

ORIGINAL



0000011365

BEFORE THE ARIZONA CORPORATION COMMISSION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

MARC SPITZER  
Chairman  
WILLIAM A. MUNDELL  
Commissioner  
JEFF HATCH-MILLER  
Commissioner  
MIKE GLEASON  
Commissioner  
KRISTIN K. MAYES  
Commissioner

Arizona Corporation Commission

DOCKETED

AUG 27 2004

DOCKETED BY *CAK*

AZ CORP COMMISSION  
DOCUMENT CONTROL

2004 AUG 27 P 3:36

RECEIVED

IN THE MATTER OF QWEST CORPORATION'S COMPLIANCE WITH SECTION 252(e) OF THE TELECOMMUNICATIONS ACT OF 1996  
  
IN THE MATTER OF U S WEST COMMUNICATIONS, INC.'S COMPLIANCE WITH SECTION 271 OF THE TELECOMMUNICATIONS ACT OF 1996  
  
ARIZONA CORPORATION COMMISSION  
v.  
QWEST CORPORATION

DOCKET NO. RT-00000F-02-0271  
  
DOCKET NO. T-00000A-97-0238  
  
DOCKET NO. T-01051B-02-0871

NOTICE OF ERRATA

Qwest Corporation ("Qwest") hereby files this Notice of Errata in the above-referenced dockets. On August 20, 2004, Qwest filed its Modified Interconnection Agreements as requested by the Arizona Corporation Commission ("Commission"). Certain pages of those agreements were inadvertently omitted from that filing. Qwest hereby files those missing pages, identified below:

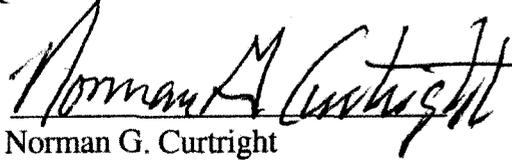
- 10. Eschelon Implementation Plan with Qwest dated 7/31/01 – missing pages 8 and 9
- 11. McLeod Confidential Settlement Document with U S WEST dated 4/25/00 – language deleted from page 2

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

15. McLeod Purchase agreement with Qwest Communications Corp. and its subsidiaries (McLeod buys from Qwest) dated 10/26/00 – missing page 3

RESPECTFULLY SUBMITTED this 27<sup>th</sup> day of August, 2004.

QWEST CORPORATION

By: 

Norman G. Curtright  
QWEST LAW DEPARTMENT  
4041 N. Central Avenue, Suite 1100  
Phoenix, Arizona 85012  
Telephone: (602) 630-2187  
Fax: (602) 235-3107

-and-

Timothy Berg, Esq.  
Theresa Dwyer, Esq.  
FENNEMORE CRAIG, P.C.  
3003 N. Central Avenue, Suite 2600  
Phoenix, Arizona 85012  
Telephone: (602) 916-5421

ORIGINAL and 17 copies filed this  
20<sup>th</sup> day of August, 2004:

27<sup>th</sup>  
Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

1 COPY delivered this 27<sup>th</sup> day of August, 2004 to:

2 Christopher C. Kempley

3 Maureen A. Scott

Legal Division

4 ARIZONA CORPORATION COMMISSION

1200 West Washington Street

5 Phoenix, AZ 85007

6 Lyn Farmer

7 Jane Rodda

Hearing Division

8 ARIZONA CORPORATION COMMISSION

1200 West Washington Street

9 Phoenix, AZ 85007

10 Ernest Johnson

11 Utilities Division

ARIZONA CORPORATION COMMISSION

12 1200 West Washington Street

13 Phoenix, AZ 85007

14 COPY of this mailed this 27<sup>th</sup> day of August, 2004 to:

15 Michael M. Grant

16 Todd C. Wiley

GALLAGHER & KENNEDY

17 2575 E. Camelback Road

18 Phoenix, AZ 85016-9225

19 Curt Huttzell

State Government Affairs

20 ELECTRIC LIGHTWAVE, INC.

4 Triad Center, Suite 200

21 Salt Lake City, UT 84180

22 Brian Thomas

23 TIME WARNER TELECOM, INC.

520 SW 6<sup>th</sup> Avenue, Suite 300

24 Portland, OR 97204

25

26

- 1 Eric S. Heath  
SPRINT COMMUNICATIONS CO.
- 2 100 Spear Street, Suite 930
- 3 San Francisco, CA 94105
- 4 Joan S. Burke  
OSBORN MALEDON, P.A.
- 5 2929 N. Central Avenue, 21<sup>st</sup> Floor
- 6 Phoenix, AZ 85067-6379
- 7 Scott S. Wakefield  
RUCO
- 8 1110 West Washington Street, Suite 220
- 9 Phoenix, AZ 85007
- 10 Rod Aguilar  
AT&T
- 11 795 Folsom Street, #2104
- 12 San Francisco, CA 94107-1243
- 13 Daniel Waggoner  
Greg Kopta
- 14 Mary Steele  
DAVIS, WRIGHT & TREMAINE
- 15 2600 Century Square
- 16 1501 Fourth Avenue  
Seattle, WA 98101
- 17 Diane Bacon, Legislative Director  
COMMUNICATIONS WORKERS OF AMERICA
- 18 5818 N. 7<sup>th</sup> Street, Suite 206
- 19 Phoenix, AZ 85014-5811
- 20 Traci Grundon  
Mark P. Trincherro
- 21 DAVIS, WRIGHT & TREMAINE
- 22 1300 S.W. Fifth Avenue
- 23 Portland, OR 97201
- 24 Mark DiNunzio  
COX COMMUNICATIONS
- 25 20402 North 29<sup>th</sup> Avenue
- 26 Phoenix, AZ 85027-3148

1 David Conn  
Law Group  
2 MCLEODUSA INCORPORATED  
3 6400 C Street SW  
PO Box 3177  
4 Cedar Rapids, IA 52406-3177

5 Barbara Shever  
6 LEC Relations Mgr – Industry Policy  
Z-TEL COMMUNICATIONS, INC.  
7 601 S. Harbour Island, Suite 220  
Tampa, FL 33602  
8

9 Jonathon E. Canis  
Michael B. Hazzard  
10 KELLY DRYE & WARREN, LLP  
1200 19<sup>th</sup> Street NW, 5<sup>th</sup> Floor  
11 Washington, D.C. 20036

12 Jacqueline Manogian  
13 MOUNTAIN TELECOMMUNICATIONS  
1430 Broadway Road, Suite A200  
14 Tempe, AZ 85282

15 Frederick Joyce  
16 ALSTON & BIRD, LLP  
601 Pennsylvania Avenue NW  
17 Washington, D.C. 20004-2601

18 Gary Appel, Esq.  
19 TESS Communications, Inc.  
1917 Market Street  
20 Denver, CO 80202

21 Harry Pliskin, Senior Counsel  
Megan Doberneck  
22 COVAD COMMUNICATIONS COMPANY  
23 7901 Lowry Boulevard  
Denver, CO 80230  
24  
25  
26

- 1 Karen Clauson  
Dennis Ahlers
- 2 Ray Smith
- 3 ESCHELON TELECOM  
730 Second Avenue South, Ste. 1200
- 4 Minneapolis, MN 55402
- 5 Steven J. Duffy  
RIDGE & ISSACSON, P.C.
- 6 3101 N. Central Avenue, Ste. 1090
- 7 Phoenix, AZ 85012
- 8 Rex Knowles  
XO
- 9 111 E. Broadway, Suite 100
- 10 Salt Lake City, UT 84111
- 11 Deborah Harwood  
INTEGRA TELECOM OF ARIZONA, INC.
- 12 19545 NW Von Newmann Drive, Suite 200
- 13 Beaverton, OR 97006
- 14 Bob McCoy  
WILLIAMS LOCAL NETWORK, INC.
- 15 4100 One Williams Center
- 16 Tulsa, OK 74172
- 17 Mark Dioguardi  
TIFFANY AND BOSCO, P.A.
- 18 1850 N. Central, Suite 500
- 19 Phoenix, AZ 85004
- 20 Richard M. Rindler  
Morton J. Posner
- 21 SWIDER & BERLIN  
3000 K Street NW, Ste. 300
- 22 Washington, D.C. 20007
- 23 Penny Bewick  
NEW EDGE NETWORKS, INC.
- 24 PO Box 5159
- 25 Vancouver, WA 98668
- 26

- 1 Dennis Doyle  
ARCH COMMUNICATIONS GROUP  
2 1800 West Park Drive, Suite 250  
3 Westborough, MA 01581-3912
- 4 Gerry Morrison  
MAP MOBILE COMMUNICATIONS, INC.  
5 840 Greenbrier Circle  
6 Chesapeake, VA 23320
- 7 John E. Munger  
MUNGER CHADWICK  
8 National Bank Plaza  
333 North Wilmot, #300  
9 Tucson, AZ 85711
- 10 Thomas Campbell  
11 LEWIS & ROCA  
40 N. Central Ave.  
12 Phoenix, AZ 85004
- 13 Andrew O. Isar  
14 TELECOMMUNICATIONS RESELLERS ASSOC.  
4312 92<sup>nd</sup> Avenue, N.W.  
15 Gig Harbor, WA 98335
- 16 Raymond Heyman  
17 Michael Pattern  
ROSHKA, HEYMAN & DEWULF  
18 400 E. Van Buren, Ste. 900  
19 Phoenix, AZ 85004-3906
- 20 Thomas F. Dixon  
WORLD COM, INC.  
21 707 17<sup>th</sup> Street, #3900  
22 Denver, CO 80202
- 23 Kevin Chapman  
SBC TELECOM, INC.  
24 1010 N. St. Mary's, Room 13K  
25 San Antonio, TX 78215-2109  
26

1 Richard S. Wolters  
AT&T LAW DEPARTMENT  
2 1875 Lawrence Street, #1575  
3 Denver, CO 80202

4 Joyce Hundley  
U.S. DEPARTMENT OF JUSTICE  
5 Antitrust Division  
6 1401 H Street, N.W., #8000  
Washington, D.C. 20530

7 Mark N. Rogers  
8 EXCELL AGENT SERVICES, LLC  
9 P.O. Box 52092  
Phoenix, AZ 85072-2092

10 Jim Scheltema  
11 BLUMFELD & COHEN  
12 1625 Massachusetts Ave. NW, Ste. 300  
Washington, D.C. 20036

13 Kimberly M. Kirby  
14 DAVIS DIXON & KIRBY, LLP  
15 19200 Von Karman Avenue, Suite 600  
Irvine, CA 82612

16 Al Sterman  
17 ARIZONA CONSUMERS COUNCIL  
18 2849 E. 8<sup>th</sup> Street  
Tucson, AZ 85716

19 Jeffery W. Crockett  
20 Thomas L. Mumaw  
SNELL & WILMER  
21 One Arizona Center  
22 Phoenix, AZ 85004-0001

23 Teresa Tan  
WORLD.COM, INC.  
24 201 Spear Street, Floor 9  
25 San Francisco, CA 94105  
26

1 Rodney Joyce  
2 SHOOK, HARDY & BACON, LLP  
3 Hamilton Square  
4 600 14<sup>th</sup> Street NW, Ste. 800  
5 Washington, D.C. 20005-2004  
6  
7 Deborah R. Scott  
8 Associate General Counsel  
9 CITIZENS COMMUNICATIONS CO.  
10 2901 N. Central, Suite 1660  
11 Phoenix, AZ 85012  
12  
13 Richard P. Kolb, VP – Reg. Affairs  
14 ONE POINT COMMUNICATIONS  
15 Two Conway Park  
16 150 Field Drive, Suite 300  
17 Lake Forest, IL 60045  
18  
19 Letty Friesen  
20 AT&T LAW DEPARTMENT  
21 1875 Lawrence, #1575  
22 Denver, CO 80202  
23  
24 Paul Masters  
25 ERNEST COMMUNICATIONS, INC.  
26 6475 Jimmy Carter Blvd., Ste. 300  
Norcross, GA 30071  
27  
28 Jon Poston  
29 ACTS  
30 6733 E. Dale Lane  
31 Cave Creek, AZ 85331  
32  
33 Lynda Nipps  
34 ALLEGIANCE TELECOM, INC.  
35 845 Camino Sure  
36 Palm Springs, CA 92262  
37  
38 Gary Lane, Esq.  
39 2929 N. 44<sup>th</sup> Street, Suite 120  
40 Phoenix, AZ 85018-7239  
41  
42

1 Mike Allentoff  
GLOBAL CROSSINGS SERVICES, INC.  
2 1080 Pittsford Victor Road  
3 Pittsford, NY 14534

4 W. Hagood Bellinger  
4969 Village Terrace Drive  
5 Dunwoody, GA 30338

6 Philip A. Doherty  
7 545 S. Prospect Street, Ste. 22  
8 Burlington, VT 05401

9 David Kaufman  
ESPIRE COMMUNICATIONS, INC.  
10 1129 Paseo de Peralta  
Santa Fe, NM 87501

11 Richard P. Kolb  
12 Vice President – Regulatory Affairs  
ONE POINT COMMUNICATIONS  
13 Two Conway Park  
14 159 Field Drive, Ste. 300  
Lake Forest, IL 60045

15 METROCALL, INC.  
16 6677 Richmond Highway  
17 Alexandria, VA 22306

18 Nigel Bates  
ELECTRIC LIGHTWAVE, INC.  
19 4400 NE 77<sup>th</sup> Avenue  
20 Vancouver, WA 98862

21 Mitchell F. Brecher  
GREENBERG TRAURIG, LLP  
22 800 Connecticut Avenue, NW  
23 Washington, D.C. 20006

24 Mitchell A. Aronson, Esq.  
MORRILL & ARONSON, P.L.C.  
25 One East Camelback Rd., Suite 340  
26 Phoenix, AZ 85012-1648

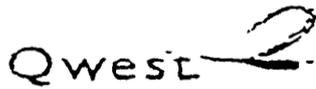
1 Patrick A. Clisham  
2 Arizona State Director  
3 AT&T  
4 320 E. Broadmoor Court  
5 Phoenix, AZ 85022

6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26



A handwritten signature in black ink, appearing to read 'P. A. Clisham', is written over a horizontal line. The signature is stylized and cursive.

**10. Eschelon**  
**Implementation Plan with Qwest dated 7/31/01**



Attachment 2

Eschelon  
Escalation Tier Contact Information

Tier	Contacts	Functions
	Minneapolis Service Center	
0	N/A	
1	Centrex 800-279-8806  Complex Resale 800-636-8746  Delayed Orders 888-796-9087	<ul style="list-style-type: none"><li>• Handle Customer Calls</li><li>• LSR Order Status</li><li>• Queries on Completion Dates</li><li>• Questions on Due Dates</li><li>• FOC questions/Resends of FOC's</li><li>• Assisting with LSR prep</li><li>• Answer Questions on Rejects/Delayed Orders.</li><li>• Manage Critical Dates, Due Date Changes, VP Expedites, Out of Service Conditions, Feature Discrepancies, Delays at Test and Turn up and General Delayed Order Questions</li><li>• Timely Customer updates, meet call back commitments</li></ul>
2	All Products 800-366-9974 Duty Pager 612-622-3624  Delayed Orders 303-787-6503 Duty Pager 800-946-4646 Pin 141-4422  Duty pager is covered during and after center hours	<ul style="list-style-type: none"><li>• Respond to missed commitments from TIER 1</li><li>• Assist TIER 1 with unresolved Customer issues</li><li>• Resolve issues with other departments</li><li>• Document details in appropriate databases</li><li>• Timely Customer updates; meet call back commitments</li><li>• If further escalation is necessary, a commitment is made for a call back from next level</li></ul>
3	Service Manager	<ul style="list-style-type: none"><li>• Receive escalations on a variety of service order related issues from</li></ul>

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

	Pat Levene 612-663-6265	<p>Service Delivery Coordinators (SDC) and/or directly from the customer</p> <ul style="list-style-type: none"> <li>• Respond to missed commitments or calls for assistance from TIER 2</li> <li>• Evaluate and Manage special circumstances requiring VP expedites</li> <li>• Resolve issues with other departments</li> <li>• Timely Customer updates, meet call back commitments</li> <li>• Document details in the appropriate databases</li> <li>• If further escalation is necessary, a commitment is made for a call back from next level</li> </ul>
4	Senior Service Manager Steve Sheahan 612-663-7527	<p>Tier 4, 5, 6,7 would become involved in a service order escalation:</p> <ul style="list-style-type: none"> <li>• Major network outage</li> <li>• After normal process of tiered escalations failed to resolve the issue to the customer's satisfaction</li> </ul> <p>It is the role and responsibility of each level to support the decision of the previous level unless another alternative that has not been investigated presents itself. If the resolution of the issue is not possible or implementation of the order can not be accelerated for whatever reason, a clear and complete explanation of the circumstances is necessary so that the customer can respond to the end user with authority.</p>
5	Director Joan Masztaler 303-896-8331	
6	Sr Director Toni Dubuque 612-288-3831	
7	Vice President Christie Doherty 303-896-0848	

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

**11. McLeod**  
**Confidential Settlement Document with US WEST**  
**dated 4/25/00**

U.S. WEST, Inc.  
165 California Street, Suite 2000  
Denver, Colorado 80202  
303-492-2000 (local)  
1-800-440-0000 (toll-free)

John A. Kirby  
Vice President  
Chief Counsel

April 25, 2000

CONFIDENTIAL SETTLEMENT DOCUMENT  
THIS LETTER IS WRITTEN PURSUANT TO,  
AND IS PROTECTED BY, RULE OF EVIDENCE 408  
AND THE NONDISCLOSURE AGREEMENT

VIA FACSIMILE

Blake Fisher  
Group V.P. & Chief Planning Dev. Officer  
McLeodUSA  
6400 C Street SW  
Post Office Box 3177  
Cedar Rapids, Iowa 52506 3177

Re: U.S. WEST/QWEST MERGER: settlement agreement  
Trade Secret Data Begins  
Dear Blake:

This letter documents the proposed settlement terms discussed by the parties over the last several days. All of the terms of settlement documented in this letter are expressly contingent upon: (1) by no later than Tuesday, April 25, 2000, both parties' acceptance of the terms of this confidential settlement agreement, which acceptance will be documented below by the signature of authorized representatives from U.S. WEST and McLeodUSA;

[REDACTED]

(3) at the hearing to be held April 21, 2000 before the Minnesota Commission, McLeodUSA will affirmatively support U.S. WEST's Motion for Reconsideration and will recommend merger approval; and (4) closure of the merger between U.S. WEST and QWEST, except for the payment of cash to McLeodUSA for the nonblocked Centrex services issue and subscriber list information disputes, the bill and keep arrangements [REDACTED]

NONPUBLIC DOCUMENT  
CONTAINS TRADE SECRET DATA

[REDACTED]

1. [REDACTED]

[REDACTED] U S WEST agrees to pay McLeodUSA \$6 million to resolve the nonblocked Centrex service and subscriber list information billing disputes. The form of payment will consist of bill credits (if payment has not been made) or cash payments to McLeodUSA. This billing settlement will be documented in, and subject to, a confidential billing agreement between the parties—the form of which the parties agree to negotiate and execute by no later than Thursday, April 27, 2000.

[REDACTED] Effective upon merger closure and subject to the additional terms described below, U S WEST and McLeodUSA agree to a \$25.5 million billing dispute settlement to resolve miscellaneous disputes. The form of billing settlement will consist of a cash payment to McLeodUSA, payable within five (5) business days following merger closure.

u. **NONBLOCKED CENTREX SERVICE:** [REDACTED]

[REDACTED] McLeodUSA and U S WEST agree that upon payment to McLeodUSA of the \$6 million described above, all disputed amounts through March 31, 2000 have been fully resolved. In addition, the parties agree to split the unbilled balances in favor of the tiered rate. Effective immediately, for Centrex service charges incurred on a going-forward basis, the parties will continue to negotiate, in good faith, a business-to-business resolution. These settlement terms will be documented in, and subject to, a confidential billing agreement between the parties.

b. **SUBSCRIBER LIST INFORMATION CHARGES:** [REDACTED]

[REDACTED] U S WEST and McLeodUSA agree that upon payment of the \$6 million described above, all disputed amounts incurred through March 31, 2000 have been fully resolved. McLeodUSA agrees to immediately dismiss its pending FCC complaint regarding subscriber list information charges. Effective immediately, on a going-forward basis, McLeodUSA will agree to pay the \$0.04/\$0.06 rates for subscriber list information or such other final rates as may be established by any cost docket proceedings or rates the parties may negotiate, in good faith, on a business-to-business basis. Both parties reserve the right to participate fully in future rate determination proceedings. These settlement terms will be documented in, and subject to, a confidential billing agreement between the parties.

c. **COMPENSATION FOR TRAFFIC EXCHANGE:** Upon payment to McLeodUSA of the \$6 million described above, in all states, for the

[REDACTED]

period of March 1, 2000 through December 31, 2002, the parties agree to immediately amend their existing interconnection agreements to revert to a bill and keep arrangement for local and internet-related traffic, and to incorporate such a bill and keep arrangement into any future interconnection agreements. Subject to merger closure, both parties agree not to bill usage to one another in any state between March 1, 2000 and the date of merger closure. However, in the event that the merger between U S WEST and QWEST does not close, U S WEST will retroactively bill McLeodUSA for the true-up for reciprocal compensation for usage through February 29, 2000 at the appropriate state commission rates. Both parties may bill each other retroactively for the usage not billed between March 1, 2000 and the date on which it is officially announced that the merger will not close, based on appropriate state commission rates or the currently existing interconnection agreement(s). U S WEST and McLeodUSA agree to pay the nondisputed portion of such retroactive usage billing at the appropriate state rates within five (5) business days of receiving each other's invoices for the same. In addition, if the merger does not close, the parties will immediately amend their existing interconnection agreements accordingly.

- d. **INTERIM PRICING:** Subject to merger closure and in consideration for the bill and keep arrangement agreed upon above, U S WEST and McLeodUSA agree that all interim rates, except reciprocal compensation rates, will be treated as final and any final commission orders entered in any of the 14 states in U S WEST's territory through April 30, 2000, and on a going-forward basis through December 31, 2002, (except as such orders may relate to reciprocal compensation rates for the period between March 1, 2000 and December 31, 2002—reciprocal compensation is addressed in paragraph 1.e. of this document) will be applied prospectively to McLeodUSA, and not retroactively. In addition, U S WEST agrees that this settlement term will apply throughout the terms of the parties' existing interconnection agreements. Thus, both Parties agree not to bill each other for any true-ups associated with final commission orders that affect interim prices and release claims for such true-ups. These settlement terms will be documented in, and subject to, a confidential billing agreement between the parties.
- e. **CENTREX SERVICE AGREEMENTS:** For McLeodUSA's five-year Centrex Service Agreements that expire before December 31, 2002, the parties agree to extend the terms and pricing of those agreements until December 31, 2002. This settlement term will be documented in, and subject to, a confidential billing agreement between the parties.

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

2. Effective immediately, U S WEST and McLeodUSA will engage in good faith efforts to resolve any outstanding issues. In addition, McLeodUSA agrees to provide to U S WEST a revised prioritized forecast for its services by May 31, 2000. Upon the successful merger of U S WEST and QWEST, U S WEST agrees, with its successor, to continue to work in good faith with McLeodUSA, on a business-to-business basis, on matters important to the parties' business relationship.

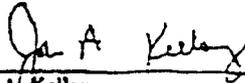
Trade Secret Data Ends

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

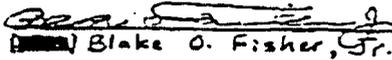
Terms of settlement accepted by:

U S WEST, INC.



John A. Kelley  
President, Wholesale Markets

MCLEODUSA



Blake O. Fisher, Jr.

Group Vice President

5

NONPUBLIC DOCUMENT  
CONTAINS TRADE SECRET DATA

**15. McLeod**

**Purchase agreement with Qwest Communications  
Corp. and its subsidiaries (McLeod buys from Qwest)  
dated 10/26/00**

SUBJECT TO RULE OF EVIDENCE 408

2.1 Subject to the provisions of this section 2, by December 31, 2001, McLeodUSA will purchase a minimum of \$150 million of Products and in the event purchases by McLeodUSA do not meet this minimum, McLeodUSA agrees to make a payment to Qwest, no later than January 15, 2002, in an amount equal to the difference between actual purchases and the minimum.

2.2 Subject to the provisions of this section 2, from January 1, 2001 through December 31, 2002, McLeodUSA will purchase a cumulative minimum of \$310 million of Products, and in the event purchases by McLeodUSA do not meet this minimum, McLeodUSA agrees to make a payment to Qwest, no later than January 15, 2003, in an amount equal to the difference between actual purchases and the minimum.

2.3 Subject to the provisions of this section 2, From January 1, 2001 through December 31, 2003, McLeodUSA will purchase a cumulative minimum of \$480 million of Products, and in the event purchases by McLeodUSA do not meet this minimum, McLeodUSA agrees to make a payment to Qwest, no later than January 15, 2004, in an amount equal to the difference between actual purchases and the minimum.

2.4 The minimum purchase requirements provided above shall be changed proportionally, but in no event to exceed \$480 million in the cumulative aggregate, if the following occur to a material degree:

2.4.1 A reduction in the rates for any of the Products.

2.4.2 Products are no longer offered without adequate substitution.

2.4.3 Any sale of current Qwest exchanges where McLeodUSA is doing business.

2.4.4 Delays in the delivery of an ordered Product that cause McLeodUSA difficulty in meeting its minimum commitments.

2.4.5 Release, sale, transfer or relinquishment of any current collocation back to Qwest by mutual agreement.

2.4.6 McLeodUSA's business is prevented, restricted or interfered with by a Force Majeure as described in section 1.7.

2.4.7 Changes in technology eliminating the need for certain services provided by Qwest, provided Qwest has the right of first refusal to provide the technology.

2.5 The Parties will meet to discuss all proposed changes in requirements or payments pursuant to this section 2, and will resolve any disputes pursuant to Escalation Procedures to be developed by the Parties, before any payment or change in requirement is made.

NONPUBLIC DOCUMENT