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November 26, 2002

Arizona Corporation Commission
Docket Control – Utilities Division
1200 West Washington Street
Phoenix, AZ 85007

RE: In the Matter of US West Communications, Inc.'s Compliance With
Section 271 of the Telecommunications Act of 1996
Docket Nos. T-00000A-97-0238

Dear Sir/Madam:

Enclosed for filing are the original and 15 copies of Eschelon Telecom, Inc.'s Letter and Exhibits E-N through E-T in connection with the above docket.

Please feel free to contact me with any questions.

Sincerely,

Kim K. Wagner
Senior Legal Secretary
Eschelon Telecom, Inc.
(612) 436-6225

Enclosures

Arizona Corporation Commission
DOCKETED

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November 26, 2002

Maureen A. Scott
Attorney, Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007-2996

Re: *In re. U S WEST Communications, Inc.'s Compliance with § 271 of the Telecommunications Act of 1996*, Docket No. T-00000A-97-0238

Dear Ms. Scott:

Qwest, now under new management, appears to have begun to back-slide with respect to positions it has previously articulated in this matter. Eschelon Telecom, Inc. ("Eschelon") would like to receive clarification as to Qwest's positions, as well as assurance that Qwest is not retaliating against Eschelon for its opposition to Qwest before this Commission and the Federal Communications Commission ("FCC"). A group of recent communications from Qwest has caused concern that Qwest's new management is back-sliding and the latter may be the case. Eschelon requested assurance that this is not the case from Qwest directly (*see* Exhibits E-Q and E-T)¹ but received none.

Eschelon will briefly outline the communications here.

1. UNE-P Interconnection Agreement Amendment (see Ex. E-N).

More than two years ago, Eschelon raised with this Commission, as an issue to be resolved in this proceeding, Qwest's insistence on an "anti-competitive prerequisite," before making UNE-P available, of requiring an unnecessary interconnection agreement amendment. *See* Eschelon's Comments Addressing UNE Combinations, *In re. U S WEST Communications, Inc.'s Compliance with § 271 of the Telecommunications Act of 1996*, Arizona Docket No. T-00000A-97-0238 (Sept. 21, 2000) ("Sept. 2000 Comments") (Exhibit E-21), pp. 4-9.² As Eschelon then indicated, Qwest had taken the position that an amendment was required, even though Eschelon has an interconnection

¹ Eschelon begins with Exhibit E-N, because it filed Exhibits E-1 through E-21 and E-A through E-M previously in this docket. To avoid confusion with exhibits filed earlier, Eschelon will continue to number exhibits consecutively.

² *See also* Verification of Garth Morrisette (same) (both documents are part of Eschelon Exhibit 4-1 in this proceeding, AZ Docket No. T-00000A-97-0238, and were identified in the July 30-31, 2002 workshop in this matter as Exhibit E-21.).

agreement with Qwest in every one of the states in which it operates, including Arizona,³ that requires Qwest to provide UNEs “in combination” in accordance with the Act, FCC rules, and state law.⁴ *See id.* p. 5. Eschelon operates under the same interconnection agreement today. The interconnection agreement provides that Commission-approved rates will apply (*see* Att. 1, § 1),⁵ and therefore Qwest is recovering its costs for each element that Eschelon orders pursuant to the contract and Commission orders and rules.

In response to concerns raised by CLECs about Qwest’s anti-competitive prerequisite, Qwest announced at the outset of the October 2000 workshop in this matter that it had changed its position. Qwest said it agreed to combine elements, including UNE-P and EEL, on behalf of CLECs in all 14 of its states. *See* Tr. Vol. I, p. 8, lines 7-10 (Oct. 10, 2002). Qwest said that it would offer UNE-P and EEL combinations in every one of its states at cost-based rates. *See id.* at p. 28, line 25 – p. 29, line 1. Eschelon specifically requested, and received from Qwest, assurance that Qwest was going to do so without requiring an amendment to the interconnection agreement:

“MS. CLAUSON: You may have gone beyond this, but am I correct in saying that you’re going to do combinations, you’re going to drop the requirements for a contract amendment if we already have a contract?”

MR. CRAIN: That is – yes.

MS. CLAUSON: Yes. So that is something we’ve been asking for for a long time, and we appreciate that.”

Id. at p. 31, line 21 – p. 32, line 4. The Qwest-Eschelon interconnection agreement has not changed since Qwest made this representation. The same contract terms allow Eschelon to order the UNE-P combination today that should have allowed Eschelon to do so then. Because Qwest announced its position in October of 2000 that it would offer UNE-P to CLECs at cost-based rates without a contract amendment, the parties did not further litigate the issue in this proceeding.

³ *See* Agreement for Local Wireline Network Interconnection and Service Resale Between Advanced Telecommunications, Inc. and U S WEST Communications, Inc., for the State of Arizona, Agreement No. CDS-000106-0212; Decision No. 62489 (Jan. 20, 2000) (“Agreement”). The Agreement deals specifically with issues such as the definition of “Combinations,” *see id.* Part A, p. 4; cooperative testing of combinations, *see id.* ¶ Att 3, Para 18.1; service order process requirements for combinations, *see id.* Att. 5, ¶ 2.2.2.1, and other issues.

⁴ *See* Eschelon-Qwest Interconnection Agreements: AZ, Part A, ¶ 21 & Att. 3, ¶¶ 3.3 & 18.1; CO Part A, ¶ 8.1 & Att. 3, ¶¶ 2.4 & 15.1; MN, Part A, ¶ 20 & Att. 3, ¶ 14.1; OR, Part A, ¶¶ 19 & 36 & Att. 3, ¶ 14.1; UT, Part A, ¶ 21 & Att. 3, ¶¶ 3.3 & 18.1; WA, Part A, ¶ 21.1 & Att. 3, ¶¶ 1.2.2 & 18.1.

⁵ Approved rates do not also include Qwest proposed rates that have not been approved by the Commission (such as rates that have been allowed to go into effect as part of an SGAT, to which Eschelon is not a party, but which were not approved by the Commission). *See* Exhibit E-9, pp. 20-21; *see also* Eschelon’s FCC Comments, 02-314, (Oct. 15, 2002), p. 43, note 54.

This month, however, Qwest has changed its position without proper notice and due process to Eschelon and without correcting the record in this case. On November 12, 2002, Qwest's sales representative for Eschelon's account sent a unilateral announcement to Eschelon stating not only that an interconnection agreement amendment is required for UNE-P but that Eschelon's "refusal" to sign one creates an "*untenable*" situation. *See* Exhibit E-N, p. 2 (emphasis added). Eschelon does not understand how its reliance on Qwest's affirmative representations to the Commission on the record in this case can be described as either a "refusal" or "untenable."

Commission staff should ask Qwest to explain for the record the date its position changed, the basis for the change, and the process used to unilaterally impose this position upon Eschelon without bringing this information to the Commission. Eschelon also seeks assurance that Qwest will not unilaterally impose rates not approved by this Commission on Eschelon without adhering to proper procedures, such as requesting approval of such rates from the Commission.

Qwest's letter (Exhibit E-N) is an example of not only back-sliding in positions, but also of other issues raised by Eschelon during the July 2002 workshop. In its letter, Qwest confirms that it unilaterally imposes proposed rates, even when those rates are not approved by the Commission or negotiated by the parties. If Qwest does not have an approved rate, Qwest has not proven a cost basis for claiming a rate. *See* Exhibit E-9, pp. 20-21. What Qwest describes as a "surrogate" is simply an unfounded claim for a rate that Qwest has never proved it is owed. What Qwest describes as an out-of-process "scrub" is simply an effort to attempt to obtain enough information to verify the bills and correct inaccuracies in the bills. *See* Exhibit E-N, pp. 4-5. Eschelon has a contractual right to accurate and timely bills from Qwest. (*See* Att. 5, ¶ 4.3.6.) As Eschelon described at the workshop, however, Qwest's bills contain inaccuracies and are difficult to verify.⁶

In addition, Qwest's letter (Exhibit E-N) demonstrates Qwest's unilateral imposition of rates. Qwest simply announces that, if Eschelon does not agree to the amendment that Qwest said in this case was not needed, Qwest will unilaterally "employ the SGAT rates in place as of April, 2002,⁷ for UNE-P elements that are not covered in Eschelon's ICAs, or otherwise governed by a cost docket order." *See* Exhibit E-N, p. 3 (footnote added). Qwest does not identify such elements, and Eschelon is aware of none. Because of the difficulty of verifying Qwest's bills, it may be some time before Eschelon discovers the rates and may challenge them. Qwest may not like some of the rates approved by the Commission, or it may wish the Commission would have approved

⁶ *See, e.g.*, Exhibit E-9, pp. 18-24 & Exhibit E-17.

⁷ It is ironic that Qwest is asserting it will impose unspecified rates on Eschelon as of *April* 2002, when Qwest is not yet billing Eschelon accurately for rates that this Commission ordered Qwest to apply effective in June of 2002. Apparently, Qwest has the ability to bill retroactively on short notice when it benefits Qwest to do so.

additional rates, but that does not mean that the approved rates do not cover all elements or are otherwise inadequate.

Qwest attempts to formulate its letter as a request to negotiate an amendment and Eschelon's position as a "refusal" to do so. Its allegation that Eschelon is "refusing" to negotiate an amendment is, however, inconsistent with Qwest's representations in this case that an amendment is not required, as discussed. In addition, the manner in which Qwest delivered its message is inconsistent with a true desire to negotiate in good faith with Eschelon. Ongoing interconnection agreement negotiations are currently underway between Eschelon and Qwest. Those negotiations have dealt with other issues and have not yet reached discussion of Attachment 1 and rates under the new contract when it goes into effect. Linda Miles acts on behalf of Qwest in those negotiations. Just last week, Ms. Miles of Qwest contacted me directly regarding issues in the negotiations. In addition to the ongoing negotiations, the current interconnection agreement contains notice provisions. Qwest knows how and with whom to raise contract negotiation issues at Eschelon. Instead, for its November 14th letter, Qwest circumvented those processes and delivered its message directly to Eschelon's Vice President of Network Financial Management. A message that a monopoly will unilaterally impose unspecified rates on a date certain takes on a certain character when delivered directly to the CLEC representative receiving the bills. Particularly when telling that person that the current situation is "untenable," the letter and the manner of its delivery create concerns.

Perhaps staff could determine whether Qwest's statements in the record in this proceeding (*see* Tr. Vol. I, p. 31, line 21 – p. 32, line 4) are accurate.

2. **Another Amendment Allegedly Is Required for Access to Special Request Process (see Ex. E-O).**

Eschelon was very clear at the July 2002 workshop that it "has not opted in to any SGAT." *See, e.g.*, Exhibit 9, p. 20. Qwest knew that Eschelon was operating under its interconnection agreement with Qwest (based on the AT&T contract) in July, as it is now. At the July 2002 workshop, Qwest testified that Eschelon was free to use Qwest's publicly available Special Request Process, posted on Qwest's web site, to obtain access to alleged Advanced Intelligent Network ("AIN") features. Qwest said, for example:

"MR. CRAIG: So remote call forwarding is available as a switch-based feature. If Eschelon were to submit a special request, we will go through the special request process to make sure all the technical details and all of the technical feasibility issues are worked with the vendor, and we'll activate the feature."

See Tr. Vol. II, p. 303 line 21 – p. 304, line 2. *See also:*

"MR. BELLINGER: Okay.

Andy, I understood you to say the feature was available on switch and you would provide it?

MR. CRAIN: If it is, they could get it through a special request.

Id. p. 305, lines 20-24.”

Qwest also testified that the special request process was readily available to Eschelon on Qwest’s wholesale web site. For example, Qwest said:

“MR. BELLINGER: And this is documented on the Web site?

MR. CRAIG: I believe it’s part of the special request process that’s on the Web site.”

Id. p. 311, lines 12-15.⁸

After the July workshop, Eschelon believed that Qwest “had a take back to provide a list of switches in which the feature is activated to Eschelon, *see id.*, p. 313, lines 11-13 & 18-20.” *See* Exhibit E-B, Eschelon’s Late Filed Exhibit, Impasse Issues, p. 2 (Sept. 10, 2002). But, Qwest did not provide this information to Eschelon in its late filed exhibits. *See id.* After Eschelon later learned that Qwest would not provide this information, Eschelon followed Qwest’s instructions at the July workshop.⁹ Eschelon used the Special Request Process posted on Qwest’s web page to request access to Remote Access Forwarding. Although Eschelon disagrees that this is an AIN feature and does not agree that it should not be available with UNE-P, Eschelon relied on Qwest’s representations in this matter that it could at least use the Special Request Process. That

⁸ *See* Exhibit E-D (Aug. 15, 2001), pp. 16-17 (“Although Eschelon started raising this issue with Qwest more than a year and a half ago, Qwest could not tell Eschelon at the July 30-31, 2002 Arizona 271 workshop whether this feature is activated in any of its switches. It claimed that it has a process in place to make switch feature capability available and added that there may be some costs associated with it. If so, none of the many individuals at Qwest with whom Eschelon has dealt on this matter for a long period of time are trained on the process. They have not made it available to Eschelon. ***It appears that Qwest’s position now is that Eschelon must, at this late date, use the Special Request Process to receive a response as to the availability of Remote Access Forwarding capability in the switch. Several months ago, Eschelon referred specifically to the Nortel documentation showing that the feature is in the switch when requesting the feature to be clear that Eschelon was requesting the capability of the switch. As indicated, no one at Qwest directed Eschelon to this process. Instead, they indicated that the capability is simply unavailable, making completion of any such a process a futile effort.***”) (emphasis added).

⁹ If Qwest now claims that its statements assumed this Special Request Process was in place (despite Eschelon’s clear statements about its contract versus the SGAT), Qwest was less than forthcoming on this point. Eschelon and the staff were clearly asking Qwest to identify the requirements for obtaining this feature, and Qwest remained silent on this point, at best.

process is supposed to identify the costs of obtaining a feature, if Qwest is claiming that there is a cost.¹⁰

Qwest denied Eschelon's request, claiming (as with UNE-P) that a contract amendment is required. On November 18, 2002, Eschelon's service manager told the marketing person who submitted the special request:

"In reviewing your Interconnection agreement, it was determined that in order to use the Special Request process *Eschelon would need to add an amendment.*"

See Exhibit E-O (emphasis added). She then sent a form amendment to Eschelon. The form refers to SGAT provisions that are inapplicable to Eschelon's current interconnection agreement with Qwest.

The terms of the existing interconnection agreement, which was approved by this Commission, help demonstrate the inequity of Qwest's approach to unilaterally requiring contract amendments when doing so benefits Qwest. The Eschelon-Qwest interconnection agreement expressly states that unbundled switching includes AIN features. It says:

"Local Switching is the Network Element that provides the functionality Such functionality shall include all of the features, functions, and capabilities that the . . . switch is capable of providing The Local Switching function also provides access to . . . Advanced Intelligent Network ("AIN")."

Att. 3, ¶ 10.1.1. Apparently, Qwest is claiming that a change in law renders this language invalid. If so, the Qwest-Eschelon interconnection agreement provides that, when a rule or regulation renders language invalid, "the Parties will negotiate in good faith for replacement language." *Id.* at Part A, ¶ 6.1. Whenever Qwest determined that it would not provide AIN features as part of the switching function with UNE-P, Qwest did not obtain replacement language for this provision. Qwest simply unilaterally adopted the position that it would not provide AIN features and that Remote Access Forwarding was such a feature. Because CLECs do not have a monopoly or power over access to the

¹⁰ If that is the case, Qwest could have informed Eschelon of the charges when Eschelon first inquired about the remote access forwarding feature, so that Eschelon could have either paid or challenged them. Particularly if any such fees are large, the issue raised in October of 2000 by Mr. Beach of WorldCom becomes relevant once again. See Tr. Vol. I, p. 82 line 12 – p. 83 line 4 (Oct. 10, 2000). If there are no proprietary or other restrictions on an incumbent's ability to choose between providing a feature through the switch or through an AIN platform, the incumbent has an incentive to use the AIN platform to prevent competitors from winning customers who desire those features. If Qwest pays a right to use fee, it both has economies of scale that justify the cost and has the ability to recover the costs through recurring rates. In fact, some of those costs may already be accounted for in the recurring switch port rate. If, however, Qwest may choose to provide that same feature through an AIN platform, regardless of whether it is proprietary, small carriers without those same economies of scale are effectively precluded from providing through UNE-P the same feature that is available to Qwest retail customers. See Exhibit E-D, p. 17.

network, they cannot unilaterally enforce their positions. Qwest can require amendments to delay CLEC rights while immediately implementing its positions without such amendments.

Qwest currently includes Remote Access Forwarding (AFD/AFM) on its list of "Features, Products, & Services Unavailable with UNE-P Products" on its wholesale web site.¹¹ As Qwest has now articulated its position, posting of this list on the Qwest website is sufficient to deny CLECs access to this feature regardless of contract terms, but posting of its Special Request Process on the same website is insufficient to provide CLECs access to this feature.

It is now almost four months after the July workshop. It has been more than two *years* since Eschelon and WCOM raised the issue of access to Remote Access Forwarding and non-proprietary AIN features in this proceeding.¹² Eschelon still does not have access to Remote Access Forwarding or even an idea as to the alleged cost of obtaining it. Because of Qwest's choice to provide this functionality through the AIN platform instead of activating it in the switch, Qwest retail may offer this feature to its customers while Eschelon still cannot offer it to its UNE-P customers. It appears that Qwest would like to delay providing at least a cost quote, as well as switch availability information, to Eschelon while this proceeding is pending.

So that the staff and Commission may make an informed decision, however, staff should require Qwest to provide the information requested at the workshop (a list of switches in which the feature is activated, *see* Tr. Vol. II, p. 313, lines 11-13 & 18-20) and a cost quote for activating the feature in its switches. For all of the reasons previously stated, the staff should also recommend that Remote Access Forwarding should be available with UNE-P.¹³

3. UNE-E Mechanization and Accurate Billing (see Ex. E-P).

At the July 2002 workshop, Eschelon and McLeod indicated that 100% of the bills for UNE-Eschelon ("UNE-E")/UNE-McLeod ("UNE-M")/UNE-Star are inaccurate.¹⁴ Unlike UNE-P, this product is still ordered, provisioned, and billed as resale.¹⁵ Both Eschelon and McLeod indicated that an interim credit/true-up process (to

¹¹ See <http://www.qwest.com/wholesale/pcat/une-p.html> (click on "UNE-P Features Not Available" under "Optional Features" for UNE-P general information).

¹² See Tr., Vol. I, p. 82 line 12 – p. 83 line 4 (Oct. 10, 2000).

¹³ In its memorandum relating to UNE-E mechanization, Qwest claims that "the demand for UNE-E is on the decline now as new orders are nearly at a standstill (being replaced by UNE-P)." See Exhibit E-P, p.2. Ironically, at least as long as Qwest continues to refuse to provide Remote Access Forwarding (and other features) with UNE-P, this statement will remain untrue. Eschelon must continue to order UNE-E when customers request Remote Access Forwarding, because Qwest chooses to place the feature on AIN instead of activating it in its switches.

¹⁴ See, e.g., Exhibits E-12 & E-13 (Affidavits of Lynne Powers and Ellen Copley).

¹⁵ See AZ Tr. Vol. II, p. 302, Ins 7-8; *see also id.* p. 301, Ins 7-9; (FCC Ex. 11).

estimate the amount due instead of the billed resale rate) is used instead of accurate billing, although a long-term process was supposed to be developed to render accurate bills.¹⁶

Qwest responded that it was working on solutions to deliver accurate bills and that it believed it could provide accurate UNE-E/UNE-M/UNE-Star bills by the end of this year. Qwest testified:

“MS. DUBUQUE: This is Toni. I’d like to address where we are with the UNE-Star product, we are working right now with Eschelon on options for mechanizing the UNE-E billing process. And we have been meeting with them over the last three weeks. In fact, I think today is the day the final questions are being sent to Eschelon. They had a number of questions about the process and how we would go about converting their existing base. So that work is in progress with a *commitment to mechanize the UNE-E billing by the end of the year.*”

Tr. Vol. II, p. 322, lines 2-12 (emphasis added). See also:

“MS. DUBUQUE: One of the things we are continuing to work on is to make this process as transparent to Eschelon as possible. And in the last three days, we have come up with a solution that will make option 2 not something that will have to go through CMP. And Eschelon will be receiving a document today that will spell out that process.

We have also offered to convert their existing base of UNE-Star. In other words, we at Qwest will issue all of the orders that will convert their existing base in order to ensure that the mechanized billing will all be in place by the end of the year.

MS. POWERS: Question, Toni. *Will those be record only changes to our base?*

MS. DUBUQUE: *Yes, they will.*

MS. CLAUSON: Again, that was the commitment in November of 2000, to transparent to us convert the base to UNE-Star. *So that’s not a new commitment. What you’ve added is now you’re saying you can do it by the end of the year?*

MS. DUBUQUE: *Correct.*

MR. BELLINGER: Mechanized billing, they agree to do it by the end of the year.

MS. CLAUSON: If we agree to this option 2, which we haven’t seen yet.”

¹⁶ See AZ 271 Tr., Vol. II, p. 291, line 13 – p. 295, line 1 & p. 320, line 18 – p. 321, line 6; see Ex. 2 attached to Ex. E-9; see also Exhibit E-D, pp. 52-55.

See Tr. Vol. II, p. 332, line 20 – p. 333, line 19 (emphasis added).

After the workshop, Qwest presented its new option to Eschelon for converting customers to produce accurate bills. Despite two years of promised mechanization, the process was highly manual and, given the experience with Qwest's manual processes, would not be "transparent" to the customer. *See Exhibit E-P, pp. 6-8 (and enclosures).* Although Qwest testified that the changes to the base of customers would be record only work (*see above*), Qwest revealed after the workshop that it would use a manual process to attempt to avoid switch work and facility changes. Unless the Qwest typist remembers to manually add certain information to the order, the order would automatically go to the switch and/or facility assignment. No one would be prepared for this to happen, and an end user service affecting condition would occur. As the earlier Qwest documentation in Exhibit E-P shows, this is not the process, or "tool," that Qwest indicated over a period of many months that it had been developing, and it does not meet Qwest's commitment to avoid adverse customer impact with a transparent conversion. The proposal also imposed a resource burden on Eschelon for work Qwest committed to do. *See id.* Eschelon asked Qwest to honor the commitments it had made with respect to this issue.

Eschelon did not receive a response from Qwest. After pursuing the issue, Qwest finally responded. Three and a half months after the July workshop at which Qwest indicated that it was working on implementing its commitment to Eschelon, Qwest sent a memorandum to Eschelon *stating that Qwest's position now is that the commitment ended on March 1, 2002.* *See Exhibit E-P, p. 3.* Qwest did not explain in the memorandum why Qwest testified in July that it was working on implementing a commitment then that allegedly ended four months earlier. In contrast, at the July 2002 workshop, Qwest did not mention an end date of March 1, 2002, and it reaffirmed the commitment to mechanize UNE-E:

"MS. CLAUSON: Again, that was the commitment in November of 2000, to transparent to us convert the base to UNE-Star. *So that's not a new commitment. What you've added is now you're saying you can do it by the end of the year?*

MS. DUBUQUE: *Correct.*"

See Tr. Vol. II, p. 333, lines 12-17 (emphasis added).

The new version of events laid out in Qwest's November 14, 2002 memorandum is not only inconsistent with this Workshop testimony but also with Qwest documentation created contemporaneously with events at the time the commitment was made. In its November 14th memorandum, Qwest creates a version of events in which the parties agreed upon a manual process that "solved" the problem of UNE-E mechanization. *See Exhibit E-P, p. 2 ("Background").* Then, only later, did Eschelon allegedly identify a need for UNE-E mechanization in "an ongoing series of discussions involving executives

of both companies.” *See id.* Compare this new version of events with Qwest’s own contemporaneous description, in which the manual process was always interim (as an integral part of “the DEAL”) in the short-term and always intended to be replaced by a mechanized process in the long-term:

Freddie Pennington (product Management) will elaborate more at today's meeting, BUT here's some of that information that I promised you regarding the internal efforts of Qwest *to implement the DEAL*:

Qwest has identified a Process Implementation CORE team to develop short and long-term solutions.

Most of the *short term objectives* have been completed and implemented.

.

How will Eschelon be billed? *Qwest continues to bill lines, features at Resale rates through existing resale billing process.*

.

Other short-term areas of concern that are being addressed are:

.

Long-term areas of concerns that have teams developing solutions:

Identify existing and new USOCs necessary to bill new product platform

.

Develop billing process for flat-rated UNE-Deal

.

See Exhibit 2 to Powers Affidavit (AZ Ex. E-12); see also AZ Tr. Vol. II, p.323, lns 1-15; see also enclosures to Exhibit E-P (in which Qwest describes the “tool” it was allegedly developing to convert the base without the manual work now being proposed).

Qwest’s own documentation establishes that interim and long-term processes were always envisioned by the parties. At least Qwest recognized this at the workshop and said it was working on a solution. The solutions proposed to date do not sufficiently protect end user customers from adverse impact, but at least proposals were being made. Now, almost four months after the Workshop, Qwest is not even recognizing that there is something to discuss.

In addition, Qwest interjected a new and unreasonable demand relating to DMOQs. In its letter of November 14, 2002, Qwest states:

“Qwest *demand*s that Eschelon affirmatively acknowledge that, in rejecting the mechanization, Eschelon knowingly and intentionally *compromises any further claim for DMOQs based on UNE-E billing* (at least insofar as it relates to the lack of mechanization).”

See Exhibit E-P, p. 3 (emphasis added). Eschelon has not rejected mechanization. Eschelon has simply asked Qwest to abide by its commitments to mechanize in a manner that is transparent to Eschelon and its end user customers – a commitment recognized by Qwest at the July workshop. Now, Qwest “demands” that Eschelon both expose its customers to undue risk of adverse impact and give up its ability to enforce DMOQs relating to billing accuracy. This is a big step backwards from Qwest’s position at the Workshop that it would work with Eschelon to implement a solution for a transparent conversion by the end of the year.

Perhaps staff could determine whether Qwest will provide a workable solution.

4. Threats to Disrupt and Disconnect Service (see Ex. E-Q).

Qwest has been sending collection letters to Eschelon’s billing group that provide very little information about the alleged debt but nonetheless indicate Qwest may disrupt or disconnect service. *See, e.g.*, Exhibit E-Q. For example, on October 10, 2002, Qwest sent to Eschelon a letter that states:

“If Qwest does not receive this amount in our office by October 24, 2002, we will take action with respect to your accounts, including, but not limited to, suspension of service orders and the disconnection of services.”

See Exhibit Q-R. Based on little information and only 14 days notice from the mailing date of the letter, Qwest said that it “will take action” including “suspension of service orders and the disconnection of services.” *See id.* With its monopoly power and position as Eschelon’s only vendor in many cases, Qwest’s statements must be taken seriously.

The Qwest-Eschelon interconnection agreement describes remedies for late payment, but those remedies do not include disruption of service or disconnection. (*See* Part A, Section 3.)¹⁷ Such remedies would be particularly inappropriate, in any event, based on so little information and notice. Eschelon has objected to this practice to Qwest’s billing representatives,¹⁸ service manager,¹⁹ and attorneys.²⁰ Eschelon also asked Qwest’s attorneys to forward the issue to any additional appropriate personnel at Qwest who can deal with this issue. On October 11, 2002, Eschelon sent an email to Qwest’s attorneys and billing representatives regarding Qwest’s collection letters:

¹⁷ With respect to late payment charges, Qwest has represented to the FCC that it is not assessing those charges. Qwest said: “Of note, if a CLEC is late in its bill payment, since January 2002, Qwest has not charged CLECs any late payment charges.” Notarianni & Doherty Reply Decl. ¶ 224 (filed in this docket on July 29, 2002). (Qwest should not single out Eschelon for different treatment. *See* Exhibit E-D, p. 52.) To state that late payment charges are not being applied without mentioning that, instead, the carrier is suggesting service will be disrupted or disconnected leaves a different impression from Eschelon’s actual experience.

¹⁸ Scott Martin, Robert Martin, Julie Tigges, Susan Hutchins, and Terrell Cloke at Qwest.

¹⁹ Jean Novak at Qwest.

²⁰ Richard Corbetta and Jason Topp at Qwest and Mark Myhra, outside counsel for Qwest.

The letters state, for example, that "further collection action" could include "an interruption in the processing of LSRs and eventual service disruption." The letters are generic and contain a lump sum with no detail as to the basis for the lump sum payments so cannot be verified. (When Eschelon attempts to discuss the billing issues with Qwest, its representatives state that they do not have access to BillMate, the format in which Eschelon receives its bills. This makes reconciliation even more difficult.) In its letters, Qwest cites no authority in the contracts or the law for Qwest's collection practices, intervals stated in the letter, and anti-competitive threats. If Qwest plans to continue this practice, Qwest needs to follow the law and, if any such collection practice is allowed, provide a the breakdown of the amount due showing the basis for the claim (and not a lump sum that cannot be verified), cite the specific authority for each action Qwest states it may take, and follow all notice and other procedures required by the applicable contract and laws for each state. The letters sent to date do not constitute notice at all because they were not sent to the proper addresses under the notice provisions of the contracts (which, in at least MN, require a copy to the commission) or any of these other procedures.

Please provide your specific citations to the contractual and legal authority in each state (AZ, CO, MN, OR, UT, WA) for Qwest's claim that it can engage in these collection practices. Eschelon's contract provides for certain practices, such as in some cases late payment charges (see MN, Att. 7, para. 15). With respect to late payment charges, however, Qwest has represented to the FCC that it is not assessing those charges, and Qwest cannot single out Eschelon for different treatment. Eschelon has not located any provision in any interconnection agreement allowing Qwest to disrupt Eschelon's service. Qwest's threats to do so are extremely serious and are taken as such at Eschelon. We need assurance that Qwest will not disrupt our service.

Please provide a prompt response to this important issue. If you will not be handling this matter, please let me know who at Qwest will be doing so.

See Exhibit E-Q.

Although Qwest indicated that it would respond within a week or so to Eschelon's request, Qwest has not yet responded.

Qwest did rescind some of these letters on an individual basis. This individual action, however, does not address Qwest's policy and whether Qwest will continue to send letters containing such language without citing a basis for it or providing detail as to the amount allegedly due. For example, Qwest at least temporarily rescinded its letter of September 30, 2002 on an individual basis but reserved the right to take further collection action. With respect to the letter received October 10, 2002, Eschelon believed it had a

reasonable basis to continue disputing the charges but paid the claim under protest to avoid the consequences outlined by Qwest in the letter (*see above*). As Eschelon has indicated to Qwest, Eschelon is concerned about the right hand not knowing what the left hand is doing at Qwest so that a disruption in service occurs because someone at Qwest was not notified of the "rescission."

If there are circumstances that the law recognizes as warranting disruption of service or disconnection using Qwest's current process upon which Qwest relies, Qwest should identify those laws and follow their procedural provisions. More is needed than letters with lump sum amounts that do not provide factual or legal bases for the statements to disconnect or disrupt service and do not follow necessary procedural steps. Eschelon's request that Qwest provide a basis for its statements (and, if none, to cease making them in the current manner) is reasonable.

Perhaps the staff can obtain a response from Qwest to Eschelon's questions about the basis for Qwest's statements and the approach Qwest has taken.

5. Denial of Request to Opt-in to McLeod 2002 Rates (see Exs. E-R & E-S).

At the July 2002 workshop, McLeod described agreements with Qwest under which Qwest had stopped making payments. *See, e.g.*, Tr. Vol. II, p. 320, line 12 – p. 321, line 11. Qwest suggested that this was simply a matter of late payments. *See, e.g.*, Tr. Vol. II, p. 316, lines 22 – p. 317, line 16. Since then, Qwest has terminated agreements with McLeod and entered into a new 2002 amendment with McLeod that provides McLeod with new, lower rates for UNE-M/UNE-Star. *See Exhibit E-R*, pp. 1-2. Eschelon sent Qwest a written request to opt-in to the McLeod rates. *See id.* pp. 3-4. Qwest denied Eschelon's request. *See id.* pp. 5-6.

As the basis for its denial of Eschelon's request to pick-and-choose provisions of McLeod's agreement for opt-in, Qwest pointed to differences in the McLeod and Eschelon Amendments that are allegedly integral to the agreements so that they cannot be separated from the rates for purpose of the pick-and-choose rule. *See id.* pp. 5-6. Qwest pointed to the "minimum line commitments" in the Amendments (which it now refers to as "volume" commitments) and a couple of features. In 2000, however, Qwest offered identical rates to Eschelon and McLeod, despite these differences in the Amendments. For example, in Eschelon's 2000 UNE-E amendment (filed with the Arizona commission in fall of 2000), Eschelon agreed to minimum line commitments ranging from 50,000 lines to 200,000 lines. *See Exhibit E-S (Interconnection Agreement Amendment Terms, Nov. 15, 2000, ¶2.3)*. Also in the fall of 2000, McLeod agreed to larger minimum line commitments. *See Exhibit E-S (McLeod Amendment, Oct. 26, 2000, ¶2.3)*. McLeod's minimum line commitments started with a minimum of 275,000 lines. *See id.* Despite the difference in this and some other terms of the Eschelon and McLeod UNE-E and UNE-M amendments, the rates were identical. *Compare Exhibit E-S(a) (McLeod Amendment, ¶2.3) with Exhibit E-S(b) (Eschelon Amendment, ¶2.3)*.

Qwest did not alter the McLeod 2000 minimum line commitments or the features of UNE-M when it entered into a new 2002 amendment with lower rates. Pursuant to the pick-and-choose provisions of the federal Act, Eschelon has proposed to opt-in to those rates.²¹ With the proposed opt-in, Eschelon's minimum line commitments and the features of UNE-E would not change from 2000, just as McLeod's minimum line commitments and the features of UNE-M did not change from 2000. The UNE-E and UNE-M rates were identical then, and under Eschelon's request, the rates would also be identical now. Qwest, however, has denied Eschelon's request.

Perhaps the staff can obtain from Qwest a clarification of these issues, in light of statements that Qwest has made publicly and in this proceeding²² about the availability of opt-in and pick-and-choose options for filed agreements.

6. Choice Between 271 Participation and Full Cooperation (see Ex. E-T).

Qwest's senior service manager for the Eschelon account recently informed Eschelon that, once Eschelon "raises an issue" in a 271 proceeding, Eschelon has to get answers from Qwest on those business issues through the regulatory process. *See* Ex. E-T. Eschelon confirmed this statement in writing and asked Qwest, if there was any misunderstanding at all about her or Qwest's position on this issue, to clear it up immediately. *See id.* Qwest did not respond, indicate that there was any misunderstanding, or suggest that Qwest's position was otherwise. *See id.* In the particular situation in which this broader issue arose, Qwest's service management team agreed to respond to Eschelon's carrier relations manager about the root cause analysis for examples in a spreadsheet by a particular date. The date came and went with no response from Qwest service management. Later, when Eschelon asked about the deadline and whether a response would be received from Qwest, Qwest provided the described response. Instead of providing the data that had been promised earlier, Qwest's service manager sent Eschelon's carrier relations manager to Eschelon's regulatory department so that Eschelon had to try to find the Qwest response in Qwest's numerous filings with the FCC.

Qwest is the party that has raised a number of issues in the state and federal 271 proceedings, and many of these issues affect Eschelon. Eschelon should not have to be silent on those issues when Eschelon disagrees strongly with Qwest's assertions in those proceedings. At the same time, Eschelon should not have to surrender its ability to

²¹ Qwest indicates on its wholesale web site that: "You have the option to 'pick-and-choose' portions of other contracts to create an agreement." *See* http://www.qwest.com/wholesale/clecs/clec_index.html.

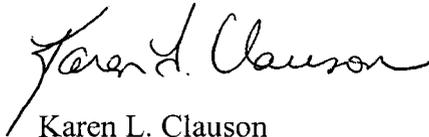
²² *See, e.g.,* Response of Qwest Corporation to Staff's Request for Comment, T-00000A-97-0238 (June 27, 2002), p. 4 (Qwest said: "This commitment ensures compliance with any reasonable standard under Section 252, triggering Commission review under Section 252(e) and **adoption rights under 252(i)**. Consequently, CLECs have the full protection of Section 252 to access interconnection services and unbundled network elements **under Section 251**. . . .") (emphasis added).

attempt to work through business issues with the service management team while the very lengthy proceedings are pending. The industry is regulated, and regulatory proceedings will inevitably be pending. As Eschelon said to Qwest, however, doing business through regulatory proceedings alone can cause delay. *See id.* The business may need the information before a particular deadline in a regulatory matter. The issues in the pending proceedings are also broader than the responses sought by Eschelon, and Eschelon does not have the resources to wade through all of that information to find each relevant response. Qwest has far more resources than Eschelon for addressing issues and participating in the proceedings. With its relatively vast resources, Qwest can produce hundreds and even thousands of pages of FCC and regulatory filings, and Eschelon has few resources to go find the needle in a haystack.

Eschelon asked Qwest to provide an assurance that Qwest will not impede Eschelon's business rights due to Eschelon's participation in 271 proceedings. Perhaps staff can obtain that information.

Eschelon appreciates the opportunity to raise these issues in this proceeding.

Sincerely,



Karen L. Clauson
Sr. Director of Interconnection
(612) 436-6026

cc: Service List (letter), by U.S. mail
Arizona email distribution list (letter and exhibits), by email
Filed with the Arizona Corporation Commission and staff (letter and exhibits),
by overnight delivery
Letter and exhibits sent to Qwest, by overnight delivery

I hereby certify that the original and 15 copies of Eschelon Telecom, Inc.'s Letter and Exhibits E-N through E-T, regarding Docket No. T-00000A-97-0238, attached, were filed by e-mail and Airborne Express on November 26, 2002 with:

Arizona Corporation Commission
Docket Control – Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007

Copies were served by e-mail and United States Mail on November 26, 2002, upon the following parties:

acrain@qwest.com; aisar@millerisar.com; andrea.harris@allegiancetelecom.com;
brian.thomas@twtelecom.com; cbutler@cc.state.az.us; chuttsel@czn.com;
csteese@steeselaw.com; danielwaggoner@dwt.com; dconn@mcleodusa.com;
dkbac@AOL.com; docket@cc.state.az.us; ejohnson@cc.state.az.us;
eric.s.heath@mail.sprint.com; gdoyscher@frontiercorp.com; hpliskin@covad.com;
jlnovak@qwest.com; joyce.hundley@usdoj.gov; jsburke@omlaw.com; jtopp@qwest.com;
kc1838@txmail.svc.com; lfarmer@cc.state.az.us; lgodfrey@att.com; lipschultzd@moss-
barnett.com; mam@gr-espel.com; mark.dinunzio@cox.com; marktrincher@dw.com;
mdoberne@covad.com; mhazzard@kelleydrye.com; mjarnol@qwest.com;
mkallenberg@cc.state.az.us; mmg@gknet.com; mpatten@rhd-law.com; Mscott@cc.state.az.us;
PBullis@ag.state.az.us; raricha@qwest.com; rwolters@att.com; sduffy@sprintmail.com;
swakefield@azruco.com; TCampbel@lrlaw.com; tcw@gknet.com; thomas.f.dixon@wcom.com;
tracigrundon@dwt.com

Dated: November 26, 2002.



Kim K. Wagner

ESCHELON EXHIBITS¹

ARIZONA 271 WORKSHOP, July 30-31, 2002

1. Talking Points: Issues Eschelon Raised in September Of 2000 in Arizona 271 that Remain Problems Today (July of 2002) [FCC 8/15 Exhibit 7]
2. Excerpt from Nortel Technical Publication (NTP) 297-8021-350, Standard 13.02 (showing Remote Access Forwarding is switch feature)
3. Change Request Number SCR060702-1, Z-Tel (“Migrating Customers using the Conversion As Specified Activity Type”)
4. Qwest Service Manager Email Exchange with Eschelon [FCC 8/15 Exhibit 12]
5. Eschelon Report Card Summary, April 2002 [FCC 7/3 Exhibit 3]
6. Eschelon Report Card Definitions
7. Eschelon Report Card Graph (with data), January 2001 – April 2002 [FCC 8/1 Exhibit 6a]
8. Eschelon Report Card – Qwest Performance by Month, January 2001 – April 2002 [FCC 8/1 Exhibit 6b]
9. Comments of Eschelon Telecom, Inc. in Opposition to Qwest’s Consolidated Application, *In the Matter of Qwest Communications International, Inc. Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota*, FCC Docket No. 02-148 (July 3, 2002) (“FCC Comments”)
10. FCC Comments Exhibit 1, Discovery Responses Regarding Checklist Items (MN) [FCC 7/3 Exhibit 1]
11. FCC Comments Exhibit 2, Discovery Responses Regarding Checklist Items (WA)² [FCC 7/3 Exhibit 2]
12. FCC Comments Exhibit 4, Affidavit of F. Lynne Powers [FCC 7/3 Exhibit 4]
13. FCC Comments Exhibit 5, Affidavit of Ellen Copley [FCC 7/3 Exhibit 5]

¹ Eschelon Exhibits 1-21 were submitted during the July workshop. Exhibits E-A through E-M were submitted as late filed exhibits after the July workshop. Therefore, the exhibits accompanying the 11/26/02 Letter begin with Exhibit number E-N. The FCC posts comments and exhibits on its website. (Eschelon FCC Exhibit 25, filed with the FCC on October 15, 2002, is a Table of Exhibits to the Eschelon exhibits in the FCC Qwest 271 dockets.)

² Exhibit 3 to Eschelon’s FCC Comments is the April 2002 Report Card Summary. See Exhibit 5 for this Workshop (above).

14. FCC Comments Exhibit 6, Qwest and Eschelon Exchange of Emails Regarding Collocation [FCC 7/3 Exhibit 6]
15. Eschelon Change Requests Regarding IMA-GUI (SCR062702-02, SCR062702-03, SCR062702-04, SCR062702-05, SCR062702-07, SCR062702-08, SCR062702-09, SCR062702-10)
16. USWEST Time & Materials Invoice and Eschelon Emails Regarding Another Example
17. Arizona UNE-P bill issues summary
18. Talking Points: Collocation and Interconnection
19. Collocation Construction/Dust Documentation
20. Change Management Process (CMP) Non-Compliance Emails [FCC 8/15 Exhibit 15]
21. Excerpt from Eschelon Exhibit 4-1 (AZ Workshop 4, October 2000): Eschelon's Comments Addressing UNE Combinations, *In re. U S WEST Communications, Inc.'s Compliance with § 271 of the Telecommunications Act of 1996*, Arizona Docket No. T-00000A-97-0238 (Sept. 21, 2000) ("Sept. Comments"); *see also* Verification of Garth Morrisette (same)

LATE FILED EXHIBITS – POST WORKSHOP

- E-A Impasse: Service Affecting Performance & Reporting (9/5/02)
- E-B Impasse Issues (9/11/02)
- E-C Impasse: Collocation and Interconnection (with attachments 1-4) (9/11/02)
- E-D Eschelon's Comments, FCC 02-148 (8/15/02)
- E-E SATE Impasse Issue (9/11/02)

COMMENTS ON CGE&Y REPORT (11/11/02)

- E-F Eschelon's Ex Parte Comments, FCC 02-148 and FCC 02-189 (9/4/02) (distributed by email on 9/4/02 to AZ 271 email distribution list) with email [FCC 10/15 Exhibit 26]
- E-G Qwest email: PSON check as status inquiry [FCC 10/15 Exhibit 40]

- E-H Eschelon email: Scope of data reconciliation [FCC 10/15 Exhibit 41]
- E-I Spreadsheet (CGEY & Eschelon cases)
- E-J Seventeen migration troubles in those CGE&Y found OP-5 eligible
- E-K Sample distribution list for Eschelon Report Cards provided to Qwest
- E-L Qwest email: UNE-Star ordering process
- E-M Qwest email: Migration project process email
- E-N UNE-P amendment requirement
- E-O Special Request Process amendment requirement
- E-P UNE-E Mechanization
- E-Q Letters re. disrupt or disconnect service
- E-R 2002 McLeod amendment, Eschelon request, Qwest denial
- E-S (a) 2000 McLeod UNE-M amendment & (b) 2000 Eschelon UNE-E amendment
- E-T Requests through regulatory process

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

From: Anne Richardson [SMTP:raricha@qwest.com]
Sent: Tuesday, November 12, 2002 10:29 AM
To: wdmarkert@eschelon.com
Cc: Toni Dubuque; Scott Martin; Judy Taylor; Terrell Cloke; Coleen Austin;
richard.corbetta@qwest.com; Jean Novak; Joan Masztaler; Beth Halvorson;
mam@gr_espel.com; Michael Whitt
Subject: SGAT rates for UNE-P

Bill -

Attached is a letter clarifying Qwest's position on the billing of SGAT rates for certain elements of UNE-P. I'll send a hard copy to you, as well.

Anne



SGAT rates for UNE P
11.12.02....

(See attached file: SGAT rates for UNE P 11.12.02.doc)



Qwest
200 South Fifth Street, Suite 2400
Minneapolis, MN 55402
612 663-0215

Anne Richardson
Sales Director
Wholesale Strategic Accounts

Mr. William Markert
Vice President – Network Financial Management
Eschelon
730 Second Avenue South
Suite 1200
Minneapolis, Minnesota 55402

Re: Use of SGAT rates for UNE-P

Dear Bill:

The Qwest billing group is receiving disputes from Eschelon relating to the billing of certain UNE-P rate elements in some states. To the extent those disputes are based on the fact that the UNE-P rates charged differ from rates currently in Qwest's SGAT, this letter is intended to clarify Qwest's position on the matter.

As you know, Qwest holds that the interconnection agreements ("ICA") between Qwest and Eschelon do not fully address the terms and conditions (including rates) of provisioning UNE-P. Further, the parties currently have no ICA amendment governing UNE-P. This results in an aberrant situation, both in terms of the clear intent of the federal act to encourage the establishment of *contractual* terms and conditions of interconnection, and in terms of Qwest's interconnection relationships with other CLECs (whereby Qwest and the CLECs routinely execute ICA amendments to establish clear and firm contractual rights and obligations for services not covered by the initial ICA). Frankly, the situation is also untenable.

Qwest has requested on several occasions that Eschelon execute an appropriate amendment, but Eschelon has refused. The fact that Eschelon continues to order UNE-P without the existence of a contract amendment leaves the terms and conditions of interconnection undefined and ripe for dispute.

Without the amendment, even the price – an essential term of provisioning UNE-P – must rely on a surrogate source, like SGAT.

As you know, the lack of an UNE-P amendment has required Qwest to charge and try to enforce certain rate elements for UNE-P *not* covered in Eschelon's ICA, such as nonrecurring charges for loop installation. In those cases, Qwest has used the prevailing cost docket rates, if a relevant cost docket order existed. Otherwise, where no cost docket rate existed, Qwest has billed Eschelon for UNE-P elements employing the SGAT rate as of April, 2002.

At Eschelon's request, Qwest reviewed and updated the rates for pertinent UNE-P elements on a one-time basis in April/May 2002. This update was entirely an "out-of-process" update. (For "in process" rate changes, Qwest uses a customer's ICA and amendment as the basis for updating cost docket rates.) Although SGAT rates change with some regularity and in some cases, have changed since the rates were updated in May 2002, Qwest will not again be manually "scrubbing" the rate tables that produce Eschelon's bill.

With this background, I formally request that Eschelon execute an appropriate UNE-P amendment. If Eschelon wishes to have more clarity around UNE-P rates, Qwest stands ready to negotiate an UNE-P amendment with Eschelon. Frankly, we would welcome a negotiation on this matter to achieve clarity for both parties regarding the terms and conditions for the UNE-P product.

If Eschelon refuses to negotiate an amendment, then Qwest will employ the SGAT rate in place as of April, 2002, for UNE-P elements that are not covered in Eschelon's ICAs, or otherwise governed by a cost docket order. To be clear, Qwest will no longer "scrub" Eschelon's UNE-P rates on a revolving basis.

Please advise me of your preferred course of action.

Sincerely,

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

From: Markert, William D.
Sent: Wednesday, November 13, 2002 1:55 PM
To: 'Anne Richardson'; Markert, William D.; Clauson, Karen L.; Copley, Ellen M.
Cc: 'Toni Dubuque'; 'Scott Martin'; 'Judy Taylor'; 'Terrell Cloke'; 'Coleen Austin'; 'richard.corbetta@qwest.com'; 'Jean Novak'; 'Joan Masztaler'; 'Beth Halvorson'; 'mam@gr_espel.com'; 'Michael Whitt'; Boyd, Geoffrey M.
Subject: RE: SGAT rates for UNE-P

Anne,

Please tell me the purpose of sending this letter to me. Eschelon expects to be billed commission approved rates or rates negotiated between the parties. All of our state interconnection agreements allows for Eschelon to be billed according to provisions of the 1996 Act, rules and regulations of the FCC and Commission rules and regulations. The interconnection agreements mention that the rates may change from time to time with other Commission decisions.

We disagree that our interconnection agreements exclude combinations of unbundled network elements (UNE-P). We have loops, local and transport usage elements and switch ports in our interconnection agreement. We have the ability to install lines in our interconnection agreements. I thought both parties agreed earlier this year that a UNE-P amendment would not be necessary.

I think Qwest has mistaken the issue about referencing SGAT rates. Eschelon uses the SGAT as a source to pull Commission approved rates when disputing the non-commission approved / incorrect rates Qwest bills month in and month out. We do not reference the SGAT for services that reflect Qwest proposed rates or for services we don't order. Qwest is proclaiming in these SGATs via the footnotes that the rates without a note next to them are approved by the Commission.

Most of our disputes revolve around the fact that Qwest is not billing commission approved rates. It has little to do with individual elements that are or are not in our contract. What we buy is in our contract.

Your letter claims you will not be manually scrubbing the rate tables that produce Eschelon's bills. Does that mean, Qwest will not be fixing the inaccurate billing Eschelon is receiving every month?

In addition, your billing reps are not providing the necessary detail when Eschelon disputes certain amounts within a bill. See examples of responses attached. There is no detail to determine what amounts are being sustained and what amounts are being credited. Eschelon provides detail for the dispute. Qwest has to provide that same level of detail, something Qwest agreed to in our monthly billing meetings. Please rectify this immediately. Eschelon will not recognize these notices until such time as Qwest responds with the necessary detail that make up the lump sums.

As for getting more clarity surrounding our rates, it is apparent to me that Qwest doesn't want to fix our rates. We asked Qwest to get a list of what rates were in our profile so we could do Qwest's validation work. We hoped Qwest would use the information to populate the correct rates. That way, both parties wouldn't have to waste time every month processing disputes. From your letter, it appears that Qwest doesn't care about the accuracy of its bills.

In conclusion, I am extremely dissatisfied with having to dispute over \$800K per month, or roughly 25-30% of my monthly charges because of incorrect rates being billed.

You ask in your letter what our preferred course of action is. Eschelon's preferred course of action is demanding Qwest to populate valid and accurate rates in our profiles and correct our billing.

Thanks.

Bill Markert

=====

[ENCLOSURES REDACTED]

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

From: Novak, Jean [SMTP:jlnovak@qwest.com]

Sent: Monday, November 18, 2002 8:19 AM

To: Korthour, Mary J.; Novak, Jean

Cc: Johnson, Bonnie J.

Subject: RE: Special Request Application

Importance: High

Mary,

In reviewing your Interconnection agreement, it was determined that in order to use the Special Request process Eschelon would need to add an amendment.

I have requested the amendments for Colorado and Minnesota. The amendments were sent on Friday, November 15 to your Eschelon contact.

Thanks, jean

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

From: Novak, Jean [SMTP:jlnovak@qwest.com]
Sent: Thursday, November 14, 2002 9:17 AM
To: klclauson@eschelon.com
Cc: bjjohnson@eschelon.com; Masztaler, Joan; Dubuque, Toni; Richardson, Anne;
Austin, Coleen
Subject: UNE - E Response to September 13, 2002

Karen,
Joan has asked that I provide to you this response to the email sent on
September 13, 2002.

Thanks, jean



une STAR
RESPONSE to Karen Cla...

MEMORANDUM

TO: Karen Clauson
FROM: Joan Masztaler
DATE: November 14, 2002
RE: UNE-E Mechanization

I am responding formally to your email correspondence of September 13, 2002 to Jean Novak regarding "UNE-E accurate billing." My response attends to the main issue raised by your email regarding mechanized billing of UNE-E, as well as an issue that Eschelon has treated in the past as related to mechanized billing – DMOQ credits. Finally, I seek some clarification from you regarding an aspect of your email that I do not understand.

Background: As you know, UNE-E was essentially a customized product that Qwest agreed to implement for Eschelon. Its rates were not loaded or loadable into Qwest's billing system, and Eschelon's monthly invoice for UNE-E had to be generated using resale rates. In short, a "mechanized" bill reflecting UNE-E at UNE rates rather than resale rates presented some system analysis and modification. In order to immediately offer the UNE-E product, Qwest and Eschelon jointly agreed upon a manual process to true-up the monthly invoices – a process which ensures that the amount actually billed to Eschelon is accurate and mutually agreed upon prior to any cash outlay by Eschelon. This process effectively solved the problem that the UNE-E invoices were not mechanized. In other words, Eschelon has not had to pay more, for UNE-E than the value of UNE-E services Eschelon actually received.

In an ongoing series of discussions involving executives of both companies, Eschelon has described a need to receive mechanized invoices (monthly) for UNE-E services provided by Qwest. Qwest has tried to meet Eschelon's stated need, and has worked hard to find a way to mechanize the UNE-E billing system, even though demand for UNE-E is clearly on the decline now as new orders are nearly at a standstill (being replaced by the UNE-P). The issue of mechanized billing has expended a significant amount of Qwest's time and resources over the past several months.

Mechanization Status: There are two pieces to the mechanization of the UNE-E product, first the mechanization of new orders that will be placed as UNE-E and subsequently billed as UNE-E; and second the conversion of the current embedded base. Qwest identified a means to effect the mechanization Eschelon requested of both new orders and the embedded base. Qwest has already invested heavily in the project and will move forward with the mechanization of new orders. As of December 20, 2002, any new UNE E order can be issued via IMA and will appear on your monthly billing statement as UNE E.

For the existing-embedded base of UNE-E Qwest stands ready, willing and able to complete this mechanization as well. At the 11th hour, however, Eschelon has reversed its position and now states it does not wish to proceed with mechanization of the embedded base. Eschelon's stated rationale appears to be that a *potential* risk to the embedded base of UNE-E customers *perceived* to be associated with the implementation of the project is beyond an acceptable level. Qwest disagrees that there is a significant *bona fide* risk associated with the implementation of the mechanization as planned. Qwest acknowledges, as it always has in response to Eschelon's request for a "guarantee" of perfection in the context of this implementation, that human error is a possibility, on the part of Eschelon's personnel and Qwest's personnel, in any implementation process that involves some manual steps.

In any event, Eschelon can't have it both ways. Eschelon can't complain about manual billing on the one hand, but refuse to permit mechanization of the embedded base on the other. If Eschelon decides to reject the mechanization of the embedded base that it has previously requested, Qwest will abandon the project for the conversion of the embedded base, even though Qwest stands ready to implement it. But, Qwest demands that Eschelon affirmatively acknowledge that, in rejecting the mechanization, Eschelon knowingly and intentionally compromises any further claim for DMOQs based on UNE-E billing (at least insofar as it relates to the lack of mechanization).

DMOQs: In light of the manual reconciliation process agreed upon, and its effective resolution *in advance of cash payments or billing credits* of any difference between resale rates and UNE rates, it is disingenuous for Eschelon to claim that Qwest's UNE-E billing triggers BI-4 violations for purposes of DMOQ calculations. DMOQs, in the context of "accurate billing," are intended to ensure that one party does not pay more for a service than it should be paying. In short, accurate billing means that the amount charged/paid mirrors the value of the services received. The manual process agreed upon has operated effectively, and both parties have routinely and amicably come to agreement on the true-up amounts. In the few cases wherein Eschelon believed the true-up amounts were inaccurate, the amounts involved were minimal. Furthermore Qwest tended to the matter and corrected any errors. Indeed, from a cash flow perspective, Eschelon has benefited under the manual system, as Qwest has forwarded dollars in advance to Eschelon to reconcile any difference between resale and UNE rates. Thus, although Eschelon has not "overpaid" for UNE-E services received, Eschelon has enjoyed the benefit of "services plus cash" each month, and actually has a net gain in value each month, at least until it pays the outstanding invoice.

As noted, the manual system is working for the parties. Eschelon's try for DMOQs in this context is legally and factually untenable, and Qwest does not believe the MPUC would countenance the windfall it would represent to Eschelon. Qwest strenuously objects to Eschelon's calculation of DMOQ credits under BI-4 using the monthly UNE-E bills to trigger the BI-4 count, and Qwest will litigate this issue if necessary.

Request for Clarification: You have previously referred to a contractual obligation, or "promise" by Qwest to implement mechanized billing. I would appreciate your providing me the documentation demonstrating such a contractual obligation. Qwest legal teams have reviewed the documents addressing the various contractual rights and obligations between our companies, and do not find any agreement relating to a promise to mechanize the monthly bills for UNE-E. There are documents regarding mechanization in the area of switched access to assist in calculation of minutes of use, but nothing regarding mechanizing UNE-E invoices *per se*. I would appreciate receiving the documentary basis of the "promise" to which you frequently refer.

In summary, Qwest is unable to confirm the existence of a contractual obligation regarding mechanized UNE-E billing, and if one were established, any dispute connected to such an obligation would appear to have been fully resolved on March 1, 2002.

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

From: Clauson, Karen L.
Sent: Thursday, November 14, 2002 1:41 PM
To: 'Mark A. Myhra'
Subject: FW: UNE - E mechanization/ Qwest November 14, 2002 Response to Eschelon September 13, 2002 email/Eschelon reply

fyi

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

From: Clauson, Karen L.
Sent: Thursday, November 14, 2002 10:41 AM
To: 'Novak, Jean'; Masztaler, Joan
Cc: Johnson, Bonnie J.; Dubuque, Toni; Richardson, Anne; Austin, Coleen; 'Corbetta, Richard'; Markert, William D.; Oxley, J. Jeffery
Subject: RE: UNE - E mechanization/ Qwest November 14, 2002 Response to Eschelon September 13, 2002 email/Eschelon reply

We asked for a response two months ago, and only after repeating our request for a response, did we receive this letter.

This issue is not closed, and Eschelon does not agree with the statements in your letter. The manual system is not working. It results in 100% inaccurate bills, and the true up is only an approximation of the rate and not the true rate. Qwest has not lived up to its agreement. Both McLeod and Eschelon testified at the July AZ 271 workshop to the interim nature of the arrangement, and Qwest's promises to mechanize. Qwest also testified that it was mechanizing UNE-E. Qwest's belated argument that it doesn't have an obligation to do so after March, even though it represented it was doing so in July, will likely ring hollow with the AZ commission, as it does with us.

As outlined in Eschelon's September 13 email, with its enclosures (copied below), the representations that Qwest made about work it claimed it was doing and has done are very different from what Qwest is now saying. Qwest promised a mechanized process that would avoid customer affecting problems. In fact, Qwest claimed that many hours of systems work had already been done to accomplish that mechanization. Now, Qwest is proposing a highly manual process that experience with Qwest's manual processes shows is a bona fide problem. Qwest has never explained why it said for a long time that it was working on a "tool" to mechanize this process, then told us that no work had been done and this would have to go through CMP with a high estimate of hours for the level of effort, then retracted that statement and said the systems work had mostly been done, and then said, never mind, this will be manual. Qwest's obligation to do the mechanization has not changed; its position as to meeting that commitment has shifted all over the board.

Regarding the last sentence of your letter, Qwest specifically agreed, in the March 1 Settlement Agreement (paragraph 3(e)), to make UNE-E available using existing business processes. The existing businesses process includes using an interim only true up while Qwest completes mechanization, which it agreed to do some time ago. If the existing process were to change, the language in paragraph 3(e) would be quite different. It would say that the existing process would be changed from interim to final and would be used without mechanization, contrary to Qwest's commitment to the contrary. Not only

does the agreement not say that, such a dramatic change in the terms of UNE-E was never discussed. I have copied Richard Corbetta, who was involved in those discussions, unlike any of the other Qwest representatives on this email. He knows that Qwest never made such a request to change the terms in that manner. We agreed to proceed with UNE-E, and Qwest has failed to live up to this commitment, as well as its earlier ones.

With respect to DMOQs, Eschelon made no such agreement. The bills are 100% inaccurate. This should be reflected in the billing accuracy measure. Qwest owes Eschelon money pursuant to the DMOQs.

I am out this afternoon and tomorrow. After I return, we'll decide whether to respond more fully or just go directly to the Commissions.

Our email:



UNE-E accurate billing

Qwest's response:



une STAR
RESPONSE to Karen Cla...

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

From: Clauson, Karen L.
Sent: Friday, September 13, 2002 1:21 PM
To: 'Novak, Jean'
Cc: 'Masztaler, Joan'; 'Beach, Jennifer'; 'Rein, Kathy'; 'Austin, Coleen'; 'Richardson, Anne'; Koetke, Michelle E.; mam@gr-espel.com; richard.corbetta@qwest.com; Korthour, Mary J.; Powers, F. Lynne; Johnson, Bonnie J.; Markert, William D.
Subject: UNE-E accurate billing

Bonnie told you that we would respond to Qwest's plan for UNE-E mechanization by today. Here you go:

Embedded base: Qwest has presented to Eschelon its current plan for mechanization to provide accurate bills for UNE-E (i.e., reflecting UNE-E instead of resale rates). We appreciate the information that you provided during the conference call. As I said on the call, however, unfortunately the plan Qwest described relies too heavily on manual handling. There is too much risk of adverse end-user impact. And, the current plan would impose resource burdens on Eschelon when Qwest agreed to do this for Eschelon. Qwest needs to present to Eschelon a plan that is consistent with Qwest's obligations to provide accurate bills and to do so without imposing these risks and burdens on Eschelon. As indicated below, Qwest previously described the changes it was making to do this conversion as a billing only change, and Qwest needs to deliver on its promise to do the work on its back end without impacting our customers.

New orders: With respect to new UNE-E ordering on a going forward basis, Eschelon is interested in submitting trial orders to test this process. We need to ensure that all of the features, functionalities, and capabilities available with UNE-E at this time are also available, at the same prices, using the new ordering process. (If Qwest built limitations into its generic UNE-Star product that are not part of Eschelon's UNE-E interconnection amendment, those restrictions would not apply to Eschelon or any CLEC opting into Eschelon's amendment.) We also need to ensure that there is no adverse customer impact. As discussed below, Jeff Thompson of Qwest previously advised Eschelon not to move to new UNE-E ordering until after the embedded base was converted. We do not know why that direction has changed and want to confirm performance before deciding whether to proceed with the new ordering process for all of our orders. Please discuss with Bonnie Johnson when test orders for new UNE-E orders can be placed.

Below is more background information/detail.

Manual handling under current plan v. promised mechanization

On May 23, 2001, Qwest told Eschelon that it was developing a tool to do the work on its side to ensure accurate UNE-E provisioning and billing. Qwest said that this tool would involve a billing change only, except in limited circumstances. Eschelon asked Qwest for more detail so that Eschelon could estimate the number of Eschelon customers the non-billing only changes would involve. (Jeff agreed to provide a written description of the two types of

activities/results that will occur: (1) changes to billing systems only, where no information flows to the switch and thus customers are not affected; and (2) changes that are not to billing systems only, so data will flow to the switch, and changes will be made to customer's lines/service, by COB on June 1st." See enclosed email summary.) In response, Qwest (Dennis Martinez and Jeff Thompson) provided the enclosed matrix. It describes the changes that Qwest said it was in the process of making at that time to convert Eschelon's base (so it would receive accurate UNE-E bills and Qwest could provision UNE-E). According to that chart, every change was "internal to the billing system," with only one exception. **The only change requiring "service orders** to convert provisioning and billing" was "Measured Service to Non-Measured Service" for resale POTS to UNE-Star POTS conversion. As indicated in the enclosed emails confirming Eschelon's understanding of this chart, the latter orders constitute only approx. 1% of Eschelon's base. Therefore, Eschelon understood that, when the promised system changes were made, only 1% of Eschelon's base would be exposed to potential adverse end-user impact from risk of service order and associated errors. The other 99% of the work would be billing changes only, with no risk to the end-user customer's service.

Initially, when Qwest presented what it called "Option 2" for UNE-E mechanization, Qwest said that it still had not completed the promised systems work and that doing so would require 4200 hours of development. Later, Qwest presented a "Revised Option 2" that required no development and instead the USOCs simply need to be loaded and some testing conducted. Qwest explained that, when it presented its previous version of "Option 2," it had not involved the Qwest personnel from the original UNE-E team. After checking with them, Qwest said it found that the development had been completed already. Therefore, it appeared that the "tool" promised by Qwest was already developed.

Under the current plan, however, Qwest has said that it will type service orders in **every** instance. This is dramatically different from the promises made to Eschelon in making the interconnection agreement amendment and in discussions with Qwest at the time that Qwest's internal UNE-Star team was claiming it was implementing the agreement. See, e.g., enclosed Qwest chart (service orders required in only **one** minor instance). This new plan introduces at least two major categories of risk of harm to adverse end-users: (1) typing errors in entry of service orders; and (2) failure to add the FID that Qwest has said is necessary to prevent the order from flowing through to the switch and assignments. These risks are too great, and they are not what Eschelon bargained for. The risks are particularly unacceptable because Qwest has said that it will provide no guarantee to Eschelon that harm will not result or that Eschelon will be made whole for the harm. Eschelon has no protection, therefore, from the risk now introduced by Qwest.

Resource burden on Eschelon for work Qwest committed to do

In addition to the risk of adverse customer impact, Qwest's current plan introduces a resource burden for Eschelon that was not anticipated or bargained

for. Given Qwest's new plan, Eschelon would have to devote resources to project managing this project and working on and escalating any problems resulting from errors that inevitably result from manual handling of service orders. Though no LSR's need to be sent Eschelon would still have a need to:

1. Identify accounts for migration and communicate information to Qwest
2. Change line type in TBS. (this would require placing a TBS order on each account)
3. Flag ONYX that the account is converting
4. Flag access care the account is converting
5. Work escalations with Qwest when customer is

impacted.

Also, although Qwest changed its response to indicate that there would be no moratorium (processing time while orders are in progress), there would have to be some period of time when a change could not be made because other work was being done. This is customer impacting.



Conversion Review



[Fwd: [Fwd: FW:
Conversion Rev...



IT call today/summary

Karen L. Clauson
Sr. Director of Interconnection
Eschelon Telecom, Inc.
730 2nd Ave. South, Suite 1200
Minneapolis, MN 55402
Phone: 612-436-6026
Fax: 612-436-6126

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

From: Dennis Martinez [SMTP:dmmart1@uswest.com]
Sent: Friday, June 01, 2001 4:19 PM
To: Mark Routh; Clauson, Karen L.
Cc: Jeffery Thompson; Freddi Pennington; Terri Davis
Subject: Conversion Review

The attached document contains information on the changes that will take place for the conversion of POTS and Centrex to UNE-STAR services.

Please let me know if you have any questions or concerns.



eschelon UNE.doc



Card for Dennis
Martinez

Dennis Martinez



Qwest

Resale POTS to UNE – STAR POTS Conversion

Changes:

- 1) CSR Appearance
- 2) Product Rates
- 3) Measured Service to Non-Measured Service
- 4) Packages will be unbundled, all features will be individually rated and displayed.
- 5) A mechanized process will be implemented for the suppression of Switched Access.
- 6) PICC charges will not be billed.

Systems:

- 1) Internal to the billing system
- 2) Internal to the billing system
- 3) Will require service orders to convert provisioning and billing.
- 4) Internal to the billing system
- 5) Internal to the billing system
- 6) I
- 7) Internal to the billing system

Resale Centrex to UNE – STAR Centrex Conversion

Changes:

- 1) CSR Appearance
- 2) Product Rates
- 3) A mechanized process will be implemented for the suppression of Switched Access.
- 4) PICC charges will not be billed.

Systems:

- 1) Internal to the billing system
- 2) Internal to the billing system
- 3) Internal to the billing system
- 4) Internal to the billing system

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

From: Jeffery Thompson [SMTP:jlthomp@uswest.com]
Sent: Monday, June 04, 2001 11:58 AM
To: Clauson, Karen L.
Cc: Powers, F. Lynne; Dennis Martinez; Freddi Pennington
Subject: [Fwd: [Fwd: FW: Conversion Review]]

Karen:

Yes, the chart from Dennis is the response to my action item (thank you Dennis), and as you can see below, Dennis agrees that you have accurately assessed the data in the chart, with the exception of the customer volumes you have stated, upon which we will reserve comment.

Thanks
Jeff

Dennis Martinez wrote:

> Jeff,
>
> Karen has accurately depicted the chart I provided. Eschelon
> customers are at risk to have service and/or features effected only when
> Qwest is processing an order through provisioning. All other activities
> are internal to billing and will only appear on outputs (i.e. Bill, DUF)
> from Qwest to Eschelon. As far as the percentage of customers Karen
> refers to I am not in a position to address this issue and assume she
> has a good handle on her customer base.
>
> Let me know if you have any questions on Karen's reply.
>
> Dennis Martinez
>
> -----
>
> Subject: FW: Conversion Review
> Date: Fri, 1 Jun 2001 17:18:04 -0500
> From: "Clauson, Karen L." <klclauson@eschelon.com>
> To: Jeffery Thompson <jlthomp@uswest.com>
> CC: Dennis Martinez <dmmart1@uswest.com>, Mark Routh
<mrouth@uswest.com>,
> Freddi Pennington <ppennin@uswest.com>, Terri Davis
<tidavis@uswest.com>,
> "Powers, F. Lynne" <flpowers@eschelon.com>,
> "Oxley, J. Jeffery"

> <jjoxley@eschelon.com>

>

> Jeff:

> Is the email below Qwest's response to your action item for today
> (copied below)? We asked for a written description that is in a format
> readily understandable to Audrey and Rick and which would allow us to
> estimate how many of our lines could potentially be affected by conversion
> of the embedded base. You indicated that you would do so and describe two
> categories of changes: (1) changes to billing systems only, where no
> information flows to the switch and thus customers are not affected; and (2)
> changes that are not to billing systems only, so data will flow to the
> switch, and changes will be made to customer's lines/service. The enclosed
> chart didn't come with any explanation, so let me ask a few questions to
> confirm what appears to be Qwest's response and avoid misunderstandings:

> --Are all of the items that are identified on the enclosure as

> "internal to the billing system" category 1 changes, where there is no
> possibility of adverse customer impact?

> --Is the item identified as "Will require service orders to convert
> provisioning and billing" a category 2 change, where data will flow to the
> switch, so Qwest will need to ensure that customers are not adversely
> affected? IF SO:

> -The chart only identifies one category 2 change (Measured
> service to non-measured service). Is this the single potentially customer
> impacting change?

> If only about 1 percent of our embedded resale base has
> measured service, are we safe in assuming that the risk of any adverse
> customer impact (including loss of features, etc., as well as loss of
> service) from conversion of the base is limited to approximately one percent
> of our base?

> If not, what are the other changes, or how have we misunderstood the
> enclosed information? We need this confirmation for upcoming conversations
> between Rick and Audrey, so would appreciate clarification as soon as
> possible. Thanks.

>

> FROM 5/23/ CALL SUMMARY, LAST ITEM:

>

> Additional Issues/Follow Up to Previous Discussions on Embedded
> Base:

>

> Eschelon observed that the information provided today, such as
> changing the RSID to ZSID, etc., seems to assume actions being taken as to
> the embedded base. Rick Smith, from his discussions with Audrey McKenney,
> however, has an understanding that the base will not be "touched,"
> particularly in the sense that Eschelon's customers will not be adversely
> affected. Freddi said that, to provide switched access to Eschelon, Qwest
> will make some actual changes. She said that, rather than Eschelon

> submitting LSRs for each order in the embedded base to make these changes,
> Qwest is developing a tool to do the work on its side. Lynne referred to
> her previous letter to Audrey on this issue in which Eschelon discussed the
> need to ensure that Eschelon's customers aren't affected when Qwest does so.
> For example, we had previously discussed whether feature packages would
> convert and, if not, ensuring that customers didn't lose features or service
> as a result. Kathy said that all feature packages will convert from resale
> to UNE-STAR in tact. Kathy said that only some line USOCs and packages
> associated with USOCs such as Custom Choice will not. Lynne asked for a
> written explanation as to what changes are being made and how Qwest will
> ensure that Eschelon's customers don't suffer. Lynne said that Qwest needs
> to have some skin in the game to ensure that this goes smoothly. Jeff said
> that he can describe the changes but that Audrey would need to deal with the
> economic consequences of things not going smoothly. Eschelon asked that
> Jeff provide enough detail that the issues would be clear to Audrey and Rick
> and so that Eschelon can estimate the number of Eschelon customers that the
> non-billing only changes may involve.

> Action: Jeff agreed to provide a written description of the two
> types of activities/results that will occur: (1) changes to billing systems
> only, where no information flows to the switch and thus customers are not
> affected; and (2) changes that are not to billing systems only, so data will
> flow to the switch, and changes will be made to customer's lines/service, by
> COB on June 1st.

>
> > -----Original Message-----

> > From: Dennis Martinez [SMTP:dmmart1@uswest.com]
> > Sent: Friday, June 01, 2001 4:19 PM
> > To: Mark Routh; klclauson@eschelon.com
> > Cc: Jeffery Thompson; Freddi Pennington; Terri Davis
> > Subject: Conversion Review

> >
> >
> >

> > The attached document contains information on the changes that will take
> > place for the conversion of POTS and Centrex to UNE-STAR services.

> > Please let me know if you have any questions or concerns.
> >

> > Dennis Martinez <<eschelon UNE.doc>> <<Card for Dennis Martinez>>

>

> -----
> Name: eschelon UNE.doc
> eschelon UNE.doc Type: Microsoft Word Document (application/msword)
> Encoding: base64

>

> Dennis Martinez <dmmart1@uswest.com>

> Billing Solutions Manager
> Information Technologies
> Wholesale - BAP
>
> Dennis Martinez
> Billing Solutions Manager <dmmart1@uswest.com>
> Information Technologies
> Wholesale - BAP
> 1005 17th St. Room 1050 Pager: 303.852.0025
> Denver Fax: 303/965.5967
> CO Work: 303.965.0363
> 80202
> Additional Information:
> Last Name Martinez
> First Name Dennis
> Version 2.1
>
> -----
>
> Dennis Martinez <dmmart1@uswest.com>
> Billing Solutions Manager
> Information Technologies
> Wholesale - BAP
>
> Dennis Martinez
> Billing Solutions Manager <dmmart1@uswest.com>
> Information Technologies
> Wholesale - BAP
> 1005 17th St. Room 1050 Pager: 303.852.0025
> Denver Fax: 303/965.5967
> CO Work: 303.965.0363
> 80202
> Additional Information:
> Last Name Martinez
> First Name Dennis
> Version 2.1

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

From: Clauson, Karen L.
Sent: Wednesday, May 23, 2001 6:54 PM
To: 'Mark Routh'; 'ppennin@uswest.com'; 'krein@Qwest.com'; 'jlthomp@uswest.com'; Powers, F. Lynne
Subject: IT call today/summary

Here is a summary from today's call. Please let me know if I have inadvertently misstated anything. Also, please pass along to Dennnis. I do not have his email address. Thanks.

Qwest Participants: Mark Routh, Jeff Thompson, Dennis M., Freddi Pennington, Kathy Rein
Eschelon Participants: Lynne Powers, Karen Clauson

Cutover Issues: Lynne said that we lost 30 cuts today due to Qwest's ASMS system, which connects to SPAC, being down. Denver knew about the problem, but Omaha did not and went ahead. Lynne said that this happens at least one day a month and is costing us customers.

Action Items from March 28, 2001 meeting:

1. When will Eschelon be able to review the list of USOC's included in our UNE-E product? Kathy Rein planed to get the list to IT on Friday March 30th and Eschelon should receive it by April 20th, 2001. Action: never received list.

Kathy Rein said that she has the list. Freddi and Kathy indicated that some of the USOCs will be the same as those currently used for resale orders and others will be new for "UNE-STAR." Kathy said that the list will be a complete list of the USOCs for UNE-E. Action: Kathy agreed to provide the USOC list to Lynne and Karen by COB on May 24, 2001.

2. Best case scenerio was that UNE-E would be implemented in IMA 7.01 and Eschelon would begin ordering resale products differently. Action: Not clear what will happen with IMA 7.01 as it relates to Eschelon ordering.

Jeff asked about "UNE-E." Kathy and Freddi indicated that Qwest considers UNE-E and UNE-STAR as the same thing. Jeff said that Eschelon should wait to implement UNE-E until Qwest changes its back end legacy systems to bill for UNE-STAR (rather than changing ordering when 7.01 is released). Lynne indicated that we need notice of when that will happen and training before it is implemented. Eschelon clarified that when the parties use the term "embedded base," they are referring to Eschelon's customers/lines before the move to ordering UNE-E (after the back end legacy systems can bill for UNE-E). Therefore, the longer it takes to start using the new ordering procedures, the longer/larger the embedded base will be. Freddie said that is Qwest's understanding as well. Action: Freddi agreed to provide a schedule of the dates for implementation of CRIS billing, IMA, conversion from resale to UNE-STAR (when base is converted to ZSID), availability of documentation on products and

ordering, and availability of training on products and ordering by COB on May 25, 2001.

Eschelon indicated that Qwest's comments regarding the availability of web-based training, UNE-E and UNE-STAR being the same, etc., suggested that the release notices, product information, and training would be the same for Eschelon as for other CLECs. Eschelon asked whether there would be any issues unique to Eschelon/UNE-E. Action: Jeff agreed to send Lynne and Karen an email, after talking with Sue McNae, as to whether training and information will be the same or different in some respects for UNE-E.

3. Jeff Thompson to explain how we are going to track originating LD for UNE-E lines. Qwest and Eschelon have agreed to engage in mutual audit with Price Waterhouse/Arthur Anderson - waiting for Audrey McKenney to execute.. Issue for Audrey McKenney/not this call.

4. Eschelon needs to know how to do an audit of the local MOU or 525 minutes per line. Qwest and Eschelon have agreed to engage in mutual audit with Price Waterhouse/Arthur Anderson - waiting for Audrey McKenney to execute. Issue for Audrey McKenney/not this call.

5. Kathy Rein to provide a flow chart of the ordering activity for UNE-E. No word on this yet. Kathy forwarded a flow chart to Lynne and Karen after the call.

6. Kathy Rein to check on why Eschelon does not receive complete completion report information. Action: No word on this yet.

Kathy said that Qwest is currently experiencing trouble with Centrex that involves the difference in using telephon and station numbers. Qwest is working on it. Jeff said that the changes will be part of the changes made to the legacy systems.

With respect to Eschelon's pending CR on clarity and completeness of loss and completion reports, Jeff said that Qwest will need to confirm whether changes made will be made as to UNE-STAR. Lynne said that she will get more information about the issues we are having and work with Steve (account rep) to resolve them.

Additional Issues/Follow Up to Previous Discussions on Embedded Base:

Eschelon observed that the information provided today, such as changing the RSID to ZSID, etc., seems to assume actions being taken as to the embedded base. Rick Smith, from his discussions with Audrey McKenney, however, has an understanding that the base will not be "touched," particularly in the sense that Eschelon's customers will not be adversely affected. Freddi said that, to provide switched access to Eschelon, Qwest will make some actual changes. She said that, rather than Eschelon submitting LSRs for each order in

the embedded base to make these changes, Qwest is developing a tool to do the work on its side. Lynne referred to her previous letter to Audrey on this issue in which Eschelon discussed the need to ensure that Eschelon's customers aren't affected when Qwest does so. For example, we had previously discussed whether feature packages would convert and, if not, ensuring that customers didn't lose features or service as a result. Kathy said that all feature packages will convert from resale to UNE-STAR in tact. Kathy said that only some line USOCs and packages associated with USOCs such as Custom Choice will not. Lynne asked for a written explanation as to what changes are being made and how Qwest will ensure that Eschelon's customers don't suffer. Lynne said that Qwest needs to have some skin in the game to ensure that this goes smoothly. Jeff said that he can describe the changes but that Audrey would need to deal with the economic consequences of things not going smoothly. Eschelon asked that Jeff provide enough detail that the issues would be clear to Audrey and Rick and so that Eschelon can estimate the number of Eschelon customers that the non-billing only changes may involve.

Action: Jeff agreed to provide a written description of the two types of activities/results that will occur: (1) changes to billing systems only, where no information flows to the switch and thus customers are not affected; and (2) changes that are not to billing systems only, so data will flow to the switch, and changes will be made to customer's lines/service, by COB on June 1st.

Karen L. Clauson
Director of Interconnection
Eschelon Telecom, Inc.
730 2nd Ave. South, Suite 1200
Minneapolis, MN 55402
Phone: 612-436-6026
Fax: 612-436-6126

Qwest

October 10, 2002

Escholon Telecom,
Inc. 730 2nd Ave S, Ste
1200 Minneapolis,
MN 55402

To Whom It May
Concern

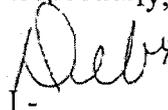
This letter constitutes written notice of nonpayment, as required under the FCC 1 Access Service Tariff. As you know, payments are due in full thirty (30) days from the bill date, and late payment charges are assessed beginning on the thirty-first (31st) day (see FCC 1, Section 2.4 1). As of today, the total amount past due is [redacted], which includes [redacted] in unpaid back balances, and [redacted] in charges regarding your dispute on BAN 612 R72-0006 006 that were sustained in writing by a letter from Scott Martin dated August 13, 2002.

If Qwest does not receive this amount in our office by October 24, 2002, we will take action with respect to your accounts, including, but not limited to, suspension of service orders and the disconnection of services. You will also need to pay all late payment charges that have been billed per the FCC I Tariff.

If we do not get the payments in full and all future payments made by the due date on the bills, we will be asking for a deposit. The deposit is held against the account for a period of 12 months, accruing interest at the percentage rate of 0.000407% (as stated in FCC 1, section 2.4.1.B.3.b.2) compounded daily for the number of days from the payment date up to and including the date you actually make the payment to Qwest. If this security falls below 95% of the actual 2-month average amount billing, additional security will be requested.

If you have already paid in full, please disregard this notice. If you have questions regarding this notice or the status of your accounts, please call me at 515 241-1228

Respectfully,



Debra Judge
Service Delivery
Coordinator Qwest
Wholesale Services

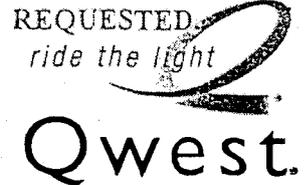
CC: Sue Hutchins

Exhibit E-Q

THIS LETTER WAS SENT VIA CERTIFIED MAIL RETURN RECEIPT

September 30, 2002

Ellen Copley
Eschelon Telecom
7302 nd Avenue S., Suite 1200
Minneapolis, MN 55402



Dear Ms. Copley,

This letter is to advise you of the past due status of LTNE-P accounts you have with Qwest. This letter constitutes written notice of non-payment as required under your applicable contract, or FCC, or state utility commission rules and regulations. Failure to respond to this letter or submit payment may result in additional treatment activity (shown below) being initiated 30 days after the date of this letter.

Prompt payment of any past due balances will prevent further collection action, which could potentially include an interruption in the processing of LSRs and eventual service disconnection. Late payment charges may also be assessed according to your contract or applicable tariff (FCC 5 2.1.8 or applicable state tariff).

If service disconnection occurs, a security deposit may be requested according to your contract or applicable tariff (FCC 5 2.1.8 or applicable state tariff). Other charges may also apply to have the account re-established.

Our records indicate a past due balance of [redacted] for the July '02 bill periods....,Following is a breakdown by state.,. If there are disputes/discrepancies that have not been identified to Qwest, please submit them for prompt resolution.

Arizona	[redacted]
Colorado	[redacted]
Minnesota	[redacted]
Oregon Utah	[redacted]
Washington	[redacted]
	[redacted]
Total	[redacted]

Please contact Julie Tigges at 515 241-1240 or Vicki Keller at 515 286-7760 within 7 days of the date of this letter with any questions regarding your accounts or payment schedule. We welcome the opportunity to help solve any problems quickly.

Sincerely,

Julie Tigges
Service -Delivery Coordinator
Qwest
900 Keo, 4 South
Des Moines, IA 50309

Vicki Keller
Service Delivery Coordinator
Qwest
900 Keo, 4 South
Des Moines, IA @0309

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

From: Clauson, Karen L.
Sent: Friday, October 11, 2002 7:54 AM
To: 'richard.corbetta@qwest.com'; 'jtopp@qwest.com'
Cc: Robert Martin; Julie Tigges; 'Terrell Cloke'; Copley, Ellen M.; 'Scott Martin'; Markert, William D.; Oxley, J. Jeffery; Ahlers, Dennis D.
Subject: Qwest collection practices

Rich and Jason:

I am sending this email to you, but please also forward it to any additional appropriate personnel at Qwest who can deal with this issue.

Enclosed is an email exchange between Eschelon and Qwest representatives regarding Qwest's collection practices. In Qwest's email, Qwest states that "Qwest does reserve the right to take further collection action." Eschelon reserves the right to challenge Qwest's actions and exercise all avenues and remedies available to Eschelon. Qwest has sent various collection letters, including the two mentioned in Qwest's email below, to Eschelon. They contain anti-competitive threats to disrupt Eschelon's service. The letters state, for example, that "further collection action" could include "an interruption in the processing of LSRs and eventual service disruption." The letters are generic and contain a lump sum with no detail as to the basis for the lump sum payments so cannot be verified. (When Eschelon attempts to discuss the billing issues with Qwest, its representatives state that they do not have access to BillMate, the format in which Eschelon receives its bills. This makes reconciliation even more difficult.) In its letters, Qwest cites no authority in the contracts or the law for Qwest's collection practices, intervals stated in the letter, and anti-competitive threats. If Qwest plans to continue this practice, Qwest needs to follow the law and, if any such collection practice is allowed, provide a the breakdown of the amount due showing the basis for the claim (and not a lump sum that cannot be verified), cite the specific authority for each action Qwest states it may take, and follow all notice and other procedures required by the applicable contract and laws for each state. The letters sent to date do not constitute notice at all because they were not sent to the proper addresses under the notice provisions of the contracts (which, in at least MN, require a copy to the commission) or any of these other procedures.

Please provide your specific citations to the contractual and legal authority in each state (AZ, CO, MN, OR, UT, WA) for Qwest's claim that it can engage in these collection practices. Eschelon's contract provides for certain practices, such as in some cases late payment charges (see MN, Att. 7, para. 15). With respect to late payment charges, however, Qwest has represented to the FCC that it is not assessing those charges, and Qwest cannot single out Eschelon for different treatment. Eschelon has not located any provision in any interconnection agreement allowing Qwest to disrupt Eschelon's service. Qwest's threats to do so are extremely serious and are taken as such at Eschelon. We need assurance that Qwest will not disrupt our service.

Please provide a prompt response to this important issue. If you will not be handling this matter, please let me know who at Qwest will be doing so.

Thank you,

Karen L. Clauson
Sr. Director of Interconnection
Eschelon Telecom, Inc.
730 2nd Ave. South, Suite 1200
Minneapolis, MN 55402
Phone: 612-436-6026
Fax: 612-436-6126

INTERCONNECTION AGREEMENT AMENDMENT

McLeodUSA Telecommunications Services, Inc. ("McLeod") and Qwest Corporation ("Qwest") (collectively, the "Parties") are signatories to an Interconnection Agreement in the State of Washington. That Interconnection Agreement has been amended by the Parties from time to time, including an Amendment approved on or about January 31, 2001. The Parties agree to amend that Amendment as follows:

In the body of the Amendment, add the following at the end of Section 1.11:

"In accordance with Section 1.10, Qwest hereby gives advance written notice of the termination of this Amendment, effective December 31, 2003. The parties agree to meet to discuss McLeodUSA's (as defined in this Agreement, as amended) conversion plans no later than July 1, 2003.

In the event that McLeodUSA does not, by December 31, 2003, convert some or all of its services, as described in this Section 1.11, the prices set forth in Attachment 3.2 of the Interconnection Agreement Amendment Terms, dated October 26, 2000, ("Prior Amendment") and not the prices set forth on Attachment 3.2 hereto, shall apply to all such services that McLeodUSA has failed to so convert. Nothing contained herein shall be construed as agreement or assent on the part of Qwest to provide to McLeodUSA, or any other party, subsequent to December 31, 2003, the services known as "UNE-M" described in and made available pursuant to the Prior Amendment; provided, such services shall continue to be provided to McLeodUSA during a commercially reasonable conversion period."

In Attachment 3.2, under the heading "Prices for Offering", replace the "Platform recurring" rates column with the following:

Platform recurring rates,
effective on September 20, 2002 and ending December 31, 2003:

AZ	\$ 20.61
CO	27.05
IA	22.47
ID	26.25
MN	24.50
MT	31.85
ND	22.54
NE	22.06
NM	26.86
OR	26.90
SD	28.45
UT	21.86
WA	21.16
WY	32.29

Apart from the foregoing, all other terms and conditions of the IA, as amended, including without limitation, the term thereof, shall remain unchanged and in full force and effect.

**McLeodUSA Telecommunications
Services, Inc.**

Qwest Corporation

Authorized Signature

Authorized Signature

Name Printed/Typed

Name Printed/Typed

Title

Title

Date

Date



October 29, 2002

By facsimile and prepaid overnight express service

R. Steven Davis
Senior Vice President, Policy and Law
and Deputy General Counsel
Qwest Corporation
1801 California Street
Denver, CO 80202
(303.992.1724)

Heidi Higer
Director Interconnection Compliance
Qwest Corporation
1801 California Street, Suite 2410
Denver, CO 80202
(303.965.4667)

Re: Opt-In Request

Dear Mr. Davis and Ms. Higer:

Pursuant to Section 252(i) of the Telecommunications Act of 1996, Eschelon Telecom, Inc. requests that the pricing terms listed below from the recent Interconnection Agreement Amendment between Qwest Corporation and McLeodUSA, concerning UNE-P, be made available to Eschelon.

On or about September 19 or 20, 2002, Qwest filed, with the state commissions, an Amendment to its Interconnection Agreement with McLeod, for approval under Section 252(e). Page 2 of that Amendment (attached) replaced a portion of Attachment 3.2 of the McLeod/Qwest Amendment dated October 26, 2000. Eschelon requests to opt-in to page 2 of the amendment to Attachment 3.2 of the Qwest-McLeod Interconnection Agreement, consisting of Platform recurring rates that are effective from September 20, 2002, until December 31, 2003. (See attached.)

Eschelon requests that page 9 of Attachment 3.2 of Eschelon's Interconnection Agreement Amendment terms with Qwest, dated November 15, 2000, be amended to add the rates in the attached page from the McLeod Amendment to the end of the "Platform

R. Steven Davis
Heidi Higer
October 29, 2002
Page 2

recurring rates" column, under the heading "Prices for Offering," and to indicate the specified time period within the term of the Eschelon Amendment that the McLeod Amendment rates apply (*e.g.*, effective as of September 20, 2002), as noted on page 2 of the McLeod Amendment. Eschelon's request applies to the states of Minnesota, Utah, Colorado, Arizona, Washington, and Oregon.

Please respond to this request in writing on or before November 8, 2002.

Sincerely,



Dennis D. Ahlers
Senior Attorney
Eschelon Telecom, Inc.
612.436.6249

cc: Qwest Law Department
Attention: General Counsel, Interconnection
1801 California Street
Denver, CO 80202

Dr. Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

J. Jeffery Oxley
Bill Markert

Platform recurring rates,
effective on September 20, 2002 and ending December 31,
2003:

AZ	\$ 20.61
CO	27.05
IA	22.47
ID	26.25
MN	24.50
MT	31.85
ND	22.54
NE	22.06
NM	26.86
OR	26.90
SD	28.45
UT	21.86
WA	21.16
WY	32.29

Apart from the foregoing, all other terms and conditions of the IA, as amended, including without limitation, the term thereof, shall remain unchanged and in full force and effect.

**McLeodUSA Telecommunications
Services, Inc.**

Qwest Corporation

Authorized Signature

Authorized Signature

Name Printed/Typed

Name Printed/Typed

Title

Title

Date

Date



November 8, 2002

Eschelon Telecom, Inc.
Dennis D. Ahlers, Esq.
Senior Attorney
730 Second Avenue South
Suite 1200
Minneapolis, MN 55402

Dear Mr. Ahlers:

I am writing in response to your October 29, 2002 letter to Steve Davis and Heidi Higer regarding the interconnection amendments between Qwest Corporation ("Qwest") and McLeodUSA (the "McLeod Amendments") that were filed in September 2002. Your letter requests that pursuant to Section 252(i) of the Telecommunications Act of 1996 Eschelon's existing interconnection agreement with Qwest be amended to add the rates included in the amended interconnection agreements between Qwest and McLeod. Qwest takes seriously its obligations under the Act, including Section 252(i), and would be delighted to discuss further Eschelon's request, and to work with Eschelon to better meet its needs.

As you know, Section 252(i) permits a telecommunications carrier to request any individual service, interconnection or network element arrangement contained in any interconnection agreement that has been filed and approved by the state commission. Although neither the Act, nor the FCC's implementing regulations, require the requesting carrier to take the entire agreement between the ILEC and the initial CLEC, they likewise do not permit the requesting carrier to select among particular rates, terms and conditions applicable to an individual arrangement. Rather, the requests authorized under Section 252(i) are those for particular arrangements, including the terms and conditions applicable thereto, not individual provisions within those arrangements. Even if that language were ambiguous – which it is not – any doubt would be removed by the further language in Section 252(i) that requesting carriers receive individual arrangements "upon the same rates, terms and conditions" as the original party to the agreement. See 47 C.F.R. 51.809(a).

The rates in the McLeod agreement apply to the service offered pursuant to that agreement, not to the service offered in another agreement. In this regard, Qwest notes that the features and functions of the service that is the subject of the existing Qwest-Eschelon interconnection agreement differ in certain respects from the service that is the subject of Qwest's agreement with McLeod. For example, under its current agreement, Eschelon is provided CLASS features and additional types of directory listings. In

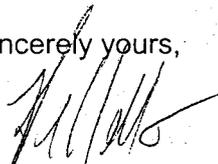
Eschelon Telecom
Dennis Ahlers
November 8, 2002
Page 2

addition, as noted above, the express terms of Section 252(i) and the FCC Rule 51.809(a) condition Eschelon's right to receive the rates in the McLeod agreement on Eschelon's agreement to the same terms and conditions. This would include, for example, the volume commitments set forth in section 2.3 of the Qwest-McLeod interconnection agreement and its December 31, 2003 termination date.

We are unable to ascertain from your letter (a) whether Eschelon understands that the service it would be receiving if it chose to opt-in to the McLeod agreement would differ from the service it is receiving today, and (b) whether Eschelon would agree to the same terms and conditions to which McLeod has agreed. If so, please contact Larry Christensen, at 303-896-4686, to initiate the necessary arrangements, including appropriate contractual amendments. Qwest will act expeditiously to accommodate any such request.

Please do not hesitate to contact me should you have any other questions.

Sincerely yours,



Richard Corbetta
Corporate Counsel
Qwest Law Department

cc: Dr. Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

J. Jeffery Oxley
730 Second Avenue South
Suite 1200
Minneapolis, MN 55402

Bill Markert
730 Second Avenue South
Suite 1200
Minneapolis, MN 55402

Steven Davis
Heidi Higer

SENT BY: ST. PAUL

; 1-22- 1 ; 7:22PM ;

01COMMERCE DEPT-

612 436 6816;# 2/11

**Amendment No. 8 to the Interconnection Agreement
Between
McLeodUSA Telecommunications Services, Inc.
and
Qwest Corporation
f.k.a. U S WEST Communications, Inc.
for the State of Minnesota**

This Amendment No. 8 ("Amendment") is made and entered into by and between McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") and Qwest Corporation f.k.a. U S WEST Communications, Inc. ("Qwest").

RECITALS

WHEREAS, McLeodUSA and Qwest entered into an Interconnection Agreement for service in the state of Minnesota which was approved by the Minnesota Public Utilities Commission on January 30, 1998 (the "Agreement"); and

WHEREAS, McLeodUSA and Qwest desire to amend the Agreement by adding the terms, conditions and rates contained herein.

AGREEMENT

NOW THEREFORE, in consideration of the mutual terms, covenants and conditions contained in this Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Amendment Terms.

This Amendment is made in order to add terms, conditions and rates for the business-to-business relationship as set forth in Amendment 8 and Attachment 3.2 attached hereto and incorporated herein.

2. Effective date.

This Amendment shall be deemed effective upon approval by the appropriate state Commission; however, the Parties agree to implement the provisions of this Amendment effective October 1, 2000.

3. Further Amendments.

Except as modified herein, the provisions of the Agreement shall remain in full force and effect. Neither the Agreement nor this Amendment may be further amended or altered except by written instrument executed by an authorized representative of both parties.

SENT BY: ST. PAUL

; 1-22- 1 ; 7:22PM ; 01COMMERCE DEPT-

612 436 6816;# 3/11

AMENDMENT 8

INTERCONNECTION AGREEMENT AMENDMENT TERMS

This Amendment Agreement ("Amendment") is made and entered into by and between McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") and Qwest Corporation ("Qwest") (collectively, the "Parties") on this 26th day of October, 2000.

The Parties agree to file this Amendment as an amendment all Interconnection Agreements ("Agreements" and, singularly, "Agreement") between them, now in effect or entered into prior to December 31, 2003, with the Amendment containing the following provisions:

1. This Amendment is entered into between the Parties based on the following conditions, and such conditions being integrally and inextricably are a material part of this agreement:

1.1 McLeodUSA purchased, as of the end of 1999 over 200,000 local exchange lines for resale from Qwest (throughout the 14-state area where Qwest is an incumbent local exchange carrier).

1.2 Qwest and McLeodUSA currently have an agreement, on a region-wide basis, for the exchange of local traffic, including Internet-related traffic, on a "bill and keep" basis, that provides for the mutual recovery of costs through the offsetting of reciprocal obligations for local exchange traffic which originates with a customer of one company and terminates to a customer of the other company, provided however, that these provisions will not affect or avoid the obligations to pay the rates set out on Attachment 3.2.

1.3 The Parties wish to establish a business-to-business relationship and have agreed that they will attempt to resolve all differences or issues that may arise under the Agreements or this Amendment under the escalation process to be established between the parties, and modified if appropriate.

1.4 The Parties agree that the terms and conditions contained in this Amendment are based on current characteristics of McLeodUSA, which includes service to business and Centrex-related customers and includes a fair representation of all businesses, with no large proportion of usage going to a particular type of business.

1.5 The Parties agree that the terms and conditions contained in this Amendment are based on the characteristics of McLeodUSA's traffic patterns, which does not include identifiable usage by any particular type of user.

1.6 This Amendment shall be deemed effective on October 1, 2000, subject to approval by the appropriate state commissions, and the parties agree to implement the terms of the Amendment effective October 1, 2000. This Amendment will be

SENT BY: ST. PAUL

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AMENDMENT 8

incorporated in any future Agreements, but nothing in any new Agreement will extend the termination date of this Amendment or its terms beyond the term provided herein. Nothing in this Amendment will extend the expiration date of any existing interconnection agreement. This Amendment and the underlying Agreement shall be binding on Qwest and McLeodUSA and their subsidiaries, successors and assigns.

1.7 In interpreting this Amendment, all attempts will be made to read the provisions of this Amendment consistent with Agreements and all effective amendments. In the event that there is a conflict between this Amendment and an Agreement or previous amendments, the terms and conditions of this Amendment shall supersede all previous documents.

1.8 Except as modified herein, the provisions of the Agreements shall remain in full force and effect. Neither the Agreements nor this Amendment may be further amended or altered except by written instrument executed by an authorized representative of both Parties. This specifically excludes amendments resulting from regulatory or judicial decisions regarding pricing of unbundled network elements, which shall have no effect on the pricing offered under this Amendment, prior to termination of this Amendment.

1.9 The Parties intending to be legally bound have executed this Amendment effective as of October 1, 2000, in multiple counterparts, each of which is deemed an original, but all of which shall constitute one and the same instrument.

1.10 Unless terminated as provided in this section, the initial term of this Amendment is from the date of signing until December 31, 2003 ("Initial Term") and this Amendment shall thereafter automatically continue until either party gives at least six (6) months advance written notice of termination. This Amendment can only be terminated during the Initial Term in the event the Parties agree.

1.11 In the event of termination, the pricing, terms, and conditions for all services and network elements purchased under this Amendment shall immediately be converted, at the option of McLeodUSA, to either other prevailing prices for combinations of network elements, or to retail services purchased at the prevailing wholesale discount. In either case, if and to the extent conversion of service is necessary, reasonable and appropriate cost-based nonrecurring charges will apply.

1.12 All factual preconditions and duties set forth in this Amendment are, are intended to be, and are considered by the parties to be, reasonably related to, and dependent upon each other.

1.13 To the extent any Agreement does not contain a force majeure provision, then if either party's performance of this Amendment or any obligation under this Amendment is prevented, restricted or interfered with by causes beyond such parties reasonable control, including but not limited to acts of God, fire, explosion, vandalism

AMENDMENT 8

which reasonable precautions could not protect against, storm or other similar occurrence, any law, order, regulation, direction, action or request of any unit of federal, state or local government, or of any civil or military authority, or by national emergencies, insurrections, riots, wars, strikes or work stoppages or vendor failures, cable cuts, shortages, breach or delays, then such party shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction or interference (a "Force Majeure").

1.14 Neither party will present itself as representing or jointly marketing services with the other, or market its services using the name of the other party, without the prior written consent of the other party.

2. In consideration of the agreements and covenants set forth above and the entire group of covenants provided in section 3, all taken as a whole and fully integrated with the terms and conditions described below and throughout this Amendment, with such consideration only being adequate if all such agreements and covenants are made and are enforceable, McLeodUSA agrees to the following:

2.1 To pay Qwest \$43.5 million to convert to the Platform described herein and in Attachment 3.2.

2.2 Based on all the terms and conditions contained herein, McLeodUSA may also purchase DSL and voice mail (at full retail rates) from Qwest for resale.

2.3 During each of the three calendar years of this Amendment, to maintain for the purpose of providing service to McLeodUSA's customers, no fewer than 275,000 local exchange lines purchased from Qwest, and to maintain on Qwest local exchange lines to end users at least seventy percent (70%) (in terms of physical non-DS1/DS3 facilities) of McLeodUSA's local exchange service in the region where Qwest is the incumbent local exchange service provider. In addition, beginning in 2001, at least 1000 lines will be maintained in each state (including no less than 125,000 lines in the state of Iowa) in which Qwest is the incumbent local exchange service provider. For purposes of this provision, local exchange lines purchased include lines purchased for resale and unbundled loops, whether purchased alone or in combination with other network elements. This minimum line commitment will be reduced proportionally in the event Qwest sells any exchanges where it is currently the incumbent local exchange service provider.

2.4 To place orders for the product offered in this amendment, and for features associated with the product, using (at McLeodUSA's option) primarily through either IMA or EDI electronic interfaces offered by Qwest.

2.5 To remain on a "bill and keep" basis for the exchange of local traffic and

SENT BY: ST. PAUL

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AMENDMENT 8

Internet-related traffic, with Qwest, throughout the territories where Qwest is currently the incumbent local exchange service provider until December 31, 2002.

2.6 To enter into and maintain interconnection agreements, or one regional agreement, covering the provision of Products in each state of the entire territory where Qwest is the incumbent local exchange service provider.

2.7 To provide Qwest accurate daily working telephone numbers of McLeodUSA customers to allow Qwest to provide daily usage information to McLeodUSA so that McLeodUSA can bill interexchange or other companies switched access or other rates as appropriate.

2.8 To provide Qwest with rolling 12 month forecasted line volumes to the central office level for unbundled loops, and otherwise where marketing campaigns are conducted, updated quarterly.

2.9 To hold Qwest harmless in the event of disputes between McLeodUSA and other carriers regarding the billing of access or other charges associated with usage measured by a Qwest switch; provided that Qwest agrees to cooperate in any investigation related to such a dispute to the extent necessary to determine the type and accuracy of such usage.

3. In consideration of the agreements and covenants set forth above and the entire group of covenants provided in section 2, all taken as a whole and fully integrated with the terms and conditions described below and throughout this Amendment, with such consideration only being adequate if all such agreements and covenants are made and are enforceable, Qwest agrees to the following:

3.1 To waive and release all charges associated with conversion from resold services to the unbundled network platform and for terminating McLeodUSA contracts for services purchased from Qwest for resale as described in this amendment.

3.2 To provide throughout the term of this Amendment the Platform and Products described herein and in Attachment 3.2, regardless of regulatory or judicial decisions on components of an unbundled network element platform, upon the rates, terms and conditions described herein and in Attachment 3.2.

3.3 To provide daily usage information to McLeodUSA, for the working telephone numbers supplied to Qwest by McLeodUSA, so that McLeodUSA can bill interexchange or other companies switched access or other rates as appropriate.

3.4 To remain on a "bill and keep" basis for the exchange of local traffic and Internet-related traffic with McLeodUSA, throughout the territories where Qwest is currently the incumbent local exchange service provider until December 31, 2002.

SENT BY: ST. PAUL

; 1-22- 1 ; 7:23PM ;

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3.5 To provide (at McLeodUSA's option) IMA and EDI electronic interfaces to adequately support the product described in section 3.2.

McLeodUSA Telecommunications Services, Inc.

Qwest Corporation


Authorized Signature

Authorized Signature

Blake O. Fisher
Name Printed/Typed

Name Printed/Typed

Group Vice President
Title

Title

October 26, 2000
Date

October 26, 2000
Date

SENT BY: ST. PAUL

; 1-22- 1 ; 7:24PM ;

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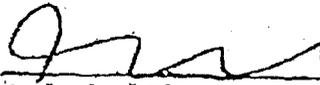
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3.5 To provide (at McLeodUSA's option) IMA and EDI electronic interfaces to adequately support the product described in section 3.2.

McLeodUSA Telecommunications Services, Inc.

Qwest Corporation

Authorized Signature



Authorized Signature

Blake D. Fisher

Name Printed/Typed

GLENN M. CASEY

Name Printed/Typed

Group Vice President

Title

EXEC. VP.

Title

October 26, 2000

Date

October 26, 2000

Date

Attachment 3.2

- I. Performance by McLeodUSA of the covenants and agreements in section 2 of the Amendment to which this Attachment is a part.
- II. Performance by Qwest of the covenants and agreements in section 3 of the Amendment to which this Attachment is a part.
- III. State recurring rates for lines, adjustments, charges, other terms and conditions, included and excluded platform features, are at the end of this attachment, and are subject to and clarified by the following:
 - A. In determining state-wide usage McLeodUSA agrees to allow Qwest to audit its records of usage of the platform on a quarterly basis. If average usage exceeds the 525 minutes per month for a three month period, or the agreed upon measurement period, on a state-by-state basis, all platform service shall be increased by the appropriate increment. The first increment audit will be conducted during December 2000. If average usage is above 525 minutes on a state-wide basis, the incremental usage element will not be applied for January, February and March usage, or the agreed upon measurement period. The second incremental audit will be conducted in March of 2001 based upon December, January and February usage, or the agreed upon measurement period. If the average usage is above 525 minutes for that quarter, then the appropriate increment usage element(s) will be applied to April, May and June usage, or the agreed upon measurement period. All audits will follow on a rolling quarterly basis, and all increments shall be applied on a rolling basis at the state level.
 - B. The rates provided for by this platform do not apply to usage associated with toll traffic. Additional local usage charges will apply to usage associated with toll traffic.
 - C. Platform rates include only one primary listing per telephone number.
 - D. Rates for voice messaging and DSL service are retail rates and are offered conditioned on paragraph I above where such services are available.
 - E. Rates associates with miscellaneous charges, or governmental mandates, such as local number portability, shall be passed through to McLeodUSA.
 - F. The Platform rates provided for in this Amendment shall only apply to additions to existing CENTREX common blocks established prior to October 1, 2000, and only apply to business local exchange customers served through this unbundled network element platform where facilities exist. Appropriate charges for any new CENTREX-related services or augments where facilities do not exist will apply. This Amendment only

SENT BY: ST. PAUL

; 1-22- 1 ; 7:24PM ;

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Attachment 3.2

applies to platform services provided for business users and users of existing CENTREX common blocks. Qwest will not provide McLeodUSA any new CENTREX common blocks. Appropriate nonrecurring charges will apply to any disconnects, charges or additions to this platform. These rates do not apply to basic residential exchange (1FR) service.

- G. Any features or functions not explicitly provided for in this Amendment shall be provided only for a charge (both recurring and nonrecurring), based upon Qwest's rates to provide such service in accordance with the terms and conditions of the appropriate tariff or Agreement for the applicable jurisdiction.

PRICES FOR OFFERING

	Platform recurring	Additional charge for each 50 Minute increment > 525 MOU/Month
AZ	30.80	0.280
CO	34.00	0.295
IA	26.04	0.270
ID	33.15	0.295
MN	27.00	0.205
MT	34.95	0.300
ND	28.30	0.260
NE	35.95	0.300
NM	27.15	0.140
OR	26.90	0.170
SD	29.45	0.345
UT	22.60	0.270
WA	24.00	0.195
WY	33.40	0.300

- FEATURES INCL IN FLAT RATED UNE-BUSINESS**
- Call Hold
 - Call Transfer
 - Three-Way Calling
 - Call Pickup
 - Call Waiting/Cancel Call Waiting
 - Distinctive Ringing
 - Speed Call Long - Customer Change
 - Station Dial Conferencing (6-Way)
 - Call Forwarding Busy Line
 - Call Forwarding Don't Answer
 - Call Forwarding Variable
 - Call Forwarding Variable Remote
 - Call Park (Basic - Store & Retrieve)
 - Message Waiting Indication AV

SENT BY: ST. PAUL

; 1-22- 1 ; 7:24PM ;

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612 436 6816;#11/11

Attachment 3.2**FEATURES INCL IN EXISTING
CENTREX COMMON BLOCKS**

Call Hold
Call Transfer
Three-Way Calling
Call Pickup
Call Waiting/Cancel Call Waiting
Distinctive Ringing
Speed Call Long - Customer Change
Station Dial Conferencing (6-Way)
Call Forwarding Busy Line
Call Forwarding Don't Answer
Call Forwarding Variable
Call Park (Basic - Store & Retrieve)
Message Waiting Indication AM
Centrex Management System (CMS)
Station Mssg Detail Recording (SMDS)
Data Call Protection
Hunting Billing
Individual Line Billing
Intercept
Intrasystem Calling
Intercom
Night Service
Outgoing Trunk Queuing
Line Restrictions
Touch Tone
Directed Call Pickup
AIOD
Dial 0
Automatic Call Back Ring Again
Direct Inward Dialing
Direct Outward Dialing
Executive Busy Override
Last Number Redial
Make Set Busy
Network Speed call
Primary Listing

INTERCONNECTION AGREEMENT AMENDMENT TERMS

This Amendment Agreement ("Amendment") is made and entered into by and between Eschelon Telecom, Inc. ("Eschelon") and Qwest Corporation ("Qwest") (collectively, the "Parties") on this ___ day of November, 2000.

The Parties agree to file this Amendment as an amendment to all Interconnection Agreements ("Agreements" and, singularly, "Agreement") that they are currently operating under or that they may enter into prior to December 31, 2005, with the Amendment containing the following provisions:

1. This Amendment is entered into between the Parties based on the following conditions, with such conditions being integrally and inextricably a material part of this agreement:

1.1 Within 30 days of the Parties' execution of this Amendment, Eschelon agrees to have purchased, and to continue to purchase throughout the terms of this Amendment, at least 50,000 access lines from Qwest (throughout the 14-state area where Qwest is an incumbent local exchange carrier), all of which are to be business lines, not residential lines. "Access lines" include lines purchased for unbundled loops, whether purchased alone or in combination with other network elements

1.2 Qwest and Eschelon agree, that within 30 days of the Parties' execution of this Amendment, they will execute an agreement, on a region-wide basis, for the exchange of local traffic, including Internet-related traffic, on a "bill and keep" basis, that provides for the mutual recovery of costs through the offsetting of reciprocal obligations for local exchange traffic that originates with a customer of one company and terminates to a customer of the other company provided, however, that these provisions will not affect or avoid the obligations to pay the rates set out on Attachment 3.2.

1.3 The Parties wish to establish a business-to-business relationship and have agreed that they will attempt to resolve all differences or issues that may arise under the Agreements or this Amendment under an escalation process to be established between the Parties.

1.4 The Parties agree that the terms and conditions contained in this Amendment are based on Eschelon's current characteristics, which include service to business and Centrex-related customers and includes a fair representation of all businesses, with no large proportion of usage going to a particular type of business.

1.5 The Parties agree that the terms and conditions contained in this Amendment are based on the characteristics of Eschelon's service, which does not include identifiable usage by any particular type of user.

1.6 This Amendment shall be deemed effective on October 1, 2000, subject to approval by the appropriate state commissions, and the Parties agree to implement the terms of the Amendment effective October 1, 2000. This Amendment will be incorporated in any future Agreements, but nothing in any new Agreement will extend the termination date of this Amendment or its terms beyond the term provided herein. Nothing in this Amendment will extend the term of any existing interconnection agreement. This Amendment and the underlying Agreements shall be binding on Qwest and Eschelon and their subsidiaries, successors and assigns.

1.7 In interpreting this Amendment, all attempts will be made to read the provisions of this Amendment consistent with the underlying Agreements and all effective amendments. In the event that there is a conflict between this Amendment and an Agreement or previous amendments, the terms and conditions of this Amendment shall supersede all previous documents.

1.8 Except as modified herein, the provisions of the Agreements shall remain in full force and effect. This Amendment may not be further amended or altered except by written instrument executed by an authorized representative of both Parties. This specifically excludes amendments resulting from regulatory or judicial decisions regarding pricing of unbundled network elements, which shall have no effect on the pricing offered under this Amendment, prior to termination of this Amendment.

1.9 The Parties intend that this Amendment be effective as of October 1, 2000, and have executed the Agreement in multiple counterparts, each of which is deemed an original, but all of which shall constitute one and the same instrument.

1.10 Unless terminated as provided in this section, the term of this Amendment is from October 1, 2000 until December 31, 2005. This Amendment can be terminated only in the event that both Parties agree in writing.

1.11 In the event of termination, the pricing, terms, and conditions for all services and network elements purchased under this Amendment shall immediately be converted, at the option of Eschelon, to either prevailing prices for combinations of network elements, or to retail services purchased at the prevailing wholesale discount. In either case, if and to the extent conversion of service is necessary, reasonable and appropriate cost based nonrecurring conversion and/or nonrecurring charges will apply.

1.12 All factual preconditions and duties set forth in this Amendment are intended to be, and are considered by the Parties to be, reasonably related to, and dependent upon each other.

1.13 To the extent any Agreement does not contain a force majeure provision, then if either Party's performance of this Amendment or any obligation under this Amendment is prevented, restricted or interfered with by causes beyond such Parties reasonable control, including but not limited to acts of God, fire, explosion, vandalism

which reasonable precautions could not protect against, storm or other similar occurrence, any law, order, regulation, direction, action or request of any unit of federal, state or local government, or of any civil or military authority, or by national emergencies, insurrections, riots, wars, strikes or work stoppages or material vendor failures, or cable cuts, then such Party shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction or interference (a "Force Majeure").

1.14 Neither Party will present itself as representing or jointly marketing services with the other, or market its services using the name of the other Party, without the prior written consent of the other Party.

2. In consideration of the agreements and covenants set forth above and the entire group of covenants provided in section 3, all taken as a whole and fully integrated with the terms and conditions described below and throughout this Amendment, with such consideration only being adequate if all such agreements and covenants are made and are enforceable, Eschelon agrees to the following:

2.1 To pay Qwest \$10 million to convert to the Platform and to be released from any termination liabilities associated with Eschelon's existing contracts for resold services with Qwest as set out in the Attachment to section 3.2.

2.2 To purchase from Qwest during the term of this Amendment, at least \$150 million worth of services and elements (the "Services"). Based on all the terms and conditions contained herein, including the purchase commitment of \$150 million, Eschelon may also purchase from Qwest, on a Platform basis and at retail rates, DSL and voice messaging service.

2.3 As set forth in section 1.1 of this Amendment, Eschelon agrees to purchase from Qwest, during each of the five calendar years of this Amendment, a minimum of 50,000 business access lines, and to maintain on Qwest access lines to end users at least 80% (in terms of physical facilities) of Eschelon's local exchange service in the region where Qwest is the incumbent local exchange carrier. In addition, by December 31, 2001, Eschelon agrees that at least 1000 business access lines will be maintained in at least eight of the eleven markets (Minneapolis, St. Paul, Seattle, Tacoma, Portland, Salem, Eugene, Denver, Boulder, Salt Lake City, Phoenix) in which Eschelon is doing business and Qwest is the incumbent local exchange carrier. Eschelon further agrees that it will meet or exceed the following schedule of growth in its purchase of business access lines:

YEAR	AGREED LINE COUNTS AND	ANNUAL PERCENTAGE GROWTH OF AGREED LINE COUNTS
end of 2000	50,000 lines	
2000 – 2001	80,000 lines	60%
2001 – 2002	110,000 lines	37%
2002 – 2003	140,000 lines	27%
2003 – 2004	170,000 lines	21%
2004 – 2005	200,000 lines	18%

The growth in lines identified above refers to end of the year agreed line counts. This minimum line commitment will be reduced proportionally in the event Qwest sells any exchanges where it is currently the incumbent local exchange service provider, but only to the extent that any such sale materially impacts Eschelon's purchase of access lines from Qwest. For purposes of this provision, access lines include lines purchased for unbundled loops, whether purchased alone or in combination with other network elements.

2.4 To place orders for the Products offered in this Amendment, and for features associated with such product, Eschelon will use one of the electronic interfaces offered by Qwest.

2.5 During the term of the Amendment, Eschelon and Qwest will adopt and follow a bill and keep arrangement for reciprocal compensation, as described in section 1.2. In addition, Eschelon agrees to be financially responsible, and make arrangements with other carriers, for any reciprocal compensation and switched access charges for traffic between Eschelon and carriers other than Qwest.

2.6 Within the 14-state region wherein Qwest serves as the incumbent local exchange carrier, Eschelon agrees: (a) to operate in, and to continue operating in, at least eleven markets within the 14-state region; (b) that the next six new markets that it enters will be within the 14-state region; and (c) to operate in, and to continue operating in, all of the Tier 1 cities in the 14-state region (Minneapolis/St. Paul, Salt Lake City, Denver, Phoenix, Seattle, and Portland). In the event Qwest sells any exchanges in any of the markets where it is the incumbent local exchange carrier and where Eschelon is currently operating or can sufficiently demonstrate an intent to commence operations, the Parties agree to reasonably adjust these requirements accordingly.

2.7 To provide Qwest accurate daily working telephone numbers of Eschelon customers to allow Qwest to provide daily usage information to Eschelon so that Eschelon can bill interexchange or other companies switched access or other rates as appropriate.

2.8 Beginning January 1, 2001, to provide Qwest with rolling 12 month forecasted volumes, including access line volumes, to the central office level, updated quarterly, and where marketing campaigns are conducted.

2.9 To hold Qwest harmless in the event of disputes between Eschelon and other carriers regarding the billing of access or other charges associated with usage measured by a Qwest switch, provided that Qwest cooperates in any investigation related to such a dispute to the extent necessary to determine the type and accuracy of such usage.

2.10 For at least a one-year period, Eschelon agrees to pay Qwest for the services of a Qwest dedicated provisioning team to work on Eschelon's premises.

2.11 For at least a six week period, Eschelon agrees to participate with Qwest in a loop cutover trial.

3. In consideration of the agreements and covenants set forth above and the entire group of covenants provided in section 2, all taken as a whole and fully integrated with the terms and conditions described below and throughout this Amendment, with such consideration only being adequate if all such agreements and covenants are made and are enforceable, Qwest agrees to the following:

3.1 In consideration for Eschelon's agreement in section 2.1 of this agreement, to waive and release all charges associated with conversion from resold services to the unbundled network platform and for terminating Eschelon contracts for services purchased from Qwest for resale as described in this Amendment.

3.2 To provide throughout the term of this Amendment the Platform described herein and in Attachment 3.2, regardless of regulatory or judicial decisions on components, including pricing, of an unbundled network element platform, upon the rates, terms and conditions in the Attachment to section 3.2.

3.3 To provide daily usage information to Eschelon for the working telephone numbers supplied to Qwest by Eschelon, so that Eschelon can bill interexchange or other companies switched access or other rates as appropriate.

3.4 As described in section 1.2 of this agreement, to reach agreement and remain on a "bill and keep" basis for the exchange of local traffic and Internet-related traffic with Eschelon, throughout the territories where Qwest is currently the incumbent local exchange service provider until December 31, 2005.

3.5 To provide electronic interfaces to adequately support the product described in the Attachment to section 3.2.

Eschelon Telecom, Inc.

Authorized Signature

Name Printed/Typed

Title

Date

Qwest Corporation

Authorized Signature

Name Printed/Typed

Title

Date

Attachment 3.2

- I. Performance by Eschelon of the covenants and agreements in sections 1 and 2 of the Amendment to which this Attachment is a part.
- II. Performance by Qwest of the covenants and agreements in sections 1 and 3 of the Amendment to which this Attachment is a part.
- III. State rates for lines, adjustments, charges, other terms and conditions, included and excluded platform features, are at the end of this attachment, and are subject to and clarified by the following:
 - A. In determining statewide usage Eschelon agrees to allow Qwest to audit its records of usage of the platform on a quarterly basis (or other agreed upon measurement period). If statewide average usage exceeds the 525 originating local minutes per month per line for a three month period (or such other agreed upon measurement period) on a state-by-state basis, all platform service shall be increased by the appropriate increment. The first incremental audit will be conducted during December 2000 (or at such other time as the Parties mutually agree). If average usage is above 525 originating local minutes on a statewide basis, the incremental usage element will not be applied for January, February and March usage for that state. The second incremental audit will be conducted in March of 2001 based upon December, January and February usage (or at such other time as the Parties mutually agree). If the average statewide usage is above 525 originating local minutes for that quarter, then the appropriate increment usage element(s) will be applied to April, May and June usage for that state. All audits will follow on a rolling quarterly basis (or other agreed upon measurement period), and all increments shall be applied on a rolling basis. Qwest will review with Eschelon the results of its audits of the local usage, and provide Eschelon with its audit reports, if any.
 - B. The rates provided for by this platform do not apply to usage associated with toll traffic. Additional local usage charges will apply to usage associated with toll traffic.
 - C. Platform rates include only one primary directory listing per telephone number.
 - D. Voice messaging service and DSL service are available in combination with Platform orders at retail rates, and such availability is conditioned on paragraph I above.
 - E. Rates associated with miscellaneous charges, or new governmental mandates, shall be passed through to Eschelon, as appropriate.
 - F. The Platform rates provided for in this Amendment shall only apply to

Attachment 3.2

additions to existing CENTREX common blocks established prior October 1, 2000, and only apply to business local exchange customers served through the unbundled network element platform where facilities exist. Appropriate charges for any new CENTREX-related services or augments where facilities do not exist will apply. This Amendment only applies to platform services provided for business users and users of existing CENTREX common blocks. Qwest will not provide Eschelon any new CENTREX common blocks.

- G. Any features or functions not explicitly provided for in this Amendment shall be provided only for a charge (both recurring and nonrecurring), based upon established rates and only in accordance with the terms and conditions of the appropriate tariff or Agreement for the applicable jurisdiction.
- H. Beginning January 1, 2001, Eschelon shall provide Qwest with rolling 12 month forecasted volumes, including access line volumes, to the central office level, updated quarterly, and where marketing campaigns are conducted.

Attachment 3.2

PRICES FOR OFFERING

STATE	PLATFORM RECURRING	ADDITIONAL CHARGE FOR EACH 50 MINUTE INCREMENT > 525 ORIGNATING LOCAL MOU/MONTH PER LINE
AZ	30.80	0.280
CO	34.00	0.295
ID	33.15	0.295
MN	27.00	0.205
ND	28.30	0.260
NE	35.95	0.300
NM	27.15	0.140
OR	26.90	0.170
UT	22.60	0.270
WA	24.00	0.195

Features (in all forms of the following, except as part of an enhanced service) included in flat-rated UNE-Business

Call Hold
Call Transfer
Three-Way Calling
Call Pickup
Call Waiting/Cancel Call Waiting
Distinctive Ringing
Speed Call Long – Customer Change
Station Dial Conferencing (6 way)
Call Forwarding Busy Line
Call Forwarding Don't Answer
Call Forwarding Variable
Call Forwarding Variable Remote
Call Park (Basic – Store & Retrieve)
Message Waiting Indication A/V

Attachment 3.2

Features in all forms of the following, except as part of an enhanced service) included in existing Centrex Common Blocks

Call Hold
Call Transfer
Three-Way Calling
Call Pickup
Call Waiting/Cancel Call Waiting
Distinctive Ringing
Speed Call Long – Customer Change
Station Dial Conferencing (6-Way)
Call Forwarding Busy Line
Call Forwarding Don't Answer
Call Forwarding Variable
Call Park (Basic – Store & Retrieve)
Message Waiting Indication A/V
Centrex Management System (CMS)
Station Message Detail Recording (SMDS)
Data Call Protection
Hunting
Individual Line Billing
Intercept
Intrasystem Calling
Intercom
Night Service
Outgoing Trunk Queuing
Line Restrictions
Touch Tone
Directed Call Pickup
AIOD
Dial 0
Automatic Call Back Ring Again
Direct Inward Dialing
Direct Outward Dialing
Executive Busy Override
Last Number Redial
Make Set Busy
Network Speed Call
Primary Listing

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

From: Johnson, Bonnie J.
Sent: Wednesday, November 13, 2002 11:30 AM
To: Clauson, Karen L.; 'Novak, Jean'
Cc: Johnson, Bonnie J.
Subject: RE: DSL root cause

Hi Jean,
Have you responded to Karen? I have not seen anything as of yet.

Bonnie

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

From: Clauson, Karen L.
Sent: Thursday, October 31, 2002 4:42 PM
To: 'Novak, Jean'
Cc: Johnson, Bonnie J.
Subject: DSL root cause

Jean:

Bonnie came to me to ask me to provide her with Qwest's root cause results for the September 2002 DSL trouble ticket information she had asked you to investigate. This struck me as quite odd, particularly given that Qwest had promised Eschelon a response on this issue by Oct. 17. I understand that you said on a call with Bonnie today that, once Eschelon raises an issue in a 271 proceeding, Eschelon has to get answers from Qwest on those business issues through the regulatory process. If there was any misunderstanding at all about your or Qwest's position on this issue, please clear it up immediately.

Telling your customer to wait for often lengthy response times in regulatory proceedings would cause delay. It is also very impractical given the huge difference in resources between our companies. Qwest has vast resources to put out hundreds and even thousands of pages of regulatory filings, and we have few resources to go find the needle in a haystack.

As a legal matter, Eschelon should be able to exercise its legal right to participate in legal proceedings without discriminatory and retaliatory treatment. Qwest's previous restrictions on our 271 participation have been lifted. This seems like a new way to impose those restrictions again, by impeding resolution of business issues because we are exercising our rights. We need assurance that this is not Qwest's position.

Karen L. Clauson
Sr. Director of Interconnection
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Minneapolis, MN 55402
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