126-06339 and L081127127-06339 dated 11/05/06 and 12/05/06 because the legal justification for these charges is in dispute. As you know, the question of the lawfulness of Qwest's proposed charges is one issue now pending before the federal district court in Oregon in Case No. 06-6222-HO. Therefore, there is no basis for Qwest to assess such charges at this time, and Universal requests that Qwest cease and desist from assessing additional charges in the future.

Sincerely,

Jeffry R. Martin
Universal Telecom, Inc.

16. Previous Qwest Dispute ID #:

Billing Dispute Notification Form

1. Company Name: Universal Telecom	2. Dispute Submittal Date: 7/16/2007
3. Company Contact: Jeff Martin	4. Telephone #: 541-752-9818 Ext: 121
5. Email Address: accounting@uspops.com	6. Fax #: 541-752-1525
7. Customer Dispute #: L081127-07126-060507	8. Customer Code: (Access Carrier Name (ACNA) RSID, ZCID), TRAK FID, Universe Code (OCN) (LEXCIS Billing) : UNUL

9. Qwest Billing Service Delivery Coordinator Name: ??
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10. Billing Telephone Number: (including customer code (CUS)): 503 L08-1127 127 For LEXCIS Accounts, Provide State, Common Language Company Code (CLCC) and Cycle number: Example: WA XXXX 20	11. Disputed Bill Month (mm/dd/yyyy). If IABS Billing, include INVOICE # 06/05/2007 – L081127127-07156 - \$17411.95	
12. Disputed \$ Amount Total: \$17411.95	13. Paid \$ Disputed Amount Total: \$.00	14. Total # or Disputed Items: 1

15. Detailed dispute reason per dispute description/dispute type: *See letter copied below.*

December 14, 2006

Nancy Batz

Senior Access Manager

Wholesale Carrier Relations

421 SW Oak, Room 8S16

Portland, Oregon 97204

Re: Relative Use Factor and Formal Notice of Dispute of Charges

Dear Nancy:

This letter responds to Qwest Corporation's letter of December 1, 2006, concerning Qwest's relative use proposal. In addition, this letter serves to provide notice of Universal's intent to formally dispute recent charges assessed by Qwest.

During a telephone conference on July 10, 2006 in ARB 671 before Administrative Judge Arlow Qwest's

counsel Ted Smith repeatedly implied that Qwest would not take any "precipitous action" under the new interconnection agreement during the appeals process for ARB 671. Mr. Smith further represented that he would communicate to Qwest Judge Arlow's concern that Qwest take no such action. In particular Mr. Smith stated: "And to Mr. Dodge, I'd just reiterate, Qwest certainly has no immediate intentions to do anything to disrupt or otherwise compromise the interconnection."

Your letter dated December 1, 2006, and the invoices we have received since 11/05/06, appear to represent a change in Qwest policy. If this is the case, kindly advise us at your earliest convenience so that we and our attorneys can consider our options under the interconnection agreement and before Judge Hogan in federal court.

Finally, this letter serves as Universal's notice of its intent to formally dispute recent charges assessed by Qwest since 11/05/06 pursuant to Section 5.4 and other applicable provisions of the parties' interconnection agreement. Specifically, Universal is disputing \$16,261.97 identified in Qwest invoices #L081127127-06309, L081126.126.06309, L081126126-06339 and L081127127-06339 dated 11/05/06 and 12/05/06 because the legal justification for these charges is in dispute. As you know, the question of the lawfulness of Qwest's proposed charges is one issue now pending before the federal district court in Oregon in Case No. 06-6222-HO. Therefore, there is no basis for Qwest to assess such charges at this time, and Universal requests that Qwest cease and desist from assessing additional charges in the future.

Sincerely,

Jeffrey R. Martin
Universal Telecom, Inc.

16. Previous Qwest Dispute ID #:



November 10, 2006

Nancy Batz
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204

Sent via mail and email

Re: Reciprocal Compensation billing adjustment


Dear Nancy:

It has come to our attention that the rating software that we have been using has been under billing for reciprocal compensation. The main reason for the under billing is that the software was not billing for calls to ported numbers. Those numbers have now been entered into the software to correct the problem and the call data for the months since July of 2005 has been reprocessed. In addition some of the EAS data for Oregon was outdated and this also resulted in a slight under billing for reciprocal compensation and an over billing for intra-state long distance. (Note that at this time we have not billed Qwest for the intra-state long distance that is owed, so there is no previous bill for intra-state long distance that would need to be adjusted.)

We can provide you with updated bills for the months since July of 2005 or we can provide you with bills which reflect the additional minutes of traffic for the same time period. We were not sure what would work best for you.

Let us know how you would like to proceed and please do not hesitate to contact me with any questions.

Sincerely,


Jeffrey R. Martin
President

Attachment Y

COPY



November 22, 2006

Nancy Batz
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204

Re: Reciprocal Compensation billing adjustment

Dear Nancy:

It has come to our attention that the rating software that we have been using has been under billing reciprocal compensation. The main reason for the under billing is that the software was not billing for calls to ported numbers. Those numbers have now been entered into the software to correct the problem and the call data for the months since July of 2005 has been reprocessed. In addition some of the EAS data for Oregon was outdated and this also resulted in a slight under billing for reciprocal compensation and an over billing for intra-state long distance. (Note that at this time we have not billed Qwest for the intra-state long distance that is owed, so there is no previous bill for intra-state long distance that would need to be adjusted.)

Attached are the new invoices for the months since November of 2005 for those unbilled minutes which reflect the additional minutes of traffic for the same time period.

Please do not hesitate to contact Kathy Gerke at Kathy@uspops.com or 541 752 9818 at extension 122 or me with any questions.

Sincerely,

Jeffrey R. Martin
President

RECD DEC 04 2006

Post-It Fax Note	7671	Date	12-4-06	# of pages	14
To	Nancy Batz	From	Diane Dennis		
Co./Dept.		Co.			
Phone #	503 242-6054	Phone #	515 246-2866		
Fax #	503 242-8558	Fax #			

12/16/06 original cover
letter to Diane Dennis

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



December 6, 2006

Jeffrey R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Re: Universal Telecom's Invoices: #RC2-2005-11-OR; #RC2-2005-12-OR;
#RC2-2006-01-OR; #RC2-2006-02-OR; #RC2-2006-03-OR; #RC2-2006-04-OR;
#RC2-2006-05-OR; #RC2-2006-06-OR; #RC2-2006-07-OR; #RC2-2006-08-21-OR;
#RC2-2006-08-31-OR; #RC2-2006-09-OR

Dear Jeff:

I have requested that a \$62,740.96 payment be directed to Universal Telecom associated with its invoices #RC2-2005-11-OR; #RC2-2005-12-OR; #RC2-2006-01-OR; #RC2-2006-02-OR; #RC2-2006-03-OR; #RC2-2006-04-OR; #RC2-2006-05-OR; #RC2-2006-06-OR; #RC2-2006-07-OR; #RC2-2006-08-21-OR; #RC2-2006-08-31-OR; and #RC2-2006-09-OR. As noted in your November 22, 2006 letter, these invoices reflect previously unbilled charges for calls terminating to ported numbers and as a result of Universal's updated EAS data for Oregon. Qwest's payment detail by invoice is as follows:

#RC2-2005-11-OR	\$ 4,929.42
#RC2-2005-12-OR	\$ 4,828.05
#RC2-2006-01-OR	\$ 4,952.62
#RC2-2006-02-OR	\$ 4,168.37
#RC2-2006-03-OR	\$ 4,406.55
#RC2-2006-04-OR	\$ 3,989.90
#RC2-2006-05-OR	\$ 8,151.32
#RC2-2006-06-OR	\$ 7,920.11
#RC2-2006-07-OR	\$ 8,225.10
#RC2-2006-08-21-OR	\$ 5,047.87
#RC2-2006-08-31-OR	\$ 1,268.14
#RC2-2006-09-OR	\$ 4,853.51

Qwest reserve all rights under the interconnection agreement to confirm that any payment associated with Universal Telecom's invoices for incremental November 2005 through September 2006 usage is consistent with the provisions of that agreement.

Sincerely,


Nancy Batz

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



May 23, 2007

Jeffrey R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Re: Universal Telecom's Invoice # RC-2007-04-OR

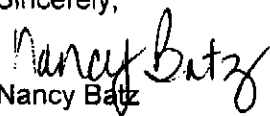
Dear Jeff:

As stated in Qwest's May 23, 2007 letter to you from Kathie Maki, Service Delivery Coordinator, effective immediately until such time that Universal Telecom, Inc. (Universal) has remitted payment in full to Qwest for all past due balances, Qwest will be applying any monies due Universal as credits to the charges due Qwest for accounts 503 L08-1126 126 and 503 L08-1127 127. With respect to Universal's invoice # RC-2007-04-OR, I have requested that a credit of \$14,955.61 be applied to Qwest's Local Interconnection Service BANs for Universal as follows:

503 L08-1126 126	\$ 8,443.44
503 L08-1127 127	\$ 6,512.17
Total Credit	\$14,955.61

Qwest reserve all rights under the interconnection agreement to confirm that any compensation associated with Universal's invoice for April 2007 usage is consistent with the provisions of that agreement.

Sincerely,


Nancy Batz

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



June 26, 2007

Jeffry R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Re: Universal Telecom's Invoice # RC-2007-05-OR

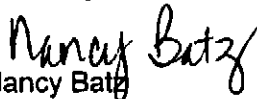
Dear Jeff:

As stated in Qwest's May 23, 2007 letter to you from Kathie Maki, Service Delivery Coordinator, until such time that Universal Telecom, Inc. (Universal) has remitted payment in full to Qwest for all past due balances, Qwest will be applying any monies due Universal as credits to the charges due Qwest for accounts 503 L08-1126 126 and 503 L08-1127 127. With respect to Universal's invoice # RC-2007-05-OR, I have requested that a credit of \$18,724.97 be applied to Qwest's Local Interconnection Service BANS for Universal as follows:

503 L08-1126 126	\$12,482.02
503 L08-1127 127	\$ 6,242.95
Total Credit	\$18,724.97

Qwest reserve all rights under the interconnection agreement to confirm that any compensation associated with Universal's invoice for May 2007 usage is consistent with the provisions of that agreement.

Sincerely,


Nancy Batz

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8516
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



January 4, 2007

Jeffrey R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Re: Universal Telecom's Invoices: #RC-2005-11-WA; #RC-2005-12-WA;
#RC-2006-01-WA; #RC-2006-02-WA; #RC-2006-03-WA; #RC-2006-04-WA;
#RC-2006-05-WA; #RC-2006-06-WA; #RC-2006-07-WA; #RC-2006-08-WA;
#RC-2006-09-WA; #RC-2006-10-WA; #RC-2006-11-OR; and #RC-2006-11-WA

Dear Jeff:

I have requested that a \$22,806.14 payment be directed to Universal Telecom associated with its invoice # RC-2006-11-OR.

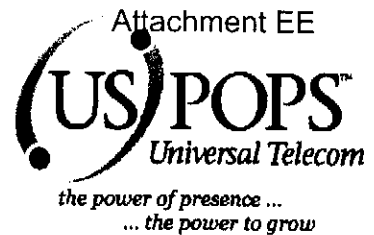
Qwest is disputing Universal Telecom's charges for \$719.88 related to its recently received Washington invoices for billed minutes of use for CLLI codes VANCWA01DS0 and VANCWANO50T. Qwest is disputing these charges because the traffic appears to be Virtual NXX ("VNXX") traffic, i.e., the traffic appears to originate with customers located outside of the local calling area of the physical location of Universal's end user customer to whom the traffic is delivered and therefore is not subject to reciprocal compensation. Qwest's disputes by invoice are as follows:

#RC-2005-11-WA	\$ 16.18
#RC-2005-12-WA	\$ 19.16
#RC-2006-01-WA	\$ 20.61
#RC-2006-02-WA	\$ 23.93
#RC-2006-03-WA	\$ 77.78
#RC-2006-04-WA	\$ 80.18
#RC-2006-05-WA	\$ 92.98
#RC-2006-06-WA	\$ 67.80
#RC-2006-07-WA	\$ 58.16
#RC-2006-08-WA	\$ 67.56
#RC-2006-09-WA	\$ 75.89
#RC-2006-10-WA	\$ 64.69
#RC-2006-11-WA	\$ 54.96

Qwest reserve all rights under the interconnection agreement to confirm that any payment associated with Universal Telecom's invoices for November 2006 usage is consistent with the provisions of that agreement.

Sincerely,

Nancy Batz
Nancy Batz



January 8, 2007

Nancy Batz
Qwest Communications
421 SW Oak, Room 8516
Portland, OR 97204

Re: January 4, 2007 dispute letter

Dear Nancy:

This responds to your January 4, 2007 letter disputing charges assessed by Universal.

Our read of the interconnection agreement does not limit either party's compensation obligations for ISP-bound VNXX traffic. Specifically the ISP-Reciprocal Compensation Amendment to the Interconnection Agreement signed by Qwest on 11-16-06 by L.T. Christensen in Attachment 1 section 1.1 states that: "Subject to the terms of this Section, intercarrier compensation for ISP-bound traffic exchanged between Qwest and CLEC will be billed at the per minute of use rate as described in Section 7.7.1 of Exhibit A, without limitation as to the number of MOU or whether the MOU are generated in "new markets" as that term has been defined by the FCC." There is nothing in Section 7 of the Interconnection Agreement excluding VNXX traffic from compensable ISP-bound traffic.

In addition, as recently as last year the Washington Utilities and Transportation Commission (WUTC) specifically ruled that Qwest was required to compensate Level 3 for terminating ISP-bound VNXX traffic. See *Level 3 v. Qwest*, Docket No. UT-053039, Order No. 5, Order Accepting Interlocutory Review; Granting, in Part, and Denying, in Part, Level 3's Petition for Interlocutory Review, 2006 WUTC LEXIS 59 (February 10, 2006).

As you may know, Universal's agreement in Washington is the result of an adoption of the Qwest - Level 3 interconnection agreement in Washington. Therefore, the WUTC's findings in the Level 3 dispute would also apply to Universal. In other words, because the WUTC has specifically stated that Qwest is obligated to pay reciprocal compensation for ISP-bound VNXX traffic to Level 3, the same conclusion applies to Universal: Qwest is obligated to pay reciprocal compensation to Universal for terminating ISP-bound VNXX traffic.

Universal Telecom, Inc. strives to produce accurate invoices consistent with the interconnection agreement and disagree with Qwest's contentions in this dispute. These reciprocal compensation charges are legally due to Universal Telecom, Inc. by Qwest per the state of Washington Utilities and Transportation Commission rulings.

Sincerely,



Jeff Martin

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



January 15, 2007

Jeffry R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Re: Universal Telecom's Invoices: #RC-2005-11-WA; #RC-2005-12-WA;
#RC-2006-01-WA; #RC-2006-02-WA; #RC-2006-03-WA; #RC-2006-04-WA;
#RC-2006-05-WA; #RC-2006-06-WA; #RC-2006-07-WA; #RC-2006-08-WA;
#RC-2006-09-WA; #RC-2006-10-WA; and #RC-2006-11-WA

Dear Jeff:


Thank you for your letter of January 8, 2007. Upon further review, I have requested that a \$719.88 payment be directed to Universal Telecom associated with its invoices #RC-2005-11-WA; #RC-2005-12-WA; #RC-2006-01-WA; #RC-2006-02-WA; #RC-2006-03-WA; #RC-2006-04-WA; #RC-2006-05-WA; #RC-2006-06-WA; #RC-2006-07-WA; #RC-2006-08-WA; #RC-2006-09-WA; #RC-2006-10-WA; and #RC-2006-11-WA.

While Qwest continues to maintain that Universal Telecom's billed charges are for ISP traffic that appears to be Virtual NXX ("VNXX"), i.e. the traffic appears to originate with customers located outside of the local calling area of the physical location of Universal's end user customer to whom the traffic is delivered, and therefore is not subject to compensation at the ISP rate, Qwest is remitting payment consistent with the Washington Utilities and Transportation Commission's ("WUTC") rulings in Docket No. UT-053039 related to Level 3 Communications' petition for enforcement of its interconnection agreement with Qwest Corporation. And, as you noted in your January 4, 2007 letter, Universal's interconnection agreement with Qwest in Washington is the result of an adoption of the Qwest/Level 3 interconnection agreement in Washington. In addition, Qwest and Universal executed an ISP-Bound Reciprocal Compensation Amendment in November 2006.

Please note that Qwest is making this payment even though it has appealed the WUTC's ruling in Docket No. UT-053059 (and other dockets) with the U.S. District Court in Seattle (CV06-0956).

Qwest reserve all rights under the interconnection agreement to confirm that any payment associated with Universal Telecom's invoices is consistent with the provisions of that agreement.

Sincerely,


Nancy Batz

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



January 23, 2007

Jeffrey R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Re: Universal Telecom's Invoice #RC-2006-12-WA

Dear Jeff:

I have requested that a \$50.38 payment be directed to Universal Telecom associated with its invoice #RC-2006-12-WA.

While Qwest continues to maintain that Universal Telecom's billed charges are for ISP traffic that appears to be Virtual NXX ("VNXX"), i.e. the traffic appears to originate with customers located outside of the local calling area of the physical location of Universal's end user customer to whom the traffic is delivered, and therefore is not subject to compensation at the ISP rate, Qwest is remitting payment consistent with the Washington Utilities and Transportation Commission's ("WUTC") rulings in Docket No. UT-053039 related to Level 3 Communications' petition for enforcement of its interconnection agreement with Qwest Corporation. And, as you noted in your January 4, 2007 letter, Universal's interconnection agreement with Qwest in Washington is the result of an adoption of the Qwest/Level 3 interconnection agreement in Washington. In addition, Qwest and Universal executed an ISP-Bound Reciprocal Compensation Amendment in November 2006.

Please note that Qwest is making this payment even though it has appealed the WUTC's ruling in Docket No. UT-053059 (and other dockets) with the U.S. District Court in Seattle (CV06-0956).

Qwest reserve all rights under the interconnection agreement to confirm that any payment associated with Universal Telecom's invoices is consistent with the provisions of that agreement.

Sincerely,

Nancy Batz
Nancy Batz

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



February 19, 2007

Jeffry R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Re: Universal Telecom's Invoice #RC-2007-01-WA

Dear Jeff:

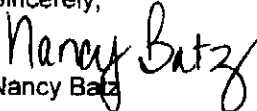
I have requested that a \$61.41 payment be directed to Universal Telecom associated with its invoice #RC-2007-01-WA.

While Qwest continues to maintain that Universal Telecom's billed charges are for ISP traffic that appears to be Virtual NXX ("VNXX"), i.e. the traffic appears to originate with customers located outside of the local calling area of the physical location of Universal's end user customer to whom the traffic is delivered, and therefore is not subject to compensation at the ISP rate, Qwest is remitting payment consistent with the Washington Utilities and Transportation Commission's ("WUTC") rulings in Docket No. UT-053039 related to Level 3 Communications' petition for enforcement of its interconnection agreement with Qwest Corporation. And, as you noted in your January 4, 2007 letter, Universal's interconnection agreement with Qwest in Washington is the result of an adoption of the Qwest/Level 3 interconnection agreement in Washington. In addition, Qwest and Universal executed an ISP-Bound Reciprocal Compensation Amendment in November 2006.

Please note that Qwest is making this payment even though it has appealed the WUTC's ruling in Docket No. UT-053059 (and other dockets) with the U.S. District Court in Seattle (CV06-0956).

Qwest reserve all rights under the interconnection agreement to confirm that any payment associated with Universal Telecom's invoices is consistent with the provisions of that agreement.

Sincerely,


Nancy Batz

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



March 22, 2007

Jeffry R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Re: Universal Telecom's Invoice #RC-2007-02-WA

Dear Jeff:

I have requested that a \$59.05 payment be directed to Universal Telecom associated with its invoice #RC-2007-02-WA.

While Qwest continues to maintain that Universal Telecom's billed charges are for ISP traffic that appears to be Virtual NXX ("VNXX"), i.e. the traffic appears to originate with customers located outside of the local calling area of the physical location of Universal's end user customer to whom the traffic is delivered, and therefore is not subject to compensation at the ISP rate, Qwest is remitting payment consistent with the Washington Utilities and Transportation Commission's ("WUTC") rulings in Docket No. UT-053039 related to Level 3 Communications' petition for enforcement of its interconnection agreement with Qwest Corporation. And, as you noted in your January 4, 2007 letter, Universal's interconnection agreement with Qwest in Washington is the result of an adoption of the Qwest/Level 3 interconnection agreement in Washington. In addition, Qwest and Universal executed an ISP-Bound Reciprocal Compensation Amendment in November 2006.

Please note that Qwest is making this payment even though it has appealed the WUTC's ruling in Docket No. UT-053059 (and other dockets) with the U.S. District Court in Seattle (CV06-0956).

Qwest reserve all rights under the interconnection agreement to confirm that any payment associated with Universal Telecom's invoices is consistent with the provisions of that agreement.

Sincerely,


Nancy Batz

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



March 22, 2007

Jeffry R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Re: Universal Telecom's Invoice #RC-2007-02-WA

Dear Jeff:

I have requested that a \$59.05 payment be directed to Universal Telecom associated with its invoice #RC-2007-02-WA.

While Qwest continues to maintain that Universal Telecom's billed charges are for ISP traffic that appears to be Virtual NXX ("VNXX"), i.e. the traffic appears to originate with customers located outside of the local calling area of the physical location of Universal's end user customer to whom the traffic is delivered, and therefore is not subject to compensation at the ISP rate, Qwest is remitting payment consistent with the Washington Utilities and Transportation Commission's ("WUTC") rulings in Docket No. UT-053039 related to Level 3 Communications' petition for enforcement of its interconnection agreement with Qwest Corporation. And, as you noted in your January 4, 2007 letter, Universal's interconnection agreement with Qwest in Washington is the result of an adoption of the Qwest/Level 3 interconnection agreement in Washington. In addition, Qwest and Universal executed an ISP-Bound Reciprocal Compensation Amendment in November 2006.

Please note that Qwest is making this payment even though it has appealed the WUTC's ruling in Docket No. UT-053059 (and other dockets) with the U.S. District Court in Seattle (CV06-0956).

Qwest reserve all rights under the interconnection agreement to confirm that any payment associated with Universal Telecom's invoices is consistent with the provisions of that agreement.

Sincerely,


Nancy Batz

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-8054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



April 25, 2007

Jeffry R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Re: Universal Telecom's Invoice #RC-2007-03-WA

Dear Jeff:

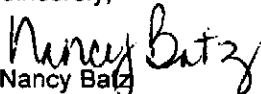
I have requested that a \$2,358.56 payment be directed to Universal Telecom associated with its invoice #RC-2007-03-WA.

While Qwest continues to maintain that Universal Telecom's billed charges are for ISP traffic that appears to be Virtual NXX ("VNXX"), i.e. the traffic appears to originate with customers located outside of the local calling area of the physical location of Universal's end user customer to whom the traffic is delivered, and therefore is not subject to compensation at the ISP rate, Qwest is remitting payment consistent with the Washington Utilities and Transportation Commission's ("WUTC") rulings in Docket No. UT-053039 related to Level 3 Communications' petition for enforcement of its interconnection agreement with Qwest Corporation. And, as you noted in your January 4, 2007 letter, Universal's interconnection agreement with Qwest in Washington is the result of an adoption of the Qwest/Level 3 interconnection agreement in Washington. In addition, Qwest and Universal executed an ISP-Bound Reciprocal Compensation Amendment in November 2006.

Please note that Qwest is making this payment even though it has appealed the WUTC's ruling in Docket No. UT-053059 (and other dockets) with the U.S. District Court in Seattle (CV06-0956). And, on April 9, 2007, the Court ruled the final decisions of the WUTC were reversed and remanded for further proceedings.

Qwest reserve all rights under the interconnection agreement to confirm that any payment associated with Universal Telecom's invoices is consistent with the provisions of that agreement.

Sincerely,


Nancy Batz

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-8054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



May 25, 2007

Jeffrey R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Re: Notice of Dispute - Universal Telecom's Invoice #RC-2007-04-WA

Dear Jeff:


Qwest Corporation ("Qwest") has received invoice #RC-2007-04-WA from Universal Telecom ("CLEC") for terminating intercarrier compensation under the interconnection agreement ("ICA") between CLEC and Qwest in the State of Washington. Qwest has reviewed the invoice and determined that some or all of the billings are for what Qwest refers to as VNXX Traffic, where the termination point of the call is in a different local calling area than the originating point, but due to an inappropriate use of local telephone numbering resources, it appears to be a local call.

Qwest is not required to pay terminating compensation for VNXX traffic, as there is no support in the ICA for that payment. CLEC may claim (as many entities have claimed in the past) that this VNXX traffic is compensable as ISP-Bound traffic, as defined by the ICA. However, federal law does not support this reasoning. As most recently stated by the United States District Court for the Western District of Washington, as a matter of federal law, the *ISP Remand Order* issued by the Federal Communications Commission applies only to *local ISP traffic*. *Qwest Corporation v. Washington State Utilities and Transp. Comm'n*, ___ F.Supp.2d ___, 2007 WL 1071956 (W.D. Wa. 2007).

As a result, Qwest's longstanding position that this type of traffic exchange was neither encompassed nor envisioned by the ICA or other interconnection agreements with other entities has been endorsed, and Qwest disputes payment of any amounts for terminating intercarrier compensation to CLEC for VNXX traffic within the State of Washington. Qwest will therefore withhold all amounts that it has determined to be attempts to collect terminating intercarrier compensation for VNXX traffic, i.e. the \$3,129.23 billed by Universal with its invoice #RC-2007-04-WA. If CLEC is able to show that traffic that Qwest has classified as VNXX traffic is actually terminated in the same local calling area as the origination point of the call, Qwest will work cooperatively with CLEC to resolve the issue.

Qwest also does not waive, and specifically reserves, any rights, claims or actions it may have against CLEC for any amounts previously paid by Qwest to CLEC for VNXX traffic. If necessary, Qwest will communicate further with CLEC regarding any applicable refunds. If CLEC has any questions regarding this notice, please feel free to contact Dan Hult, Director - Carrier Relations, at 402-422-4198 or at dan.hult@qwest.com.

Sincerely,


Nancy Batz

Nancy Batz
Senior Access Manager
Wholesale Carrier Relations
421 SW Oak, Room 8S16
Portland, Oregon 97204
Phone: 503/242-6054
Fax: 503/242-8558
Email: Nancy.Batz@qwest.com



June 26, 2007

Jeffrey R. Martin, President
Universal Telecom, Inc.
1600 S.W. Western Blvd., Suite #290
Corvallis, Oregon 97333

Re: Notice of Dispute - Universal Telecom's Invoice #RC-2007-05-WA

Dear Jeff:

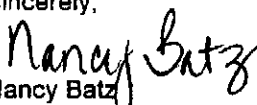
Qwest Corporation ("Qwest") has received invoice #RC-2007-05-WA from Universal Telecom ("CLEC") for terminating intercarrier compensation under the interconnection agreement ("ICA") between CLEC and Qwest in the State of Washington. Qwest has reviewed the invoice and determined that some or all of the billings are for what Qwest refers to as VNXX Traffic, where the termination point of the call is in a different local calling area than the originating point, but due to an inappropriate use of local telephone numbering resources, it appears to be a local call.

Qwest is not required to pay terminating compensation for VNXX traffic, as there is no support in the ICA for that payment. CLEC may claim (as many entities have claimed in the past) that this VNXX traffic is compensable as ISP-Bound traffic, as defined by the ICA. However, federal law does not support this reasoning. As most recently stated by the United States District Court for the Western District of Washington, as a matter of federal law, the *ISP Remand Order* issued by the Federal Communications Commission applies only to *local ISP traffic*. *Qwest Corporation v. Washington State Utilities and Transp. Comm'n*, ___ F.Supp.2d ___, 2007 WL 1071956 (W.D. Wa. 2007).

As a result, Qwest's longstanding position that this type of traffic exchange was neither encompassed nor envisioned by the ICA or other interconnection agreements with other entities has been endorsed, and Qwest disputes payment of any amounts for terminating intercarrier compensation to CLEC for VNXX traffic within the State of Washington. Qwest will therefore withhold all amounts that it has determined to be attempts to collect terminating intercarrier compensation for VNXX traffic, i.e. the \$3,423.77 billed by Universal with its invoice #RC-2007-05-WA. If CLEC is able to show that traffic that Qwest has classified as VNXX traffic is actually terminated in the same local calling area as the origination point of the call, Qwest will work cooperatively with CLEC to resolve the issue.

Qwest also does not waive, and specifically reserves, any rights, claims or actions it may have against CLEC for any amounts previously paid by Qwest to CLEC for VNXX traffic. If necessary, Qwest will communicate further with CLEC regarding any applicable refunds. If CLEC has any questions regarding this notice, please feel free to contact Dan Hult, Director - Carrier Relations, at 402-422-4198 or at dan.hult@qwest.com.

Sincerely,


Nancy Batz

Batz, Nancy

From: Samuels, Renae
Sent: Wednesday, July 18, 2007 12:17 PM
To: Batz, Nancy
Cc: Duarte, Alex
Subject: RE: Universal Forecasting Meetings

PRIVATE AND CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGED

Hi Nancy,

My meeting notes indicate the following:

August 30, 2006- Universal Telecom did not attend the forecast call.

February 15, 2007. Customer was aware of under utilized trunk groups & indicated they would be disconnecting some of their trunk groups.

Qwest does not issue disconnect or augment orders for customer's trunk groups. They would need to issue ASRs to the SDC for this type of activity.

Thanks,

Renae Samuels

outbind://292/cid:image001.jpg@01C77766.5FCF0200
New Mexico & Utah Trunk Forecasting Engineer,
including Joint Planning for various CLEC & Wireless Accounts
303-707-3602

From: Batz, Nancy
Sent: Tuesday, July 17, 2007 5:34 PM
To: Samuels, Renae
Cc: Duarte, Alex
Subject: Universal Forecasting Meetings

PRIVATE AND CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGED

Hi Renae,

Universal has filed a complaint with the Oregon PUC related to Qwest's billed charges. They made the following "factual allegation" that I'd like your comments on regarding the accuracy of the statement. (Please "reply all".)

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 to discuss network interconnection requirements. At these meetings Universal and Qwest agreed that there was excess capacity on many of the LIS two-way DTT facilities on Qwest's side of the point of interconnection. Despite the discussion at these meetings, Qwest did not disconnect any of these circuits and continued to assess Universal DTT charges associated with these facilities.

Thank you,
Nancy Batz
503/242-6054

CERTIFICATE OF SERVICE

IC 13

I hereby certify that on the 23rd day of July, 2007, I served the foregoing **NON-CONFIDENTIAL AFFIDAVIT OF NANCY J. BATZ IN SUPPORT OF QWEST CORPORATION'S ANSWER TO UNIVERSAL TELECOMMUNICATIONS, INC.'S COMPLAINT FOR ENFORCEMENT OF INTERCONNECTION AGREEMENT and COUNTERCLAIM OF QWEST CORPORATION AGAINST UNIVERSAL TELECOMMUNICATION, INC.** 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 Trinchero
Davis Wright Tremaine LLP
1300 S.W. Fifth Ave., Suite 2300
Portland, OR 97201
marktrinchero@dwt.com

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

DATED this 23rd day of July, 2007

QWEST CORPORATION



By: _____
Alex M. Duarte OSB No. 02045
421 SW Oak Street, Suite 810
Portland, OR 97204
Telephone: 503-242-5623
Facsimile: 503-242-8589
e-mail: alex.duarte@qwest.com

Attorney for Qwest Corporation