

Idaho Public Utilities Commission
Office of the Secretary
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AUG 16 2007

Boise, Idaho

Deanhardt, C. - Exhibit 32

Case No. QWE-T-06-17

AT&T

Qwest Counterproposal

[Trade Secret Data Begins

Subject: Qwest Counterproposal
Date: Sat, 21 Oct 2000 04:00:27 -0600
From: Arturo Ibarra Jr <aibarra@uswest.com>
Organization: U S WEST Communications, Inc
To: "jbalvanz@mcleodusa.com" <jbalvanz@mcleodusa.com>
CC: Audrey McKenney <axmcken@uswest.com>

REC'D

21 2000

P-421/C-02-197

DOC 08-212

Trade Secret Attachment

Please see attached.

Arturo

10_21_00 Qcounter.xls	Name: 10_21_00 Qcounter.xls Type: Microsoft Excel Worksheet (application/vnd.ms-excel) Encoding: base64
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NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

QWEST COUNTERPROPOSAL

Mutual Preferred Vendor Plan					
	2000	2001	2002	2003	Total 2001-2003
<u>McLeod to Qwest</u>					
Projected Growth Rate	0%	28%	24%	17%	
"Base"/Projected revenue	155	198	246	288	732
<u>Preferred Vendor -- "Take or Pay"</u>	-	150	160	170	480
% of Projected Revenue		76%	65%	59%	68%

McLeod to Qwest

Projected Growth Rate
 "Base"/Projected revenue
Preferred Vendor -- "Take or Pay"
 % of Projected Revenue

Qwest to McLeod

Preferred Vendor -- "Take or Pay" commitment ranges
 Minimum for discount to apply

Tier 1

Revenue ranges
 Discount Rate

Tier 2

Revenue ranges
 Discount Rate

Tier 3

Revenue ranges
 Discount Rate

	\$M's	
Tier 1	178-188	201-223
Revenue ranges	223-254	
Discount Rate	6.5%	6.0%
Tier 2	189-198	224-246
Revenue ranges	255-305	
Discount Rate	8.0%	8.0%
Tier 3	over 199	over 247
Revenue ranges	10.0%	10.0%
Discount Rate		10.0%

Trade Secret Data Ends

Attorney Client Privilege

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 Right to Revise/Supplement Any Term or Condition Contained Herein

AUG 16 2007

Boise, Idaho

Deanhardt, C. - Exhibit 33

Case No. QWE-T-06-17

AT&T

Counter Proposal

[Trade Secret Data Begins

Subject: Counter Proposal
Date: Sat, 21 Oct 2000 12:38:37 -0600
From: Arturo Ibarra Jr <aibarra@uswest.com>
Organization: US WEST Communications, Inc
To: bfisher@mcleodusa.com, rriings@mcleodusa.com,
"jbalvanz@mcleodusa.com" <jbalvanz@mcleodusa.com>
CC: Audrey McKenney <axmcken@uswest.com>

REC'D 2 2000

P-421/C-02-197
DOC 08-212
Trade Secret Attachment

Please see attached.

10 22 00 Qcounter.xls	Name: 10_22_00_Qcounter.xls Type: Microsoft Excel Worksheet (application/vnd.ms-excel) Encoding: base64
-----------------------	--

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

QWEST COUNTERPROPOSAL

	Mutual Preferred Vendor Plan				Total 2001-2003
	2000	2001	2002	2003	
<u>McLeod to Qwest</u>					
Projected Growth Rate	0%	28%	24%	17%	
"Base"/Projected revenue	155	198	246	288	732
Preferred Vendor -- "Take or Pay"	-	150	160	170	480
% of Projected Revenue		76%	65%	59%	66%

Qwest to McLeod

Preferred Vendor -- "Take or Pay" commitment ranges
Minimum for discount to apply

Tier 1

Revenue ranges
Discount Rate

	\$M's	
Revenue ranges	179-198	199-246
Discount Rate	8.0%	8.0%

Tier 2

Revenue ranges
Discount Rate

Revenue ranges	199 or >	247 or >	306 or >
Discount Rate	10.0%	10.0%	10.0%

Trade Secret Data Ends]

Attorney Client Privilege

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Deanhardt, C. - Exhibit 34

Case No. QWE-T-06-17

AT&T

Mcleod Business Case

P-421/C-02-197

DOC 08-212

Trade Secret Attachment

Trade Secret Data Begins

Subject: Mcleod Business Case

Date: Sat, 21 Oct 2000 15:16:41 -0600

From: Kathleen Kochis <kkochis@uswest.net>

To: axmcken@uswest.com, dhult@tconln.com, aibarra@uswest.com, Robin.szelliga@qwest.com, kkochis@uswest.com

Attached for your review is the business case associated with the Mcleod negotiations. I have shown scenarios under the proposed pricing with and without capital costs as well as a view with the regulated UNE-P pricing.

Please call me if you have questions. I am at home today (303) 453-1967.

Thanks,

Kathy

 Mcleoud Business Case.xls	Name: Mcleoud Business Case.xls Type: Excel File (application/msexcel) Encoding: base64
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NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

McLeod Under New UNE-P

\$M	2000	2001	2002	2003	Total
REVENUE	220	198	246	288	952
COGS					
Maintenance	35	48	59	69	176
Conversion Cost	2	0	0	0	0
Vendor Plan	0	20	22	19	61
UNE-P Policy Dispute	33	0	0	0	33
Depreciation - Loops	21	27	33	39	119
Earnings Before Taxes	129	104	132	161	563
Taxes	49	39	50	61	200
Net operating income	80	64	82	100	326
Add back Noncash expense	21	27	33	39	119
Cashflow from operations	101	91	115	139	445
Capital investments	0	(87)	(96)	(84)	(267)
Total projected cash flow	101	4	19	54	178
NPV (2001-2003)	57				
NPV (2000-2003)	141				

DATA:

Volumes	294,000	376,320	466,637	545,965
Cost/Line/Month				
Network	9.50	9.50	9.50	9.50
Wholesale	1.05	1.05	1.05	1.05
Total Recurring	10.55	10.55	10.55	10.55
Depreciation - \$1,060 per loop over 15 year life	70.67	70.67	70.67	70.67
Tax Rate	38%			
Discount Rate	10%			
Loop Cost	1060			

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

McLeod Under New UNE-P

\$M	2000	2001	2002	2003	Total
REVENUE	220	198	246	288	952
COGS					
Maintenance	35	48	59	69	176
Conversion Cost	2	0	0	0	0
Vendor Plan	0	20	25	29	74
UNE-P Policy Dispute	33	0	0	0	33
Depreciation - Loops	21	27	33	39	119
Earnings Before Taxes	129	104	129	151	550
Taxes	49	39	49	57	195
Net operating income	80	64	80	94	318
Add back Noncash expense	21	27	33	39	119
Cashflow from operations	101	91	113	132	437
Capital investments	0	(87)	(96)	(84)	(267)
Total projected cash flow	101	4	17	48	170
NPV (2001-2003)	51				
NPV (2000-2003)	136				

DATA:

Volumes	294,000	376,320	466,637	545,965
Cost/Line/Month				
Network	9.50	9.50	9.50	9.50
Wholesale	1.05	1.05	1.05	1.05
Total Recurring	10.55	10.55	10.55	10.55
Depreciation - \$1,060 per loop over 15 year life	70.67	70.67	70.67	70.67
Tax Rate	38%			
Discount Rate	10%			
Loop Cost	1060			

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CONTAINS TRADE SECRET DATA

**McLeod Under New UNE-P
Without Sunk Cost**

\$M	2000	2001	2002	2003	Total
REVENUE	220	198	246	288	952
COGS					
Maintenance	35	48	59	69	176
Conversion Cost	2	0	0	0	0
Vendor Plan	0	20	25	29	74
UNE-P Policy Dispute	33	0	0	0	33
Depreciation - Loops	0	0	0	0	0
Earnings Before Taxes	150	130	162	190	669
Taxes	57	50	62	72	240
Net operating income	93	81	100	118	392
Add back Noncash expense	0	0	0	0	0
Cashflow from operations	93	81	100	118	392
Capital investments	0	0	0	0	0
Total projected cash flow	93	81	100	118	392
NPV (2001-2003)	236				
NPV (2000-2003)	294				

DATA:

Volumes	294,000	376,320	466,637	545,965
Cost/Line/Month				
Network	9.50	9.50	9.50	9.50
Wholesale	1.05	1.05	1.05	1.05
Total Recurring	10.55	10.55	10.55	10.55
Depreciation - \$1,060 per loop over 15 year life	70.67	70.67	70.67	70.67
Tax Rate	38%			
Discount Rate	12%			
Loop Cost	1060			

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CONTAINS TRADE SECRET DATA

McLeod Under Regulated UNE-P

\$M	2000	2001	2002	2003	Total
REVENUE	167	174	216	253	811
COGS					
Maintenance	35	48	59	69	176
Conversion Cost	2	0	0	0	0
Vendor Plan	0	0	0	0	0
UNE-P Policy Dispute	0	0	0	0	0
Depreciation - Loops	21	27	33	39	119
Earnings Before Taxes	109	100	124	146	516
Taxes	42	38	47	55	182
Net operating income	68	62	77	90	297
Add back Noncash expense	21	27	33	39	119
Cashflow from operations	88	89	110	129	416
Capital investments	0	(87)	(96)	(84)	(267)
Total projected cash flow	88	1	14	45	149
NPV (2001-2003)	45				
NPV (2000-2003)	119				

DATA:

Volumes	294,000	376,320	466,637	545,965
Cost/Line/Month				
Network	9.50	9.50	9.50	9.50
Wholesale	1.05	1.05	1.05	1.05
Total Recurring	10.55	10.55	10.55	10.55
Depreciation - \$1,060 per loop over 15 year life	70.67	70.67	70.67	70.67
Tax Rate	38%			
Discount Rate	12%			
Loop Cost	1,060			

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Sent to McLeod
 B/H Carney's
 Add'l overlay

MCLEOD TAKE-OR-PAY SUMMARY

	Today	2001	2002	2003	2004	2005	Total	McLeod Proposed Take-or-Pay View
Annual Revenue	155	140	126	113			378	80% of (\$155M * 3)
Growth %		-10%	-10%	-10%				Proposal results in 27% mkt share
Growth \$		(16)	(14)	(13)			(42)	loss. ((\$113M - \$155M) / \$155M)

	Today	2001	2002	2003	2004	2005	Total	Qwest Proposal
Annual Revenue	155	198	246	288			732	Minimum level is today's
Growth %		28%	24%	17%				\$155M annual revenue
Growth \$		43	48	42			133	stream
Take or Pay		78%	63%	54%				
Take or Pay Revenue		155	155	155			465	

Carney's
10/2/00
10/5 *175* *495*
little
stretch
5%
Woods

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Hi Greg -

713

812-0438

① Attached is the
proposed internal

McLeod Summary that Arturo,
Dom, Freddie + I ~~put~~ together.
- cl could not go to

12% for YR 2001

on any 4'00

discount, (Weekend

up w/ negative revenues
year to year)

② We reviewed the "mutual"
Preferred Vendor Plan with
Robin + she appeared to be OK
(we're doing w/ Mark Link)
Kathy will review these #s w/
her tomorrow.

③ We'll send eschelon to you in
a few hours.

Audrey

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CONTAINS TRADE SECRET DATA

**McLeod Under New UNE-P
Without Sunk Cost**

\$M	2000	2001	2002	2003	Total
REVENUE	220	198	246	288	952
COGS					
Maintenance	35	48	59	69	176
Conversion Cost	2	0	0	0	0
Vendor Plan	0	20	22	19	61
UNE-P Policy Dispute	33	0	0	0	33
Depreciation - Loops	0	0	0	0	0
Earnings Before Taxes	150	130	165	200	682
Taxes	57	50	63	76	245
Net operating income	93	81	102	124	400
Add back Noncash expense	0	0	0	0	0
Cashflow from operations	93	81	102	124	400
Capital investments	0	0	0	0	0
Total projected cash flow	93	81	102	124	400
NPV (2001-2003)	242				
NPV (2000-2003)	299				

DATA:

Volumes	294,000	376,320	466,637	545,965
Cost/Line/Month				
Network	9.50	9.50	9.50	9.50
Wholesale	1.05	1.05	1.05	1.05
Total Recurring	10.55	10.55	10.55	10.55
Depreciation - \$1,060 per loop over 15 year life	70.67	70.67	70.67	70.67
Tax Rate	38%			
Discount Rate	12%			
Loop Cost	1060			

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

McLeod Under Regulated UNE-P

\$M	2000	2001	2002	2003	Total
REVENUE	167	174	216	253	811
COGS					
Maintenance	35	48	59	69	176
Conversion Cost	2	0	0	0	0
Vendor Plan	0	0	0	0	0
UNE-P Policy Dispute	0	0	0	0	0
Depreciation - Loops	21	27	33	39	119
Earnings Before Taxes	109	100	124	146	516
Taxes	42	38	47	55	182
Net operating income	68	62	77	90	297
Add back Noncash expense	21	27	33	39	119
Cashflow from operations	88	89	110	129	416
Capital investments	0	(87)	(96)	(84)	(267)
Total projected cash flow	88	1	14	45	149
NPV (2001-2003)	45				
NPV (2000-2003)	119				

DATA:

Volumes	294,000	376,320	466,637	545,965
Cost/Line/Month				
Network	9.50	9.50	9.50	9.50
Wholesale	1.05	1.05	1.05	1.05
Total Recurring	10.55	10.55	10.55	10.55
Depreciation - \$1,060 per loop over 15 year life	70.67	70.67	70.67	70.67
Tax Rate	38%			
Discount Rate	12%			
Loop Cost	1,060			

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CONTAINS TRADE SECRET DATA

5 pos
12

Hi Greg -

Pls call me on

McLeod. Their

"Take or Pay" level +

Discount plan was

unacceptable to us.

Attached is their proposal

and our counter!

Thanks! Audrey

(303) 896-5851 (w)

437-0928 PCS

877-9254 ↓

841-7998 (Home)

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CONTAINS TRADE SECRET DATA

Saturday
4:00am
1/25/2001

QWEST COUNTERPROPOSAL

Key Financial Indicators: (\$M's)	Mutual Preferred Vendor Plan				Total 2001-2003
	2000	2001	2002	2003	
<u>McLeod to Qwest</u>					
Projected Growth Rate	0%	28%	24%	17%	
"Base"/Projected revenue	155	198	246	288	732
Preferred Vendor -- "Take or Pay"	-	150	160	170	480
% of Projected Revenue		76%	65%	59%	66%

Qwest to McLeod
Preferred Vendor -- "Take or Pay" commitment ranges
Minimum for discount to apply

	Tier 1		Tier 2		Tier 3	
	Revenue ranges	Discount Rate	Revenue ranges	Discount Rate	Revenue ranges	Discount Rate
	178-188	6.5%	189-198	8.0%	over 199	10.0%
	201-223	6.0%	224-246	8.0%	over 247	10.0%
	223-254	5.0%	244 - 255-305	8.0%	over 306	10.0%

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Resale/UNE Settlement Impacts Summary McLeod

Key Settlement Points:

Strategy:

- Strengthen business-to-business relations vs. regulatory
- Mitigate economic and regulatory risk related to "USW" Resale to UNE-P conversion policy
- Grow top-line revenue by keeping customer "on-net"
- Resolve 271 related issues

Structure:

- 2 separate contracts
- Amend Interconnection agreements for new UNE-P product
- Mutual Preferred Vendor Plan

What this deal delivers:

- No objection to 271 -- will discuss business to business to resolve
- Additional \$44M in 2000 revenue -- \$11M cash related to "USW" business policy disputes
- 3 Year revenue agreement ranging from a required minimum of \$480M to up to \$730M

2/27/00 PPO

Key Financial Impacts: (\$M's)

ILEC Resale	Today's Billing				
Collocation (Non-Recurring)	\$ 110				
Other Interconnect	20				
Interconnect	5				
SWACC/PLTS	135				
Total ILEC	35				
Out-of-Region	170				
Total Qwest	\$ 175				

	2000	2001	2002	2003	Total 2001-2003
Revenue					
High	\$ 220	198	246	288	732
Low	220	150	160	170	480
COGS					
Maintenance	35	36	37	39	112
Conversion Cost	2				
Purchase Accounting					
Vendor Plan					
High	-	20	22	19	61
Low	-	11	12	9	32
UNE-P Policy Dispute	33				
Total COGS-High	70	56	59	58	173
Total COGS-Low	70	47	49	48	144

EBITDA-High					
w/ Purchase Accounting	150	142	187	230	559
w/ Purchase Accounting	183	162	209	249	620

Resale/UNE Settlement Impacts Summary McLeod

Key Settlement Points:

- Strategy:**
- Develop pricing package to keep customer from migrating from resale to unreasonably low UNE-P price prescribed by regulators
 - Obtain immediate cost recovery for features at TELRIC based pricing vs. "free" rate today
- Structure:**
- Allows for flat rate UNE-P with tiered usage
 - Full Non-recurring and 50% TLA's apply vs. nominal conversion charge
 - Nonclass features as package - \$2.60/line
 - Class features ala carte
 - VMS, DSL offered at retail
 - Customer gets access usage data
 - Review of service performance
 - Business-to-Business escalation process: if necessary civil court decides final outcome

What this deal delivers:

- Keep customer "on-net" and create disincentive to use other carriers
- Mitigates revenue loss from full UNE
- Settle past "USW" UNE-P business policy disputes and financial implications with customers
- Provides alternative solution for UNE Centrex product
- Cost avoidance of exhaustive regulatory processes and possible 8th Circuit Court appeals with customer
- Provides "100% flow through" for 271 metric
- Achieves customer partnership on advocacy Reciprocal Compensation issues

Key Financial Impacts: (\$M's)

Year: 2000

	Resale to UNE-P		
	Resale (1)	Current Regulated	Deal
	UNE-P	UNE-P	UNE-P (2)
	B/(W)	B/(W)	B/(W)
Total Volumes	294,000	294,000	294,000
Revenues			
Recurring	\$ 110	84	(26)
Non-Recurring	-	2	2
Total Revenue	110	86	(24)
Expenses			
Conversion Costs	-	2	(2)
Purchase Accounting	-	-	33
Maintenance Cost	35	(32)	(32)
Total Expense	35	34	(2)

EBITDA

w/o Purchase Accounting	75	52	(26)	105	53
w/Purchase Accounting	75	52	(26)	72	20

Price/Line/Month

Loop	\$ 31.38	\$ 26.11	\$ (5.27)	\$ 29.69	\$ 3.58
SWACC	\$ 5.13	\$ 1.90	\$ (3.23)	\$ 1.90	\$ -
Total	\$ 36.51	\$ 28.01	\$ (8.50)	\$ 31.59	\$ 3.58

Cost/Line/Month

Network	\$ 9.50	\$ 9.50	\$ -	\$ 9.50	\$ -
Wholesale	\$ 1.05	\$ 1.05	\$ -	\$ 1.05	\$ -
Total Recurring	\$ 10.55	\$ 10.55	\$ -	\$ 10.55	\$ -

Net Recurring	\$ 25.96	\$ 17.46	\$ (8.50)	\$ 21.04	\$ 3.58
One-Time Conversion	\$ -	\$ 5.75	\$ -	\$ 5.75	\$ -

(1) Includes SWACC from IXC's

(2) Excludes CLASS, DSL, VMS, AIN, DA, Listings

Attorney Client Privilege

Page 2

mcbodundeelsummary Sheet2 10/21/00 4:47 AM DEH

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Resale/UNE Settlement Impacts Summary McLeod

Key Settlement Points:

Strategy:

- Strengthen business-to-business relations through mutually beneficial arrangements

Structure:

- Mutual "Take or Pay" correlated to growth
- Required growth levels must be met before discounts apply

What this deal delivers:

- Keep customer "on-net" and create incentive to use each others services
- Incentive to grow world-wide networks
- Initial step forward to develop solid business to business relationships

Key Financial Indicators: (\$M's)

	2000	2001	2002	2003	Total 2001-2003
McLeod to Qwest - <i>Return of 1st 2nd</i>					
Projected Revenue	\$ 220				
w/o NRC UNE-P	175				
w/o 50% collocation	165				
w/o 50% SWACC	155				
Projected Growth Rate	0%	28%	24%	17%	
"Base"/Projected revenue	155	198	246	288	732
Preferred Vendor -- "Take or Pay"	-	150	160	170	480
% of Projected Revenue		76%	65%	59%	66%

Qwest to McLeod

Preferred Vendor -- "Take or Pay" commitment ranges

Minimum for discount to apply

Tier	Revenue ranges	Discount Rate
Tier 1	178-188	6.5%
Tier 2	189-198	8.0%
Tier 3	over 199	10.0%

Leads to 1st 2nd 3rd

\$M's

Revenue ranges	Discount Rate
201-223	6.0%
223-254	5.0%
224-246	8.0%
255-305	8.0%
over 306	10.0%

260

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*Eastern
Partnership
2001-2003*

QWEST COUNTERPROPOSAL

	Mutual Preferred Vendor Plan				Total
	2000	2001	2002	2003	
2000	2001	2002	2003	2001-2003	
McLeod to Qwest - Before Split Rock / other acquisitions	0%	28%	24%	17%	
Projected Growth Rate	155	198	246	288	732
"Base"/Projected revenue	150	160	170	170	480
Preferred Vendor -- "Take or Pay"	78%	65%	59%	66%	
% of Projected Revenue					

McLeod to Qwest
 Preferred Vendor -- "Take or Pay" commitment ranges
 Minimum for discount to apply

Tier	Revenue ranges	Discount Rate
Tier 1	178-188	6.5%
Tier 2	189-198	8.0%
Tier 3	over 199	10.0%

Based on McLeod's Proposal to Qwest

The above level is an interim default level. Both Parties agree to negotiate final rates based on market conditions on an annual basis and for the integration of Split Rock / other acquisitions.

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Resale/UNE Settlement Impacts Summary McLeod

Key Financial Impacts: (\$M's)

ILEC	Today's Billing				
Resale	\$ 110				
Collocation (Non-Recurring)	20				
Other Interconnect	5				
Interconnect	135				
SWACC/IPLTS	35				
Total ILEC	170				
Out-of-Region	5				
Total Qwest	\$ 175				

	2000	2001	2002	2003	2001-2003	Total
Revenue						
High	\$ 220	198	246	288	732	
Low	220	150	160	170	480	
COGS						
Maintenance	35	48	59	69	176	
Conversion Cost	2					
Purchase Accounting						
Vendor Plan						
High	-	20	25	29	74	
Low	-	11	12	9	32	
UNE-P Policy Dispute	33					
Total COGS-High	70	68	84	98	250	
Total COGS-Low	70	59	71	78	208	

EBITDA-High					
w/o Purchase Accounting (Cash)	150	130	162	190	482
w Purchase Accounting	183	150	187	219	556

Key Settlement Points:

Strategy:

- Strengthen business-to-business relations vs. regulatory
- Mitigate economic and regulatory risk related to "USW" Resale to UNE-P conversion policy
- Grow top-line revenue by keeping customer "on-net"
- Resolve 271 related issues

Structure:

- 2 separate contracts
- Amend interconnection agreements for new UNE-P product
- Mutual Preferred Vendor Plan

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- No objection to 271 -- will discuss business to business to resolve
- Additional \$44M in 2000 revenue -- \$11M cash related to "USW" business policy disputes
- 3 Year revenue agreement ranging from a required minimum of \$480M to up to \$730M

Attorney Client Privilege

NONPUBLIC DOCUMENT
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Resale/UNE Settlement Impacts Summary McLeod

Key Settlement Points:

Strategy:

- Develop pricing package to keep customer from migrating from resale to unreasonably low UNE-P price prescribed by regulators
- Obtain immediate cost recovery for features at TELRIC based pricing vs. "free" rate today

Structure:

- Allows for flat rate UNE-P with tiered usage
- Full Non-recurring and 50% TL's apply vs. nominal conversion charge
- Nonclass features as package - \$2.60/line
- Class features ala carte
- VMS, DSL offered at retail
- Customer gets access usage data
- Review of service performance
- Business-to-Business escalation process: If necessary civil court decides final outcome

What this deal delivers:

- Keep customer "on-net" and create disincentive to use other carriers
- Mitigates revenue loss from full UNE
- Settle past "USW" UNE-P business policy disputes and financial implications with customers
- Provides alternative solution for UNE Centrex product
- Cost avoidance of exhaustive regulatory processes and possible 8th Circuit Court appeals with customer
- Provides "100% flow through" for 271 metric
- Achieves customer partnership on advocacy Reciprocal Compensation issues

Key Financial Impacts: (\$M's)

Year: 2000

	Resale to UNE-P		
	Current	Regulated	Deal
	UNE-P	B/(W)	UNE-P (2)
Total Volumes	294,000	-	294,000
Revenues			
Recurring	\$ 110	84	(26)
Non-Recurring	-	2	2
Total Revenue	110	86	(24)
Expense			
Conversion Costs	-	2	(2)
Purchase Accounting	-	-	33
Maintenance Cost	35	35	35
Total Expense	35	37	(2)
			70
			(33)

EBITDA

w/o Purchase Accounting	75	49	(26)	102	53
w/ Purchase Accounting	75	49	(26)	59	20

Avg. Price/Line/Month

Loop	\$ 31.38	\$ 26.11	\$ (5.27)	\$ 29.69	\$ 3.58
SWACC	\$ 5.13	\$ 1.90	\$ (3.23)	\$ 1.90	\$ -
Total	\$ 36.51	\$ 28.01	\$ (8.50)	\$ 31.59	\$ 3.58

Avg. Cost/Line/Month

Network	\$ 9.50	\$ 9.50		\$ 9.50	
Wholesale	\$ 1.05	\$ 1.05		\$ 1.05	
Total Recurring	\$ 10.55	\$ 10.55		\$ 10.55	

Net Recurring	\$ 25.96	\$ 17.46	\$ (8.50)	\$ 21.04	\$ 3.58
One-Time Conversion	\$ -	\$ 5.75		\$ 5.75	

(1) Includes SWACC from IXC's

(2) Excludes CLASS, DSL, VMS, AIN, DA, Listings

Attorney Client Privilege

mcleodunedsettlementsummary2 Sheet2 10/21/00 4:07 PM DEH

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Resale/UNE Settlement Impacts Summary McLeod

Key Settlement Points:

Strategy:

- Strengthen business-to-business relations through mutually beneficial arrangements

Structure:

- Mutual "Take or Pay" correlated to growth
- Required growth levels must be met before discounts apply

What this deal delivers:

- Keep customer "on-net" and create Incentive to use each others services
- Incentive to grow world-wide networks
- Initial step forward to develop solid business to business relationships

	Mutual Preferred Vendor Plan				Total
	2000	2001	2002	2003	
Key Financial Indicators: (\$M's)					
<u>McLeod to Qwest</u>					
Projected Revenue	\$ 220				
w/o NRC UNE-P	175				
w/o 50% collocation	165				
w/o 50% SWACC	155				
Projected Growth Rate	0%	28%	24%	17%	
"Base"/Projected revenue	155	198	246	288	732
Preferred Vendor -- "Take or Pay"	-	150	160	170	480
<small>per Casey & Fisher</small>					
% of Projected Revenue		76%	65%	59%	66%

Qwest to McLeod
Preferred Vendor -- "Take or Pay" commitment ranges
Minimum for discount to apply

	\$M's		
	178-188	Over 189	Over 199
Tier 1			
Revenue ranges	178-188	Over 189	Over 199
Discount Rate	6.5%	8.0%	8.0%
Tier 2			
Revenue ranges	189-198	Over 230	Over 250
Discount Rate	8.0%	10.0%	10.0%
Tier 3			
Revenue ranges	over 199		
Discount Rate	10.0%		

The above level is an interim default level. Both Parties agree to negotiate final rates based on market conditions on an annual basis and for the integration of Split Rock / other acquisitions.

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Resale/UNE Settlement Impacts Summary

McLeod

Key Settlement Points:

- Develop pricing package to keep customer from migrating from resale to full UNE platform pricing. *to keep customer from migrating from resale to full UNE platform pricing*
- Allows for deeper resale discount *flat rate UN.*
- Non-recurring and TLA's apply *- Obtain im product*
- Nonclass features as package *cost account*
- Class features ala carte *for TEL TEL based pricing vs - for even today's*
- VMS, DSL offered at retail *today's rate*
- CLEC gets access billing tape

Key Price Points:

- Line Resale UNE Proposed
- Features Retail Retail
- VMS Retail
- DSL Retail

What this deal delivers:

- Mitigates revenue loss from full UNE
- Avoids need to develop UNE Centrex product which is not yet ready

Obtain 271 support

Obtain subtle post business policy depart

Obtain financial implications with customers related - Revenue PAC and TLA.

Key Financial Impacts: (\$M's)

	3Q00	4Q00	2000	Total	2001
Volumes					
Resale-1FR					
Resale-1FB					
Resale Centrex	24	24	49	49	1.3
Total Volumes	24	24	49	49	1.3
Revenues					
Current Resale Plan/CE					
Recurring (incl. usage)	24	24	49	49	1.3
Non-Recurring					
Total Current	24	24	49	49	1.3
Full UNE Revenues					
Recurring (incl. usage)					
Non-Recurring					
Total Full UNE					
Proposed Revenues					
Recurring (incl. usage)					
Non-Recurring					
Total Proposed					
Net Revenue Impact					
Proposed vs. Full UNE	(24)	(24)	(49)	(49)	(113)
Proposed vs. Current					
Expense					
Recurring (incl. usage)					
Non-Recurring (chg to merger)					
EBITDA impact					
Pre-Merger					
Post Merger	(24)	(24)	(49)	(49)	(113)

EBITDA impact

Pre-Merger	(24)	(24)	(49)	(49)	(113)
Post Merger	(24)	(24)	(49)	(49)	(113)

Support

Revenue CLECs to address operational compensation issues (Shirley Under)

*Take care of the...
No...
...
...*

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Boise, Idaho

Deanhardt, C. - Exhibit 35

Case No. QWE-T-06-17

AT&T



QWEST COUNTERPROPOSAL

[Trade Secret Data Begins

	Mutual Preferred Vendor Plan				Total 2001-2003
	2000	2001	2002	2003	
<u>McLeod to Qwest - Before Split Rock / other acquisitions</u>					
Projected Growth Rate	0%	28%	24%	17%	
"Base"/Projected revenue	155	198	246	288	732
<u>Preferred Vendor -- "Take or Pay"</u>	-	150	160	170	480
% of Projected Revenue		76%	65%	59%	66%

Qwest to McLeod
 Preferred Vendor -- "Take or Pay" commitment ranges
 Minimum for discount to apply

	\$M's	
Tier 1	178-188	Over 199
Revenue ranges	6.5%	8.0%
Discount Rate		8.0%
Tier 2	189-198	Over 230
Revenue ranges	8.0%	10.0%
Discount Rate		10.0%
Tier 3	over 199	Over 250
Revenue ranges	10.0%	10.0%
Discount Rate		

The above level is an interim default level. Both Parties agree to negotiate final rates based on market condition on an annual basis and for the integration of Split Rock / other acquisitions.

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Trade Secret Data Ends]

Attorney Client Privilege

For Discussion Purposes Only. Data Exchanged Between The Parties
 Does Not Constitute Offers. Qwest Reserves The
 Right to Revise/Supplement Any Term or Condition Contained Herein

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Boise, Idaho

Deanhardt, C. - Exhibit 36

Case No. QWE-T-06-17

AT&T

McLeod

Perry Hooks - Service Plan

Arturo - Pricing

Jim G - % of Local business / Regulatory participation

Freddie - platform to Perry
- SWACC
- process

Joe Dalton - Out of Region

Jim Shurburn 314 910 - 7966
St. Louis Switched service
PLTS

(314) 568-8133 cell

992 2525 Mark Boon
Lead Sales
on IP / PLTS / voice

- No commitment
 - ↳ Month to Month
 - ↳ 1yr
- 3 DS3 voice (-w/ terminate)
same TI

\$350K - 400K / Month

- ↳ New rates being introduced
 - ↳ send traffic to WLC
 - ↳ AT&T
 - ↳ Q is 3rd carrier

(Base rate / discount revenue
↳ in SPR
↳ eminent

⇒ Max 14% - \$1m/mo for 3yrs = 9%
4m/mo " " = 14%

discourage
Access
switching
network

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Discount Structure - Jim (Houghton) ^{Region}

982-5883

① Actual level of svc

400K / month

300K / month

} floating discount

\$500K → locked in

for minutes
terminating
pieces

≈ \$300K

② All products contribute (Globals)

→ \$80K in PCTS

↳ ~~business~~ \$1M ⇒ 10% overall

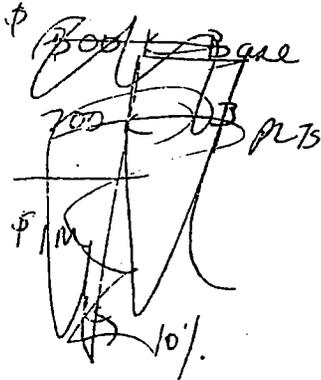
430

commitments

By product mix

↳ cross product
hybridation

3300



Voice \$1/mo
RIA
Data \$250K/mo
PCTS

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Key points w/ Joe

- ① Bus to Bus (Anchor client)
- ② Bus. important to Q
- ③

Growth	201	202	203
	\$1.24	148	180

Trade Secret Data Ends]

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Boise, Idaho

Deanhardt, C. - Exhibit 37

Case No. QWE-T-06-17

AT&T

State Of Minnesota
Department of Commerce
INFORMATION REQUEST

P421/CI-01-1371 and P421/C-02-197

Information Requested From: Qwest Corporation

Information Requested By: Ferguson, Sharon

Date Requested: 07/10/2002

Date Response Due: 07/18/2002

REQUEST:

Admit that the handwriting on Exhibit 10 to these requests is that of Audrey McKenney.

RESPONSE:

The handwriting on Exhibit 10 to these requests is that of Audrey McKenney.

Respondent: Audrey McKenney

State Of Minnesota
Department of Commerce
INFORMATION REQUEST

P421/CI-01-1371 and P421/C-02-197

Information Requested From: Qwest Corporation
Information Requested By: Ferguson, Sharon
Date Requested: 07/10/2002
Date Response Due: 07/18/2002

REQUEST:

[TRADE SECRET DATA BEGINS Admit that the "Joe" referred to in the phrase "Key points to Joe" on the second page of Exhibit 10 to these request is Joe Nacchio. TRADE SECRET DATA ENDS]

RESPONSE:

To the best of Qwest's knowledge, [TRADE SECRET DATA BEGINS The "Joe" referred to in the phrase "Key points to Joe" on the second page of Exhibit 10 to these requests is Joe Nacchio TRADE SECRET DATA ENDS]

Respondent: Audrey McKenney

MPUC Docket No. P421/C-02-197
OAH Docket No. 6-2500-14782-2
MPUC Docket No. P421/CI-01-1371
OAH Docket No. 7-2500-14486-2

Exhibit 464 J
Contains Trade Secret Information

8

1588218

[Trade secret data begins]

MINNESOTA
DOCKET NO. P121/CI-02-197
DOC 13-361 NON-PUBLIC
Trade Secret Attachment

I just finished a call with Audrey, Greg & Blake.
This document now needs a bunch of new changes. It has several things I
now
know are not the deal.
I'm sending what I have anyway. But if you want to wait to return
comments,
I
should have a new one out tonight sometime and it will be much closer to
where
we need to be.
(See attached file: QwestAmdmtDrft102100.doc)
Please call me at (319) 247-5252 to let me know you received this.
-RR

[Trade secret data ends]

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CONTAINS TRADE SECRET DATA

[Trade secret data begins

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

The Parties agree to draft and file the following as an amendment to, and is intended to amend, all Interconnection Agreements ("Agreements" and, singularly, "Agreement") between them, now in effect or entered into prior to September 30, 2003, which contains the provisions set forth below.

INTERCONNECTION AGREEMENT AMENDMENT TERMS

1. Basis for Amendment: This Amendment is entered into between the Parties based on the following conditions, which are a material part of this agreement:

1.1 McLeodUSA has purchased, as of the end of each of the last 2 calendar years, at least xx,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, to enter into agreements for the exchange of local traffic on a "bill and keep" basis, which provides for the mutual recovery of costs through the offsetting of reciprocal obligations, for local exchange traffic which originates with a customers of one company and terminates to a customer of the other company.

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 which may arise under the Agreements or this Amendment under the escalation process in this section. The parties agree to utilize the following escalation process and time frames, and not proceed to a higher level of dispute resolution until completion of the prior level, and to complete all levels before seeking filing a proceeding before any court or administrative or governmental body:

- 1.3.1 Level 1 - Vice Presidents 10 business days
(Stacey Stewart/Judy Tinkham or successors)
- 1.3.2 Level 2 - Group/Senior Vice Presidents 10 business days
(Blake Fisher/Greg Casey or successors)
- 1.3.3 Level 3 - CEOs/Presidents 5 business days
(Steve Gray/Joe Nacchio or successors)
- 1.3.4 Level 4 - Arbitration according to the provisions of the Agreement.

1.3.5 If these steps do not resolve the dispute, then either party is may initiate litigation in federal court. The parties agree the exclusive venue for civil court actions by McLeodUSA is the United States District Court in Denver and the exclusive venue for civil court actions by Qwest is the United States District Court in Cedar Rapids. If any final order of dismissing a case is entered the court, and not reversed, then the party bringing the action shall be responsible for the reimbursement of attorneys fees incurred by the other party. If any final summary judgment is entered by the court then the party against whom the judgment is entered shall be responsible for the reimbursement of

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attorneys fees incurred by the party who obtained such judgment. In the event that either party files an action in court, the parties waive primary jurisdiction in any state utility or service commission and any contractual or tariff limitations on damages, and the Agreements are hereby amended accordingly. Neither party, however, waives its right to take disputes unresolved after the arbitration level to the appropriate state or federal regulatory body for resolution.

1.4 This Amendment shall be deemed effective upon approval by the appropriate state commission, but the parties agree to implement the terms of the Amendment effective October 1, 2000. This Amendment extends the termination date of all Agreements that would otherwise expire, and all effective amendments to those Agreements, until expiration of this Amendment. This Amendment and the underlying Agreement shall be binding on the successors and assigns of both Qwest and McLeodUSA.

1.5 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.

1.6 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.

1.7 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.

1.8 Unless terminated as provided in this section, the initial term of this Amendment is three (3) years ("Initial Term") and this Amendment shall automatically renew for successive periods of one (1) year ("Successive Term"). This Amendment can only be terminated in the event of:

1.8.1 a material change in the current percentage of lines purchase by McLeodUSA is each of the various pricing zones of Qwest;

1.8.2 the average retail business rates across all Qwest states fall to within 15% of the average of the rates offered to McLeodUSA on attachment 1.8.2;
[Jim - this is intended to address the price squeeze concern we have raised. Attachment 1.8.2 will be the rates and discount.]

1.8.3 a material breach of the terms of the Agreements or this Amendment which remains unresolved and uncompensated following application of the dispute resolution provisions of this agreement;

1.8.4 a material change in the telecommunications industry not resulting from any actions within the control of either party; or

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1.8.5 either party giving written notice of termination at least six (6) months prior to the end of the Initial Term or any Successive Term.

1.9 In the event of termination, pricing, terms, and conditions for all services and network elements purchased under this Amendment shall immediately be converted either to other prevailing prices for combinations of network elements or, at McLeodUSA's option, to retail services purchased at the prevailing wholesale discount. In either case, no additional conversion or nonrecurring charges shall apply to the conversion. If the amendment is terminated by Qwest sooner than two months after it becomes effective, Qwest shall pay to McLeodUSA \$10 million. If the amendment is terminated by Qwest more than two months but less than six months after it becomes effective, Qwest shall pay to McLeodUSA \$5 million.

1.10 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.

1.11 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, supplier failures, 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").

1.12 Provision of Products (as defined below) in accordance with sections 3.2 and 3.4 will be viewed by McLeodUSA as compliance with the requirements the 14-point checklist of Section 271 of the Telecommunications Act of 1996.

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, with such consideration only being adequate if all such agreements and covenants are made and are enforceable, *[consider whether there are other specific terms or provisions to add to this language to avoid "pick & choose"]* McLeodUSA agrees to the following:

2.1 To pay Qwest \$38.5 million for conversion fees and termination charges.

2.2 To purchase, pursuant to the provisions of Attachment 2.2, from Qwest during the Initial Term of this Amendment, at least \$480 million worth of telecommunications, enhanced or information services, network elements, interconnection or collocation services or elements, capacity, termination or origination services, switching or fiber rights ("the Products").

2.3 To maintain, during each 12 month period of this Amendment (with such periods running from October 1 to September 30), no fewer than xx,000 local exchange lines purchased from Qwest throughout the territories where Qwest is currently the incumbent local exchange service provider, for the purpose of providing service to McLeodUSA's customers. For purposes of this provision, local exchange lines purchased include lines purchased for resale and unbundled loops. This minimum line commitment will be reduced proportionally in the even

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Qwest sells any exchanges where it is currently the incumbent local exchange service provider.

2.4 To maintain, during the term of this Amendment no fewer than x,000 local exchange lines purchased from Qwest in each state where Qwest is currently the incumbent local exchange service provider, for the purpose of providing service to McLeodUSA's customers. 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) either IMA or EDI electronic interfaces offered by Qwest, to the extent that those interfaces adequately support the product.

2.5 To remain on a "bill and keep" basis for the exchange of local traffic with Qwest, throughout the territories where Qwest is currently the incumbent local exchange service provider until _____ **[whatever date we previously agreed to]** or until this Amendment is terminated, whichever is later.

2.6 To enter into and maintain interconnection agreements, or one regional agreement, covering the provision of Products throughout the entire territory where Qwest is currently the incumbent local exchange service provider, except in those exchanges sold by Qwest.

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, with such consideration only being adequate if all such agreements and covenants are made and are enforceable, **[same note as above]** Qwest agrees to the following:

3.1 To waive and release all charges and liability, other than those described in section 2.1, associated resale products purchased from Qwest prior to the effective date of this Amendment or for converting or terminating McLeodUSA services purchased from Qwest for resale to the UNE/switch port and loop combination product described in this amendment.

3.2 To provide throughout the term of this Amendment the product described on Attachments 3.2A and the Products required under the Agreements which are not inconsistent with Attachment 3.2A, at the prices provided on Attachment 1.8.2, which platform, products and services will be provided in accordance with the requirements of the PID described on Attachment 3.2B.

[I need help from some biz folks to do these attachments, but the concept is the same as suggested in your note. Consider whether the discount on the total can be in a side letter.]

3.3 To remain on a "bill and keep" basis for the exchange of local traffic with Qwest, throughout the territories where Qwest is currently the incumbent local exchange service provider until _____ **[whatever date we previously agreed to]** or until this Amendment is terminated, whichever is later.

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

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**McLeodUSA Telecommunications
Services, Inc.**

Authorized Signature

Name Printed/Typed

Title

Date

Qwest Corporation

Authorized Signature

Name Printed/Typed

Title

Date

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Attachment 2.2

[Consider whether this should be a side letter.]

- I. Subject to the provisions of this Attachment, during the period from October 1, 2000 to September 30, 2001, McLeodUSA will purchase at [\$150] million of Products described in section 2.2 and in the event that McLeodUSA's purchases do not meet this minimum, McLeodUSA agrees to make a payment to Qwest, no later than October 15, 2001 of the following year, in an amount equal to the difference between actual purchases and the purchase commitment.
- II. Subject to the provisions of this Attachment, during the period from October 1, 2001 to September 30, 2002, McLeodUSA will purchase at [\$160] million of Products described in section 2.2, provided however that if the purchases during the period described in paragraph I. exceed [\$150] million then such excess amount shall apply to the minimum commitment of this paragraph, and in the event that the combination of McLeodUSA's purchases and application of excess amounts, if any, do not meet this minimum, McLeodUSA agrees to make a payment to Qwest, no later than October 15, 2002 of the following year, in an amount equal to the difference between actual purchases and application of excess, if any, and the purchase commitment.
- III. Subject to the provisions of this Attachment, during the period from October 1, 2001 to September 30, 2002, McLeodUSA will purchase at [\$170] million of Products described in section 2.2, provided however that if the purchases during the periods described in paragraphs I. & II. exceed [\$210] million then such excess amount shall apply to the minimum commitment of this paragraph, and in the event that the combination of McLeodUSA's purchases and application of excess amounts, if any, do not meet this minimum, McLeodUSA agrees to make a payment to Qwest, no later than October 15, 2002 of the following year, in an amount equal to the difference between actual purchases and application of excess, if any, and the purchase commitment.
- IV. The minimum purchase requirements provided in this Attachment shall be reduced proportionally for each of the following which occur:
 - A. A reduction in the rates for any of the Products, by agreement or otherwise.
 - B. Any of the Products are no longer offered.
 - C. Any sale of current Qwest exchanges.
 - D. Any delay in the delivery of an ordered Product (which shall reduce the minimum dollar for dollar for Products ordered but not delivered).
 - E. Any outage or state of "out of service" when Products have been ordered or requested.
 - F. Release, sale, transfer or relinquishment of any current collocation back to Qwest.
 - G. McLeodUSA's business is prevented, restricted or interfered with by a Force Majeure as described in section 1.11.

Trade secret data ends]

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Idaho Public Utilities Commission
Office of the Secretary
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AUG 16 2007

Boise, Idaho

Deanhardt, C. - Exhibit 38

Case No. QWE-T-06-17

AT&T

[Trade secret data begins

MINNESOTA
DOCKET NO. P21/C1-02-197
DOC 13-361 NON-PUBLIC
Trade Secret Attachment

I just finished a call with Audrey, Greg & Blake.
This document now needs a bunch of new changes. It has several things I
now
know are not the deal.
I'm sending what I have anyway. But if you want to wait to return
comments,
I
should have a new one out tonight sometime and it will be much closer to
where
we need to be.
(See attached file: QwestAmdmtDrft102100.doc)
Please call me at (319) 247-5252 to let me know you received this.
-RR

Trade secret data ends]

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

7/23/2002

[Trade secret data begins

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

The Parties agree to draft and file the following as an amendment to, and is intended to amend, all Interconnection Agreements ("Agreements" and, singularly, "Agreement") between them, now in effect or entered into prior to September 30, 2003, which contains the provisions set forth below.

INTERCONNECTION AGREEMENT AMENDMENT TERMS

1. Basis for Amendment: This Amendment is entered into between the Parties based on the following conditions, which are a material part of this agreement:

1.1 McLeodUSA has purchased, as of the end of each of the last 2 calendar years, at least xx,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, to enter into agreements for the exchange of local traffic on a "bill and keep" basis, which provides for the mutual recovery of costs through the offsetting of reciprocal obligations, for local exchange traffic which originates with a customers of one company and terminates to a customer of the other company.

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 which may arise under the Agreements or this Amendment under the escalation process in this section. The parties agree to utilize the following escalation process and time frames, and not proceed to a higher level of dispute resolution until completion of the prior level, and to complete all levels before seeking filing a proceeding before any court or administrative or governmental body:

- | | | |
|-------|---|------------------|
| 1.3.1 | Level 1 - Vice Presidents
(Stacey Stewart/Judy Tinkham or successors) | 10 business days |
| 1.3.2 | Level 2 - Group/Senior Vice Presidents
(Blake Fisher/Greg Casey or successors) | 10 business days |
| 1.3.3 | Level 3 - CEOs/Presidents
(Steve Gray/Joe Nacchio or successors) | 5 business days |
| 1.3.4 | Level 4 - Arbitration according to the provisions of the Agreement. | |

1.3.5 If these steps do not resolve the dispute, then either party is may initiate litigation in federal court. The parties agree the exclusive venue for civil court actions by McLeodUSA is the United States District Court in Denver and the exclusive venue for civil court actions by Qwest is the United States District Court in Cedar Rapids. If any final order of dismissing a case is entered the court, and not reversed, then the party bringing the action shall be responsible for the reimbursement of attorneys fees incurred by the other party. If any final summary judgment is entered by the court then the party against whom the judgment is entered shall be responsible for the reimbursement of

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attorneys fees incurred by the party who obtained such judgment. In the event that either party files an action in court, the parties waive primary jurisdiction in any state utility or service commission and any contractual or tariff limitations on damages, and the Agreements are hereby amended accordingly. Neither party, however, waives its right to take disputes unresolved after the arbitration level to the appropriate state or federal regulatory body for resolution.

1.4 This Amendment shall be deemed effective upon approval by the appropriate state commission, but the parties agree to implement the terms of the Amendment effective October 1, 2000. This Amendment extends the termination date of all Agreements that would otherwise expire, and all effective amendments to those Agreements, until expiration of this Amendment. This Amendment and the underlying Agreement shall be binding on the successors and assigns of both Qwest and McLeodUSA.

1.5 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.

1.6 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.

1.7 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.

1.8 Unless terminated as provided in this section, the initial term of this Amendment is three (3) years ("Initial Term") and this Amendment shall automatically renew for successive periods of one (1) year ("Successive Term"). This Amendment can only be terminated in the event of:

1.8.1 a material change in the current percentage of lines purchase by McLeodUSA in each of the various pricing zones of Qwest;

1.8.2 the average retail business rates across all Qwest states fall to within 15% of the average of the rates offered to McLeodUSA on attachment 1.8.2;
[Jim - this is intended to address the price squeeze concern we have raised. Attachment 1.8.2 will be the rates and discount.]

1.8.3 a material breach of the terms of the Agreements or this Amendment which remains unresolved and uncompensated following application of the dispute resolution provisions of this agreement;

1.8.4 a material change in the telecommunications industry not resulting from any actions within the control of either party; or

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1.8.5 either party giving written notice of termination at least six (6) months prior to the end of the Initial Term or any Successive Term.

1.9 In the event of termination, pricing, terms, and conditions for all services and network elements purchased under this Amendment shall immediately be converted either to other prevailing prices for combinations of network elements or, at McLeodUSA's option, to retail services purchased at the prevailing wholesale discount. In either case, no additional conversion or nonrecurring charges shall apply to the conversion. If the amendment is terminated by Qwest sooner than two months after it becomes effective, Qwest shall pay to McLeodUSA \$10 million. If the amendment is terminated by Qwest more than two months but less than six months after it becomes effective, Qwest shall pay to McLeodUSA \$5 million.

1.10 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.

1.11 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, supplier failures, 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").

1.12 Provision of Products (as defined below) in accordance with sections 3.2 and 3.4 will be viewed by McLeodUSA as compliance with the requirements the 14-point checklist of Section 271 of the Telecommunications Act of 1996.

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, with such consideration only being adequate if all such agreements and covenants are made and are enforceable, ***[consider whether there are other specific terms or provisions to add to this language to avoid "pick & choose"]*** McLeodUSA agrees to the following:

2.1 To pay Qwest \$38.5 million for conversion fees and termination charges.

2.2 To purchase, pursuant to the provisions of Attachment 2.2, from Qwest during the Initial Term of this Amendment, at least \$480 million worth of telecommunications, enhanced or information services, network elements, interconnection or collocation services or elements, capacity, termination or origination services, switching or fiber rights ("the Products").

2.3 To maintain, during each 12 month period of this Amendment (with such periods running from October 1 to September 30), no fewer than xx,000 local exchange lines purchased from Qwest throughout the territories where Qwest is currently the incumbent local exchange service provider, for the purpose of providing service to McLeodUSA's customers. For purposes of this provision, local exchange lines purchased include lines purchased for resale and unbundled loops. This minimum line commitment will be reduced proportionally in the even

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Qwest sells any exchanges where it is currently the incumbent local exchange service provider.

2.4 To maintain, during the term of this Amendment no fewer than x,000 local exchange lines purchased from Qwest in each state where Qwest is currently the incumbent local exchange service provider, for the purpose of providing service to McLeodUSA's customers. This minimum line commitment will be reduced proportionally in the even 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) either IMA or EDI electronic interfaces offered by Qwest, to the extent that those interfaces adequately support the product.

2.5 To remain on a "bill and keep" basis for the exchange of local traffic with Qwest, throughout the territories where Qwest is currently the incumbent local exchange service provider until _____ **[whatever date we previously agreed to]** or until this Amendment is terminated, whichever is later.

2.6 To enter into and maintain interconnection agreements, or one regional agreement, covering the provision of Products throughout the entire territory where Qwest is currently the incumbent local exchange service provider, except in those exchanges sold by Qwest.

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, with such consideration only being adequate if all such agreements and covenants are made and are enforceable, **[same note as above]** Qwest agrees to the following:

3.1 To waive and release all charges and liability, other than those described in section 2.1, associated resale products purchased from Qwest prior to the effective date of this Amendment or for converting or terminating McLeodUSA services purchased from Qwest for resale to the UNE/switch port and loop combination product described in this amendment.

3.2 To provide throughout the term of this Amendment the product described on Attachments 3.2A and the Products required under the Agreements which are not inconsistent with Attachment 3.2A, at the prices provided on Attachment 1.8.2, which platform, products and services will be provided in accordance with the requirements of the PID described on Attachment 3.2B.

[I need help from some biz folks to do these attachments, but the concept is the same as suggested in your note. Consider whether the discount on the total can be in a side letter.]

3.3 To remain on a "bill and keep" basis for the exchange of local traffic with Qwest, throughout the territories where Qwest is currently the incumbent local exchange service provider until _____ **[whatever date we previously agreed to]** or until this Amendment is terminated, whichever is later.

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

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**McLeodUSA Telecommunications
Services, Inc.**

Authorized Signature

Name Printed/Typed

Title

Date

Qwest Corporation

Authorized Signature

Name Printed/Typed

Title

Date

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Attachment 2.2

[Consider whether this should be a side letter.]

- I. Subject to the provisions of this Attachment, during the period from October 1, 2000 to September 30, 2001, McLeodUSA will purchase at [\$150] million of Products described in section 2.2 and in the event that McLeodUSA's purchases do not meet this minimum, McLeodUSA agrees to make a payment to Qwest, no later than October 15, 2001 of the following year, in an amount equal to the difference between actual purchases and the purchase commitment.
- II. Subject to the provisions of this Attachment, during the period from October 1, 2001 to September 30, 2002, McLeodUSA will purchase at [\$160] million of Products described in section 2.2, provided however that if the purchases during the period described in paragraph I. exceed [\$150] million then such excess amount shall apply to the minimum commitment of this paragraph, and in the event that the combination of McLeodUSA's purchases and application of excess amounts, if any, do not meet this minimum, McLeodUSA agrees to make a payment to Qwest, no later than October 15, 2002 of the following year, in an amount equal to the difference between actual purchases and application of excess, if any, and the purchase commitment.
- III. Subject to the provisions of this Attachment, during the period from October 1, 2001 to September 30, 2002, McLeodUSA will purchase at [\$170] million of Products described in section 2.2, provided however that if the purchases during the periods described in paragraphs I. & II. exceed [\$210] million then such excess amount shall apply to the minimum commitment of this paragraph, and in the event that the combination of McLeodUSA's purchases and application of excess amounts, if any, do not meet this minimum, McLeodUSA agrees to make a payment to Qwest, no later than October 15, 2002 of the following year, in an amount equal to the difference between actual purchases and application of excess, if any, and the purchase commitment.
- IV. The minimum purchase requirements provided in this Attachment shall be reduced proportionally for each of the following which occur:
 - A. A reduction in the rates for any of the Products, by agreement or otherwise.
 - B. Any of the Products are no longer offered.
 - C. Any sale of current Qwest exchanges.
 - D. Any delay in the delivery of an ordered Product (which shall reduce the minimum dollar for dollar for Products ordered but not delivered).
 - E. Any outage or state of "out of service" when Products have been ordered or requested.
 - F. Release, sale, transfer or relinquishment of any current collocation back to Qwest.
 - G. McLeodUSA's business is prevented, restricted or interfered with by a Force Majeure as described in section 1.11.

Trade secret data ends]

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Boise, Idaho

Deanhardt, C. - Exhibit 39

Case No. QWE-T-06-17

AT&T

Resale/UNE Settlement Impacts Summary

McLeod

Key Financial Impacts

P-421/C-02-197
 DOC 08-211
 TRADE SECRET ATTACHMENT

[Trade Secret Data Begins

Key Settlement Points:

- Strengthen business-to-business relations vs. regulatory
- Mitigate economic and regulatory risk related to "USW" Resale to UNE-P conversion policy
- Grow top-line revenue by keeping customer "on-net"
- Resolve 271 related issues

Strategy:

- Amend Interconnection agreements for new UNE-P product
- Mutual Preferred Vendor Plan

Structure:

- No objection to 271 -- will discuss business to business to resolve
- Additional \$44M in 2000 revenue -- \$11M cash related to "USW" business policy disputes
- 3 Year revenue agreement ranging from a required minimum of \$480M to up to \$730M

\$M	Today's Billing	2000	2001	2002	2003	2001-2003 Total
ILEC Resale	\$ 110	220	198	246	288	732
Collocation (Non-Recurring)	20	220	150	160	170	480
Other Interconnect	5					
Interconnect	135					
SWACC/PLTS	35					
Total ILEC	170					
Out-of-Region	5					
Total Qwest	\$ 175					

+ 45 Nonrecurring = 220

Revenue	High	Low	2000	2001	2002	2003	2001-2003 Total
Revenue	\$ 220	220	220	198	246	288	732
COGS	35	2					
Maintenance	48						
Conversion Cost	2						
Vendor Plan - High	20						
Total COGS-High	37	68	68	84	98	98	250
Total COGS-Low	37	48	48	59	69	69	176

EBITDA	High	Low	2000	2001	2002	2003	2001-2003 Total
EBITDA	183	183	183	130	162	190	482
High	183	102	102	101	101	101	304
Low	183	102	102	101	101	101	304

UNE-P Policy Dispute 33

* Evaluating for possible purchase accounting treatment

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Resale/UNE Settlement Impacts Summary

McLeod

Pricing Impacts

\$M

Year: 2000

Total Volumes

	Pricing on Resale Volumes				
	Current Regulated	UNE-P	H/L	Deal UNE-P	H/L
Resale (1)	294,000	294,000	-	294,000	-
Recurring	\$ 110	84	(26)	95	11
Non-Recurring	-	2	2	44	42
Total Revenue	110	88	(24)	139	53

	Current Regulated	UNE-P	H/L	Deal UNE-P	H/L
Conversion Costs	35	35	-	35	-
Maintenance Cost	35	37	2	37	-
Total Expense	70	72	2	72	-

EBITDA

UNE-P policy dispute one time charge

EBITDA	75	49	(26)	102	53
Avg. Price/Line/Month					
Loop	\$ 31.38	\$ 28.11	\$(5.27)	\$ 28.69	\$ 3.58
SWACC	\$ 5.13	\$ 1.90	\$(3.23)	\$ 1.90	\$ -
Total	\$ 36.51	\$ 28.01	\$(8.50)	\$ 31.59	\$ 3.58
Discount off resale		-23%		-13%	

Avg. Cos/Line/Month	Current Regulated	UNE-P	H/L	Deal UNE-P	H/L
Network	\$ 9.50	\$ 9.50	-	\$ 9.50	-
Wholesale	\$ 1.05	\$ 1.05	-	\$ 1.05	-
Total Recurring	\$ 10.55	\$ 10.55	-	\$ 10.55	-

Net Recurring	\$ 25.98	\$ 17.46	\$(8.50)	\$ 21.04	\$ 3.58
One-Time Conversion	\$ -	\$ 5.75		\$ 5.75	

(1) Includes SWACC from ttc's
 (2) Excludes CLASS, DCL, VMS, AM, PA, Litings

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Resale/UNE Settlement Impacts Summary

Mcleod

Mutual Preferred Vendor Plan

\$M	Total			
	2000	2001	2002	2003
				2001-2003

Mcleod to Qwest					
Projected Revenue	\$ 220				
w/o NRC UNE-P	175				
w/o 50% collocation	165				
w/o 50% SWACC	155				
Projected Growth Rate	0%	28%	24%	17%	732
*Basee/Projected revenue	155	198	248	288	
Preferred Vendor - "Take or Pay"	-	150	180	170	480
per Casey & Fisher					
% of Projected Revenue		76%	65%	59%	66%

Qwest to Mcleod
 Preferred Vendor - "Take or Pay" commitment ranges
 Minimum for discount to apply

- Tier 1
 - Revenue ranges
 - Discount Rate
- Tier 2
 - Revenue ranges
 - Discount Rate
- Tier 3
 - Revenue ranges
 - Discount Rate

	\$M's			
2001 Based on Mcleod's Proposal to Qwest	178-188	Over 189	Over 199	Over 199
	6.5%	8.0%	8.0%	
	189-198	Over 230	Over 250	
	8.0%	10.0%	10.0%	
	Over 189			
	10.0%			

The above level is an interim default level. Both Parties agree to negotiate final rates based on market conditions on an annual basis and for the integration of Split Rock / other acquisitions.

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Financial Impacts Summary McLeod

Change from Mandated Pricing Plan
\$M

H/(L)	Total Deal	2000	2001
High End:			
Revenue	141	53	24
EBITDA	67	53	4
NPV	17		
Low End:			
Revenue	111	53	18
EBITDA	111	53	18
NPV	36		

Nonrecurring:

Revenue (Term, Liability/Conversion Payments)	44
One Time Charge (UNE-P Dispute Settlement)	33

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Page 4

Economic Analysis McLeod High Revenue Projection

McLeod Under New UNE-P

\$M	2000	2001	2002	2003	Total
REVENUE	220	188	246	288	952
COGS					
Maintenance	35	48	58	69	211
Conversion Cost	2	0	0	0	2
Vendor Plan	0	20	25	29	74
UNE-P Policy Dispute	33	0	0	0	33
EBITDA	150	130	162	180	632
Depreciation - Loops	21	27	33	39	119
Earnings Before Taxes	129	104	129	151	513
Taxes	49	39	49	57	195
Net operating income	80	64	80	94	318
Add back Noncash expense	21	27	33	39	119
Cashflow from operations	101	91	113	132	437
Capital Investments	0	(87)	(96)	(84)	(267)
Total projected cash flow	101	4	17	48	170
NPV (2001-2003)	51				
NPV (2000-2003)	136				

McLeod Under Regulated UNE-P

\$M	2000	2001	2002	2003	Total
REVENUE	167	174	216	263	811
COGS					
Maintenance	35	48	58	69	211
Conversion Cost	2	0	0	0	2
Vendor Plan	0	0	0	0	0
UNE-P Policy Dispute	0	0	0	0	0
EBITDA	130	127	157	184	598
Depreciation - Loops	21	27	33	39	119
Earnings Before Taxes	109	100	124	146	479
Taxes	42	38	47	55	182
Net operating income	68	62	77	90	297
Add back Noncash expense	21	27	33	39	119
Cashflow from operations	88	89	110	129	416
Capital Investments	0	(87)	(98)	(84)	(267)
Total projected cash flow	88	2	14	45	149
NPV (2001-2003)	45				
NPV (2000-2003)	119				

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Economic Analysis McLeod Low Revenue Projection

McLeod Under New UNE-P

\$M	2000	2001	2002	2003	Total
REVENUE	220	160	160	170	700
COGS					
Maintenance	35	37	40	42	154
Conversion Cost	2	0	0	0	2
Vendor Plan	0	0	0	0	0
UNE-P Policy Dispute	33	0	0	0	33
EBITDA	160	113	120	128	511
Depreciation - Loops	21	21	22	24	87
Earnings Before Taxes	128	92	98	104	423
Taxes	49	35	37	40	161
Net operating Income	80	57	61	65	263
Add back Noncash expense	21	21	22	24	87
Cashflow from operations	101	78	83	88	350
Capital Investments	0	0	(22)	(20)	(42)
Total projected cash flow	101	78	81	88	308
NPV (2001-2003)	167				
NPV (2000-2003)	239				

McLeod Under Regulated UNE-P

\$M	2000	2001	2002	2003	Total
REVENUE	167	132	141	150	589
COGS					
Maintenance	36	37	40	42	154
Conversion Cost	2	0	0	0	2
Vendor Plan	0	0	0	0	0
UNE-P Policy Dispute	0	0	0	0	0
EBITDA	130	95	101	108	433
Depreciation - Loops	21	21	22	24	88
Earnings Before Taxes	109	74	79	84	346
Taxes	42	28	30	32	131
Net operating Income	88	46	49	52	214
Add back Noncash expense	21	21	22	24	88
Cashflow from operations	88	67	71	76	302
Capital Investments	0	0	(22)	(20)	(42)
Total projected cash flow	88	67	49	56	260
NPV (2001-2003)	138				
NPV (2000-2003)	203				

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Deanhardt, C. - Exhibit 40

Case No. QWE-T-06-17

AT&T

Implementation Plan w/ McLeod (Tinkham / Seville?)

- Network
- PRI
- Out of Region LD
- Exec to Exec
- Regulatory
- Finance

↳ 1101??

P-421/C-02-197

DOC 08-212

Trade Secret Attachment

Stacy - overall "B"
- need to look @ current issues

New Issues - Stacy

① ANI over T-1

- Desirc in Centex (UNE-M)

↳ Trunking dedicated T-1 b/had to LT provider

↳ Reconcile LD records

↳ org. call detail for billing from LD carrier

SMAR records - match to LD records

4-6% call fall out

\$3M/yr revenue

↳ being chg from LD carriers

Next weeks

→ Pass ANI to dedicated T-1

• Policy decision - ANI ~~rec~~ records on "PLTS" vs SWACC

↳ ordered T-1s from Exco (not willing to put T-1s on EQ)

- ① Can we do it?
- ② What is the cost?
- ③ Limited to UNE-M

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② HESTON / Poole issues

③ Billing Issues
4 o/s

issues - 1 yr ago
- Rec-comp - Bill keep

ⓐ o/s bal for \$2.7M in MD

ⓑ o/s bal. for centerline 4.7M

ⓒ owes \$460K for meet pt

ⓓ LTO Trunking

ⓔ Record

- ④ Reconciliation process monthly line rate true-ups (UNE-m)
- ⑤ Reconciliation process 10% vendor pymnt
- ⑥ Ala Carte features

Monthly line Rate T/Up

- because a Arturo is working except Ala Carte

Ala Carte feature

- ↳ Flat rate vs UNE - feature
 - ↳ Didn't want to pay more
 - ↳ IA no rate chg
- ⇒ Discount 10% off top

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Deanhardt, C. - Exhibit 41

Case No. QWE-T-06-17

AT&T

State of Minnesota
DEPARTMENT OF COMMERCE

Utility Information Request

Docket Number: P421/C-02-197

Date of Request: July 10, 2002

Requested From: Qwest Corporation

Response Due: July 17, 2002

Analyst Requesting Information: Michelle Rebholz

Type of Inquiry: Financial Rate of Return Rate Design
 Engineering Forecasting Conservation
 Cost of Service CIP Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request
No.

345 Admit that the handwriting on Exhibit 16 to these requests is that of Audrey McKenney.

Response by: _____

List sources of information:

Title: _____

Department: _____

Telephone: _____

Implementation Plan w/ Nelso (Trinham / Seville?)

P-421/C-02-197
DOC 08-212

Trade Secret Attachment

• Network

↳ 1101??

• PRI

• Out of Region LD

• Exec to Exec

• Regulatory

• Finance

Stacy - Overall "B"
- Need to look @
current issues

New Issues - Stacy

① ANI over T-1

- DISIC

in Center (UNE-M)

↳ Trunking dedicated T-1 b/hw to LH provider

↳ Reconcile LD records

↳ org. call detail for billing from
LD carrier

SMAR records - match to LD records

4-6% call fall out

\$3M/yr
↳ revenue

↳ keep chg from LD carriers

Next weeks

→ Pass ANI to dedicated T-1

• Policy decision - ANI records on "PLTS" vs SWACC

↳ ordered T-1s from Exco (not willing to put T-1s on Q)

② Can we do it?

③ What is the cost?

④ Limited to UNE-M

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② HESTON / Poole

issues

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③ Billing Issues

4 o/s

issues - 1 yr ago

- Rec-Comp - Bill keep

① o/s bal for \$2.7M in MN

② o/s bal. fa interstate 4.7M

③ owes \$460K fa meet pt

④ LTO Trunking

⑤ Revenue

- ④ Reconciliation process monthly line rate tie-up (LERO-M)
- ⑤ Reconciliation process 10% vendor pymt
- ⑥ Ala Carte features

Monthly line Rate T/Up

- because a status is working except Ala Carte

Ala Carte feature

- ↳ Flat rate vs UNE - feature
 - ↳ Didn't want to pay more
 - ↳ IA no rate chg
- ⇒ Discount 10% off top

Trade Secret Data Ends

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State Of Minnesota
Department of Commerce
INFORMATION REQUEST

P421/CI-01-1371 and P421/C-02-197

Information Requested From: Qwest Corporation

Information Requested By: Ferguson, Sharon

Date Requested: 07/10/2002

Date Response Due: 07/18/2002

REQUEST:

Admit that the handwriting on Exhibit 16 to these request is that of Audrey McKenney.

RESPONSE:

The handwriting on Exhibit 16 to these requests is that of Audrey McKenney.

Respondent: Audrey McKenney

Idaho Public Utilities Commission
Office of the Secretary
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Boise, Idaho

Deanhardt, C. - Exhibit 42

Case No. QWE-T-06-17

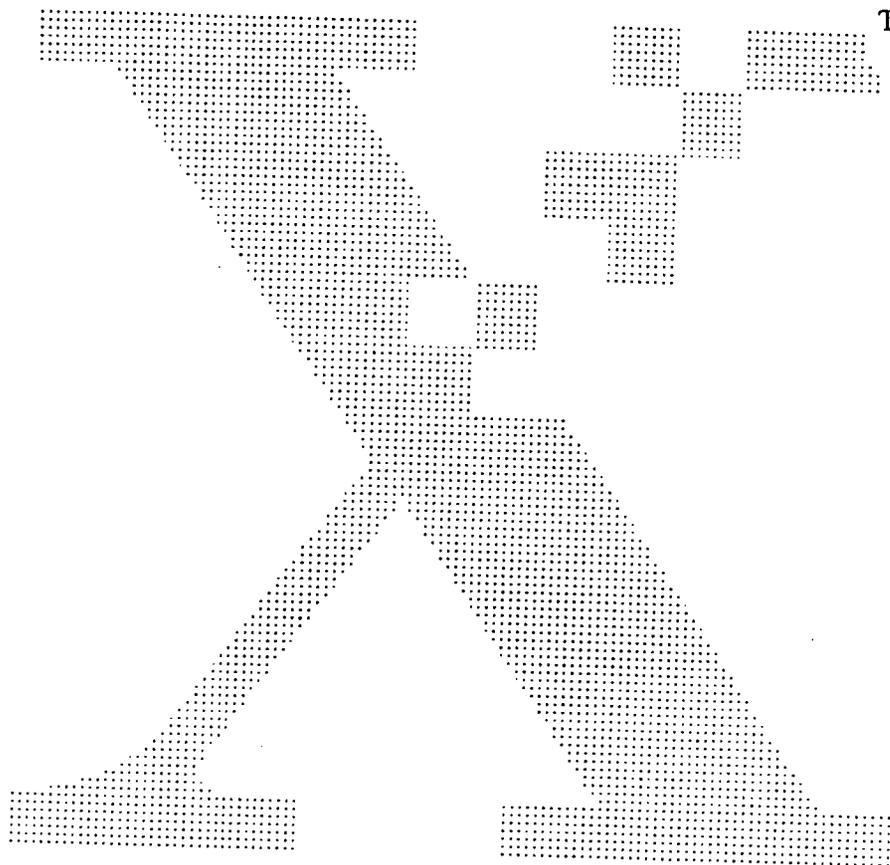
AT&T

MABDULQ

MABDULQ

UNE DEAL REFUNDS.xls
06/24/02 11:04 AM

P-421/C-02-197
DOC 08-210
TRADE SECRET ATTACHMENT



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MEMORANDUM

To: Suzy Francis

From: Shanna Davis

Date: June 1, 2001

[Trade Secret Data Begins

Re: Resale Revenue Reclass to UNE-Star Revenue

cc: Bill Easton, Mario Mendoza, Shanna Davis

To reclass McLeod and Eschelon revenue booked in resale USOAs to UNE-Star revenue USOAs

RC: TBL000000	Debit / (Credit)	
State	5001.4110	5240.5210
AZ	778,694	(778,694)
CO	3,761,352	(3,761,352)
IA	3,898,667	(3,898,667)
ID	481,307	(481,307)
MN	3,169,572	(3,169,572)
MT	58,905	(58,905)
ND	801,687	(801,687)
NE	337,577	(337,577)
NM	210,244	(210,244)
OR	478,993	(478,993)
SD	559,994	(559,994)
UT	647,999	(647,999)
WA	803,492	(803,492)
WY	628,375	(628,375)
TOTAL	16,616,859	(16,616,859)

Please call if you have questions – 303-965-4324. Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	YTD
A07 AZ						(75,920)							(75,920)
CO						(39,937)							(39,937)
IA													
ID													
IP													
MN													
MT						(115,572)							(115,572)
ND													
NE						(181)							(181)
NM													
OR													
SD						(19,663)							(19,663)
UT													
WA						(65,409)							(65,409)
WY						(4,862)							(4,862)
Total						(321,528)							(321,528)

M01 AZ	(8,123)	(12,292)	(17,576)	(31,754)	(43,728)	(62,016)							(175,469)
CO	(123,187)	(136,895)	(137,938)	(128,104)	(200,555)	(208,919)							(934,586)
IA	273,205	270,481	294,647	296,430	228,763	273,065							1,636,582
ID	(17,754)	(21,346)	(26,808)	(35,585)	(44,904)	(53,475)							(199,872)
IP													
MN	(609,180)	(631,317)	(614,240)	(630,339)	(626,789)	(638,423)							(3,750,289)
MT	(120)	(122)	(209)	(141)	(141)	(335)							(1,068)
ND	8,534	8,281	11,882	11,821	10,125	7,399							57,822
NE	(35,119)	(39,168)	(43,593)	(47,178)	(49,739)	(50,911)							(265,707)
NM	(1,143)	(3,835)	(7,286)	(18,172)	(26,947)	(34,773)							(92,255)
OR	(2,302)	(3,138)	(5,714)	(9,167)	(12,617)	(14,866)							(47,824)
SD	32,182	32,048	34,204	35,212	34,035	34,021							201,581
UT	(50,916)	(59,032)	(113,665)	(137,468)	(156,901)	(166,195)							(684,175)
WA	(14,807)	(21,555)	(27,198)	(43,548)	(57,326)	(87,010)							(231,241)
WY													
Total	(548,549)	(618,010)	(653,493)	(736,188)	(946,724)	(983,459)							(4,466,422)

Total AZ	(8,123)	(12,292)	(17,576)	(31,754)	(43,728)	(137,938)							(251,410)
CO	(123,187)	(136,895)	(137,938)	(128,104)	(200,555)	(249,856)							(974,536)
IA	273,205	270,481	294,647	296,430	228,763	273,065							1,636,582
ID	(17,754)	(21,346)	(26,808)	(35,585)	(44,904)	(53,475)							(199,872)
IP													
MN	(609,180)	(631,317)	(614,240)	(630,339)	(626,789)	(753,995)							(3,865,861)
MT	(120)	(122)	(209)	(141)	(141)	(335)							(1,068)
ND	8,534	8,281	11,882	11,821	10,125	7,237							57,660
NE	(35,119)	(39,168)	(43,593)	(47,178)	(49,739)	(50,911)							(265,707)
NM	(1,143)	(3,835)	(7,286)	(18,172)	(26,947)	(34,773)							(92,255)
OR	(2,302)	(3,138)	(5,714)	(9,167)	(12,617)	(34,549)							(67,487)
SD	32,182	32,048	34,204	35,212	34,035	34,021							201,581
UT	(50,916)	(59,032)	(113,665)	(137,468)	(156,901)	(231,604)							(749,584)
WA	(14,807)	(21,555)	(27,198)	(43,548)	(57,326)	(71,872)							(238,104)
WY													
Total	(548,549)	(618,010)	(653,493)	(736,188)	(946,724)	(1,304,985)							(4,807,948)

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

10% DISCOUNT

		Prior Month	Apr				Total	May YTD	
		Current Month	May				May Accr	Accrual	
		Apr YTD Accrual True-up			May Accrual				
Eschelon		AccrOnBks	AccrPerActs	Change	Resale	Other	Total		
Vicki	AZ	183,013	211,435	28,422	28,369	11,677	40,046	68,468	251,481
Vicki	CO	389,860	393,141	3,281	59,526	76	59,602	62,883	452,743
	IA	-	-	-	-	-	-	-	-
	ID	-	-	-	-	-	-	-	-
Vicki	MN	561,987	531,753	(30,233)	48,175	30,057	78,232	47,998	609,985
	MT	-	-	-	-	-	-	-	-
	ND	-	-	-	-	-	-	-	-
	NE	-	-	-	-	-	-	-	-
	NM	-	-	-	-	-	-	-	-
	OR	296,587	298,288	1,702	20,090	22,795	42,886	44,588	341,174
Julie	SD	-	-	-	-	-	-	-	-
Vicki	UT	165,221	162,509	(2,712)	18,163	6,204	24,367	21,656	186,876
Julie	WA	390,446	388,070	(4,377)	29,751	27,067	56,818	52,441	442,888
	WY	-	-	-	-	-	-	-	-
		1,987,113	1,983,196	(3,916)	204,074	97,877	301,950	298,034	2,285,147

McLeod

		Apr YTD Accrual True-up			May Accrual			Total	May YTD
		AccrOnBks	AccrPerActs	Change	Resale Act	Other Est	Total	May Accr	Accrual
AZ	#REF!	#REF!	#REF!	#REF!	40,910	#REF!	#REF!	#REF!	#REF!
CO	#REF!	#REF!	#REF!	#REF!	297,241	#REF!	#REF!	#REF!	#REF!
IA	#REF!	#REF!	#REF!	#REF!	383,925	#REF!	#REF!	#REF!	#REF!
ID	#REF!	#REF!	#REF!	#REF!	40,715	#REF!	#REF!	#REF!	#REF!
MN	#REF!	#REF!	#REF!	#REF!	256,095	#REF!	#REF!	#REF!	#REF!
MT	#REF!	#REF!	#REF!	#REF!	2,934	#REF!	#REF!	#REF!	#REF!
ND	#REF!	#REF!	#REF!	#REF!	76,655	#REF!	#REF!	#REF!	#REF!
NE	#REF!	#REF!	#REF!	#REF!	32,706	#REF!	#REF!	#REF!	#REF!
NM	#REF!	#REF!	#REF!	#REF!	16,631	#REF!	#REF!	#REF!	#REF!
OR	#REF!	#REF!	#REF!	#REF!	22,879	#REF!	#REF!	#REF!	#REF!
SD	#REF!	#REF!	#REF!	#REF!	54,694	#REF!	#REF!	#REF!	#REF!
UT	#REF!	#REF!	#REF!	#REF!	54,991	#REF!	#REF!	#REF!	#REF!
WA	#REF!	#REF!	#REF!	#REF!	44,329	#REF!	#REF!	#REF!	#REF!
WY	#REF!	#REF!	#REF!	#REF!	84,387	#REF!	#REF!	#REF!	#REF!
		#REF!	#REF!	#REF!	1,409,091	#REF!	#REF!	#REF!	#REF!

TOTAL

		Apr YTD Accrual True-up			May Accrual			Total	May YTD
		AccrOnBks	AccrPerActs	Change	Resale	Other	Total	May Accr	Accrual
AZ	#REF!	#REF!	#REF!	#REF!	69,279	#REF!	#REF!	#REF!	#REF!
CO	#REF!	#REF!	#REF!	#REF!	356,766	#REF!	#REF!	#REF!	#REF!
IA	#REF!	#REF!	#REF!	#REF!	383,925	#REF!	#REF!	#REF!	#REF!
ID	#REF!	#REF!	#REF!	#REF!	40,715	#REF!	#REF!	#REF!	#REF!
MN	#REF!	#REF!	#REF!	#REF!	304,270	#REF!	#REF!	#REF!	#REF!
MT	#REF!	#REF!	#REF!	#REF!	2,934	#REF!	#REF!	#REF!	#REF!
ND	#REF!	#REF!	#REF!	#REF!	76,655	#REF!	#REF!	#REF!	#REF!
NE	#REF!	#REF!	#REF!	#REF!	32,706	#REF!	#REF!	#REF!	#REF!
NM	#REF!	#REF!	#REF!	#REF!	16,631	#REF!	#REF!	#REF!	#REF!
OR	#REF!	#REF!	#REF!	#REF!	42,969	#REF!	#REF!	#REF!	#REF!
SD	#REF!	#REF!	#REF!	#REF!	54,694	#REF!	#REF!	#REF!	#REF!
UT	#REF!	#REF!	#REF!	#REF!	73,154	#REF!	#REF!	#REF!	#REF!
WA	#REF!	#REF!	#REF!	#REF!	74,079	#REF!	#REF!	#REF!	#REF!
WY	#REF!	#REF!	#REF!	#REF!	84,387	#REF!	#REF!	#REF!	#REF!
		#REF!	#REF!	#REF!	1,613,164	#REF!	#REF!	#REF!	#REF!

ess 3/30/01 Wire to A07

(707,185)
#REF!

-707185

ess 4/27/01 Wire to A07

(101,403)

#REF!

Current Balance

#REF!

-101403
#REF!

NONPUBLIC DOCUMENT

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: June 1, 2001
Re: Resale Revenue Reclass to UNE-Star Revenue
cc: Bill Easton, Mario Mendoza, Shanna Davis

To reclass McLeod and Eschelon revenue booked in resale USOAs to UNE-Star revenue USOAs

RC: TBL000000	Debit / (Credit)	
State	5001.4110	5240.5210
AZ	631,348	(631,348)
CO	3,444,761	(3,444,761)
IA	3,779,828	(3,779,828)
ID	332,984	(332,984)
MN	2,923,295	(2,923,295)
MT	(223)	223
ND	731,412	(731,412)
NE	316,536	(316,536)
NM	122,377	(122,377)
OR	383,216	(383,216)
SD	533,886	(533,886)
UT	852,851	(852,851)
WA	665,936	(665,936)
WY	1,059,373	(1,059,373)
TOTAL	15,777,580	(15,777,580)

Please call if you have questions – 303-965-4324. Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

	Booked In March			What #/h been booked			Change	Booking For April			Total Reclass
	Eschelon	McLeod	Total	Eschelon	McLeod	Total		Eschelon	McLeod	Total	
AZ	264,798	#REF!	#REF!	3	412,432	412,435	#REF!	262,936	409,101	672,038	#REF!
CO	541,916	#REF!	#REF!	563,205	2,886,764	3,449,969	#REF!	563,205	2,972,407	3,535,613	#REF!
IA	-	#REF!	#REF!		3,894,877	3,894,877	#REF!		3,839,247	3,839,247	#REF!
ID	-	#REF!	#REF!		402,386	402,386	#REF!		407,146	407,146	#REF!
MN	489,348	#REF!	#REF!	482,759	2,515,378	2,998,137	#REF!	482,759	2,560,952	3,043,711	#REF!
MT	-	#REF!	#REF!		3,812	3,812	#REF!		29,341	29,341	#REF!
ND	-	#REF!	#REF!		749,005	749,005	#REF!		766,550	766,550	#REF!
NE	-	#REF!	#REF!		335,856	335,856	#REF!		327,057	327,057	#REF!
NM	-	#REF!	#REF!		165,460	165,460	#REF!		166,310	166,310	#REF!
OR	219,968	#REF!	#REF!	208,371	224,267	432,638	#REF!	208,371	228,788	437,159	#REF!
SD	-	#REF!	#REF!		560,338	560,338	#REF!		546,940	546,940	#REF!
UT	59,163	#REF!	#REF!	187,873	771,913	959,786	#REF!	187,873	549,910	737,782	#REF!
WA	282,789	#REF!	#REF!	292,190	414,402	706,593	#REF!	292,190	443,286	735,476	#REF!
WY	-	3,638,428	3,638,428		639,966	639,966	(2,998,461)		843,874	843,874	(2,154,587)
	1,857,983	#REF!	#REF!	1,734,402	13,976,857	15,711,259	#REF!	1,997,335	14,090,908	16,088,244	#REF!

Est = Mar This is an actual
except AZ
Used Feb
b/c Mar was
only \$3

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET

	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	YTD
A07													
AZ						(75,920)							(75,920)
CO						(39,937)							(39,937)
IA													
ID													
IP													
MN													
MT						(115,572)							(115,572)
ND													
NE						(181)							(181)
NM													
OR													
SD						(19,663)							(19,663)
UT													
WA						(85,409)							(85,409)
WY						(4,862)							(4,862)
Total						(321,526)							(321,526)
M01													
AZ	(8,123)	(12,292)	(17,576)	(31,754)	(43,728)	(62,016)							(175,489)
CO	(123,187)	(138,895)	(137,938)	(128,104)	(200,555)	(209,919)							(934,598)
IA	273,205	270,481	294,847	296,430	228,763	273,065							1,636,592
ID	(17,754)	(21,346)	(26,808)	(35,585)	(44,904)	(53,475)							(199,872)
IP													
MN	(609,180)	(631,317)	(614,240)	(630,339)	(626,789)	(638,423)							(3,750,289)
MT	(120)	(122)	(209)	(141)	(141)	(335)							(1,068)
ND	8,534	8,261	11,882	11,821	10,125	7,399							57,822
NE	(35,119)	(39,168)	(43,593)	(47,178)	(49,739)	(50,911)							(265,707)
NM	(1,143)	(3,935)	(7,286)	(18,172)	(26,947)	(34,773)							(82,255)
OR	(2,302)	(3,138)	(5,714)	(9,167)	(12,617)	(14,886)							(47,824)
SD	32,162	32,048	34,204	35,212	34,035	34,021							201,681
UT	(50,918)	(59,032)	(113,665)	(137,466)	(156,901)	(166,195)							(684,175)
WA	(14,607)	(21,555)	(27,198)	(43,546)	(57,328)	(67,010)							(231,241)
WY													
Total	(548,549)	(618,010)	(653,493)	(736,188)	(946,724)	(983,459)							(4,486,422)
Total													
AZ	(8,123)	(12,292)	(17,576)	(31,754)	(43,728)	(137,936)							(251,410)
CO	(123,187)	(138,895)	(137,938)	(128,104)	(200,555)	(248,858)							(974,538)
IA	273,205	270,481	294,847	296,430	228,763	273,065							1,636,592
ID	(17,754)	(21,346)	(26,808)	(35,585)	(44,904)	(53,475)							(199,872)
IP													
MN	(609,180)	(631,317)	(614,240)	(630,339)	(626,789)	(753,995)							(3,865,961)
MT	(120)	(122)	(209)	(141)	(141)	(335)							(1,068)
ND	8,534	8,261	11,882	11,821	10,125	7,237							57,680
NE	(35,119)	(39,168)	(43,593)	(47,178)	(49,739)	(50,911)							(265,707)
NM	(1,143)	(3,935)	(7,286)	(18,172)	(26,947)	(34,773)							(82,255)
OR	(2,302)	(3,138)	(5,714)	(9,167)	(12,617)	(34,548)							(67,487)
SD	32,162	32,048	34,204	35,212	34,035	34,021							201,681
UT	(50,918)	(59,032)	(113,665)	(137,466)	(156,901)	(231,604)							(749,584)
WA	(14,607)	(21,555)	(27,198)	(43,546)	(57,328)	(71,872)							(236,104)
WY													
Total	(548,549)	(618,010)	(653,493)	(736,188)	(946,724)	(1,304,985)							(4,807,948)

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: April 3, 2001
Re: Accrual For UNE Star/Resale Rate Differential
cc: Bill Easton, Mario Mendoza, Shanna Davis

This is to reclass McLeod and Eschelon revenue booked resale USOAs to UNE-Star revenue

Below is the state and account detail. Please use RC TBL000000.

State	Debit / (Credit)	
	5001.4110	5240.5210
AZ	#REF!	#REF!
CO	#REF!	#REF!
IA	#REF!	#REF!
ID	#REF!	#REF!
MN	#REF!	#REF!
MT	#REF!	#REF!
ND	#REF!	#REF!
NE	#REF!	#REF!
NM	#REF!	#REF!
OR	#REF!	#REF!
SD	#REF!	#REF!
UT	#REF!	#REF!
WA	#REF!	#REF!
WY	3,638,428	(3,638,428)
TOTAL	#REF!	#REF!

Please call if you have questions – 303-965-4324
Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: April 3, 2001
Re: Accrual For UNE Star/Resale Rate Differential
cc: Bill Easton, Mario Mendoza, Shanna Davis

This is to reduce UNE-Star revenues for 10% discount that will be issued to Eschelon and McLeod should they meet they're revenue/volume commitments per the UNE-Star contract. Below is the state and account detail. Please use RC TBL000000.

State	Debit / (Credit)	
	5240.5210	4010.2199
AZ	#REF!	#REF!
CO	#REF!	#REF!
IA	#REF!	#REF!
ID	#REF!	#REF!
MN	#REF!	#REF!
MT	#REF!	#REF!
ND	#REF!	#REF!
NE	#REF!	#REF!
NM	#REF!	#REF!
OR	#REF!	#REF!
SD	#REF!	#REF!
UT	#REF!	#REF!
WA	#REF!	#REF!
WY	#REF!	#REF!
TOTAL	#REF!	#REF!

#REF!

Please call if you have questions – 303-965-4324
Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: April 3, 2001
Re: Accrual For UNE Star/Resale Rate Differential
cc: Bill Easton, Mario Mendoza, Shanna Davis

This is to reduce resale revenues in order to align them with billing per the UNE-Star contract with Eschelon and McLeod.

Below is the state and account detail. Please use RC TBL000000.

State	Debit / (Credit)	
	5240.5210	4010.2199
AZ	#REF!	#REF!
CO	#REF!	#REF!
IA	#REF!	#REF!
ID	#REF!	#REF!
MN	#REF!	#REF!
MT	#REF!	#REF!
ND	#REF!	#REF!
NE	#REF!	#REF!
NM	#REF!	#REF!
OR	#REF!	#REF!
SD	#REF!	#REF!
UT	#REF!	#REF!
WA	#REF!	#REF!
WY	#REF!	#REF!
TOTAL	#REF!	#REF!

Please call if you have questions – 303-965-4324
Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

10% DISCOUNT

Eschelon	Feb YTD Accrual True-up			Est of Mar Act			Mar-01
	AccrOnBkts	AccrPerAccts	Change	Rebate	Other	Total	10%
Vicks AZ	115,988	143,887	29,899	264,708	82,746	347,454	34,745.45
Vicks CO	251,817	331,821	70,004	541,918	189,343	711,259	71,125.90
Vicks IA	-	-	-	-	-	-	-
Vicks ID	-	-	-	-	-	-	-
Vicks MN	253,818	324,233	70,422	486,348	152,815	642,263	64,226.32
Vicks MT	-	-	-	-	-	-	-
Vicks ND	-	-	-	-	-	-	-
Vicks NE	-	-	-	-	-	-	-
Vicks NM	-	-	-	-	-	-	-
Vicks OR	101,553	182,526	60,873	219,968	128,824	348,792	34,879.19
Vicks SD	-	-	-	-	-	-	-
Vicks UT	88,030	94,172	6,143	68,163	18,488	77,651	7,765.11
Vicks WA	154,837	241,027	86,090	282,780	165,814	448,404	44,840.38
Vicks WY	-	-	-	-	-	-	-
TOTAL	953,845	1,289,845	333,990	1,837,983	717,330	2,575,813	257,581

McL seed

Eschelon	Feb YTD Accrual True-up			Est of Mar Act			Mar-01
	AccrOnBkts	AccrPerAccts	Change	Rebate	Other	Total	10%
AZ	83,685	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
CO	1,414,421	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
IA	1,950,397	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
ID	108,317	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
MN	1,330,888	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
MT	111	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
ND	389,829	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
NE	184,044	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
NM	23,745	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
OR	144,873	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
SD	212,184	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
UT	263,871	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
WA	181,032	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
WY	483,563	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
TOTAL	8,680,384	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

TOTAL

Eschelon	Feb YTD Accrual True-up			Est of Mar Act			Mar-01
	AccrOnBkts	AccrPerAccts	Change	Rebate	Other	Total	10%
AZ	179,883	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
CO	1,868,038	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
IA	1,950,397	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
ID	108,317	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
MN	1,584,508	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
MT	111	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
ND	389,829	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
NE	184,044	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
NM	23,745	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
OR	248,226	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
SD	212,184	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
UT	271,801	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
WA	258,874	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
WY	483,563	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
TOTAL	7,848,329	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

UNEvsRE SALE

Eschelon	Mar-01
AZ	24,384
CO	63,880
IA	-
ID	-
MN	170,514
MT	-
ND	-
NE	-
NM	-
OR	-
SD	26,813
UT	28,144
WA	7,307
WY	-
TOTAL	318,102

McL seed

Eschelon	Mar-01
AZ	#REF!
CO	#REF!
IA	#REF!
ID	#REF!
MN	#REF!
MT	#REF!
ND	#REF!
NE	#REF!
NM	#REF!
OR	#REF!
SD	#REF!
UT	#REF!
WA	#REF!
WY	#REF!

TOTAL UNEvsReeds

Eschelon	Mar-01
AZ	#REF!
CO	#REF!
IA	#REF!
ID	#REF!
MN	#REF!
MT	#REF!
ND	#REF!
NE	#REF!
NM	#REF!
OR	#REF!
SD	#REF!
UT	#REF!
WA	#REF!
WY	#REF!

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: March 5, 2001
Re: Accrual For UNE Star/Resale Rate Differential
cc: Bill Easton, Mario Mendoza, Shanna Davis

This is to reduce UNE-Star revenues for 10% discount that will be issued to Eschelon and McLeod should they meet they're revenue/volume commitments per the UNE-Star contract. Below is the state and account detail. Please use RC TBL000000.

State	Debit / (Credit)	
	5001.4110	4010.2199
AZ	(90,263)	90,263
CO	(217,229)	217,229
IA	1,538,118	(1,538,118)
ID	(14,835)	14,835
MN	(1,095,407)	1,095,407
MT	(332)	332
ND	59,919	(59,919)
NE	(33,285)	33,285
NM	9,703	(9,703)
SD	(42,731)	42,731
OR	102,298	(102,298)
UT	(342,795)	342,795
WA	(64,120)	64,120
WY	383,732	(383,732)
TOTAL	192,774	(192,774)

Please call if you have questions – 303-965-4324
Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: March 5, 2001
Re: Accrual For UNE Star/Resale Rate Differential
cc: Bill Easton, Mario Mendoza, Shanna Davis

This is to reduce resale revenues in order to align them with billing per the UNE-Star contract with Eschelon and McLeod.

Below is the state and account detail. Please use RC TBL000000.

State	Debit / (Credit)	
	5001.4110	4010.2199
AZ	177,157	(177,157)
CO	1,028,854	(1,028,854)
IA	(1,608,040)	1,608,040
ID	115,470	(115,470)
MN	4,297,820	(4,297,820)
MT	687	(687)
ND	(58,737)	58,737
NE	215,496	(215,496)
NM	19,374	(19,374)
SD	16,648	(16,648)
OR	3,571	(3,571)
UT	444,237	(444,237)
WA	148,169	(148,169)
WY	-	-
TOTAL	4,800,705	(4,800,705)

Please call if you have questions – 303-965-4324
Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: March 5, 2001
Re: Accrual For UNE Star/Resale Rate Differential
cc: Bill Easton, Mario Mendoza, Shanna Davis

This is to reclass McLeod and Eschelon revenue booked resale USOAs to UNE-Star revenue

Below is the state and account detail. Please use RC TBL000000.

State	Debit / (Credit)	
	5001.4110	5240.5210
AZ	926,002	(926,002)
CO	4,541,094	(4,541,094)
IA	3,666,105	(3,666,105)
ID	452,432	(452,432)
MN	2,865,852	(2,865,852)
MT	(139)	139
ND	780,302	(780,302)
NE	361,064	(361,064)
NM	168,184	(168,184)
SD	223,716	(223,716)
OR	551,874	(551,874)
UT	1,249,831	(1,249,831)
WA	755,938	(755,938)
WY	2,368,037	(2,368,037)
TOTAL	18,910,291	(18,910,291)

Please call if you have questions – 303-965-4324
Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

1% DISCOUNT

Escuchen		Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Total	10%
Victi	AZ	148,784	184,304	285,282	278,885	304,532	-	1,118,487	111,849
Victi	CO	472,778	396,800	824,844	534,358	887,784	-	2,516,174	251,617
	IA	-	-	-	-	-	-	-	-
	ID	-	-	-	-	-	-	-	-
Victi	MN	528,007	486,741	484,202	480,740	839,814	-	2,829,504	282,950
	MT	-	-	-	-	-	-	-	-
	ND	-	-	-	-	-	-	-	-
	NE	-	-	-	-	-	-	-	-
	NM	-	-	-	-	-	-	-	-
	SD	-	-	-	-	-	-	-	-
Julie	OR	185,589	200,844	180,184	204,172	224,589	-	1,015,378	101,538
Victi	UT	138,434	150,178	178,405	187,742	217,816	-	862,975	86,298
Julie	WA	285,514	318,372	311,211	302,889	333,288	-	1,549,374	154,937
	WY	-	-	-	-	-	-	-	-
								1,787,717	178,772
								1,966,489	196,649

McLeod		Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Total	10%
	AZ	85,589	68,471	100,437	200,482	208,884	-	663,373	66,337
	CO	2,754,724	2,365,959	2,883,824	2,998,587	3,133,301	-	14,141,495	1,414,149
	IA	3,728,523	3,991,820	3,869,788	3,882,356	4,051,886	-	19,504,373	1,950,437
	ID	144,278	147,814	215,771	281,228	284,284	-	1,073,373	107,337
	MN	2,743,828	2,504,810	2,590,237	2,873,383	2,784,703	-	13,500,959	1,350,096
	MT	238	208	538	84	68	-	1,116	111
	ND	828,401	744,545	782,781	787,217	833,389	-	3,986,333	398,633
	NE	273,538	304,821	337,807	354,085	370,278	-	1,640,529	164,053
	NM	7,187	18,497	32,087	88,782	83,001	-	237,454	23,745
	SD	81,118	83,422	123,413	575,868	803,108	-	1,469,729	146,973
	OR	888,241	558,355	582,581	182,317	189,484	-	2,121,838	212,184
	UT	427,707	473,288	588,020	888,841	720,734	-	2,858,711	285,871
	WA	108,318	130,438	183,051	286,281	312,288	-	1,010,386	101,039
	WY	883,281	818,882	838,280	871,853	1,015,748	-	4,838,834	483,883
								12,757,885	1,275,789
								13,228,467	1,322,847

TOTAL		Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Total	10%
	AZ	208,332	238,878	385,729	477,327	514,446	-	1,799,632	179,963
	CO	3,227,603	2,782,558	3,418,289	3,538,958	3,721,896	-	16,698,203	1,669,820
	IA	3,728,823	3,991,820	3,869,788	3,882,356	4,051,886	-	19,504,373	1,950,437
	ID	144,278	147,814	215,771	281,228	284,284	-	1,073,373	107,337
	MN	3,278,632	2,991,851	3,064,439	3,184,123	3,234,517	-	16,848,623	1,684,862
	MT	238	208	538	84	68	-	1,116	111
	ND	828,401	744,545	782,781	787,217	833,389	-	3,986,333	398,633
	NE	273,538	304,821	337,807	354,085	370,278	-	1,640,529	164,053
	NM	7,187	18,497	32,087	88,782	83,001	-	237,454	23,745
	SD	81,118	83,422	123,413	575,868	603,198	-	1,469,729	146,973
	OR	888,241	558,355	582,581	182,317	189,484	-	2,121,838	212,184
	UT	568,161	618,486	764,426	888,841	838,278	-	3,137,463	313,746
	WA	391,832	448,888	474,282	691,289	845,358	-	3,118,868	311,887
	WY	883,281	818,882	838,280	871,853	1,015,748	-	4,838,834	483,883
								14,525,602	1,452,560
								15,978,162	1,597,816

\$ to Accr	\$ to Accr in 02/01
1,799,632	179,963
16,698,203	1,669,820
19,504,373	1,950,437
1,073,373	107,337
16,848,623	1,684,862
1,116	111
3,986,333	398,633
1,640,529	164,053
237,454	23,745
1,469,729	146,973
3,137,463	313,746
3,118,868	311,887
4,838,834	483,883
74,483,283	7,448,328
7,483,858	748,386

UNFVRESALE		Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Total
Escuchen	AZ	21,893	21,893	21,893	21,893	24,182	-	112,184
	CO	87,237	87,237	87,237	87,237	83,511	-	294,459
	IA	-	-	-	-	-	-	-
	ID	-	-	-	-	-	-	-
	MN	183,823	183,823	183,823	183,823	188,315	-	785,007
	MT	-	-	-	-	-	-	-
	ND	-	-	-	-	-	-	-
	NE	-	-	-	-	-	-	-
	NM	-	-	-	-	-	-	-
	SD	-	-	-	-	-	-	-
	OR	39,304	39,304	39,304	24,204	28,824	-	168,740
	UT	23,800	23,800	23,800	23,800	25,980	-	120,360
	WA	8,588	8,588	8,588	8,588	7,258	-	33,840
	WY	-	-	-	-	-	-	-
								303,163
								303,163

McLeod		Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Total
	AZ	8,103	12,258	13,484	14,832	18,318	-	67,805
	CO	118,888	132,802	148,863	180,448	178,484	-	739,385
	IA	(323,718)	(321,080)	(321,080)	(321,080)	(321,080)	-	(1,608,040)
	ID	17,554	21,088	23,208	25,528	28,082	-	115,470
	MN	604,546	628,847	688,311	758,242	834,087	-	3,512,813
	MT	120	122	134	148	163	-	687
	ND	(11,889)	(11,882)	(11,882)	(11,882)	(11,882)	-	(68,727)
	NE	34,893	38,915	42,808	47,087	51,798	-	216,496
	NM	1,138	3,829	4,322	4,784	5,230	-	19,374
	SD	2,277	3,088	3,408	3,747	4,121	-	18,648
	OR	(30,130)	(33,010)	(33,010)	(33,010)	(33,010)	-	(165,170)
	UT	50,785	58,844	64,728	71,201	78,321	-	323,877
	WA	14,580	21,534	23,867	26,088	28,862	-	114,529
	WY	-	-	-	-	-	-	-
								484,177
								553,283

TOTAL UNEVRESALE		Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Total
	AZ	30,088	34,281	35,477	36,823	48,588	-	177,187
	CO	178,725	199,329	203,888	218,186	240,884	-	1,036,956
	IA	(323,718)	(321,080)	(321,080)	(321,080)	(321,080)	-	(1,608,040)
	ID	17,554	21,898	23,208	25,528	28,082	-	115,470
	MN	758,488	788,878	843,234	912,185	1,003,382	-	4,297,820
	MT	120	122	134	148	163	-	687
	ND	(11,889)	(11,882)	(11,882)	(11,882)	(11,882)	-	(68,727)
	NE	34,893	38,915	42,808	47,087	51,798	-	216,496
	NM	1,138	3,829	4,322	4,784	5,230	-	19,374
	SD	2,277	3,088	3,408	3,747	4,121	-	18,648
	OR	8,174	8,294	8,284	(8,808)	(8,388)	-	3,571
	UT	74,385	82,444	88,328	94,801	104,281	-	444,237
	WA	21,188	28,139	30,283	32,852	35,917	-	148,169
	WY	-	-	-	-	-	-	-
								787,338
								856,416

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET D

\$ to Accr	\$ to Accr in 02/01
177,187	177,187
1,036,956	1,036,956
(1,608,040)	(1,608,040)
115,470	115,470
4,297,820	4,297,820
687	687
(68,727)	(68,727)
216,496	216,496
19,374	19,374
18,648	18,648
3,571	3,571
444,237	444,237
148,169	148,169
4,800,705	4,800,705

10% DISCOUNT

Eschelon	Mar YTD Accrual True-up			Apr Accrual			Total Apr Accr	AprYTD Accrual	
	AccrOnBks	AccrPerActs	Change	Resale	Other	Total			
Vicki	AZ	180,721	172,038	(8,683)	0	10,974	10,975	2,292	183,013
Vicki	CO	393,047	333,539	(59,508)	56,321	-	56,321	(3,188)	389,860
	IA	-	-	-	-	-	-	-	-
	ID	-	-	-	-	-	-	-	-
Vicki	MN	388,459	478,888	90,429	48,276	34,823	83,099	173,528	561,987
	MT	-	-	-	-	-	-	-	-
	ND	-	-	-	-	-	-	-	-
	NE	-	-	-	-	-	-	-	-
	NM	-	-	-	-	-	-	-	-
	OR	197,405	255,402	57,997	20,837	20,347	41,184	99,181	296,587
Julie	SD	-	-	-	-	-	-	-	-
Vicki	UT	101,937	138,142	36,205	18,787	8,292	27,079	63,283	165,221
Julie	WA	285,867	334,492	48,624	29,219	26,736	55,955	104,579	390,446
	WY	-	-	-	-	-	-	-	-
		1,547,437	1,712,501	165,064	173,440	101,172	274,612	439,676	1,987,113

McLeod

	March YTD Accrual True-up			Apr Accrual			Total Apr Accr	AprYTD Accrual	
	AccrOnBks	AccrPerActs	Change	Resale Act	Other Est	Total			
AZ	#REF!	130,459	#REF!	41,243	2,279	43,522	#REF!	#REF!	
CO	#REF!	1,994,754	#REF!	288,676	27,987	316,663	#REF!	#REF!	
IA	#REF!	2,337,026	#REF!	389,488	23,694	413,181	#REF!	#REF!	
ID	#REF!	154,113	#REF!	40,239	6,588	46,827	#REF!	#REF!	
MN	#REF!	1,745,137	#REF!	251,538	54,532	306,070	#REF!	#REF!	
MT	#REF!	22,716	#REF!	381	11,304	11,685	#REF!	#REF!	
ND	#REF!	476,380	#REF!	74,901	7,258	82,159	#REF!	#REF!	
NE	#REF!	194,877	#REF!	33,586	2,938	36,524	#REF!	#REF!	
NM	#REF!	53,340	#REF!	16,546	2,131	18,677	#REF!	#REF!	
OR	#REF!	104,477	#REF!	22,427	1,816	24,243	#REF!	#REF!	
SD	#REF!	354,968	#REF!	56,034	4,698	60,732	#REF!	#REF!	
UT	#REF!	429,783	#REF!	77,191	5,144	82,336	#REF!	#REF!	
WA	#REF!	165,271	#REF!	41,440	(6,816)	34,624	#REF!	#REF!	
WY	#REF!	774,920	#REF!	63,997	11,997	75,994	#REF!	#REF!	
		#REF!	8,938,222	#REF!	1,397,686	155,550	1,553,236	#REF!	#REF!

TOTAL

	Mar YTD Accrual True-up			Apr Accrual			Total Apr Accr	AprYTD Accrual	
	AccrOnBks	AccrPerActs	Change	Resale	Other	Total			
AZ	#REF!	302,497	#REF!	41,244	13,254	54,497	#REF!	#REF!	
CO	#REF!	2,328,293	#REF!	344,997	27,987	372,984	#REF!	#REF!	
IA	#REF!	2,337,026	#REF!	389,488	23,694	413,181	#REF!	#REF!	
ID	#REF!	154,113	#REF!	40,239	6,588	46,827	#REF!	#REF!	
MN	#REF!	2,224,025	#REF!	299,814	89,355	389,169	#REF!	#REF!	
MT	#REF!	22,716	#REF!	381	11,304	11,685	#REF!	#REF!	
ND	#REF!	476,380	#REF!	74,901	7,258	82,159	#REF!	#REF!	
NE	#REF!	194,877	#REF!	33,586	2,938	36,524	#REF!	#REF!	
NM	#REF!	53,340	#REF!	16,546	2,131	18,677	#REF!	#REF!	
OR	#REF!	359,880	#REF!	43,264	22,163	65,427	#REF!	#REF!	
SD	#REF!	354,968	#REF!	56,034	4,698	60,732	#REF!	#REF!	
UT	#REF!	567,925	#REF!	95,979	13,436	109,415	#REF!	#REF!	
WA	#REF!	499,762	#REF!	70,659	19,920	90,579	#REF!	#REF!	
WY	#REF!	774,920	#REF!	63,997	11,997	75,994	#REF!	#REF!	
		#REF!	10,650,723	#REF!	1,571,126	256,722	1,827,848	#REF!	#REF!

ess 3/30/01 Wire to A07

(707,185)

#REF!

-707185

ess 4/27/01 Wire to A07

(101,403)

#REF!

-101403

Current Balance

#REF!

NONPUBLIC DOCUMENT

M01 CURRENT CHARGES PER LINDA PIKE

RESALE BILLING

CurrChgs	Month	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Grand Total	Thru March
AZ		40,526	61,893	88,617	188,642	229,608	326,912	412,432	409,101	1,757,732	936,198
CO		2,331,360	2,264,292	2,631,109	2,734,082	2,866,981	2,817,452	2,886,764	2,972,407	21,504,448	15,645,277
IA		3,728,523	3,840,089	3,784,023	3,786,591	3,452,971	3,779,828	3,894,877	3,839,247	30,116,148	22,982,023
ID		111,857	139,828	195,667	261,124	329,106	332,984	402,386	407,146	2,180,096	1,370,565
MN		2,345,521	2,409,162	2,343,261	2,426,407	2,333,597	2,442,559	2,515,378	2,560,952	19,376,836	14,300,507
MT		202	198	518	43	251	(223)	3,812	29,341	34,142	989
ND		708,784	715,821	718,590	723,046	730,657	731,412	749,005	766,550	5,843,864	4,328,309
NE		224,437	292,830	307,461	323,649	307,578	316,536	335,856	327,057	2,435,403	1,772,490
NM			14,790	27,660	84,375	100,491	122,377	165,460	166,310	681,464	349,694
OR		37,813	53,024	96,562	142,934	163,850	189,779	224,267	228,788	1,137,017	563,962
SD		545,728	543,103	543,178	548,817	553,107	533,886	560,338	546,940	4,375,096	3,267,818
UT		342,739	392,884	535,334	636,255	642,119	677,458	771,913	549,910	4,548,612	3,226,789
WA		76,076	123,174	144,299	279,539	332,978	363,111	414,402	443,286	2,176,865	1,319,176
WY		857,828	897,289	848,541	881,904	2,484,442	1,059,373	639,966	843,874	8,513,218	7,029,377
Grand Total		11,351,394	11,748,377	12,274,820	13,017,408	14,527,735	13,693,443	13,976,857	14,090,908	104,680,941	76,613,176

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

M01 CURRENT CHARGES PER LINDA PIKE

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

M01 BILLING FOR IABS PRODUCTS

OTHER

Product (All)

Rev	MonYr						Grand Total
State	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Grand Total
AZ	(4,760)	(4,420)	(4,105)	(4,084)	(4,049)	(5,139)	(26,557)
CO	419,637	(68,130)	(95,967)	(142,795)	(107,240)	(45,803)	(40,298)
IA	(118,107)	177,760	(140,914)	(98,537)	(103,518)	(86,078)	(369,394)
ID	(1,627)	(529)	(419)	(506)	(2,126)	(12,367)	(17,572)
MN	(118,127)	(115,327)	(94,738)	(100,554)	(121,995)	(149,292)	(700,032)
MT	0				0		0
ND	(1,068)	(884)	(30)	(35)	(597)	(271)	(2,884)
NE	12	(14,975)	(5)	(1,222)	(1,184)	(9,838)	(27,213)
NM	(4,645)	(3,805)	(1,438)	(2,497)	(2,139)	(1,377)	(15,901)
OR	(3,600)	(4,947)	(5,885)	(2,348)	(5,525)	(6,890)	(29,194)
SD	(14,492)	3,824	(4,916)	(8,358)	(9,364)	(14,570)	(47,876)
UT	(36,076)	(20,911)	(16,282)	(23,564)	(20,961)	(23,850)	(141,643)
WA	(6,216)	(6,275)	(17,843)	(5,570)	(5,889)	(5,477)	(47,271)
WY	(5)			(49)	1	(1)	(54)
Grand Total	110,927	(58,618)	(382,541)	(390,118)	(384,586)	(360,954)	(1,465,889)

PLTS

Product PLTS

Rev	MonYr						Grand Total
State	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Grand Total
AZ	(43,521)	(43,216)	(39,234)	(41,561)	(46,384)	(51,224)	(265,142)
CO	(87,693)	(126,029)	(118,463)	(116,370)	(127,251)	(151,536)	(727,341)
IA	(316,322)	(305,200)	(338,136)	(424,543)	(433,455)	(412,605)	(2,230,260)
ID	(57,876)	(58,697)	(56,602)	(60,231)	(60,618)	(69,851)	(363,875)
MN	(516,401)	(503,905)	(468,888)	(516,558)	(515,415)	(555,153)	(3,076,319)
MT	(73)	(73)	(73)	(73)	(73)	(73)	(439)
ND	(17,474)	(13,607)	(9,212)	(11,650)	(8,749)	(8,788)	(69,480)
NE	(8,273)	(10,060)	(25,911)	(34,772)	(30,219)	(33,206)	(142,441)
NM	(5,385)	(5,738)	(4,567)	(4,968)	(4,984)	(6,602)	(32,244)
OR	(33,331)	(34,098)	(35,355)	(33,489)	(31,144)	(31,556)	(198,973)
SD	(10,374)	(10,989)	(12,443)	(11,875)	(13,625)	(18,208)	(77,515)
UT	(123,297)	(136,978)	(166,389)	(143,933)	(148,240)	(144,503)	(863,339)
WA	(47,476)	(47,514)	(46,582)	(49,508)	(47,398)	(50,134)	(288,612)
WY	(5,476)	(5,176)	(4,452)	(5,028)	(5,091)	(4,801)	(30,024)
Grand Total	(1,272,972)	(1,301,279)	(1,326,308)	(1,454,560)	(1,472,644)	(1,538,240)	(8,366,004)

PLTS

Product SWACC

Rev	MonYr						Grand Total
State	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Grand Total
AZ	(192,915)	(180,158)	(206,936)	(241,990)	(188,233)	(275,452)	(1,285,685)
CO	(412,435)	(369,018)	(409,664)	(369,131)	(237,153)	(640,334)	(2,437,736)
IA	(355,180)	(337,820)	(367,995)	(128,089)	(13,755)	(275,722)	(1,478,562)
ID	(215,881)	(207,929)	(210,591)	(202,952)	(188,710)	(182,256)	(1,208,319)
MN	(195,915)	(235,987)	(245,256)	(111,112)	(204,482)	(165,391)	(1,158,145)
MT	(6)	(4)	(5)	(4)	(6)	(8)	(34)
ND	(24,961)	(38,119)	(37,281)	(17,211)	(9,032)	(26,004)	(152,608)
NE	(29,415)	(52,082)	(37,225)	(44,098)	(23,713)	(30,516)	(217,049)
NM	(149,462)	(123,400)	(198,264)	(112,917)	(139,396)	(153,381)	(876,820)
OR	(164,430)	(171,752)	(142,518)	(161,052)	(137,075)	(168,805)	(945,632)
SD	(116,966)	(112,844)	(107,345)	(40,261)	(29,468)	(74,794)	(481,676)
UT	(221,757)	(221,795)	(222,415)	(209,628)	(128,098)	(224,690)	(1,228,384)
WA	(348,545)	(317,871)	(301,087)	(282,012)	(227,664)	(279,807)	(1,756,985)
WY	(27,547)	(22,641)	(22,642)	(9,655)	(12,810)	(27,752)	(123,046)
Grand Total	(2,455,417)	(2,391,422)	(2,509,275)	(1,930,113)	(1,539,594)	(2,524,911)	(13,350,680)

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

Trade Secret Data Ends]

Idaho Public Utilities Commission
Office of the Secretary
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Boise, Idaho

Deanhardt, C. - Exhibit 43

Case No. QWE-T-06-17

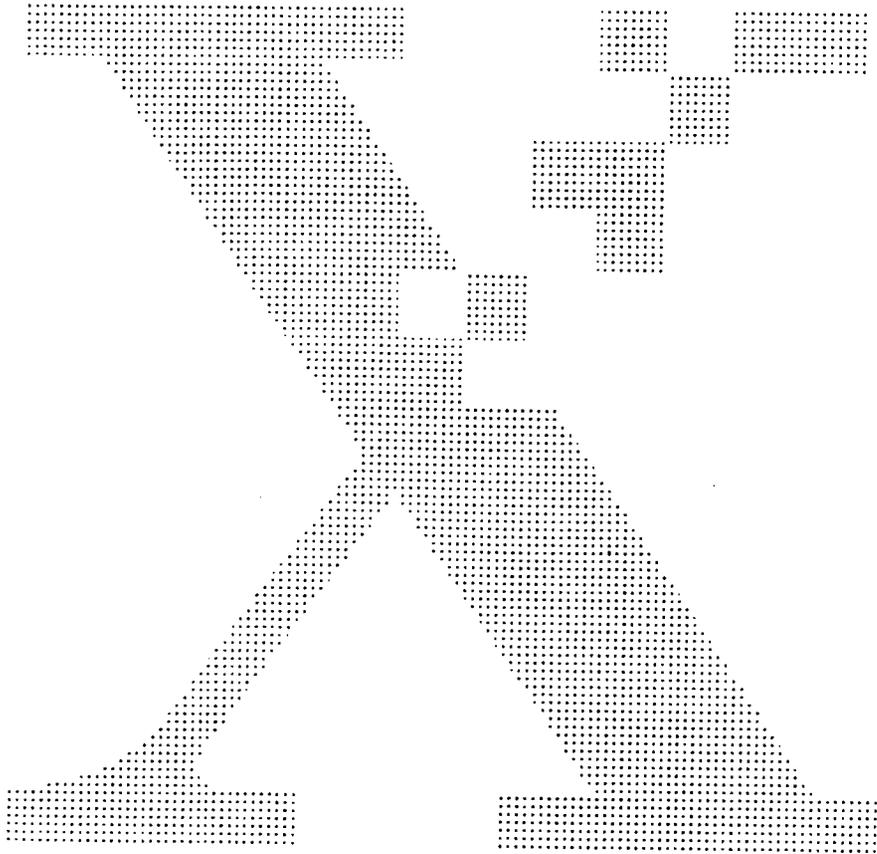
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UNE DEAL REFUNDS 2.xls
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DOC 08-210
TRADE SECRET ATTACHMEN



NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

MEMORANDUM

To: Suzy Francis

From: Shanna Davis & Arturo Ibarra

Date: July 3, 2001

Re: Resale Revenue Reclass to UNE-Star Revenue

[Trade Secret Data Begins

To reclass McLeod and Eschelon revenue booked in resale USOAs to UNE-Star revenue USOAs

RC: TBL000000	Debit / (Credit)	
State	5001.4110	5240.5210
AZ	778,694	(778,694)
CO	3,761,352	(3,761,352)
IA	3,898,667	(3,898,667)
ID	481,307	(481,307)
MN	3,169,572	(3,169,572)
MT	58,905	(58,905)
ND	801,687	(801,687)
NE	337,577	(337,577)
NM	210,244	(210,244)
OR	478,993	(478,993)
SD	559,994	(559,994)
UT	647,999	(647,999)
WA	803,492	(803,492)
WY	628,375	(628,375)
TOTAL	16,616,859	(16,616,859)

Please call if you have questions – 303-965-4324. Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

10% DISCOUNT

		Prior Month	May				Total	June YTD	
		Current Month	June				June Accr	Accrual	
		May YTD Accrual True-up			June Accrual				
		AccrOnBks	AccrPerActs	Change	Resale	Other	Total		
Eschelon									
Vicki	AZ	251,481	241,724	(9,757)	28,554	1,735	30,289	20,532	272,013
Vicki	CO	452,743	458,175	5,433	61,462	3,572	65,034	70,467	523,210
	IA	-	-	-	-	-	-	-	-
	ID	-	-	-	-	-	-	-	-
Vicki	MN	609,985	599,928	(10,057)	48,599	19,576	68,175	58,119	668,104
	MT	-	-	-	-	-	-	-	-
	ND	-	-	-	-	-	-	-	-
	NE	-	-	-	-	-	-	-	-
	NM	-	-	-	-	-	-	-	-
	OR	341,174	335,624	(5,551)	20,605	16,730	37,335	31,785	372,959
Julie	SD	-	-	-	-	-	-	-	-
Vicki	UT	186,876	191,612	4,735	20,364	8,739	29,103	33,838	220,714
Julie	WA	442,888	424,871	(18,017)	28,877	9,925	38,801	20,785	463,673
	WY	-	-	-	-	-	-	-	-
		2,285,147	2,251,934	(33,213)	208,461	60,277	268,738	235,525	2,520,672

McLeod

		May YTD Accrual True-up			June Accrual			Total	June YTD
		AccrOnBks	AccrPerActs	Change	Resale Act	Other Est	Total	June Accr	Accrual
	AZ	407,613	381,770	(25,843)	40,910	21,305	62,215	36,372	443,985
	CO	3,088,317	2,970,810	(117,507)	297,241	67,660	364,901	247,393	3,335,710
	IA	3,682,487	3,857,188	174,701	383,925	102,351	486,276	660,977	4,343,464
	ID	465,365	439,260	(26,105)	40,715	28,872	69,587	43,482	508,847
	MN	3,042,238	2,599,854	(442,384)	256,095	78,783	334,879	(107,505)	2,934,733
	MT	26,100	25,895	(205)	2,934	(379)	2,555	2,350	28,450
	ND	672,193	678,430	6,237	76,655	11,446	88,101	94,338	766,531
	NE	319,527	287,409	(32,118)	32,706	4,182	36,888	4,769	324,296
	NM	206,490	192,537	(13,953)	16,631	8,276	24,907	10,953	217,443
	OR	311,461	304,834	(6,627)	22,879	20,498	43,376	36,749	348,210
	SD	563,472	586,992	23,520	54,694	21,900	76,594	100,113	663,585
	UT	873,089	778,723	(94,366)	54,991	24,046	79,037	(15,329)	857,760
	WA	551,338	519,885	(31,453)	44,329	36,261	80,589	49,136	600,474
	WY	967,355	967,354	(1)	84,387	23,392	107,780	107,779	1,075,134
		15,177,045	14,590,939	(586,106)	1,409,091	448,593	1,857,683	1,271,578	16,448,623

TOTAL

		May YTD Accrual True-up			June Accrual			Total	June YTD
		AccrOnBks	AccrPerActs	Change	Resale	Other	Total	June Accr	Accrual
	AZ	659,094	623,494	(35,600)	69,465	23,039	92,504	56,904	715,998
	CO	3,541,060	3,428,985	(112,075)	358,703	71,232	429,935	317,860	3,858,920
	IA	3,682,487	3,857,188	174,701	383,925	102,351	486,276	660,977	4,343,464
	ID	465,365	439,260	(26,105)	40,715	28,872	69,587	43,482	508,847
	MN	3,652,223	3,199,783	(452,441)	304,694	98,360	403,054	(49,387)	3,602,836
	MT	26,100	25,895	(205)	2,934	(379)	2,555	2,350	28,450
	ND	672,193	678,430	6,237	76,655	11,446	88,101	94,338	766,531
	NE	319,527	287,409	(32,118)	32,706	4,182	36,888	4,769	324,296
	NM	206,490	192,537	(13,953)	16,631	8,276	24,907	10,953	217,443
	OR	652,635	640,457	(12,178)	43,484	37,228	80,712	68,534	721,169
	SD	563,472	586,992	23,520	54,694	21,900	76,594	100,113	663,585
	UT	1,059,965	970,335	(89,630)	75,354	32,785	108,139	18,509	1,078,474
	WA	994,226	944,756	(49,470)	73,206	46,185	119,391	69,921	1,064,147
	WY	967,355	967,354	(1)	84,387	23,392	107,780	107,779	1,075,134
		17,462,192	16,842,874	(619,318)	1,617,552	508,869	2,126,421	1,507,103	18,969,295
ess 3/30/01 Wire to A07		(707,185)							-707185
		16,755,007							18262109.77
ess 4/27/01 Wire to A07		(101,403)							-101403
Current Balance		16,653,604							18160706.77

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA
 UNE DEAL REFUNDS 2.xls 06_01 10%

	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	YTD
A07						(75,920)	(76,097)	(78,520)					(230,538)
CO						(39,937)	(55,455)	(59,585)					(154,977)
IA													
ID													
IP													
MN						(115,572)	(115,185)	(116,625)					(347,382)
MT													
ND													
NE						(161)	(226)	(227)					(614)
NM													
OR													
SD						(19,683)	(20,475)	(22,743)					(62,901)
UT													
WA						(65,409)	(65,320)	(67,801)					(198,530)
WY						(4,862)	(7,159)	(11,035)					(23,056)
Total						(321,536)	(339,918)	(356,536)					(1,017,979)
							6%	5%					
M01													
AZ	(8,123)	(12,292)	(17,576)	(31,754)	(43,728)	(62,018)	(82,909)						(254,399)
CO	(123,187)	(136,895)	(137,938)	(126,104)	(200,555)	(208,919)	(238,208)						(1,172,806)
IA	273,205	270,481	294,647	296,430	228,783	273,065	169,894						1,806,487
ID	(17,754)	(21,348)	(26,808)	(35,585)	(44,904)	(53,475)	(62,315)						(262,187)
IP													
MN	(609,180)	(631,317)	(614,240)	(630,339)	(626,789)	(638,423)	(673,134)						(4,423,420)
MT	(120)	(122)	(209)	(141)	(141)	(335)	(938)						(2,006)
ND	8,534	8,261	11,882	11,621	10,125	7,399	4,846						62,668
NE	(35,119)	(39,168)	(43,593)	(47,178)	(49,739)	(50,911)	(54,973)						(320,661)
NM	(1,143)	(3,935)	(7,286)	(18,172)	(26,947)	(34,773)	(47,014)						(139,269)
OR	(2,302)	(3,138)	(5,714)	(9,187)	(12,617)	(14,886)	(16,853)						(86,677)
SD	32,162	32,048	34,204	35,212	34,035	34,021	33,818						235,500
UT	(50,916)	(59,032)	(113,665)	(137,466)	(156,901)	(186,195)	(188,664)						(872,639)
WA	(14,607)	(21,555)	(27,198)	(43,546)	(57,326)	(67,010)	(83,375)						(314,618)
WY													
Total	(548,549)	(618,010)	(653,493)	(736,188)	(946,724)	(983,459)	(1,241,822)						(5,728,244)
		13%	6%	13%	29%	4%	26%						
Total													
AZ	(8,123)	(12,292)	(17,576)	(31,754)	(43,728)	(137,836)	(159,007)	(78,520)					(488,937)
CO	(123,187)	(136,895)	(137,938)	(126,104)	(200,555)	(249,856)	(293,663)	(59,585)					(1,327,783)
IA	273,205	270,481	294,647	296,430	228,783	273,065	169,894						1,806,487
ID	(17,754)	(21,348)	(26,808)	(35,585)	(44,904)	(53,475)	(62,315)						(262,187)
IP													
MN	(609,180)	(631,317)	(614,240)	(630,339)	(626,789)	(753,995)	(788,316)	(116,625)					(4,770,801)
MT	(120)	(122)	(209)	(141)	(141)	(335)	(938)						(2,006)
ND	8,534	8,261	11,882	11,621	10,125	7,237	4,620	(227)					82,054
NE	(35,119)	(39,168)	(43,593)	(47,178)	(49,739)	(50,911)	(54,973)						(320,661)
NM	(1,143)	(3,935)	(7,286)	(18,172)	(26,947)	(34,773)	(47,014)						(139,269)
OR	(2,302)	(3,138)	(5,714)	(9,187)	(12,617)	(34,549)	(39,328)	(22,743)					(129,558)
SD	32,162	32,048	34,204	35,212	34,035	34,021	33,818						235,500
UT	(50,916)	(59,032)	(113,665)	(137,466)	(156,901)	(231,604)	(253,985)	(67,801)					(1,071,369)
WA	(14,607)	(21,555)	(27,198)	(43,546)	(57,326)	(71,872)	(90,534)	(11,035)					(337,673)
WY													
Total	(548,549)	(618,010)	(653,493)	(736,188)	(946,724)	(1,304,985)	(1,581,740)	(356,536)					(6,746,224)

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	YTD
A07 AZ						(75,920)							(75,920)
CO						(39,637)							(39,637)
IA													
ID													
IP													
MN													
MT						(115,572)							(115,572)
ND													
NE						(161)							(161)
NM													
OR													
SD						(19,663)							(19,663)
UT													
WA						(65,409)							(65,409)
WY						(4,862)							(4,862)
Total						(321,526)							(321,526)

M01 AZ	(8,123)	(12,292)	(17,576)	(31,754)	(43,728)	(82,016)							(175,489)
CO	(123,187)	(136,895)	(137,938)	(126,104)	(200,555)	(209,919)							(934,596)
IA	273,205	270,481	294,647	296,430	228,763	273,065							1,636,592
ID	(17,754)	(21,346)	(26,808)	(35,585)	(44,904)	(53,475)							(199,872)
IP													
MN	(609,180)	(631,317)	(614,240)	(630,339)	(626,789)	(638,423)							
MT	(120)	(122)	(209)	(141)	(141)	(335)							(3,750,289)
ND	8,534	8,261	11,882	11,821	10,125	7,399							(1,068)
NE	(35,119)	(39,168)	(43,593)	(47,178)	(49,739)	(50,911)							57,822
NM	(1,143)	(3,935)	(7,286)	(18,172)	(26,947)	(34,773)							(265,707)
OR	(2,302)	(3,138)	(5,714)	(9,167)	(12,817)	(14,886)							(92,255)
SD	32,162	32,048	34,204	35,212	34,035	34,021							(47,824)
UT	(50,916)	(59,032)	(113,665)	(137,466)	(156,901)	(168,195)							201,681
WA	(14,607)	(21,555)	(27,198)	(43,546)	(57,326)	(67,010)							(664,175)
WY													(231,241)
Total	(548,549)	(618,010)	(653,493)	(736,188)	(946,724)	(863,459)							(4,486,422)

Total AZ	(8,123)	(12,292)	(17,576)	(31,754)	(43,728)	(137,936)							(251,410)
CO	(123,187)	(136,895)	(137,938)	(126,104)	(200,555)	(249,856)							(974,536)
IA	273,205	270,481	294,647	296,430	228,763	273,065							1,636,592
ID	(17,754)	(21,346)	(26,808)	(35,585)	(44,904)	(53,475)							(199,872)
IP													
MN	(609,180)	(631,317)	(614,240)	(630,339)	(626,789)	(753,965)							
MT	(120)	(122)	(209)	(141)	(141)	(335)							(3,865,861)
ND	8,534	8,261	11,882	11,821	10,125	7,237							(1,068)
NE	(35,119)	(39,168)	(43,593)	(47,178)	(49,739)	(50,911)							57,880
NM	(1,143)	(3,935)	(7,286)	(18,172)	(26,947)	(34,773)							(265,707)
OR	(2,302)	(3,138)	(5,714)	(9,167)	(12,817)	(14,886)							(92,255)
SD	32,162	32,048	34,204	35,212	34,035	34,021							(67,487)
UT	(50,916)	(59,032)	(113,665)	(137,466)	(156,901)	(231,604)							201,681
WA	(14,607)	(21,555)	(27,198)	(43,546)	(57,326)	(71,872)							(749,584)
WY													(236,104)
Total	(548,549)	(618,010)	(653,493)	(736,188)	(946,724)	(1,304,965)							(4,807,948)

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

M01 Collocation Billing						
Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Total
19,828	4,761	12,295	12,295	12,295	12,295	61,474
417,455	100,248	258,851	258,851	258,851	258,851	1,294,257
	145,373	72,687	72,687	72,687	72,687	363,434
33,766	6,109	20,937	20,937	20,937	20,937	104,686
385,892	92,668	239,280	239,280	239,280	239,280	1,196,402
39	9	24	24	24	24	122
117,054	28,109	72,581	72,581	72,581	72,581	362,907
47,381	11,378	29,380	29,380	29,380	29,380	146,898
7,398	1,776	4,587	4,587	4,587	4,587	22,935
29,291	7,034	18,162	18,162	18,162	18,162	90,812
75,762	18,193	46,977	46,977	46,977	46,977	234,887
82,963	19,923	51,443	51,443	51,443	51,443	257,213
31,113	7,472	19,292	19,292	19,292	19,292	96,452
193,479	46,462	119,970	119,970	119,970	119,970	599,651
1,441,420	491,516	966,468	966,468	966,468	966,468	4,832,339
From LSP	From LSP	Estimate	Estimate	Estimate	Estimate	Estimate

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

ESCHELON "CURRENT DUE" FOR THE MONTHS OF OCTOBER - FEBRUARY 2001

PRODUCT	Group	State	Oct-00	Nov-00	Jan-01	Feb-01	Mar-01	Apr-01
Resale/RSID	Centrex/PBX	Oregon	\$195,599	\$200,984	\$204,172	\$218,422	\$208,370.97	\$ 200,904
Resale/RSID	Centrex/PBX	Washington	\$285,514	\$316,372	\$302,989	\$280,801	\$ 292,190.18	\$ 297,508
Resale/RSID	Centrex/PBX	Arizona	\$148,764	\$164,504	\$276,865	\$262,936	\$ 300	\$ 283,687
Resale/RSID	Centrex/PBX	Colorado	\$472,779	\$396,600	\$534,358	\$538,106	\$ 563,205.40	\$ 595,257
Resale/RSID	Centrex/PBX	Minnesota	\$526,607	\$486,741	\$490,740	\$485,907	\$ 482,759.40	\$ 481,748
Resale/RSID	Centrex/PBX	Utah	\$138,454	\$150,178	\$197,742	\$58,747	\$ 187,872.84	\$ 181,633
			\$ 1,767,717	\$ 1,715,379	\$ 2,006,866	\$ 1,844,920	\$ 1,734,402	\$ 2,040,736
Admin. Lines	Centrex/PBX	Western	\$12,260	\$6,868	\$6,931	\$7,832		
Admin. Lines	Centrex/PBX	Central/Eastern	\$25,117	\$24,532	\$24,808	\$16,573		
Admin. Lines	Centrex/PBX	Oregon	\$5,029	\$2,817	\$2,843	\$3,212	\$3,131	\$ 2,347
Admin. Lines	Centrex/PBX	Washington	\$7,231	\$4,051	\$4,088	\$4,619	\$4,502	\$ 4,545
Admin. Lines	Centrex/PBX	Arizona	\$5,406	\$5,280	\$5,339	\$3,567	\$2,753	\$ 2,594
Admin. Lines	Centrex/PBX	Colorado	\$0	\$0	\$0	\$0	\$0	\$ -
Admin. Lines	Centrex/PBX	Minnesota	\$12,142	\$11,859	\$11,992	\$8,011	\$6,183	\$ 6,282
		Utah	\$7,569	\$7,393	\$7,476	\$4,995	\$3,855	\$ 3,827
			\$37,376.67	\$31,400.05	\$31,739.45	\$24,404.63	\$20,423	\$ 19,595
Private Line	IABS	Oregon	\$236,200	\$310,726	\$308,430	\$261,069		
Private Line	IABS	Washington	\$39,681	\$52,201	\$51,815	\$43,859	\$41,549	\$ 81,829
Private Line	IABS	Arizona	\$85,267	\$112,171	\$111,342	\$94,245	\$89,281	\$ 83,741
Private Line	IABS	Colorado	\$24,753	\$32,563	\$32,322	\$27,359	\$25,918	\$ 37,271
Private Line	IABS	Minnesota	\$0	\$0	\$0	\$0	\$0	\$ -
Private Line	IABS	Utah	\$71,777	\$94,425	\$93,727	\$79,335	\$75,156	\$ 86,134
			\$14,721	\$19,366	\$19,223	\$16,271	\$15,414	\$ 19,534
			\$236,200	\$310,726	\$308,430	\$261,069	\$247,319	\$ 308,510
Retail	Centrex/PBX		\$0	\$0	\$0	\$0	\$0	\$0
Retail	Centrex/PBX		\$0	\$0	\$0	\$0	\$0	\$0
Bart Colo	IABS	all	\$0	\$0	\$0	\$0	\$0	\$0

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

PROPRIETARY INFORMATION

ESCHELON "CURRENT DUE" FOR THE MONTHS OF OCTOBER - FEBRUARY 2001

Switched	IABS	Oregon	\$39,427	\$77,921	\$14,401	\$996	\$10,840	\$	13,613
Switched	IABS	Washington	\$13,237	\$26,162	\$4,835	\$334	\$0	\$	426
Switched	IABS	Arizona	\$116	\$230	\$42	\$3	\$95	\$	9,524
Switched	IABS	Colorado	\$0	\$0	\$0	\$0	\$0	\$	-
Switched	IABS	Minnesota	\$25,767	\$50,924	\$9,411	\$651	\$21,100	\$	575
Switched	IABS	Utah	\$307	\$606	\$112	\$8	\$251	\$	17
Switched	IABS		\$39,427	\$77,921	\$14,401	\$996	\$32,286	\$	24,156
Unbundled Loop	Centrex/PBX	Western	\$173,057	\$164,756	\$189,944	\$213,536			
Unbundled Loop	Centrex/PBX	Central/Eastern	\$65,296	\$168,574	\$215,279	\$207,387			
Unbundled Loop	Centrex/PBX	Oregon	\$90,821	\$86,464	\$99,683	\$112,064	\$110,473.43	\$	130,165
Unbundled Loop	Centrex/PBX	Washington	\$82,236	\$78,291	\$90,261	\$101,471	\$100,030.86	\$	126,924
Unbundled Loop	Centrex/PBX	Arizona	\$8,875	\$22,914	\$29,262	\$28,189	\$41,480.54	\$	58,154
Unbundled Loop	Centrex/PBX	Colorado	\$0	\$0	\$0	\$0	\$	\$	761
Unbundled Loop	Centrex/PBX	Minnesota	\$42,856	\$110,641	\$141,295	\$136,115	\$200,293.14	\$	(53,372)
Unbundled Loop	Centrex/PBX	Utah	\$13,565	\$35,020	\$44,722	\$43,083	\$63,396.24	\$	38,661
Unbundled Loop	Centrex/PBX		\$238,353	\$333,329	\$405,223	\$420,923	\$515,674	\$	301,293
UNE-P	Centrex/PBX	Western	\$0	\$0	\$0	\$87		\$	-
UNE-P	Centrex/PBX	Central/Eastern	\$4,695	\$8,317	\$5,724	\$5,402	\$87	\$	87
UNE-P	Centrex/PBX	Oregon	\$0	\$0	\$0	\$87	\$0	\$	-
UNE-P	Centrex/PBX	Washington	\$0	\$0	\$0	\$87	\$0	\$	-
UNE-P	Centrex/PBX	Arizona	\$0	\$0	\$0	\$87	\$0	\$	-
UNE-P	Centrex/PBX	Colorado	\$4,695	\$8,317	\$5,724	\$5,402	\$5,172	\$	5,588
UNE-P	Centrex/PBX	Minnesota	\$4,695	\$8,317	\$5,724	\$5,402	\$0	\$	-
UNE-P	Centrex/PBX	Utah	\$4,695	\$8,317	\$5,724	\$5,489	\$0	\$	-
UNE-P	Centrex/PBX	All	\$4,695	\$8,317	\$5,724	\$5,489	\$5,259	\$	5,675
Bart Colo	IABS		\$2,339,980	\$2,698,883	\$2,772,384	\$2,557,802	\$391,378.37	\$	158,649
TOTAL excl Collo			\$2,529,405	\$2,698,883	\$2,772,384	\$2,557,802	\$2,555,363	\$	2,699,965
TOTAL incl Collo							\$2,946,742	\$	2,858,614

NONPUBLIC DOCUMENT
 CONTAINS TRADE SECRET DATA

ESCHELON "CURRENT DUE" FOR THE MONTHS OF OCTOBER - FEBRUARY 2001

PRODUCT	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01
Resale/RSID	206,050					
Resale/RSID	288,769					
Resale/RSID	285,545					
Resale/RSID	614,624					
Resale/RSID	485,988					
Resale/RSID	203,635					
	2,084,611					
Admin. Lines						
Admin. Lines						
Admin. Lines	3,075					
Admin. Lines	4,501					
Admin. Lines	2,633					
Admin. Lines	6,045					
Admin. Lines	3,835					
Admin. Lines	20,089					
Private Line						
Private Line	(674)					
Private Line	(125,453)					
Private Line	(41,505)					
Private Line	35,466					
Private Line	101,510					
Private Line	22,375					
Private Line	(8,282)					
	\$					
Retail						
Retail						
Bart Colo						

NON-PUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

ESCHELON "CURRENT DUE" FOR THE MONTHS OF OCTOBER - FEBRUARY 2001

Switched	2,326
Switched	1,632
Switched	772
Switched	-
Switched	9,502
Switched	198
Switched	\$ 14,429
Unbundled Loop	
Unbundled Loop	162,576
Unbundled Loop	163,532
Unbundled Loop	46,220
Unbundled Loop	254
Unbundled Loop	71,508
Unbundled Loop	60,983
Unbundled Loop	505,073
UNE-P	
UNE-P	
UNE-P	
UNE-P	82
UNE-P	
UNE-P	
UNE-P	5,501
UNE-P	
UNE-P	\$ 5,583
Bart Colo	
TOTAL excl Collo	\$ 2,621,505
TOTAL incl Collo	\$ 2,621,505

NON-PUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

ESCHELON "CURRENT DUE" FOR THE MONTHS OF OCTOBER - FEBRUARY 2001

PRODUCT	RESPONSIBLE PERSON
Resale/RSID	Julie Tigges
Resale/RSID	Julie Tigges
Resale/RSID	Vicki Keller
Admin. Lines	Julie Tigges
Admin. Lines	Vicki Keller
Admin. Lines	
Private Line	Kathy Frances
Private Line	
Retail	Julie Tigges
Retail	Vicki Keller
Bart Colo	Anne Duijn

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

ESCHELON "CURRENT DUE" FOR THE MONTHS OF OCTOBER - FEBRUARY 2001

Switched	Deb Osborn
Switched	
Unbundled Loop	Julie Tigges
Unbundled Loop	Vicki Keller
Unbundled Loop	
UNE-P	Julie Tigges
UNE-P	Vicki Keller
UNE-P	
Bart Colo	
TOTAL excl Collo	
TOTAL incl Collo	

NON-PUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

	Line Volumes			Monthly Rate	Line Revenue	October		November		Total
	Sep-00	Oct-00	Avg			October	Diff	November	Diff	
AZ	576	877	727	30.80	22,376	40,526	(18,150)	61,893	(39,517)	(57,667)
CO	46,583	46,185	46,384	34.00	1,577,056	2,331,360	(754,304)	2,264,292	(687,236)	(1,441,540)
IA	132,532	132,969	132,751	28.30	3,756,839	3,728,523	28,317	3,840,089	(83,250)	(54,933)
ID	1,944	2,349	2,147	33.15	71,156	111,857	(40,701)	139,828	(68,672)	(109,372)
MN	50,848	51,793	51,321	27.00	1,385,654	2,345,521	(959,868)	2,409,162	(1,023,508)	(1,983,376)
MT	-	-	-	34.95	-	202	(202)	198	(198)	(400)
ND	20,227	20,488	20,358	28.30	576,117	708,784	(132,667)	715,821	(139,703)	(272,370)
NE	4,618	5,033	4,826	35.95	173,477	224,437	(50,960)	292,830	(119,353)	(170,313)
NM	4	85	45	27.15	1,208	1,208	1,208	14,790	(13,582)	(12,374)
OR	757	1,016	887	26.90	23,847	37,813	(13,966)	53,024	(29,177)	(43,143)
SD	16,063	16,206	16,135	29.45	475,161	545,728	(70,567)	543,103	(67,942)	(138,509)
UT	5,777	7,038	6,408	22.60	144,810	342,739	(197,929)	392,884	(248,075)	(446,004)
WA	1,492	2,111	1,802	24.00	43,236	76,076	(32,840)	123,174	(79,938)	(112,778)
	281,421	286,150	283,786		8,250,937	10,493,566	(2,242,629)	10,851,088	(2,600,151)	(4,842,780)

- Line volumes per Linda Pike

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

10% DISCOUNT

Prior Month Apr
Current Month May

		Apr YTD Accrual True-up			May Accrual			Total	May YTD
		AccrOnBks	AccrPerActs	Change	Resale	Other	Total	May Accr	Accrual
Eschelon									
Vicki	AZ	183,013	211,435	28,422	28,554	1,735	30,289	58,711	241,724
Vicki	CO	389,860	393,141	3,281	61,462	3,572	65,034	68,316	458,175
	IA	-	-	-	-	-	-	-	-
	ID	-	-	-	-	-	-	-	-
Vicki	MN	561,987	531,753	(30,233)	48,599	19,576	68,175	37,942	599,928
	MT	-	-	-	-	-	-	-	-
	ND	-	-	-	-	-	-	-	-
	NE	-	-	-	-	-	-	-	-
	NM	-	-	-	-	-	-	-	-
	OR	296,587	298,288	1,702	20,605	16,730	37,335	39,037	335,624
Julie	SD	-	-	-	-	-	-	-	-
Vicki	UT	165,221	162,509	(2,712)	20,364	8,739	29,103	26,391	191,612
Julie	WA	390,446	386,070	(4,377)	28,877	9,925	38,801	34,425	424,871
	WY	-	-	-	-	-	-	-	-
		1,987,113	1,983,196	(3,916)	208,481	60,277	268,738	264,821	2,251,934

McLeod

		Apr YTD Accrual True-up			May Accrual			Total	May YTD
		AccrOnBks	AccrPerActs	Change	Resale Act	Other Est	Total	May Accr	Accrual
	AZ	173,981	310,169	136,188	40,910	21,305	62,215	198,403	372,384
	CO	2,311,418	2,580,015	268,597	297,241	67,660	364,901	633,498	2,944,915
	IA	2,750,207	3,391,150	640,942	383,925	102,351	486,276	1,127,218	3,877,426
	ID	200,940	362,884	161,945	40,715	28,872	69,587	231,532	432,471
	MN	2,051,207	2,197,272	146,065	256,095	78,783	334,879	480,944	2,532,151
	MT	34,401	22,951	(11,450)	2,934	(379)	2,555	(8,896)	25,506
	ND	558,538	590,894	32,356	76,655	11,446	88,101	120,457	678,996
	NE	231,400	244,858	13,458	32,706	4,182	36,888	50,346	281,746
	NM	72,017	162,167	90,150	16,631	8,276	24,907	115,056	187,074
	OR	128,720	259,313	130,593	22,879	20,498	43,376	173,969	302,689
	SD	415,700	513,763	98,063	54,694	21,900	76,594	174,657	590,357
	UT	512,119	679,839	167,720	54,991	24,046	79,037	246,757	758,876
	WA	199,895	430,050	230,155	44,329	36,261	80,589	310,745	510,639
	WY	850,914	1,034,857	183,943	84,387	23,392	107,780	291,723	1,142,636
		10,491,458	12,780,183	2,288,725	1,409,091	448,593	1,857,683	4,146,409	14,637,866

TOTAL

		Apr YTD Accrual True-up			May Accrual			Total	May YTD
		AccrOnBks	AccrPerActs	Change	Resale	Other	Total	May Accr	Accrual
	AZ	356,994	521,604	164,610	69,465	23,039	92,504	257,114	614,108
	CO	2,701,277	2,973,156	271,878	358,703	71,232	429,935	701,813	3,403,090
	IA	2,750,207	3,391,150	640,942	383,925	102,351	486,276	1,127,218	3,877,426
	ID	200,940	362,884	161,945	40,715	28,872	69,587	231,532	432,471
	MN	2,613,193	2,729,026	115,832	304,694	98,360	403,054	518,886	3,132,079
	MT	34,401	22,951	(11,450)	2,934	(379)	2,555	(8,896)	25,506
	ND	558,538	590,894	32,356	76,655	11,446	88,101	120,457	678,996
	NE	231,400	244,858	13,458	32,706	4,182	36,888	50,346	281,746
	NM	72,017	162,167	90,150	16,631	8,276	24,907	115,056	187,074
	OR	425,307	557,601	132,294	43,484	37,228	80,712	213,006	638,313
	SD	415,700	513,763	98,063	54,694	21,900	76,594	174,657	590,357
	UT	677,340	842,348	165,008	75,354	32,785	108,139	273,148	950,487
	WA	590,341	816,120	225,778	73,206	46,185	119,391	345,169	935,511
	WY	850,914	1,034,857	183,943	84,387	23,392	107,780	291,723	1,142,636
		12,478,570	14,763,379	2,284,809	1,617,552	508,869	2,126,421	4,411,230	16,889,800
ess 3/30/01 Wire to A07		(707,185)							-707,185
		11,771,385							16182615.28
ess 4/27/01 Wire to A07		(101,403)							-101403
Current Balance		11,669,982							16081212.28

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA
UNE DEAL REFUNDS 2.xls 05_01 10%

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: June 1, 2001
Re: Resale Revenue Reclass to UNE-Star Revenue
cc: Bill Easton, Mario Mendoza, Shanna Davis

To reclass McLeod and Eschelon revenue booked in resale USOAs to UNE-Star revenue USOAs

RC: TBL000000	Debit / (Credit)	
State	5001.4110	5240.5210
AZ	631,348	(631,348)
CO	3,444,761	(3,444,761)
IA	3,779,828	(3,779,828)
ID	332,984	(332,984)
MN	2,923,295	(2,923,295)
MT	(223)	223
ND	731,412	(731,412)
NE	316,536	(316,536)
NM	122,377	(122,377)
OR	383,216	(383,216)
SD	533,886	(533,886)
UT	852,851	(852,851)
WA	665,936	(665,936)
WY	1,059,373	(1,059,373)
TOTAL	15,777,580	(15,777,580)

Please call if you have questions – 303-965-4324. Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

M01 CURRENT CHARGES PER LINDA PIKE

RESALE BILLING

CurrChgs State	Month												Thru March
	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Grand Total	Grand Total	Grand Total	Grand Total	
AZ	40,526	61,893	88,617	188,642	229,608	326,912	412,432	409,101	1,757,732	1,757,732	1,757,732	936,198	
CO	2,331,360	2,264,292	2,631,109	2,734,082	2,866,981	2,817,452	2,886,764	2,972,407	21,504,448	21,504,448	21,504,448	15,645,277	
IA	3,728,523	3,840,089	3,794,023	3,786,591	3,452,971	3,779,828	3,894,877	3,839,247	30,116,148	30,116,148	30,116,148	22,982,023	
ID	111,857	139,828	195,667	261,124	329,106	332,984	402,386	407,146	2,180,096	2,180,096	2,180,096	1,370,565	
MIN	2,345,521	2,409,162	2,343,261	2,426,407	2,333,597	2,442,559	2,515,378	2,560,952	19,376,836	19,376,836	19,376,836	14,300,507	
MT	202	198	518	43	251	(223)	3,812	29,341	34,142	34,142	34,142	989	
ND	708,784	715,821	718,590	723,046	730,657	731,412	749,005	766,550	5,843,864	5,843,864	5,843,864	4,328,309	
NE	224,437	292,830	307,461	323,649	307,578	316,536	335,856	327,057	2,435,403	2,435,403	2,435,403	1,772,490	
NM		14,790	27,660	84,375	100,491	122,377	165,460	166,310	681,464	681,464	681,464	349,694	
OR	37,813	53,024	96,562	142,934	163,850	189,779	224,267	228,788	1,137,017	1,137,017	1,137,017	693,962	
SD	545,728	543,103	543,178	548,817	553,107	533,886	560,338	546,940	4,375,096	4,375,096	4,375,096	3,267,818	
UT	342,739	392,884	535,334	636,255	642,119	677,458	771,913	549,910	4,548,612	4,548,612	4,548,612	3,226,789	
WA	76,076	123,174	144,299	279,539	332,978	363,111	414,402	443,286	2,176,865	2,176,865	2,176,865	1,319,176	
WY	857,828	897,289	848,541	881,904	2,484,442	1,059,373	639,966	843,874	8,513,218	8,513,218	8,513,218	7,029,377	
Grand Total	11,351,394	11,748,377	12,274,820	13,017,408	14,527,735	13,693,443	13,976,857	14,090,908	104,680,941	104,680,941	104,680,941	76,613,176	

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

M01 CURRENT CHARGES PER LINDA PIKE

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

	Booked in March			What s/h been booked			Change	Booking For April			Total Reclass
	Escheleon	McLeod	Total	Escheleon	McLeod	Total		Escheleon	McLeod	Total	
AZ	264,798	361,914	626,712	3	412,432	412,435	(214,276)	262,936	409,101	672,038	457,762
CO	541,916	3,025,366	3,567,282	563,205	2,886,764	3,449,969	(117,313)	563,205	2,972,407	3,535,613	3,418,300
IA	-	3,390,698	3,390,698	-	3,894,877	3,894,877	504,179	-	3,839,247	3,839,247	4,343,426
ID	-	431,480	431,480	-	402,386	402,386	(29,095)	-	407,146	407,146	378,051
MN	489,348	2,331,854	2,821,202	482,759	2,515,378	2,998,137	176,936	482,759	2,560,952	3,043,711	3,220,647
MT	-	597	597	-	3,812	3,812	3,215	-	29,341	29,341	32,556
ND	-	736,232	736,232	-	749,005	749,005	12,773	-	766,550	766,550	779,323
NE	-	335,082	335,082	-	335,856	335,856	774	-	327,057	327,057	327,831
NM	-	204,720	204,720	-	165,460	165,460	(39,261)	-	166,310	166,310	127,050
OR	219,968	377,081	597,049	208,371	224,267	432,638	(164,411)	208,371	228,788	437,159	272,748
SD	-	847,379	847,379	-	560,338	560,338	(287,041)	-	546,940	546,940	259,899
UT	59,163	755,552	814,715	187,873	771,913	959,786	145,071	187,873	549,910	737,782	882,854
WA	282,789	492,723	775,512	292,190	414,402	706,593	(68,820)	292,190	443,286	735,476	666,556
WY	-	3,638,428	3,638,428	-	639,966	639,966	(2,998,461)	-	843,874	843,874	(2,154,587)
	1,857,983	16,929,105	18,787,088	1,734,402	13,976,857	15,711,259	(3,075,830)	1,997,335	14,090,908	16,088,244	13,012,414

Est = Mar This is an actual
 . except AZ
 Used Feb
 b/c Mar was
 only \$3

NONPUBLIC DOCUMENT
 CONTAINS TRADE SECRET DATA

	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	YTD
A07						(75,920)							(75,920)
CO						(39,937)							(39,937)
IA													.
ID													.
IP													.
MN						(115,572)							(115,572)
MT													.
ND						(181)							(181)
NE													.
NM													.
OR						(19,663)							(19,663)
SD													.
UT						(65,409)							(65,409)
WA						(4,862)							(4,862)
WY													.
Total						(321,526)							(321,526)
M01													
AZ	(8,123)	(12,292)	(17,576)	(31,754)	(43,728)	(62,016)							(175,489)
CO	(123,187)	(136,895)	(137,938)	(126,104)	(200,555)	(209,819)							(834,506)
IA	273,205	270,481	294,647	296,430	228,763	273,065							1,636,592
ID	(17,754)	(21,346)	(26,808)	(35,585)	(44,904)	(53,475)							(199,872)
IP													.
MN	(609,180)	(631,317)	(614,240)	(630,339)	(626,789)	(638,423)							(3,750,289)
MT	(120)	(122)	(209)	(141)	(141)	(335)							(1,068)
ND	8,534	8,261	11,882	11,821	10,125	7,399							57,822
NE	(35,119)	(39,188)	(43,593)	(47,178)	(49,739)	(50,911)							(265,707)
NM	(1,143)	(3,935)	(7,286)	(18,172)	(26,947)	(34,773)							(92,255)
OR	(2,302)	(3,138)	(5,714)	(9,167)	(12,617)	(14,886)							(47,824)
SD	32,162	32,048	34,204	35,212	34,035	34,021							201,881
UT	(50,916)	(59,032)	(113,665)	(137,466)	(156,901)	(166,195)							(684,175)
WA	(14,607)	(21,555)	(27,198)	(43,546)	(57,326)	(67,010)							(231,241)
WY													.
Total	(548,549)	(618,010)	(653,493)	(736,188)	(946,724)	(983,459)							(4,486,422)
Total													
AZ	(8,123)	(12,292)	(17,576)	(31,754)	(43,728)	(137,936)							(251,410)
CO	(123,187)	(136,895)	(137,938)	(126,104)	(200,555)	(249,856)							(974,536)
IA	273,205	270,481	294,647	296,430	228,763	273,065							1,636,592
ID	(17,754)	(21,346)	(26,808)	(35,585)	(44,904)	(53,475)							(199,872)
IP													.
MN	(609,180)	(631,317)	(614,240)	(630,339)	(626,789)	(753,995)							(3,865,861)
MT	(120)	(122)	(209)	(141)	(141)	(335)							(1,068)
ND	8,534	8,261	11,882	11,821	10,125	7,237							57,660
NE	(35,119)	(39,188)	(43,593)	(47,178)	(49,739)	(50,911)							(265,707)
NM	(1,143)	(3,935)	(7,286)	(18,172)	(26,947)	(34,773)							(92,255)
OR	(2,302)	(3,138)	(5,714)	(9,167)	(12,617)	(34,549)							(67,467)
SD	32,162	32,048	34,204	35,212	34,035	34,021							201,881
UT	(50,916)	(59,032)	(113,665)	(137,466)	(156,901)	(231,604)							(749,584)
WA	(14,607)	(21,555)	(27,198)	(43,546)	(57,326)	(71,872)							(236,104)
WY													.
Total	(548,549)	(618,010)	(653,493)	(736,188)	(946,724)	(1,304,965)							(4,807,948)

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: April 3, 2001
Re: Accrual For UNE Star/Resale Rate Differential
cc: Bill Easton, Mario Mendoza, Shanna Davis

This is to reclass McLeod and Eschelon revenue booked resale USOAs to UNE-Star revenue

Below is the state and account detail. Please use RC TBL000000.

State	Debit / (Credit)	
	5001.4110	5240.5210
AZ	626,712	(626,712)
CO	3,567,282	(3,567,282)
IA	3,390,698	(3,390,698)
ID	431,480	(431,480)
MN	2,821,202	(2,821,202)
MT	597	(597)
ND	736,232	(736,232)
NE	335,082	(335,082)
NM	204,720	(204,720)
OR	597,049	(597,049)
SD	847,379	(847,379)
UT	814,715	(814,715)
WA	775,512	(775,512)
WY	3,638,428	(3,638,428)
TOTAL	18,787,088	(18,787,088)

Please call if you have questions – 303-965-4324
Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: April 3, 2001
Re: Accrual For UNE Star/Resale Rate Differential
cc: Bill Easton, Mario Mendoza, Shanna Davis

This is to reduce UNE-Star revenues for 10% discount that will be issued to Eschelon and McLeod should they meet they're revenue/volume commitments per the UNE-Star contract. Below is the state and account detail. Please use RC TBL000000.

State	Debit / (Credit)	
	5240.5210	4010.2199
AZ	105,680	(105,680)
CO	470,691	(470,691)
IA	295,417	(295,417)
ID	51,398	(51,398)
MN	369,323	(369,323)
MT	85	(85)
ND	78,088	(78,088)
NE	33,034	(33,034)
NM	22,265	(22,265)
OR	90,006	(90,006)
SD	134,089	(134,089)
UT	91,997	(91,997)
WA	186,575	(186,575)
WY	548,209	(548,209)
TOTAL	2,476,856	(2,476,856)

TRUE

Please call if you have questions -- 303-965-4324
Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: April 3, 2001
Re: Accrual For UNE Star/Resale Rate Differential
cc: Bill Easton, Mario Mendoza, Shanna Davis

This is to reduce resale revenues in order to align them with billing per the UNE-Star contract with Eschelon and McLeod.

Below is the state and account detail. Please use RC TBL000000.

State	Debit / (Credit)	
	5240.5210	4010.2199
AZ	50,080	(50,080)
CO	250,204	(250,204)
IA	(315,290)	315,290
ID	36,817	(36,817)
MN	1,003,958	(1,003,958)
MT	387	(387)
ND	(11,781)	11,781
NE	56,427	(56,427)
NM	10,654	(10,654)
OR	9,485	(9,485)
SD	(23,759)	23,759
UT	118,300	(118,300)
WA	49,719	(49,719)
WY	-	-
TOTAL	1,235,201	(1,235,201)

Please call if you have questions – 303-965-4324
Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET INFORMATION

10% DISCOUNT

Each/ton	Feb YTD Actual True-up			Est of Mar Act			Mar-01 10%	
	AccrOnBills	AccrPerAccts	Change	Results	Other	Total		
	0.2%			0.2%				
Vista	AZ	115,886	145,887	29,999	264,708	87,746	347,545	34,754.45
Vista	CO	251,817	321,821	70,004	841,816	168,343	711,258	71,125.90
	IA	-	-	-	-	-	-	-
	IO	-	-	-	-	-	-	-
Vista	MN	253,810	324,233	70,422	498,346	152,915	642,263	64,226.32
	MT	-	-	-	-	-	-	-
	ND	-	-	-	-	-	-	-
	NE	-	-	-	-	-	-	-
	NM	-	-	-	-	-	-	-
	OR	101,553	182,528	80,975	219,988	178,824	348,797	34,879.19
Adv	SD	-	-	-	-	-	-	-
Vista	UT	88,020	84,172	6,143	58,183	18,488	77,551	7,755.11
Julie	WA	154,837	241,027	86,088	297,788	165,814	448,404	44,840.28
	WY	-	-	-	-	-	-	-
		645,845	1,788,845	323,000	1,857,080	717,830	3,275,813	257,581

McLeod

Each/ton	Feb YTD Actual True-up			Est of Mar Act			Mar-01 10%	
	AccrOnBills	AccrPerAccts	Change	Results	Other	Total		
	0.0%			0.0%				
	AZ	63,685	87,145	2,460	381,814	13,054	374,888	37,489
	CO	1,414,421	1,413,881	(780)	3,025,385	274,848	3,300,210	330,021
	IA	1,950,387	1,808,870	(51,738)	3,380,888	80,745	3,471,443	347,144
	ID	108,317	114,344	6,027	431,480	22,231	453,711	45,371
	MN	1,330,888	1,308,778	(22,818)	2,331,864	254,086	2,585,918	258,592
	MT	111	134	23	687	26	623	62
	ND	388,828	388,388	(2,242)	738,232	77,088	813,288	81,328
	NE	184,044	180,480	(3,884)	335,082	31,195	366,277	36,628
	NM	23,745	25,051	1,306	204,720	4,870	209,891	20,989
	OR	144,873	88,180	(45,483)	377,081	19,286	386,365	38,637
	SD	212,184	256,587	44,383	847,378	49,880	897,258	89,726
	UT	283,871	280,843	(2,828)	758,552	84,821	810,173	81,017
	WA	101,037	106,381	4,324	492,723	20,484	513,208	51,321
	WY	483,583	658,182	171,828	3,838,428	127,383	3,785,810	378,581
		6,685,584	6,779,883	98,479	18,928,106	1,029,750	17,888,856	1,788,886

TOTAL

Each/ton	Feb YTD Actual True-up			Est of Mar Act			Mar-01 10%	
	AccrOnBills	AccrPerAccts	Change	Results	Other	Total		
	0.0%			0.0%				
	AZ	178,883	213,112	33,428	628,712	95,801	722,517	72,251
	CO	1,884,038	1,735,382	(88,544)	3,267,282	444,187	4,011,469	401,147
	IA	1,950,387	1,808,870	(51,738)	3,380,888	80,745	3,471,443	347,144
	ID	108,317	114,344	6,027	431,480	22,231	453,711	45,371
	MN	1,584,506	1,631,011	48,504	2,821,202	408,980	3,229,182	322,918
	MT	111	134	23	687	26	623	62
	ND	388,828	388,388	(2,242)	738,232	77,088	813,288	81,328
	NE	184,044	180,480	(3,884)	335,082	31,195	366,277	36,628
	NM	23,745	25,051	1,306	204,720	4,870	209,891	20,989
	OR	248,228	281,718	15,489	687,048	148,108	745,157	74,516
	SD	212,184	256,587	44,383	847,378	49,880	897,258	89,726
	UT	271,901	275,115	3,215	814,718	73,108	887,824	88,782
	WA	253,874	348,388	90,414	776,512	186,088	961,811	96,181
	WY	483,583	655,182	171,828	2,838,428	127,383	3,785,810	378,581
		7,646,528	8,068,700	423,378	18,787,088	1,747,680	20,534,788	2,053,477

UNEVALUABLE

Each/ton	Mar-01
AZ	34,384
CO	63,880
IA	-
ID	-
MN	170,514
MT	-
ND	-
NE	-
NM	-
OR	-
SD	26,813
UT	28,144
WA	7,307
WY	-
	318,102

McLeod

Each/ton	Mar-01
AZ	25,717
CO	188,248
IA	(318,390)
ID	38,817
MN	633,444
MT	-387
ND	(11,781)
NE	88,477
NM	10,854
OR	8,485
SD	(50,572)
UT	92,158
WA	42,412
WY	-
	918,088

TOTAL UNEVALUABLE

Each/ton	Feb-01
AZ	60,988
CO	280,394
IA	(918,390)
ID	38,817
MN	1,043,838
MT	387
ND	(11,741)
NE	88,427
NM	10,854
OR	-8,485
SD	(52,799)
UT	118,308
WA	49,719
WY	-
	1,375,201

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: March 5, 2001
Re: Accrual For UNE Star/Resale Rate Differential
cc: Bill Easton, Mario Mendoza, Shanna Davis

This is to reduce UNE-Star revenues for 10% discount that will be issued to Eschelon and McLeod should they meet they're revenue/volume commitments per the UNE-Star contract. Below is the state and account detail. Please use RC TBL000000.

State	Debit / (Credit)	
	5001.4110	4010.2199
AZ	(90,263)	90,263
CO	(217,229)	217,229
IA	1,538,118	(1,538,118)
ID	(14,835)	14,835
MN	(1,095,407)	1,095,407
MT	(332)	332
ND	59,919	(59,919)
NE	(33,285)	33,285
NM	9,703	(9,703)
SD	(42,731)	42,731
OR	102,298	(102,298)
UT	(342,795)	342,795
WA	(64,120)	64,120
WY	383,732	(383,732)
TOTAL	192,774	(192,774)

Please call if you have questions – 303-965-4324
Thank you.

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: March 5, 2001
Re: Accrual For UNE Star/Resale Rate Differential
cc: Bill Easton, Mario Mendoza, Shanna Davis

This is to reduce resale revenues in order to align them with billing per the UNE-Star contract with Eschelon and McLeod.

Below is the state and account detail. Please use RC TBL000000.

State	Debit / (Credit)	
	5001.4110	4010.2199
AZ	177,157	(177,157)
CO	1,028,854	(1,028,854)
IA	(1,608,040)	1,608,040
ID	115,470	(115,470)
MN	4,297,820	(4,297,820)
MT	687	(687)
ND	(58,737)	58,737
NE	215,496	(215,496)
NM	19,374	(19,374)
SD	16,648	(16,648)
OR	3,571	(3,571)
UT	444,237	(444,237)
WA	148,169	(148,169)
WY	-	-
TOTAL	4,800,705	(4,800,705)

Please call if you have questions – 303-965-4324
Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

MEMORANDUM

To: Suzy Francis
From: Arturo Ibarra, Jr.
Date: March 5, 2001
Re: Accrual For UNE Star/Resale Rate Differential
cc: Bill Easton, Mario Mendoza, Shanna Davis

This is to reclass McLeod and Eschelon revenue booked resale USOAs to UNE-Star revenue

Below is the state and account detail. Please use RC TBL000000.

State	Debit / (Credit)	
	5001.4110	5240.5210
AZ	926,002	(926,002)
CO	4,541,094	(4,541,094)
IA	3,666,105	(3,666,105)
ID	452,432	(452,432)
MN	2,865,852	(2,865,852)
MT	(139)	139
ND	780,302	(780,302)
NE	361,064	(361,064)
NM	168,184	(168,184)
SD	223,716	(223,716)
OR	551,874	(551,874)
UT	1,249,831	(1,249,831)
WA	755,938	(755,938)
WY	2,368,037	(2,368,037)
TOTAL	18,910,291	(18,910,291)

Please call if you have questions – 303-965-4324
Thank you.

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

10% DISCOUNT

		Mar YTD Accrual True-up			Apr Accrual			Total Apr Accr	AprYTD Accrual
		AccrOnBks	AccrPerActs	Change	Resale	Other	Total		
Eschelon									
Vicki	AZ	180,721	172,038	(8,683)	0	10,974	10,975	2,292	183,013
Vicki	CO	393,047	333,539	(59,508)	56,321	-	56,321	(3,188)	389,860
	IA	-	-	-	-	-	-	-	-
	ID	-	-	-	-	-	-	-	-
Vicki	MN	388,459	478,888	90,429	48,276	34,823	83,099	173,528	561,987
	MT	-	-	-	-	-	-	-	-
	ND	-	-	-	-	-	-	-	-
	NE	-	-	-	-	-	-	-	-
	NM	-	-	-	-	-	-	-	-
	OR	197,405	255,402	57,997	20,837	20,347	41,184	99,181	296,587
Julie	SD	-	-	-	-	-	-	-	-
Vicki	UT	101,937	138,142	36,205	18,787	8,292	27,079	63,283	165,221
Julie	WA	285,867	334,492	48,624	29,219	26,736	55,955	104,579	390,446
	WY	-	-	-	-	-	-	-	-
		1,547,437	1,712,501	165,064	173,440	101,172	274,612	439,676	1,987,113

McLeod

		March YTD Accrual True-up			Apr Accrual			Total Apr Accr	AprYTD Accrual
		AccrOnBks	AccrPerActs	Change	Resale Act	Other Est	Total		
	AZ	104,642	130,459	25,817	41,243	2,279	43,522	69,339	173,981
	CO	1,743,682	1,994,754	251,072	288,676	27,987	316,663	567,736	2,311,418
	IA	2,245,814	2,337,026	91,212	389,488	23,694	413,181	504,393	2,750,207
	ID	159,715	154,113	(5,602)	40,239	6,588	46,827	41,224	200,940
	MN	1,565,370	1,745,137	179,767	251,538	54,532	306,070	485,837	2,051,207
	MT	196	22,716	22,520	381	11,304	11,685	34,205	34,401
	ND	477,718	476,380	(1,338)	74,901	7,258	82,159	80,821	558,538
	NE	197,078	194,877	(2,201)	33,586	2,938	36,524	34,322	231,400
	NM	46,010	53,340	7,330	16,546	2,131	18,677	26,007	72,017
	OR	138,826	104,477	(34,349)	22,427	1,816	24,243	(10,106)	128,720
	SD	346,283	354,968	8,685	56,034	4,698	60,732	69,417	415,700
	UT	361,960	429,783	67,823	77,191	5,144	82,336	150,158	512,119
	WA	156,682	165,271	8,589	41,440	(6,816)	34,624	43,213	199,895
	WY	1,031,773	774,920	(256,853)	63,997	11,997	75,994	(180,859)	850,914
		8,575,749	8,938,222	362,473	1,397,686	155,550	1,553,236	1,915,709	10,491,458

TOTAL

		Mar YTD Accrual True-up			Apr Accrual			Total Apr Accr	AprYTD Accrual
		AccrOnBks	AccrPerActs	Change	Resale	Other	Total		
	AZ	285,363	302,497	17,134	41,244	13,254	54,497	71,631	356,994
	CO	2,136,729	2,328,293	191,564	344,997	27,987	372,984	564,548	2,701,277
	IA	2,245,814	2,337,026	91,212	389,488	23,694	413,181	504,393	2,750,207
	ID	159,715	154,113	(5,602)	40,239	6,588	46,827	41,224	200,940
	MN	1,953,829	2,224,025	270,196	299,814	89,355	389,169	659,365	2,613,193
	MT	196	22,716	22,520	381	11,304	11,685	34,205	34,401
	ND	477,718	476,380	(1,338)	74,901	7,258	82,159	80,821	558,538
	NE	197,078	194,877	(2,201)	33,586	2,938	36,524	34,322	231,400
	NM	46,010	53,340	7,330	16,546	2,131	18,677	26,007	72,017
	OR	336,231	359,880	23,648	43,264	22,163	65,427	89,075	425,307
	SD	346,283	354,968	8,685	56,034	4,698	60,732	69,417	415,700
	UT	463,898	567,925	104,027	95,979	13,436	109,415	213,442	677,340
	WA	442,549	499,762	57,213	70,659	19,920	90,579	147,792	590,341
	WY	1,031,773	774,920	(256,853)	63,997	11,997	75,994	(180,859)	850,914
		10,123,186	10,650,723	527,537	1,571,126	256,722	1,827,848	2,355,385	12,478,570
ess 3/30/01 Wire to A07		(707,185)							-707,185
		9,416,001							1177,1385.42
ess 4/27/01 Wire to A07		(101,403)							-101403
Current Balance		9,314,598							11669982.42

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

M01 BILLING FOR LABS PRODUCTS

OTHER

Product	(All)
RevType	(All)

Rev	MonYr									
State	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Grand Total
AZ	(3,241)	(3,311)	(2,923)	(3,031)	(2,961)	(2,664)	(5,130)	(5,725)	(50,859)	(79,845)
CO	475,695	(60,515)	(15,368)	(81,742)	(83,959)	(40,285)	(22,561)	(17,915)	(20,234)	133,115
IA	(33,681)	(79,676)	(107,951)	(82,916)	(96,143)	(79,280)	(62,066)	(28,736)	(38,499)	(608,948)
ID	(1,270)	(388)	(341)	(146)	(166)	(2,697)	(19,040)	(12,889)	(6,443)	(43,381)
MN	(79,989)	(98,639)	(79,577)	(70,151)	(110,548)	(124,360)	(169,422)	(170,108)	(184,587)	(1,087,381)
MT	0				0		0	0	(60)	(60)
ND	(222)	(870)	(24)	(21)	(596)	453	(1,048)	(342)	(327)	(2,997)
NE	12	(5)	(5)	(143)	(803)	(6,518)	(8,655)	(6,360)	(6,417)	(28,895)
NM	(1,603)	(1,619)	(1,339)	(1,073)	(1,414)	(1,114)	(2,625)	(3,011)	(2,122)	(15,920)
OR	(2,752)	(2,887)	(2,443)	(1,826)	(2,727)	(2,340)	(2,925)	(5,206)	(3,305)	(26,411)
SD	(12,150)	4,323	(3,836)	(7,584)	(6,704)	(13,715)	(5,990)	(6,235)	(6,341)	(58,232)
UT	(30,623)	(20,540)	(15,970)	(15,691)	(15,307)	(21,652)	(16,175)	(21,400)	(17,709)	(175,068)
WA	(5,934)	(5,196)	(4,979)	(4,847)	(5,307)	(4,584)	(5,203)	(5,036)	(5,573)	(46,660)
WY	(5)			(49)	1	(1)	(35)	(61)	42	(107)
Grand Total	304,237	(269,325)	(234,758)	(269,219)	(326,633)	(298,757)	(320,878)	(283,025)	(342,434)	(2,040,791)

EUN, EUR, EEU rev types not incl in rev types

PLTS

Product	PLTS
RevType	(All)

Rev	MonYr									
State	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Grand Total
AZ	(39,922)	(42,086)	(39,646)	(38,116)	(44,429)	(42,749)	(50,307)	(56,978)	(89,840)	(444,072)
CO	(65,558)	(110,458)	(111,131)	(107,544)	(116,260)	(122,881)	(165,519)	(158,307)	(173,389)	(1,131,048)
IA	(300,521)	(282,439)	(311,486)	(342,129)	(414,463)	(396,873)	(380,491)	(424,693)	(389,941)	(3,243,037)
ID	(57,922)	(58,748)	(53,439)	(58,528)	(58,107)	(62,128)	(86,175)	(82,768)	(80,891)	(598,705)
MN	(444,961)	(478,753)	(423,715)	(473,935)	(479,393)	(477,068)	(553,812)	(572,827)	(487,606)	(4,392,071)
MT	(73)	(73)	(73)	(73)	(73)	(73)	(73)	(73)	(2,217)	(2,802)
ND	(6,478)	(13,777)	(6,246)	(10,464)	(8,403)	(8,024)	(9,027)	(13,917)	(26,231)	(102,568)
NE	(6,645)	(7,336)	(13,872)	(28,970)	(22,721)	(29,201)	(28,070)	(24,017)	(23,994)	(184,825)
NM	(4,655)	(5,738)	(4,588)	(4,968)	(4,984)	(5,047)	(6,265)	(5,775)	(43,663)	(85,683)
OR	(33,273)	(32,326)	(33,487)	(33,750)	(31,397)	(31,177)	(32,212)	(46,210)	(44,375)	(318,207)
SD	(11,738)	(10,901)	(11,885)	(12,188)	(10,933)	(18,090)	(18,110)	(54,257)	(21,109)	(165,011)
UT	(134,559)	(110,997)	(161,569)	(140,384)	(142,868)	(142,955)	(139,865)	(153,573)	(143,008)	(1,269,778)
WA	(44,589)	(45,583)	(44,761)	(48,680)	(44,721)	(49,303)	(46,358)	(58,885)	(97,911)	(480,791)
WY	(4,444)	(5,176)	(4,452)	(4,471)	(4,787)	(4,801)	(4,508)	(4,253)	(4,446)	(41,338)
Grand Total	(1,155,337)	(1,204,391)	(1,220,150)	(1,304,200)	(1,383,540)	(1,388,369)	(1,518,794)	(1,656,533)	(1,628,622)	(12,459,936)

SWACC

Product	SWACC
RevType	(All)

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

Rev	MonYr									
State	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Grand Total
AZ	(192,915)	(180,158)	(206,936)	(241,990)	(188,233)	(275,452)	(224,241)	(248,020)	(268,332)	(2,026,279)
CO	(412,435)	(369,018)	(409,664)	(369,131)	(237,153)	(640,334)	(438,372)	(387,666)	(367,229)	(3,631,004)
IA	(355,180)	(337,820)	(367,995)	(128,089)	(13,755)	(275,722)	(255,363)	(275,709)	(318,116)	(2,327,751)
ID	(215,881)	(207,929)	(210,591)	(202,952)	(188,710)	(182,256)	(217,693)	(229,012)	(215,494)	(1,870,517)
MN	(195,915)	(235,987)	(245,256)	(111,112)	(204,482)	(165,391)	(132,312)	(150,157)	(211,938)	(1,652,551)
MT	(6)	(4)	(5)	(4)	(6)	(8)	(6)	(6)		(46)
ND	(24,961)	(38,119)	(37,281)	(17,211)	(9,032)	(26,004)	(20,974)	(26,512)	(24,647)	(224,741)
NE	(29,415)	(52,082)	(37,225)	(44,098)	(23,713)	(30,516)	(30,441)	(26,661)	(34,409)	(308,560)
NM	(149,462)	(123,400)	(198,264)	(112,917)	(139,396)	(153,381)	(122,554)	(143,229)	(178,198)	(1,320,801)
OR	(164,430)	(171,752)	(142,518)	(161,052)	(137,075)	(168,805)	(150,844)	(171,371)	(168,466)	(1,436,313)
SD	(116,966)	(112,844)	(107,345)	(40,261)	(29,466)	(74,794)	(74,085)	(76,340)	(97,537)	(729,638)
UT	(221,757)	(221,795)	(222,415)	(209,628)	(128,098)	(224,690)	(219,365)	(200,385)	(281,559)	(1,929,693)
WA	(348,545)	(317,871)	(301,087)	(282,012)	(227,664)	(279,807)	(375,340)	(436,301)	(393,916)	(2,962,541)
WY	(27,547)	(22,641)	(22,642)	(9,655)	(12,810)	(27,752)	(19,182)	(20,280)	(16,708)	(179,216)
Grand Total	(2,455,417)	(2,391,422)	(2,509,225)	(1,930,113)	(1,539,594)	(2,524,911)	(2,280,772)	(2,391,650)	(2,576,549)	(20,599,651)

Trade Secret Data Ends

Idaho Public Utilities Commission
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Boise, Idaho

Deanhardt, C. - Exhibit 44

Case No. QWE-T-06-17

AT&T

Idaho Public Utilities Commission
Office of the Secretary
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AUG 16 2007

Boise, Idaho

Deanhardt, C. - Exhibit 45

Case No. QWE-T-06-17

AT&T

Subject: McLeodUSA / Qwest Meeting - May 1st from 10am to 2pm on the 3rd Floor of the Hyatt - Royal Room

Date: Mon, 30 Apr 2001 11:23:51 -0600

From: "McCann, Jill J" <Jill.McCann@qwest.com>

To: "Cruciotti, Augie M." <Augie.Cruciotti@qwest.com>, "Filip, Dana" <Dana.Filip@qwest.com>, "Spohn, Wayne" <Wayne.Spohn@qwest.com>, "Kline, Carol" <cxkline@qwest.com>, "Kline, Carol" <Carol.Kline@qwest.com>, "Snider, Patricia" <psnider@qwest.com>, "McKenney, Audrey" <axmcken@qwest.com>, "Boone, Mark D." <Mark.D.Boone@qwest.com>, "Galvin, Charlie" <Charlie.Galvin@qwest.com>, "Pearcy, Linda" <Linda.Pearcy@qwest.com>, "Pearcy, Linda" <ljpearc@qwest.com>, "Anthony, Diane - USWEST" <diane.anthony@qwest.com>

CC: "Shearburn, Jim" <Jim.Shearburn@qwest.com>

[Trade Secret Data Begins

The following attachment in Word is the standing agenda for the McLeodUSA / Qwest Meeting tomorrow, the first of May, in the "Royal Room" of the Hyatt. The second attachment in HTML is a forward sent from Gary Dupler regarding issues that concern McLeodUSA. Please take a minute to look these over prior to 10:00am tomorrow.

Thanks, and please feel free to call me with any questions or concerns you have regarding this meeting.

~Jill McCann
Administrative Assistant
303/992-2559

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

From: Gary E. Dupler [mailto:gdupler@McLeodUSA.com]
Sent: Friday, April 27, 2001 9:03 AM
To: Shearburn, Jim
Cc: McCann, Jill J; Lori A. Winkle
Subject: Re: FW: McLeodUSA / Qwest Exchange

jim,

i appreciate the offer and i will have lori contact your secretary to make the arrangements for our transportation and the exact location that we will land.

as to any issues other than those we have been discussing i would be happy to discuss if we have time.

look forward to seeing you monday.

Gary

	"Shearburn, Jim" <Jim.Shearburn@qwest.com>
	04/27/2001 07:45 AM

P-421/C-02-197
DOC 08-212
Trade Secret Attachment

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

McLeodUSA / Qwest Meeting - May 1st...rd Floor of the Hyatt - Royal Room

Lunch will be provided. Please make your selections from the attached menu provided. ASAP back to me no later than April 27th.

* Attached you will also find this meeting's pending agenda. Please look over and send additions and comments to Jill McCann by Friday, April 27th.

Qwest attendees include:
Augie Cruciotti, Carol Kline, Dana Filip, Patty Snider, Jim Shearburn,
Audrey McKenney, Mark Boone, Charlie Galvin

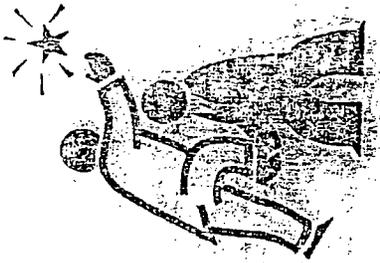
McLeodUSA attendees include:
Gary Dupler, Mike Edl, Eric Wilkens, Curt Gray, Larry Murphy

Thank you in advanced for you input!

Jill McCann
Administrative Assistant
Qwest Communications
303/992-2559

<input type="checkbox"/> May 1st meeting agenda.doc	Name: May 1st meeting agenda.doc Type: Winword File (application/msword) Encoding: base64 Description: Mac Word 3.0 Download Status: Not downloaded with message
<input type="checkbox"/> Re First quarter meeting noyes.htm	Name: Re First quarter meeting noyes.htm Type: Hypertext Markup Language (text/html) Encoding: quoted-printable Description: Internet HTML

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA



McLeod / Qwest Meeting

May 1st ~ 10:00 am to 2:00 pm

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CONTAINS TRADE SECRET DATA

- Old Business
 - PRI Discussion - McLeodUSA meeting alternate price plan
 - Local access connection issue - McLeodUSA POP to Qwest CO (example = Spokane)
 - Centralized Dial IP - status
 - WMSA status
 - Resolution of 'Bell South' - like terminating voice product

- New Business
 - McLeodUSA private line / local access requirements on Qwest network.
 - Qwest private line / local access requirements on McLeodUSA network.
 - IRU for 2Q01 - Commitment from McLeodUSA to do similar product "quid pro quo" deals.
 - Other topics as provided by customer or internal parties

We have an agreement
that they just
add 10% of
of billing by Q

We have an opportunity
w/ McLeod on svc penalties
- I'm sitting on 5M
Cable sent litigation
w/ N W Airlines

So Jacobson is gone!

I = Greg the new guy

I don't want to use them for
minute termination out of region
in region etc

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

place

As digital assets
bankrupt in one
country after
country after
out of - you can
place

Shelton
Stacy
Robert - Shapiro

Idaho Public Utilities Commission
Office of the Secretary
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AUG 16 2007

Boise, Idaho

Deanhardt, C. - Exhibit 46

Case No. QWE-T-06-17

AT&T

State Of Minnesota
Department of Commerce
INFORMATION REQUEST

P421/CI-01-1371 and P421/C-02-197

Information Requested From: Qwest Corporation

Information Requested By: Ferguson, Sharon

Date Requested: 07/10/2002

Date Response Due: 07/18/2002

REQUEST:

Admit that the note [TRADE SECRET DATA BEGINS "We have an agreement that they get additional 10% off of billing by Q" TRADE SECRET DATA ENDS] on the last page of Exhibit 11 to these requests was written by Audrey McKenney.

RESPONSE:

The note [TRADE SECRET DATE BEGINS "We have an agreement that they get additional 10% off of billing by Q" TRADE SECRET DATA ENDS], on the last page of Exhibit 11 to these requests was written by Audrey Mckenney. The note related to PRI discussions that were ongoing at the time.

Respondent: Audrey McKenney

Idaho Public Utilities Commission
Office of the Secretary
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Boise, Idaho

Deanhardt, C. - Exhibit 47

Case No. QWE-T-06-17

AT&T

[Trade secret data begins

MINNESOTA
DOCKET NO. P421/CI-01-1371
AND P421/C-02-197
DOC-08-212
ATTACHMENT: I

From: Stacey D. Stewart [sstewart@McLeodUSA.com]
Sent: Friday, May 25, 2001 6:52 AM
To: filip.dana@qwest.com; dult@qwest.com; axmcken@qwest.com; James T. Balvanz
Cc: Stacey D. Stewart
Subject: Issues List



Mac Word 3.0

Here's the issue list we discussed yesterday. I think it's detailed enough, but if you still have questions please feel free to give me a call at 319-790-6140 or Jim at 319-790-6052.

Thanks and we'll talk to you on Wednesday.

Have a good holiday weekend.

Stacey

(See attached file: McLeodUSA and Qwest Issues.doc)

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

Confidential

McLeodUSA and Qwest
Operational and Billing Issues
May 24th, 2001

1. ANI over T-1

Description: McLeodUSA currently utilizes dedicated T-1 connectivity into their common blocks for the consolidation of long distance traffic to their preferred LD provider. We currently receive out LD bill without originating ANI because Qwest will not pass the ANI through the common block to the T-1 circuits. McLeodUSA is forced to reconcile their LD bill utilizing SMDR records which are prone to error and inaccuracies. This coupled with issues related to account codes, we have 5-7% fallout of call records that cannot be identified and thus are not billed to an end user. McLeodUSA loses revenue and is forced to absorb the LD billing. This issue is over 5 years old and continues to cause McLeodUSA a great deal of revenue not to mention customer credibility.

Expected Outcome: McLeodUSA expects that Qwest provide the ANI over T-1 on all dedicated circuits identified by McLeodUSA and these would be limited to only those circuits currently supporting their LD efforts from Centrex resell common blocks.

Justification: McLeodUSA is the single largest wholesale contract for Qwest and the UNE-M product is very narrowly focused and could easily be used to fence this service off from being offered to any other party. Additionally, it is difficult to understand how this issue would impact ANY other carrier within the Qwest ILEC footprint. Customers all over the country use LD carrier T-1 circuits to their switches to achieve a lower LD rate and we are doing nothing more than this. However, Qwest is the 'owner' of our switch and we need for Qwest to allow the ANI to pass through their (our) switch and to our selected LD company.

2. Ala Carte Feature Rates

Description: Our UNE-M agreements calls for us to default all features, not included in our bundled line rate, to published rates associated with each feature by state. We have spent several months trying to reach agreement on what these rates should be since many of these rates had not been published in tariffs. We have used interconnection agreement rates where appropriate or we have defaulted to tariff rates when no agreement existed. In states with neither, we have used the cost worksheet provided by Audrey McKenney dated 9/14/2000. Qwest has proposed a flat rate, region-wide per feature rate however, when applied, this rate is substantially higher than the per feature/per state rate priced individually. McLeodUSA has provided a counterproposal using a flat rate scenario which, once applied, provides a total cost equal to what would have normally been paid under the individual interconnection agreements or published rates.

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CONTAINS TRADE SECRET DATA

Expected Outcome: McLeodUSA expects to pay the 'going rate' for each feature by state. If this can be accomplished through a flat, region-wide rate McLeodUSA would support and this is what we feel we have proposed in our counterproposal. The rate should be exclusive of any overall customer discount.

Justifications: McLeodUSA does not expect to pay any less (or more) for these particular features. We utilized the cost worksheet when originally calculating the impact of UNE-M deal and we feel as though our comparisons to UNE-P would have included these individual rates.

3. Mutual Preferred Vendor Plan

Description: As part of our UNE-M agreement, McLeodUSA is eligible for a customer specific quarterly override of 10% based on total expenditures with Qwest for the applicable quarter. There appears to be significant difficulties in reconciling these expenditures between McLeodUSA and Qwest.

Expected Outcome: McLeodUSA would expect timely and accurate payment of the customer specific override amount. As a result, McLeodUSA is recommending the following process.

- McLeodUSA will present Qwest with an invoice for the customer specific quarterly override.
- McLeodUSA will utilize the actual check register as a basis for determining total expenditures with Qwest for the quarter.
- McLeodUSA will add to the expenditures remedy credits that have been credited against Qwest invoices.
- McLeodUSA will make available to Qwest, at their request, this information for their review.
- McLeodUSA would expect a check or wire transfer of the override amount within 21 days of receipt of the invoice.

Justification: It appears that Qwest has a great number of operating and billing systems making it impractical for Qwest to assemble of the 'paid' charges for a given month or quarter. The best means of calculating these amounts is directly from the amounts paid and this is easily derived from McLeodUSA's actual cash payments. These payments inherently adjust for the creation and settlement of disputes.

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CONTAINS TRADE SECRET DATA

4. McLeodUSA's logic for UNE-MR (Residential offering)

Description: As part of the proposed term sheet provided to Qwest, McLeodUSA is proposing a residential offering that would incorporate the IFR platform within Qwest while receiving many of the pricing benefits of UNE-P. The McLeodUSA proposal would utilize the IFR platform region-wide as a delivery mechanism with pricing benefits similar to UNE-M:

- In areas where UNE-P has a lower cost basis than IFR, a monthly true-up between the IFR price paid and eligible UNE-P cost.
- In areas where IFR has a lower cost basis than UNE-P, McLeodUSA will pay the IFR rate PLUS the forgone applicable Qwest access revenue.
- McLeodUSA will receive and bill all access minutes for all WTNs.
- All features to be priced and billed at UNE-P rates.

Expected Outcome: McLeodUSA would expect that this pricing and platform solution be given immediate and serious consideration by Qwest. We would expect that Qwest would assist McLeodUSA in understanding the appropriate rate structure.

Justification: We believe that this proposal is truly a win-win proposal since it allows:

- McLeodUSA and Qwest to operate on a single platform.
- Proposal would be access revenue neutral for Qwest
- Proposal could be revenue enhancing to Qwest based on deeper penetration for features, voice mail and DSL.
- Proposal would allow McLeodUSA to enter new markets and penetrate existing markets even further.
- McLeodUSA does not expand their residential plans without significant economic benefits.

5. Outstanding Minnesota Reciprocal Compensation

Description: A \$2.7M unresolved balance still exist in amounts owed by USWest/Qwest prior to the effect date of our bill and keep settlement agreement which is comprised of two separate components.

- Minnesota commission ruled a new rate of \$.00451 effective March 1st, 2000. USWest/Qwest has applied this lower rate on minutes prior to March 1st, 2000 but were invoiced on March 3rd, 2000. This accounts for \$1.1M of the unresolved balance listed above and has been conveyed in letter to Tom Pontinen on May 9th, 2000.
- The remaining \$1.6M unresolved balance is related to unsubstantiated disputes of transiting traffic which is no longer an issue since McLeodUSA is now bill and keep with Qwest.

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CONTAINS TRADE SECRET DATA

Expected Outcome:

- McLeodUSA expects Qwest to pay \$1.1M for traffic properly rated prior to March 1st, 2000.
- McLeodUSA would expect Qwest to make a reasonable settlement proposal to put this issue behind us.

Justification: It was agreed that we would have settled all outstanding claims and disputes as part of our settlement agreements from April 2000, however, due to timing issues these specific items were not addressed.

6. Outstanding Unpaid Access Charges

Description: A \$4.9M unresolved balance still exist in amounts owed by USWest/Qwest prior to the effect date of our bill and keep settlement agreement which is comprised of access charges billed by McLeodUSA to USWest/Qwest. These amounts were disputed by Qwest. After review by McLeodUSA it was determined that the actual charges to USWest/Qwest should have been \$160K.

Expected Outcome: McLeodUSA expects Qwest to pay the re-rated charges of \$160K.

Justification: It was agreed that we would have settled all outstanding claims and disputes as part of our settlement agreements from April 2000, however, due to timing issues these specific items were not addressed.

7. Meet Point Tape Penalty Charged by Qwest

Description: Qwest is demanding McLeodUSA pay \$461K related to McLeodUSA not supplying Qwest with tapes necessary for Qwest to bill IXCs. McLeodUSA agrees that Qwest may be entitled to a share of the \$461K, however, disagrees with Qwest's application of all related charges.

Expected Outcome: Due to the disagreement of these charges and since the problem has been corrected we would expect that these charges would be dropped.

Justification: In consideration of the larger issues facing our two companies and as a show of good faith, McLeodUSA expects Qwest to waive these charges including any applicable interest or late payment charges.

8. Facilities Issue

Description: Qwest is disputing \$744K in LIS trunking charges associated with McLeodUSA's desired configuration at the DS1 level. Qwest believes that McLeodUSA should be passing these charges to them at the more cost effective DS3 level, however, this is not the way that McLeodUSA (or even Qwest) manages capacity. It is our belief that we have the ability to pass these charges on at the DS1 level. In either case, Qwest should at least be paying the DS3 rate, which they are not.

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Expected Outcome: This issue needs to be resolved prior to our meeting on May 31st. McLeodUSA is prepared to listen to a workable solution that would correct this balance and agree to the methodology going forward. At a minimum, McLeodUSA would expect that Qwest would pay charges at the DS3 level.

Justification: LIS capacity has been and continues to be managed at the DS1 level and it seems appropriate to bill these trunks at the DS1 level instead of DS3. If DS3 is a more cost effective means of delivering these services then we would need to ensure that capacity is being managed at the DS3 level.

9. Netch

Description: Netch (cic 0098) access minutes were delivered to McLeodUSA in our first batch of minutes, but have since disappeared. The CIC for this company and billing address seems to be a Qwest CIC, but we cannot verify this nor have we been able to have anyone describe why these minutes have disappeared. This issue has been brought to Audrey McKenney and Perry Hook's attention but we have received not response.

Expected Outcome: McLeodUSA is seeking confirmation that Netch CIC does or does not belong to Qwest and a response as to why the minutes went from 200K minutes per month to zero.

Justification: In order to ensure the integrity of the minutes being received by McLeodUSA we feel it necessary to 'scrub' these types of issue and to investigate these types of abnormalities.

Trade secret data ends]

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Deanhardt, C. - Exhibit 48

Case No. QWE-T-06-17

AT&T

Received Emails from Lori D

>
>

> Name: M01 true-up JulAug 01.xls
> Type: Microsoft Excel Worksheet
> (application/vnd.ms-excel)
> Encoding: base64
> Description: Microsoft Excel 97

Subject: Re: True-up credit
Date: Tue, 20 Nov 2001 09:54:50 -0600
From: "Lori A. Deutmeyer" <ldeutmeyer@McLeodUSA.com>
To: Anthony Washington <axwashi@qwest.com>

Was the wire that we received last week for \$5.6 on the July, Aug. and Sept true up?

From: Anthony Washington <axwashi@qwest.com> on 11/15/2001 04:02 PM

To: Lori A. Deutmeyer/MCLEOD@MCLEOD
CC:
Subject: Re: True-up credit

Lori,
We changed the true-up process, with the July/Aug true-up and on we will net the total, therefore McLeod won't have to send Qwest true-up debits.

Anthony W

"Lori A. Deutmeyer" wrote

> Thanks
> From: Anthony Washington <axwashi@qwest.com> on 02/09/2001 09:59 AM
> To: Lori A. Deutmeyer/MCLEOD@MCLEOD
> CC:
> Subject: Re: True-up credit

> Lori,
> We'll get the wire to you early next week.
> You should get Septembers numbers later today.

> Anthony W

> "Lori A. Deutmeyer" wrote:

> We are good with these numbers. Let me know when I can expect the wire and
> then
> I can also get back to you as to when we will wire money to you also.

> Thanks, Lori

> From: Anthony Washington <axwashi@qwest.com> on 11/06/2001 04:23 PM

> To: Lori A. Deutmeyer/MCLEOD@MCLEOD
> CC:
> Subject: Re: True-up credit

> Lori,
> Attached is the revised True-up. After the changes were made an
> additional
> \$6636 is
> added to the True-up.
> If you have any questions let me know.

> Anthony(See attached file: M01 true-up JulAug 01.xls)

> Name: M01 true-up JulAug 01.xls
> Type: Microsoft Excel Worksheet
> (application/vnd.ms-excel)
> Encoding: base64
> Description: Microsoft Excel 97

Subject: Re: True-up credit
Date: Tue, 27 Nov 2001 11:46:44 -0600
From: "Lori A. Deutmeyer" <ldeutmeyer@McLeodUSA.com>
To: Anthony Washington <axwashi@qwest.com>

I figured out the \$5.6 credit and you are right that was 2nd quarters preferred vendor discount. I am still researching the Sept. #'s. Do you know when you will have the 3rd quarter preferred vendor discount calculated?

Lori

From: Anthony Washington <axwashi@qwest.com> on 11/21/2001 10:30 AM

To: Lori A. Deutmeyer/MCLEOD@MCLEOD
CC:
Subject: Re: True-up credit

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Received Emails from Lori D

Lori,
I believe that the \$5.6 was the preferred vendor credit -- it was actually sent back in Oct. Can you check the wire date to make sure? The credit was for the April-June time period. Let me know the exact amount so I can match it against our records. Your July-Aug true-up credit will be sent first thing next week. Also, let me know if you have any issues with September's true-up data that was sent two weeks ago, if not I'll start the wire process.

Thanks
Anthony

"Lori A. Deutmeyer" wrote:

> Was the wire that we received last week for \$5.6 on the July, Aug. and Sept. true up?
>
> From: Anthony Washington <axwashi@west.com> on 11/15/2001 04:02 PM
>
> To: Lori A. Deutmeyer/MCLEOD@MCLEOD
> CC:
> Subject: Re: True-up credit

> Lori,
> We changed the true-up process, with the July/Aug true-up and on we will net the total, therefore McLeod won't have to send West true-up debits.

> Anthony W

> "Lori A. Deutmeyer" wrote:

> > Thanks

> > From: Anthony Washington <axwashi@west.com> on 02/09/2001 09:59 AM
> > To: Lori A. Deutmeyer/MCLEOD@MCLEOD
> > CC:
> > Subject: Re: True-up credit

> > Lori,
> > We'll get the wire to you early next week.
> > You should get Septembers numbers later today.

> > Anthony W

> > "Lori A. Deutmeyer" wrote:

> > > We are good with these numbers. Let me know when I can expect the wire and

> > > then I can also get back to you as to when we will wire money to you also.

> > > Thanks, Lori

> > > From: Anthony Washington <axwashi@west.com> on 11/06/2001 04:23 PM
> > > To: Lori A. Deutmeyer/MCLEOD@MCLEOD
> > > CC:
> > > Subject: Re: True-up credit

> > > Lori,
> > > Attached is the revised True-up. After the changes were made an additional

> > > \$6636 is added to the True-up.
> > > If you have any questions let me know.

> > > Anthony! See attached file: M01 true-up JulAug 01.xls;

> > > M01 true-up JulAug 01.xls Name: M01 true-up JulAug 01.xls
> > > (application/vnd.ms-excel) Type: Microsoft Excel Worksheet
> > > Encoding: base64
> > > Description: Microsoft Excel 97

Subject: Re: True-up credit
Date: Fri, 30 Nov 2001 14:06:35 -0600
From: "Lori A. Deutmeyer" <ldeutmeyer@McLeodUSA.com>
To: Anthony Washington <axwashi@west.com>

Sept numbers look good. Let me know when the wire will be sent. Sorry it took so long. Can you also tell me when you will have info pulled together for the preferred

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vendor discount?

Thanks, Lori

Subject: Re: True-up credit
Date: Mon, 1 Dec 2001 11:15:11 -0600
From: "Lori A. Deutmeyer" <ldeutmeyer@McLeodUSA.com>
To: Anthony Washington <axwashi@qwest.com>

We need to get this done within the next week or so because we are anticipating by 12/31/01 we have received the wire. What do we need to do to get this accomplished?

From: Anthony Washington <axwashi@qwest.com> on 12/03/2001 11:11 AM

To: Lori A. Deutmeyer/MCLEOD@MCLEOD
cc:
Subject: Re: True-up credit

I'll get the wires out by Wednesday, as for the vendor discount we want to get this done before the end of the month - we'll see.

Anthony

"Lori A. Deutmeyer" wrote:

> Sept numbers look good. Let me know when the wire will be sent. Sorry it took
> so long.
> Can you also tell me when you will have info pulled together for the preferred
> vendor discount?
>
> Thanks, Lori

Subject: Re: True-up credit
Date: Tue, 11 Dec 2001 08:54:04 -0600
From: "Lori A. Deutmeyer" <ldeutmeyer@McLeodUSA.com>
To: Anthony Washington <axwashi@qwest.com>

Thanks. How is the UNEM true up coming?

From: Anthony Washington <axwashi@qwest.com> on 12/10/2001 10:03 AM

To: Lori A. Deutmeyer/MCLEOD@MCLEOD
cc:
Subject: Re: True-up credit

Lori, your september credit is going out today, sorry for the delay.

Anthony

"Lori A. Deutmeyer" wrote:

> We need to get this done within the next week or so because we are anticipating
> by 12/31/01 we have received the wire. What do we need to
> do to get this accomplished?
>

> From: Anthony Washington <axwashi@qwest.com> on 12/03/2001 11:12 AM

> To: Lori A. Deutmeyer/MCLEOD@MCLEOD
> cc:
> Subject: Re: True-up credit

> I'll get the wires out by Wednesday, as for the vendor discount we want to get this done before the end of the month - we'll see.

> Anthony

> "Lori A. Deutmeyer" wrote:

>> Sept numbers look good. Let me know when the wire will be sent. Sorry it took
>> so long.
>> Can you also tell me when you will have info pulled together for the preferred
>> vendor discount?
>>
>> Thanks, Lori

Subject: Re: True-up credit
Date: Fri, 4 Jan 2002 09:52:10 -0600
From: "Deutmeyer, Lori A." <ldeutmeyer@mcleodusa.com>
To: Anthony Washington <axwashi@qwest.com>

Anthony,
Hope you had a nice holiday. I was wondering if you have any information put together on the Oct, Nov, & Dec. monthly true up info?

Thanks, Lori

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Deanhardt, C. - Exhibit 49

Case No. QWE-T-06-17

AT&T

[Trade secret data begins

ATT559480.txt

X-Mozilla-Status2: 00000000
Message-ID: <3C1AD3FD.12F224F3@qwest.com>
Date: Fri, 14 Dec 2001 21:39:25 -0700
From: Audrey McKenney <axmcken@qwest.com>
Organization: U S WEST Communications, Inc
X-Mailer: Mozilla 4.51 [en] (winNT; U)
X-Accept-Language: en
MIME-Version: 1.0
To: "Fisher, Blake" <Blake.Fisher@mcleodusa.com>
CC: "Rings, Randall" <Randall.Rings@mcleodusa.com>,
Arturo Ibarra <aibarra@uswest.com>,
"Martin, Gordon" <gordon.martin@qwest.com>,
Richard Corbetta <Richard.Corbetta@qwest.com>
Subject: Re: Preferred vendor discount
References: <26BABD15CD90E14DA203F8288D1CB7F2040F16@iacedexch01.mcl.d.net>
Content-Type: multipart/alternative;
boundary="-----48DD3E3E9296130D449B5E0"

-----48DD3E3E9296130D449B5E0
Content-Type: text/plain; charset=us-ascii
Content-Transfer-Encoding: 7bit

will do - I am not sure if it got caught up in a new wire transfer process that Robin, our CFO implemented (Arturo pls f/up and let us know.)

Blake - where are on your response to our settlement offer?
Thanks
A

"Fisher, Blake" wrote:

>
>
> Audrey,
>
> Our people have not received information concerning the third quarter
> payment of the preferred vendor discount. Could you please check on
> the status.
>
> Thanks,
>
> Blake
>
>
> NOTICE: This electronic mail transmission may contain confidential
> information and is intended only for the person(s) named. Any use,
> copying or disclosure by any other person is strictly prohibited. If
> you have received this transmission in error, please notify the sender
> via e-mail.
>

-----48DD3E3E9296130D449B5E0
Content-Type: text/html; charset=us-ascii
Content-Transfer-Encoding: 7bit

<!doctype html public "-//w3c//dtd html 4.0 transitional//en">
<html>
will do - I am not sure if it got caught up in a new wire transfer process that Robin, our CFO implemented (Arturo pls f/up and let us know.)
<p>Blake - where are on your response to our settlement offer?

Thanks

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Deanhardt, C. - Exhibit 50

Case No. QWE-T-06-17

AT&T

RE: First quarter meeting

REC'D APR 25 2001

Subject: RE: First quarter meeting

Date: Wed, 25 Apr 2001 09:51:31 -0600

From: "Casey, Greg" <Greg.Casey@qwest.com>

To: "Blake O. Fisher" <bfisher@McLeodUSA.com>, "Casey, Greg" <Greg.Casey@qwest.com>

CC: "McKenney, Audrey" <axmcken@qwest.com>, "Stacey D. Stewart" <sstewart@McLeodUSA.com>, "Filip, Dana" <Dana.Filip@qwest.com>

[Trade Secret Data Begins

Blake I thought we were doing well. My main reason is that our retail people keep complaining about how well mcleod is doing. Shearburn has told me that he's had a number of productive meetings with Mcleod and that we are progressing. You are one of our most important customers, both for strategic and revenue reasons.

If you arent happy, then I'm not happy. If I'm not happy, then life will be hell for every body else. I thought we were setting up a review. Let's do it next week. My wife is about to give birth, can we do it in houston?
Greg

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

From: Blake O. Fisher [mailto:bfisher@McLeodUSA.com]

Sent: Wednesday, April 25, 2001 9:24 AM

To: greg.casey@qwest.com

Cc: Axmcken@qwest.com; Stacey D. Stewart

Subject: First quarter meeting

Greg,

I must start out by telling you I am really frustrated.

1. We created a business relationship last October and we met in December with the agenda shown below. We have made essentially no progress. I thought we had momentum on performance measures, but that has been at a standstill for 3 weeks.

2. We have been trying to set up a quarterly review with you and your team for two weeks. Not set up yet

3. I asked Audrey for a favor on a consent concerning a Company we are buying. She agreed in principle. Your lawyer will not return our calls.

4. No progress on voicemail, residential proposal DSL, etc., etc, etc.....

5. Your PR group calls us for a quote on your improved service levels. I declined because I have no evidence improvement.

I do not feel like one of your major customers.

Having said that I propose that we get a meeting to:

1. Review first quarter.

2. Get an action plan with dates that you agree to meet or tell us to pound sand.

NONPUBLIC DOCUMENT

P-421/C-02-197

DOC 08-212

Trade Secret Attachment

RE: First quarter meeting

3. Outline a new deal that addresses the following:

A. For Qwest:

A. Performance measures and remedies that we can both support in your
271 proceedings.

B. Additional LD business

C. Network links that we may want to buy.

D. Additional local business, e.g. Residential, voice mail, DSL

(although

this may be too late)

B. For McLeod

A. IMT's to replace PRI's with better pricing.

B. Residential pricing plan.

C. Voice Mail discount plan

D. IMT pricing

E. Network we sell to you

F. Revisit our override discount.

G. Wholesale performance measures and remedies (business critical)

beyond

what is in the regulatory filings.

C. We should also both understand our differences in the legislative and regulatory arenas.

Do you want to pursue an amended deal?

----- Forwarded by Blake O. Fisher/MCLEOD on 04/25/2001

09:40

AM -----

Blake O. Fisher

12/05/2000 01:11 PM

To: greg.casey@qwest.com

cc: Stacey D. Stewart/MCLEOD@MCLEOD, Randall E. Rings/MCLEOD@MCLEOD,
Jamie.mayo@qwest.com, Jan M. Rigotti/MCLEOD@MCLEOD, James T.
Balvanz/MCLEOD@MCLEOD

Subject: December 13th meeting

Greg,

I am including below a tentative agenda for our meeting on December 13th at
your office to begin at 2:00 PM (Jamie this was a change Greg and I agreed to)
and be done by 5 PM.

I plan to bring Stacey Stewart and Randy Rings and possibly Jim Balvanz. I
am also checking on the availability of our PR person.

Randy asked if Steve Davis could be there so we could be sure we are in sync
on our regulatory and legal activities. Please let me know if that will work
out.

Below is a proposed agenda. I do not expect to resolve all of these, but we
should be able to agree on who has responsibility and a target time frame.

Agenda:

1. Discussion of organizational responsibilities and contacts for each
company.

Specific areas include

A. Service implementation

B. New products and pricing

C. Regulatory proceedings

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RE: First quarter meeting

- D. Sale of Exchanges
- E. Escalation path
- 2. Performance measurements and standards
 - A. Establish measures
 - B. Reporting
 - C. Escalation
 - D. Consequences
- 3. Regulatory proceeding
 - A. State 271
 - B. FCC
 - C. Deaveraging
 - D. Other
- 4. Forecasts
- 5. Out of Region opportunities
 - A. LD
 - B. Wholesale pipes
 - C. Shared or exchanged facilities
- 6. Additional local opportunities
 - A. Residential
 - B. DSL
 - C. Voice messaging
 - D. Trunking
 - E. Securitization of receivables
- 7. Sale of exchanges
- 8. External releases
- 9. Quarterly Reviews
 - A. Schedule
 - B. Intermediate issue resolution
 - C. Agenda

Greg, please let me know who will be at the meeting and any comments on the agenda. Thanks.

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Deanhardt, C. - Exhibit 51

Case No. QWE-T-06-17

AT&T

McLeod VMS / DSL

[Trade Secret Data Begins

P-421/C-02-197
DOC 08-212
Trade Secret Attachment

Subject: McLeod VMS / DSL

Date: Wed, 25 Apr 2001 13:27:16 -0600

From: "Freddi Pennington" <ppennin@uswest.com>

To: "Audrey McKenney" <axmcken@uswest.com>

RECD APR 25 2001

(See attached file: VMS DSL Chronology.doc)

VMS DSL Chronology.doc	Name: VMS DSL Chronology.doc Type: Winword File (application/msword) Encoding: base64 Description: Mac Word 3.0
------------------------	--

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- 3/11/2000 DSL is made available with Resale discount
- 10/2000 VMS Product Management gave Wholesale Markets permission to offer VMS to Resellers in those states where Qwest has not been ordered to offer. Retail approved offering at 100% retail rates.
- 10/2000 VMS availability information given to Barry Huber at McLeod.
- 11/2000 UNE-STAR agreements executed
- 2/16/2001 Audrey presented Business Voice Messaging Volume plan to McLeod
- Stacy Stewart at McLeod requested a single voice messaging rate across all 14 states.
- Single recurring rates in place already, NRC are variable.
- Lowest rates available are
1FR Resale (resale discount applied in IA, MT, OR, ND) other states
\$6.95
1FB UNE-STAR (10% discount applied all states)
\$12.75 – \$8.93 (5 year, 500+ lines)
- 3/1/2001 Received request from Greg Casey and Audrey McKenney to provide Market Sizing information to Murray Smith to create a "CLEC DSL Offer"
- 3/2/2001 Provided DSL presentation to Stacey Stewart, Kim Lehman, Doug Dalby, Terry Mallard at McLeod.
- 4/01/01 Provided Market information to Steve Bartholet with legal disclaimers.

Trade Secret Data Ends]

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Boise, Idaho

Deanhardt, C. - Exhibit 52

Case No. QWE-T-06-17

AT&T

MINNESOTA
DOCKET NO. P421/CI-01-1371
AND P421/C-02-197
DOC- 08-212
ATTACHMENT: G

[Trade secret data begins

From: Stacey D. Stewart [sstewart@McLeodUSA.com]
Sent: Monday, May 21, 2001 3:58 PM
To: greg.casey@qwest.com; Axmcken@uswest.com
Cc: Blake O. Fisher, Stacey D. Stewart
Subject: Term Sheet



Mac Word 3.0



Mac Word 3.0



Mac Word 3.0



Mac Word 3.0



Word 6.0 Windows/
Mac

Greg, Audrey

Attached is the Term Sheet detailing the negotiation items for our enhanced Business to Business agreement. The B to B attachment is the main document and the others are supporting documents for some of the items within the term sheet.

Please call with questions.

Thanks
Stacey

(See attached file: B to B version 2.doc) (See attached file: Proposed PM and Remedies.doc) (See attached file: Qwest vmail.doc) (See attached file: Proposed Qwest DSL Resell.doc) (See attached file: Qwest Testimony.doc)

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CONFIDENTIAL

**McLeodUSA and Qwest
Version 2 Business to Business Deal
Proposed Term Sheet
May 21st, 2001**

- 1. Performance Measures and Remedies**
 - a) McLeodUSA will accept the Qwest PAP/PID with the exception of the attached document incorporating a Parity with a Floor concept on the most important 5 measures for McLeodUSA. The effective date of these measures will be November 1, 2000.
 - b) Qwest will provide the remedies associated with the PAP plus the remedies for the 5 Parity with the Floor measures in the attached document beginning with November 2000 performance.
- 2. Product and Pricing**
 - a) Qwest to provide McLeodUSA with a resell voicemail offering that includes a discount structure in exchange for a minimum commitment. See attached document.
 - b) Qwest to provide McLeodUSA with a residential line program similar to our UNE-M offering. Assumptions and analysis to be sent separately.
 - c) Qwest to provide McLeodUSA with a flat rate T-1 offering similar to our UNE-M offering.
 - d) Qwest to provide a region-wide PRI rate of \$400 to McLeodUSA for all existing PRI's and any future PRI. This rate would be retroactive to November 1, 2000.
 - e) Qwest to offer McLeodUSA their DSL VDP program with changes. See attached
 - f) Qwest to provide a 30% discount on all intralata toll charges
 - g) Qwest will provide Wire Care/Wire Maintenance to McLeodUSA region-wide with our state specific wholesale discount.
- 3. In recognition of the preceding, McLeodUSA will provide to Qwest an increased commitment of revenue and term which includes an additional discount tier.**
- 4. Both companies to work toward completing the sale of IRU's.**
- 5. Regulatory**
 - a) Qwest will provide a 'friendly' witness and testimony in support of UNE-P/UNE-M in the SBC markets in order to help facilitate and prove McLeodUSA's position that this type of conversion activity can be a billing change and requires minimal effort on the part of the ILEC and Qwest would be willing to communicate this position to the FCC. See attached testimony.
 - b) McLeodUSA will support Qwest in their plans for 271 applications in all states within their ILEC footprint.
 - c) McLeodUSA will encourage and participate in any settlement in Minnesota on Wholesale Quality of Service proceedings.

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	2001	2002	2003	2004
Take or Pay	\$150M	\$160M	\$170M	\$180M

Discount Structure

Tier 1				
Revenue	\$178-\$188M	Over \$199M	Over \$199M	Over \$199M
Discount	6.5%	8.0%	8.0%	8.0%
Tier 2				
Revenue	\$189-\$198M	Over \$230M	Over \$250M	Over \$270M
Discount	8.0%	10.0%	10.0%	10.0%
Tier 3				
Revenue	Over \$199M	Over \$230M	Over \$250M	Over \$270M
Discount	10.0%	10.0%	10.0%	10.0%
Tier 4				
Revenue	Over \$220M	Over \$250M	Over \$275M	Over \$300M
Discount	12.0%	12.0%	12.0%	12.0%

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Performance Measures and Remedies

Key Indicators:

Out of several parity measures, only 5 measures, along with their corresponding sub-measures will be held to the "Parity with a Floor" concept. These 5 measures represent high customer impact, along with being business critical. The 5 measures are as follows:

- OP-3 – Installation Commitments Met
- OP-5 – New Service Installation Quality
- OP-6 – Delayed Days
- MR-3 – Out of Service Cleared within 24 hours
- MR-7 – Repair Repeat Report Rate

Floors:

The following table represents the proposed "floor" for each respective measure:

Measure #:	Measure:	Floor:
OP-3	Installation Commitments Met	95%
OP-5	New Service Installation Quality	5%
OP-6a	Delayed Days – Non Facility Reasons	3 Business Days.
OP-6b	Delayed Days – Facility Reasons	5 Business Days.
MR-3	Percent Out of Service Intervals < 24 Hours	95%
MR-7	Repair Repeat Report Rate	5%

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Remedies:

Qwest will be subject to per measure remedies that are based on a percentage of the McLeodUSA invoice for the applicable month and state that the performance was for. Percentages also increase if the performance did not meet or exceed the floor for consecutive months in a row up to 3 consecutive months, where the 4th month and beyond, the remedy percentage is the amount listed under the "3+" column shown in the tables below.

Example of a remedy calculation (using fictional invoice amounts and performance results):

State: Minnesota
 Invoice amount: \$1,000,000.00
 Measure: New Service Quality
 Month: January 2001
 Floor: 5%
 Performance result: 7.15%
 Remedy percentage from table below: 0.75%
 Remedy: \$7,500.00 ($\$1,000,000.00 \times 0.75\% = \$7,500.00$)

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Remedy Tables:

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Measure: OP-3 - Installation Commitments Met.
 Floor: 95%

Performance	Remedy		
	Month 1	Month 2	Month 3+
>= 95.00%	\$0	\$0	\$0
>= 94.00%	0.25%	0.35%	0.45%
>= 93.00%	0.50%	0.60%	0.70%
>= 92.00%	0.75 %	0.85 %	0.95 %
>= 91.00%	1.00%	1.10%	1.20%
>= 90.00%	1.50%	1.60%	1.70%
>= 89.00%	1.75%	1.85%	1.95%
>= 88.00%	2.00%	2.10%	2.20%
>= 87.00%	2.25%	2.35%	2.45%
>= 86.00%	2.50%	2.60%	2.70%
>= 85.00%	2.75%	2.85%	2.95%
< 85.00%	3.00%	3.10%	3.20%

Measure: OP-5 - New Service Installation Quality

Floor: 5%

Performance	Remedy	Remedy	Remedy
	Month 1	Month 2	Month 3+
<= 5.00%	\$0	\$0	\$0
<= 6.00%	0.25%	0.35%	0.45%
<= 7.00%	0.50%	0.60%	0.70%
<= 8.00%	0.75 %	0.85 %	0.95 %
<= 9.00%	1.00%	1.10%	1.20%
<= 10.00%	1.50%	1.60%	1.70%
<= 11.00%	1.75%	1.85%	1.95%
<= 12.00%	2.00%	2.10%	2.20%
<= 13.00%	2.25%	2.35%	2.45%
<= 14.00%	2.50%	2.60%	2.70%
<= 15.00%	2.75%	2.85%	2.95%
> 15.00%	3.00%	3.10%	3.20%

Measure: OP-6a - Delayed Days for Non-Facility Reasons

Floor: 3 Business Days

Performance	Remedy	Remedy	Remedy
	Month 1	Month 2	Month 3+
<= 3.00 days	\$0	\$0	\$0
<= 4.00 days	0.25%	0.35%	0.45%
<= 5.00 days	0.50%	0.60%	0.70%
<= 6.00 days	0.75 %	0.85 %	0.95 %
<= 7.00 days	1.00%	1.10%	1.20%
<= 8.00 days	1.50%	1.60%	1.70%
<= 9.00 days	1.75%	1.85%	1.95%
<= 10.00 days	2.00%	2.10%	2.20%
<= 11.00 days	2.25%	2.35%	2.45%
<= 12.00 days	2.50%	2.60%	2.70%
<= 13.00 days	2.75%	2.85%	2.95%
> 13.00 days	3.00%	3.10%	3.20%

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA
6/7.2002

Measure: OP-6b - Delayed Days for Facility Reasons

Floor: 5 Business Days

Performance	Remedy		
	Month 1	Month 2	Month 3+
<= 5.00 days	\$0	\$0	\$0
<= 6.00 days	0.25%	0.35%	0.45%
<= 7.00 days	0.50%	0.60%	0.70%
<= 8.00 days	0.75 %	0.85 %	0.95 %
<= 9.00 days	1.00%	1.10%	1.20%
<= 10.00 days	1.50%	1.60%	1.70%
<= 11.00 days	1.75%	1.85%	1.95%
<= 12.00 days	2.00%	2.10%	2.20%
<= 13.00 days	2.25%	2.35%	2.45%
<= 14.00 days	2.50%	2.60%	2.70%
<= 15.00 days	2.75%	2.85%	2.95%
> 15.00 days	3.00%	3.10%	3.20%

Measure: MR-3 – Percent Out of Service Cleared within 24 hours.

Floor: 95%

Performance	Remedy		
	Month 1	Month 2	Month 3+
>= 95.00%	\$0	\$0	\$0
>= 94.00%	0.25%	0.35%	0.45%
>= 93.00%	0.50%	0.60%	0.70%
>= 92.00%	0.75 %	0.85 %	0.95 %
>= 91.00%	1.00%	1.10%	1.20%
>= 90.00%	1.50%	1.60%	1.70%
>= 89.00%	1.75%	1.85%	1.95%
>= 88.00%	2.00%	2.10%	2.20%
>= 87.00%	2.25%	2.35%	2.45%
>= 86.00%	2.50%	2.60%	2.70%
>= 85.00%	2.75%	2.85%	2.95%
< 85.00%	3.00%	3.10%	3.20%

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

Measure: MR-7 – Repair Repeat Report Rate
 Floor: 5%

Performance	Remedy		
	Month 1	Month 2	Month 3+
<= 5.00%	\$0	\$0	\$0
<= 6.00%	0.25%	0.35%	0.45%
<= 7.00%	0.50%	0.60%	0.70%
<= 8.00%	0.75 %	0.85 %	0.95 %
<= 9.00%	1.00%	1.10%	1.20%
<= 10.00%	1.50%	1.60%	1.70%
<= 11.00%	1.75%	1.85%	1.95%
<= 12.00%	2.00%	2.10%	2.20%
<= 13.00%	2.25%	2.35%	2.45%
<= 14.00%	2.50%	2.60%	2.70%
<= 15.00%	2.75%	2.85%	2.95%
> 15.00%	3.00%	3.10%	3.20%

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

Volume Voice Messaging Proposal (5/21/2001)

Number of Mailboxes Region-wide	% Disc	Residential Rate with Discount Applied	Business Rate with Discount Applied
7000 - 8000 Mailboxes	24%	\$5.28	\$9.69
8001 - 9000 Mailboxes	26%	\$5.14	\$9.44
9001 - 10000 Mailboxes	28%	\$5.00	\$9.18
10001-12000 Mailboxes	30%	\$4.87	\$8.93

Note that these rates are based on number of mailboxes region-wide (across all 14 states).

McLeod assumes a single rate across all 14 states.

VMS is offered at a single recurring rate across all 14 states, the Non-recurring Charges vary by state.

Residential VMS \$6.95/month
 Business VMS \$12.75/month

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CONTAINS TRADE SECRET DATA

Proposed Qwest DSL Resell (5/21/2001)

- Non Recurring end user rate not subject to Discount.
- Optional Qwest Technician installation not included.
- Bandwidth Change Charge for DSL subscribers wishing to change speeds is \$30.00.

Total Qwest DSL subscribers in service	Total monthly recurring discount off of Qwest DSL prevailing Subscriber tariffed rates
<15,000	25%
15,001 to 30,000	26%
30,001 to 60,000	27%
60,001 to 120,000	28%
120,001 to 200,000	29%
200,001 to 400,000	30%

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

Key Points of Testimony

ILEC unbundling obligation

Centrex service is comparable to UNE-Platform: loop, switch port and transport (either dedicated or switched)

Converting resold Centrex to UNE-P does not require a disconnection and reconnection of network elements by the ILEC

To effectuate conversion of resold Centrex to UNE-P merely requires a change in the wholesale billing tables for those lines and providing the necessary information to permit the CLEC to bill for access

cost of completing billing table conversion should be minimal; standard per line non-recurring charges for such a conversion would not be applicable

cost of providing tapes for CABs is no different from cost of providing information to other UNE providers

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

Q: Please state your name and business address for the record.

A: My name is _____. My business address is _____.

Q: On whose behalf was this testimony prepared?

A: This testimony was prepared on behalf of McLeodUSA Telecommunications Services, Inc. ("McLeodUSA").

Q: Please describe your experience with telecommunications policy issues and your relevant work history.

A:

Q: Please explain your understanding of an incumbent's obligation to unbundle its local network.

A: Section 251(c)(3) provides that an incumbent LEC must provide access to "unbundled network elements in a manner that allows requesting carriers to combine such elements in order to provide" a telecommunications service.

Q: Do you believe converting Centrex to UNE-P constitutes providing access to a combination of network elements in a manner that allows McLeodUSA to provide a telecommunications service?

A: Yes. ILECs are required to perform the functions necessary to combine network elements that are ordinarily combined within their network in the manner in which those elements are typically combined. In addition, ILECs are also required to perform the functions necessary to combine elements even if they are not ordinarily combined by the ILEC in that manner, or those elements are not ordinarily combined in the incumbent's network, provided that such combination is technically feasible, or such combination would not undermine the ability of other carriers to access unbundled elements or interconnect with the incumbent LEC's network.

In this instance, the fact that SBC already combines these elements for itself in the form of Centrex service indicates that it can combine the elements as a UNE-P combination for McLeodUSA since such combination clearly is technically feasible. Centrex is basically nothing more than a combination of an unbundled loop, unbundled switch port and unbundled transport.

Q: Did McLeodUSA resell Centrex in Qwest territory?

A: Yes, McLeodUSA began reselling Centrex Plus service, which I understand to be the technical equivalent to Centrex service in SBC-Ameritech region, in U S WEST territory

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

in January 1995.

Q: Did McLeodUSA approach Qwest about converting its resold Centrex to a UNE-P offering?

A: Yes. McLeodUSA requested conversion of all of its resold Centrex Plus lines to UNE-P in _____.

Q: How was this conversion accomplished?

A: Qwest and McLeodUSA agreed that the most economical and customer friendly solution was to simply change the billing tables for the McLeodUSA account. This conversion was technically feasible and resulted in a combination of network elements that allowed McLeodUSA to provide a telecommunications service.

Q: Was this conversion process economical for Qwest?

A: Absolutely. If we had tried to insist that all McLeodUSA lines be disconnected and then reconnected as a UNEs, a significant amount of Qwest resources would have been required to accomplish this task within the time frame that we are required to provide UNEs to McLeodUSA.

Q: Do you believe Qwest could have insisted as a matter of law that these Centrex lines be disconnected and reconnected to convert resold Centrex to UNE-P?

A: No. Section 251(c)(3) requires the ILEC to provide access to network elements on an unbundled basis on rates, terms, and conditions that are just and reasonable. Based on this requirement, I believe the ILEC is required to make such conversions cost effective for the CLEC so long as the conversion is technically feasible. When the ILEC rejects a lower cost, technically feasible alternative that arrives at the same result in favor of a process that foists unnecessary costs on the CLEC, I believe that this is clear evidence that the ILEC is exercising its monopoly power over the CLEC. Indeed, if SBC did not have a local monopoly, it would be unable to reject such a reasonable request from a very large customer such as McLeodUSA.

Q: Do you agree with McLeodUSA that using the billing table change to accomplish the conversion is significantly better for end users?

A: Yes, this conversion process completely eliminated the chance for customer impacting service issues. Anytime a disconnect and a connect order must be worked in sequence, there is some opportunity for error in that conversion process. Converting the lines through a billing table change completely eliminates the need to affect the actual lines providing service to end users.

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

Q: Did Qwest incur a cost to complete the conversion of the billing table for McLeodUSA?

A: Yes, but the cost was relatively minimal. It took about _____ hours of labor to complete the process.

Q: Was Qwest entitled to assess a per line non-recurring charge to accomplish the conversion?

A: Given what Qwest actually did to accomplish the conversion, we could not have justified assessing a per line non-recurring charge. The activity was done in bulk and the actual number of lines converted was relatively inconsequential to the cost of converting the billing tables. Again, I believe that we would have violated the just and reasonable standard had we attempted to assess such a non-recurring charge on a per line basis.

Also, I think it is worth noting that much, if not all of the cost to establish service for each McLeodUSA end user was already recouped when service was first initiated as a resold Centrex line. Indeed, the non-recurring charge to initiate service (for retail or wholesale) typically recoups the cost of both (a) initiating (connecting) and (b) terminating (disconnecting) service. Since SBC is not actually required to disconnect the end user's service to accomplish the conversion to UNE-P, SBC has already been compensated by McLeodUSA for a cost that SBC will not incur - the cost of truly disconnecting the service of all those end users.

Moreover, the fact that UNE-P was not available to McLeodUSA as a service offering when service was first initiated for those customers by McLeodUSA because ILECs were fighting this issue through the courts should not now mean that McLeodUSA is required to incur a second non-recurring charge per line to establish UNE-P service for the same line. Such a result would penalize McLeodUSA for attempting to compete on a relatively ubiquitous basis using another service delivery method (Centrex resale) while this issue was sorted out through the appellate process.

Q: Other than changing billing tables, what else was Qwest required to do to permit these lines to be converted to UNE-P from Centrex.

A: The only other required change was to begin forwarding the CABs information in Exchange Message Interface ("EMI") format so that McLeodUSA could begin billing for access. This is standard for UNE service that Qwest provides to any CLEC. Since there was no unique activity associated with starting this process, Qwest did not attribute any unique charge to McLeodUSA to initiate this process.

Q: Does this conclude your testimony?

A: Yes, it does.

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

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NONPUBLIC DOCUMENT

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NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

in January 1995.

Page 3 of 5

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CONTAINS TRADE SECRET DATA

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Q: Does this conclude your testimony?

A: Yes, it does.

Trade secret data ends]

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CONTAINS TRADE SECRET DATA

Idaho Public Utilities Commission
Office of the Secretary
RECEIVED

AUG 16 2007

Boise, Idaho

Deanhardt, C. - Exhibit 53

Case No. QWE-T-06-17

AT&T

CONFIDENTIAL

McLeodUSA and Qwest
Version 2 Business to Business Deal
Proposed Term Sheet
May 21st, 2001

[Trade Secret Data Begins

① Validate
Claim of \$14 → 4M
OPAC

• NAL Stand (Historical)
• May 2000 to 271
- Measure
- Letter Plan
- Letter Plan
- on critical 5 measures

→ Ramp proposal on 5 measures for 12 month
Target performance - what's acceptable

(Randy form of communication)

1. Performance Measures and Remedies

- a) McLeodUSA will accept the Qwest PAP/PID with the exception of the attached document incorporating a Parity with a Floor concept on the most important 5 measures for McLeodUSA. The effective date of these measures will be November 1, 2000.
- b) Qwest will provide the remedies associated with the PAP plus the remedies for the 5 Parity with the Floor measures in the attached document beginning with November 2000 performance.

2. Product and Pricing

- a) Qwest to provide McLeodUSA with a resell voicemail offering that includes a discount structure in exchange for a minimum commitment. See attached document.
- b) Qwest to provide McLeodUSA with a residential line program similar to our UNE-M offering. Assumptions and analysis to be sent separately.
- c) Qwest to provide McLeodUSA with a flat rate T-1 offering similar to our UNE-M offering. Conversion as is process -- Perry Hooks - second change not?
- d) Qwest to provide a region-wide PRI rate of \$400 to McLeodUSA for all existing PRI's and any future PRI. This rate would be retroactive to November 1, 2000.
- e) Qwest to offer McLeodUSA their DSL VDP program with changes. See attached
- f) Qwest to provide a 30% discount on all intralata toll charges
- g) Qwest will provide Wire Care/Wire Maintenance to McLeodUSA region-wide with our state specific wholesale discount. (OR a MN - based basis)

3. In recognition of the preceding, McLeodUSA will provide to Qwest an increased commitment of revenue and term which includes an additional discount tier.

4. Both companies to work toward completing the sale of IRU's.

5. Regulatory

- a) Qwest will provide a 'friendly' witness and testimony in support of UNE-P/UNE-M in the SBC markets in order to help facilitate and prove McLeodUSA's position that this type of conversion activity can be a billing change and requires minimal effort on the part of the ILEC and Qwest would be willing to communicate this position to the FCC. See attached testimony.
- b) McLeodUSA will support Qwest in their plans for 271 applications in all states within their ILEC footprint.
- c) McLeodUSA will encourage and participate in any settlement in Minnesota on Wholesale Quality of Service proceedings.

Handwritten signature

Jim Calvey

Need a forecast
- Mkt availability/penetration

update forecast

started testing the process - local contribution

offer this out

give a counter proposal

→ Base line

Billing
ramp

Gray/Blake
Target Date
→ Middle of July

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Add 1412

	2001	2002	2003	2004
Take or Pay	\$150M	\$160M	\$170M	\$180M

\$660

Discount Structure

480

Tier	Revenue	Discount	2001	2002	2003	2004
Tier 1	\$178-\$188M	6.5%	Over \$199M	Over \$199M	Over \$199M	Over \$199M
Tier 2	\$189-\$198M	8.0%	Over \$230M	Over \$250M	Over \$270M	Over \$270M
Tier 3	Over \$199M	10.0%	Over \$230M	Over \$250M	Over \$270M	Over \$270M
Tier 4	Over \$220M	12.0%	Over \$250M	Over \$275M	Over \$300M	Over \$300M

Today's contract

New level given m+AS

13%

New ACWR 2.3M
 0.02
 PRI
 splitbank 0.5
 0.7
 3.5
 112
 42
 Trip on base

17M all AcNAs
 0.5 out-of-Reg wn
 17.5M

↳ \$210M (w/o IRU)

↳ Grow \$10M BAK => Add \$4M

w/
 Retail 8 (w/ discount)
 PRI

1065 - 1000
↳ 1000

\$218 today @ level

Exclude IRUs (counted toward take/pay)

- Access Long Distance \$24M
- Dakota Telecom
- Cap Rock
- TCI Comm Inc

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CONTAINS TRADE SECRET DATA

Volume Voice Messaging Proposal (5/21/2001)

Number of Mailboxes Region-wide	% Disc	Residential Rate with Discount Applied	Business Rate with Discount Applied
7000-8000 Mailboxes	24%	\$5.28	\$9.69
8001-9000 Mailboxes	26%	\$5.14	\$9.44
9001-10000 Mailboxes	28%	\$5.00	\$9.18
10001-12000 Mailboxes	30%	\$4.87	\$8.93

10000
150-500 / 20 CD
500 / CD - 20000 to 20 CD

Note that these rates are based on number of mailboxes region-wide (across all 14 states).

McLeod assumes a single rate across all 14 states.

VMS is offered at a single recurring rate across all 14 states, the Non-recurring Charges vary by state.

Residential VMS \$6.95/month
Business VMS \$12.75/month

10% purchase
Terms # of Months
3.5 / 20 CD
10000

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

Proposed Qwest DSL Resell (5/21/2001)

- Non Recurring end user rate not subject to Discount.
- Optional Qwest Technician installation not included.
- Bandwidth Change Charge for DSL subscribers wishing to change speeds is \$30.00.

Total Qwest DSL subscribers in service	Total monthly recurring discount off of Qwest DSL prevailing Subscriber tariffed rates
<15,000	25%
15,001 to 30,000	26%
30,001 to 60,000	27%
60,001 to 120,000	28%
120,001 to 200,000	29%
200,001 to 400,000	30%

Handwritten notes: A bracket groups the rows from 15,001 to 200,000. To the right of the bracket, there are handwritten notes: "11% Fr. Res.", "1", and "MSW".

NONPUBLIC DOCUMENT

CONTAINS TRADE SECRET DATA

Performance Measures and Remedies

Key Indicators:

Out of several parity measures, only 5 measures, along with their corresponding sub-measures will be held to the "Parity with a Floor" concept. These 5 measures represent high customer impact, along with being business critical. The 5 measures are as follows:

- OP-3 – Installation Commitments Met
- OP-5 – New Service Installation Quality
- OP-6 – Delayed Days
- MR-3 – Out of Service Cleared within 24 hours
- MR-7 – Repair Repeat Report Rate

Floors:

The following table represents the proposed "floor" for each respective measure:

Measure #:	Measure:	Floor:
OP-3	Installation Commitments Met	95%
OP-5	New Service Installation Quality	5%
OP-6a	Delayed Days – Non Facility Reasons	3 Business Days.
OP-6b	Delayed Days – Facility Reasons	5 Business Days.
MR-3	Percent Out of Service Intervals < 24 Hours	95%
MR-7	Repair Repeat Report Rate	5%

NONPUBLIC DOCUMENT
CONTAINS TRADE SECRET DATA

Remedies:

Qwest will be subject to per measure remedies that are based on a percentage of the McLeodUSA invoice for the applicable month and state that the performance was for. Percentages also increase if the performance did not meet or exceed the floor for consecutive months in a row up to 3 consecutive months, where the 4th month and beyond, the remedy percentage is the amount listed under the "3+" column shown in the tables below.

Example of a remedy calculation (using fictional invoice amounts and performance results):

State: Minnesota
 Invoice amount: \$1,000,000.00
 Measure: New Service Quality
 Month: January 2001
 Floor: 5%
 Performance result: 7.15%
 Remedy percentage from table below: 0.75%
 Remedy: \$7,500.00 ($\$1,000,000.00 \times 0.75\% = \$7,500.00$)

Remedy Tables:

Measure: OP-3 - Installation Commitments Met.
 Floor: 95%

Performance	Remedy Month 1	Remedy Month 2	Remedy Month 3+
>= 95.00%	\$0	\$0	\$0
>= 94.00%	0.25%	0.35%	0.45%
>= 93.00%	0.50%	0.60%	0.70%
>= 92.00%	0.75 %	0.85 %	0.95 %
>= 91.00%	1.00%	1.10%	1.20%
>= 90.00%	1.50%	1.60%	1.70%
>= 89.00%	1.75%	1.85%	1.95%
>= 88.00%	2.00%	2.10%	2.20%
>= 87.00%	2.25%	2.35%	2.45%
>= 86.00%	2.50%	2.60%	2.70%
>= 85.00%	2.75%	2.85%	2.95%
< 85.00%	3.00%	3.10%	3.20%

Measure: OP-5 - New Service Installation Quality
 Floor: 5%

Performance	Remedy		
	Month 1	Month 2	Month 3+
<= 5.00%	\$0	\$0	\$0
<= 6.00%	0.25%	0.35%	0.45%
<= 7.00%	0.50%	0.60%	0.70%
<= 8.00%	0.75 %	0.85 %	0.95 %
<= 9.00%	1.00%	1.10%	1.20%
<= 10.00%	1.50%	1.60%	1.70%
<= 11.00%	1.75%	1.85%	1.95%
<= 12.00%	2.00%	2.10%	2.20%
<= 13.00%	2.25%	2.35%	2.45%
<= 14.00%	2.50%	2.60%	2.70%
<= 15.00%	2.75%	2.85%	2.95%
> 15.00%	3.00%	3.10%	3.20%

Measure: OP-6a - Delayed Days for Non-Facility Reasons
 Floor: 3 Business Days

Performance	Remedy		
	Month 1	Month 2	Month 3+
<= 3.00 days	\$0	\$0	\$0
<= 4.00 days	0.25%	0.35%	0.45%
<= 5.00 days	0.50%	0.60%	0.70%
<= 6.00 days	0.75 %	0.85 %	0.95 %
<= 7.00 days	1.00%	1.10%	1.20%
<= 8.00 days	1.50%	1.60%	1.70%
<= 9.00 days	1.75%	1.85%	1.95%
<= 10.00 days	2.00%	2.10%	2.20%
<= 11.00 days	2.25%	2.35%	2.45%
<= 12.00 days	2.50%	2.60%	2.70%
<= 13.00 days	2.75%	2.85%	2.95%
> 13.00 days	3.00%	3.10%	3.20%

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06/12/01

Measure: OP-6b - Delayed Days for Facility Reasons

Floor: 5 Business Days

Performance	Remedy		
	Month 1	Month 2	Month 3+
<= 5.00 days	\$0	\$0	\$0
<= 6.00 days	0.25%	0.35%	0.45%
<= 7.00 days	0.50%	0.60%	0.70%
<= 8.00 days	0.75 %	0.85 %	0.95 %
<= 9.00 days	1.00%	1.10%	1.20%
<= 10.00 days	1.50%	1.60%	1.70%
<= 11.00 days	1.75%	1.85%	1.95%
<= 12.00 days	2.00%	2.10%	2.20%
<= 13.00 days	2.25%	2.35%	2.45%
<= 14.00 days	2.50%	2.60%	2.70%
<= 15.00 days	2.75%	2.85%	2.95%
> 15.00 days	3.00%	3.10%	3.20%

Measure: MR-3 -- Percent Out of Service Cleared within 24 hours.

Floor: 95%

Performance	Remedy		
	Month 1	Month 2	Month 3+
>= 95.00%	\$0	\$0	\$0
>= 94.00%	0.25%	0.35%	0.45%
>= 93.00%	0.50%	0.60%	0.70%
>= 92.00%	0.75 %	0.85 %	0.95 %
>= 91.00%	1.00%	1.10%	1.20%
>= 90.00%	1.50%	1.60%	1.70%
>= 89.00%	1.75%	1.85%	1.95%
>= 88.00%	2.00%	2.10%	2.20%
>= 87.00%	2.25%	2.35%	2.45%
>= 86.00%	2.50%	2.60%	2.70%
>= 85.00%	2.75%	2.85%	2.95%
< 85.00%	3.00%	3.10%	3.20%

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Measure: MR-7 – Repair Repeat Report Rate
Floor: 5%

Performance	Remedy	Remedy	Remedy
	Month 1	Month 2	Month 3+
<= 5.00%	\$0	\$0	\$0
<= 6.00%	0.25%	0.35%	0.45%
<= 7.00%	0.50%	0.60%	0.70%
<= 8.00%	0.75 %	0.85 %	0.95 %
<= 9.00%	1.00%	1.10%	1.20%
<= 10.00%	1.50%	1.60%	1.70%
<= 11.00%	1.75%	1.85%	1.95%
<= 12.00%	2.00%	2.10%	2.20%
<= 13.00%	2.25%	2.35%	2.45%
<= 14.00%	2.50%	2.60%	2.70%
<= 15.00%	2.75%	2.85%	2.95%
> 15.00%	3.00%	3.10%	3.20%

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Boise, Idaho

Deanhardt, C. - Exhibit 54

Case No. QWE-T-06-17

AT&T

State Of Minnesota
Department of Commerce
INFORMATION REQUEST

P421/CI-01-1371 and P421/C-02-197

Information Requested From: Qwest Corporation

Information Requested By: Ferguson, Sharon

Date Requested: 07/10/2002

Date Response Due: 07/18/2002

REQUEST:

Admit that Audrey McKenney wrote [TRADE SECRET DATA BEGINS "Today's contract" beside the row for "Tier 3" TRADE SECRET DATA ENDS] on the second page of the documents attached as Exhibit 18 to these requests.

RESPONSE:

Audrey McKenney wrote [TRADE SECRET DATA BEGINS "Today's contract" beside the row for "Tier 3" TRADE SECRET DATA ENDS] on the second page of the document attached as Exhibit 18 to these requests. The note refers to McLeod's statements regarding the take-or-pay.

Respondent: Audrey McKenney

Idaho Public Utilities Commission
Office of the Secretary
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Boise, Idaho

Deanhardt, C. - Exhibit 55

Case No. QWE-T-06-17

AT&T

REC'D JUN 04 2001

Subject: Action Items from Meeting

Date: Sat, 2 Jun 2001 07:59:35 -0500

From: "Stacey D. Stewart" <sstewart@McLeodUSA.com>

To: "Blake O. Fisher" <bfisher@McLeodUSA.com>,
"Randall E. Rings" <rrings@McLeodUSA.com>,
"James T. Balvanz" <jbalvanz@McLeodUSA.com>,
"Casey, Greg" <Greg.Casey@qwest.com>, "Filip, Dana" <Dana.Filip@qwest.com>,
axmcken@qwest.com, cdohert@notes.uswc.uswest.com

CC: "Stacey Stewart" <sstewart@McLeodUSA.com>

[Trade Secret Data Begins

I've listed all action items coming from our meeting on Thursday below. If you have any questions or I've left anything out please let me know. The expectation is that we can work through all of these outstanding action items the week of 6/4 and then Qwest could provide an overall response to McLeod on the term sheet by no later than 6/11.

Thanks
Stacey

1. Performance Measures and Remedies- Response Due by June 8th COB.
 - Audrey and team to provide a response to the PAP+5 proposal and associated remedies. The response should include:
 - Acceptance of the proposal or a counter offer.
 - A recommendation on a settlement of past remedies for Nov-April (we discussed the \$6M)
 - A recommendation on an interim remedy plan for May 2000 through the month Qwest receives 271 approval.
 - A proposal on how to fence the Performance measures and remedies off going forward.
2. Product and Pricing-
 - a. Audrey to review Vmail proposal and provide a response by 6/11
 - b. Jim and Stacey to provide to Audrey a list of markets/bundle of service/amount of toll on residential by 6/5
 - c. Jim to provide an inventory of T-1 circuits to Qwest by 6/4 for determination of a T-1 UNE-M offering by 6/11.
 - d. Audrey to send a copy of the retail PRI proposal(created in January) to McLeod by 6/4.
 - e. Audrey and team to work on DSL proposal and provide response by 6/11.
 - f. McLeod to verify the originating numbers for intralata Toll charges by 6/5.
 - g. Audrey and team to work on Wire Care/Maintenance proposal and provide response by 6/11.
3. Qwest to provide a response to McLeod's tiered discount sheet by 6/11.
4. Both companies to work their respective buy/sell organizations to determine where the current IRU proposals are in the process.
5. Regulatory
 - a. No action
 - b. Qwest to develop a list of 'wants' associated with 271 advocacy from McLeod and an associated value of these items. Due 6/11.
 - c. No Action
6. Other action items
 - McLeod to research to determine the need for ANI over T-1. Due 6/8
 - Qwest to research the outstanding billing disputes and determine counter offer. Due 6/11
 - Followup conference call on 6/12 to discuss response and schedule another face to face later in that week.

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P-421/C-02-197

DOC 08-212

Trade Secret Attachment

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Boise, Idaho

Deanhardt, C. - Exhibit 56

Case No. QWE-T-06-17

AT&T

REC'D JUN 13 2001

Subject: Follow Up On Action Items
Date: Wed, 13 Jun 2001 00:42:14 -0600
From: Arturo Ibarra Jr <aibarra@uswest.com>
Organization: US WEST Communications, Inc
To: sstewart@McLeodUSA.com
CC: bfisher@McLeodUSA.com, "James T. Balvanz" <jbalvanz@McLeodUSA.com>, rriings@McLeodUSA.com, Greg Casey <Greg.Casey@qwest.com>, Dana Filip <Dana.Filip@qwest.com>, Audrey McKenney <axmcken@uswest.com>

Stacey,

[Trade Secret Data Begins

In order to progress further on some of the action items listed in your 6/2 email we need to get a few items that we have not yet received. They are as follows:

2b - For the 452 wire centers, they did not include estimated associated volume detail to assist us in determining a weighted average price. Additionally, no toll data was provided. FYI, as a result of our 7/01/01 price filing, we are anticipating the weighted average CALC charge for primary res and single line bus to increase from \$4.35 to \$4.97; the non-primary res / BRI ISDN to increase from \$6.39 to \$6.53; and multi line bus / centrex go from \$8.35 to \$7.87.

2c - An inventory of T-1 circuits for determination of UNE-M offering.

2f - Was your team able to validate the originating numbers for the intraLATA toll charges?

6a - Was your team able to determine if there is indeed a need for ANI over T-1?

Additionally, Freddi is working with our product management team on the voice messaging proposal (2a) and the wire maintenance proposal (2g). On the VMS offer, the top end of your proposal (10,001 - 12,000), an increase of 1,600 - 3,400 mailboxes, translates into a 3% penetration. During our UNE-M discussions I thought McLeod believed they could achieve a 10% penetration rate. If this is true, then we may be afforded greater flexibility in developing a VMS offering more to your liking. Two final clarifying questions: are the volumes listed a combined bus/res figure or do they represent separate volumes for bus and res? And what is the term (3 or 5 years)?

With respect to your counter to Qwest's DSL proposal (2e), we believe that our initial proposal is as aggressive as we can get on a pricing front.

On PRI proposal (2d), we are getting final volume and terms from SPR, and we expect pricing to be around \$667 with a 1,000 unit commitment, an increase of eight spans from today.

On the tiered discount (item #3), based the documentation on our 10/22/00 weekend proposals we understood that both parties had agreed to negotiate final rates based on market conditions and for the integration of Split Rock and other acquisitions. If you would like a copy of this document, let me know and I will fax it to you. At the time of negotiations our base included only McLeod (IOR/IORL) and Ovation (OCB/OCBL). During our reconciliation efforts for the Preferred Vendor Plan, Lori recently brought to my attention that I had omitted Access Long Distance (AMM), Dakota Telecom (DKI/DKIL), Cap Rock (SGY/SGYL) and TCI Communications Inc (TUC). The annual billing on these additional ACNAs is \$28M. Further, Split Rock, post-anticipated discount is worth additional \$8M, and out of region is worth \$7M. Adding in these missing companies brings McLeod's total 2001 anticipated invoice to

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P-421/C-02-197
DOC 08-212
Trade Secret Attachment

Follow Up On Action Items

\$220M (excluding IRUs). As such we believe Tier 4 should become Tier 3.

Audrey and Greg are working privately with Blake and the attorneys on items 1 & 5.

If you and Jim want to talk, give me a call.

Thanks,
Arturo
303-965-4324

Trade Secret Data Ends]

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Idaho Public Utilities Commission
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Boise, Idaho

Deanhardt, C. - Exhibit 57

Case No. QWE-T-06-17

AT&T

State Of Minnesota
Department of Commerce
INFORMATION REQUEST

P421/CI-01-1371 and P421/C-02-197

Information Requested From: Qwest Corporation
Information Requested By: Ferguson, Sharon
Date Requested: 07/10/2002
Date Response Due: 07/18/2002

REQUEST:

[TRADE SECRET DATA BEGINS In the July 3, 2001 e-mail from Arturo Ibarra to Stacey Stewart attached as Exhibit 4 to these requests, Mr. Ibarra states that "based the documentation on our 10/22/00 weekend proposals we understood that both parties had agreed to negotiate final rates based on market conditions for the integration of Split Rock and other acquisitions. If you would like a copy of this document, let me know and I will fax it to you." Please produce the "documentation on our 10/22/00 weekend proposals" referred to by Mr. Ibarra. If Qwest has previously produced the documentation, please identify it specifically (including document type, date, title and/or file name, author and recipient) and identify the discovery request in response to which the documentation was provided. TRADE SECRET DATA ENDS]

RESPONSE:

Please see the Trade Secret Attachment for the referenced document.

Respondent: Audrey McKenney

MINNESOTA
 DOCKET NO. P421/CI-01-1371 *and*
 P421/C-02-197 *NON-PUBLIC*
 DEC 11-320
 Trade Secret Attachment

QWEST COUNTERPROPOSAL

[Trade secret data begins

Mutual Preferred Vendor Plan

	2000	2001	2002	2003	Total 2001-2003
McLeod to Qwest - Before Split Rock / other acquisitions					
Projected Growth Rate	0%	28%	24%	17%	
Base/Projected revenue	155	198	246	288	732
Preferred Vendor - "Take or Pay"		150	160	170	480
% of Projected Revenue		76%	65%	59%	66%

Qwest to McLead
 Preferred Vendor -- "Take or Pay" commitment ranges
 Minimum for discount to apply

	\$M's	
Tier 1	178-188	Over 199
Revenue ranges	6.5%	8.0%
Discount Rate		
Tier 2	189-198	Over 230
Revenue ranges	8.0%	10.0%
Discount Rate		
Tier 3	over 199	Over 250
Revenue ranges	10.0%	10.0%
Discount Rate		

The above level is an interim default level. Both Parties agree to negotiate final rates based on market conditions on an annual basis and for the integration of Split Rock / other acquisitions.

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 Does Not Constitute Offers. Qwest Reserves The
 Right to Revise/Supplement Any Term or Condition Contained Herein

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