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verizon

17933 N.W. Evergreen Parkway
P.O. Box 1100
Beaverton, OR 97075

January 28, 2003

Miss Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington Street
Boise, Idaho 83702

RE: Amendment 1 to the Agreement between Level 3 Communications, LLC and Verizon Northwest Inc.

Dear Ms. Jewell,

Enclosed for filing are the original and three copies of Amendment 1 to the Interconnection Agreement between Level 3 Communications, LLC and Verizon Northwest Inc. The IPUC case reference is VZN-T-02-4. Please call me at (503) 645-7909 if you have any questions.

Sincerely,

Renee Willer
External Affairs & Public Policy
Verizon Northwest Inc.

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UTILITIES COMMISSION

AMENDMENT NO. 1

to the

INTERCONNECTION AGREEMENT

between

VERIZON NORTHWEST INC.

and

LEVEL 3 COMMUNICATIONS, LLC

FOR THE STATE OF IDAHO

This Amendment No. 1 (this "Amendment") is effective June 20, 2002 ("Amendment Effective Date"), by and between Verizon Northwest Inc., formerly known as GTE Northwest Incorporated ("Verizon"), and Level 3 Communications, LLC ("Level 3"). (Verizon and Level 3 may hereinafter be referred to, each individually, as a "Party," and, collectively, as the "Parties").

WITNESSETH:

WHEREAS, by letter dated March 29, 2002, Level 3 elected, pursuant to Section 252(i) of the Communications Act of 1934, as amended ("the Act") to adopt the terms of the Interconnection Agreement between Verizon and Ciera Network Systems, Inc., for Idaho, effective as of April 12, 2002 (the "Agreement"); and

WHEREAS, the Parties wish to modify the Agreement, effective as of the Amendment Effective Date, to reflect their agreement on interconnection architecture as set forth in Attachment 1 to this Amendment;

NOW, THEREFORE, in consideration of the promises and mutual agreements set forth herein, the Parties agree as follows:

1. Notwithstanding any other provision of the Agreement, the Parties' mutual rights and obligations with respect to Interconnection architecture shall be as set forth in Attachment 1 to this Amendment.

2. Conflict Between this Amendment and the Agreement. This Amendment shall be deemed to revise the provisions of the Agreement to the extent necessary to give effect to the provisions of Amendment. In the event of a conflict between a provision of this Amendment and a provision of the Agreement, this Amendment shall govern.

3. Intercarrier Compensation for ISP-Bound Traffic. Nothing in this Amendment shall be construed as requiring either Party to compensate the other for receiving and handing off ISP-bound Traffic (as defined in Attachment 1) to an Internet service provider or other customer.

4. Scope of Amendment. Except to the extent set forth in this Amendment, the rates, charges and other provisions of the Agreement shall remain in full force and effect after the Amendment Effective Date; provided, however, that nothing in this Amendment shall be deemed to amend or extend the term of the Agreement or to affect either Party's right to exercise any right of termination it may have under the Agreement. This Section 4 shall not be deemed to alter either Party's rights or obligations under any successor agreement during the period through May 31, 2004 as described in Section 1.0 of Attachment 1 hereto.

5. Counterparts. This Amendment may be executed in one or more counterparts, each of which when so executed and delivered shall be an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed and delivered by their duly authorized representatives as of the Amendment Effective Date.

LEVEL 3 COMMUNICATIONS, LLC

By: _____

Printed: Kevin Paul

Title: Vice President Global Softswitch Deployment

VERIZON NORTHWEST INC.

By: _____

Printed: Jeffrey A. Masoner

Title: Vice-President – Interconnection Services Policy & Planning

ATTACHMENT 1 TO AMENDMENT NO. 1

1.0 Geographic Relevance. Notwithstanding any contrary provision in the Agreement or any Tariffs, or any change in, or confirmation or clarification of, applicable law, this Section 1.0 (all references to which herein shall be deemed to include subsections to Section 1.0), shall set forth the Parties' mutual rights and obligations with respect to Interconnection architecture from June 20, 2002 (for purposes of this Section 1.0 only, "the Effective Date") through May 31, 2004, and shall be included in any successor agreements to the Agreement that the Parties enter into in Idaho between the Effective Date (as defined in this Section 1.0) and May 31, 2004, or in the event Level 3 shall enter into a successor agreement to the Agreement by means of an in-state or interstate adoption between the Effective Date (as defined in this Section 1.0) and May 31, 2004, then such adopted terms shall be amended concurrently with the execution of the adoption agreement or acknowledgement letter to include the terms set forth in this Section 1.0. Furthermore, except as provided under this Section 1.0 and except as otherwise required under the Agreement as payment by an Originating Party for the termination or delivery of its traffic on the Receiving Party's network, each Party shall be financially responsible only for facilities, trunks, and equipment necessary to route its originating traffic from its end office switch(es) to the relevant Interconnection Point(s) of the other Party as identified in this Section 1.0. In the event of a conflict between any of the terms of this Section 1.0 and any other provision of the Agreement or any Tariff, the terms of this Section 1.0 shall control.

In the event the Agreement or successor agreement referenced above expires after May 31, 2004, the requirements set forth in this Section 1.0 shall, unless otherwise agreed by the Parties, continue to apply for the remainder of the term of such Agreement or successor agreement; provided, however, that after May 31, 2004 the Parties shall negotiate in good faith with respect to any changes requested by either Party, including, but not limited to, any changes necessary to bring the Agreement or successor agreement into compliance with applicable law.

1.0.1 Interconnection Points.

1.0.1.1. The Parties shall, pursuant to the terms of this Section 1.0.1, establish Interconnection Points ("IPs") in each LATA in which Level 3 requests to interconnect with Verizon. Level 3 IPs established pursuant to this Section are identified in Schedule 1.1 hereto, which shall be revised from time to time in accordance with the requirements of this Section. The points on the Level 3 network at which Verizon shall hand off Reciprocal Compensation Traffic and ISP-bound Traffic to Level 3 are designated as the Level 3 Interconnection Points ("Level 3-IPs"). The points on the Verizon network at which Level 3 shall hand off Reciprocal Compensation Traffic and ISP-bound Traffic to Verizon are designated as the Verizon Interconnection Points ("VZ-IPs"). Each Party, as an Originating Party, may request that the other Party, as a Receiving Party, establish IPs on the Receiving Party's network that are geographically-relevant to the NXXs (and associated rate centers) that are assigned by the Receiving Party. Except as otherwise required under Section 1.0.1.6 or 1.0.1.8 below, each Party's IP shall represent the point at which that

Receiving Party's financial responsibility for the transport of Reciprocal Compensation Traffic and ISP-bound Traffic originated by an end user of the Originating Party begins. Furthermore, each Party's IP shall represent the point at which that Receiving Party shall apply the applicable rate for compensation, if any, that the Receiving Party is entitled to receive, and that the Originating Party is obligated to pay to the Receiving Party, under the Agreement for the Receiving Party's transport and termination of Reciprocal Compensation Traffic to its end user Customer or, in the case of ISP-bound Traffic, for the Receiving Party's receipt and delivery of such traffic to an Internet service provider or other Customer (the foregoing references to such compensation being subject to the defined terms in Section 1.0.4 below). For the avoidance of doubt, the immediately preceding sentence shall not be construed to require payment of reciprocal compensation or intercarrier compensation for ISP-bound Traffic under the Agreement.

1.0.1.2. Verizon shall establish a VZ-IP at each Verizon Tandem. In the case of Verizon as a Receiving Party, to the extent Level 3 requests Verizon to establish a geographically-relevant IP in addition to the VZ-IPs at the Verizon Tandems, the geographically-relevant IP shall be the Verizon end office serving the Customer for whom the traffic is intended. For purposes of clarification, the foregoing reference to VZ-IPs at Verizon Tandems shall not be construed to alter the rate structure for reciprocal compensation (consisting of tandem switching, transport, and end office switching) that applies under the Agreement for traffic that Level 3 delivers to a Verizon Tandem for termination by Verizon.

1.0.1.3. In the case of Level 3 as a Receiving Party, Level 3 shall establish as its IP, Collocation at each Verizon Tandem in a LATA (or, in the case of a LATA with fewer than two Verizon Tandems, at each Verizon End Office Host or other End Office location designated by Verizon; provided, however, that in the case of LATAs with fewer than two Verizon Tandems, the Parties agree that Verizon shall not require Level 3 to establish such IPs at more than a total of five (5) End Office Hosts or other End Office locations in the LATA), for those NXXs serving equivalent Verizon rate centers which subtend the Verizon Tandem (or Verizon End Office Host or, in the case of another End Office Location designated by Verizon, serving equivalent rate centers designated to such other End Office location IP). Level 3 may establish such Collocation by any means available under the Agreement, Verizon's Tariffs, and applicable law (including, but not limited to, and to the extent required by applicable law, physical caged Collocation, physical cageless Collocation, and virtual Collocation). In any LATA in which Verizon agrees that Level 3 may meet this obligation to establish geographically relevant IPs through Collocation at fewer than all of the Verizon Tandems (or End Office Host(s) or other End Office location(s) designated by Verizon pursuant to this section 1.0.1) in a LATA, including any LATAs identified in Schedule 1.1, then Verizon shall determine and advise Level 3 as to which Level 3 IP established by Collocation (or other available Level 3 IP) Verizon will deliver traffic from each relevant originating rate center or other originating location.

1.0.1.4. In all cases where an IP is to be established by Collocation at Verizon's request pursuant to this Section 1.0.1, the Parties agree to use their best efforts to establish such Collocation within a commercially reasonable time following Verizon's request.

1.0.1.5 Notwithstanding any other provision in this Section 1.0, in lieu of establishing an IP via Collocation at the relevant Verizon Tandem (or End Office Host or other End Office location) as described above, Level 3 may establish the required IP by purchasing transport (including any necessary multiplexing and any other necessary service or facility) from Level 3's switch (or other Level 3 location) to the required IP location upon the rates, terms, and conditions set forth in Verizon's intrastate special access tariff.

1.0.1.6. If Level 3 fails to establish a geographically-relevant IP as provided herein, then without waiver of Verizon's right to specifically enforce the requirements of this Section 1.0 and without releasing Level 3 from its obligation to comply with such requirements, until the requested IP is established, Level 3 shall credit Verizon in amounts equal to Verizon's monthly recurring rate for intrastate tariffed special access transport (including any necessary multiplexing and any other necessary service or facility but excluding any Collocation services or elements) for transport provided by Verizon and other costs (to the extent Verizon purchases such transport from Level 3 or a third party, in which case such third party transport costs shall not exceed those that would apply under Verizon's intrastate special access tariff) from Verizon's Tandem subtended by the originating Verizon End Office (or other geographically relevant Level 3 IP requested by Verizon pursuant to Section 1.0.1.3 above) to the Level 3 switch or other non-geographically relevant Level 3 location at which Verizon delivers the Reciprocal Compensation Traffic or ISP-bound Traffic to Level 3 in the same LATA. Notwithstanding anything herein to the contrary, should Verizon be unable to accommodate Collocation at the IP requested by Verizon under this Section 1.0.1, Level 3 shall not be responsible for the charges identified in this Section 1.0.1.6, and the Parties agree to work in good faith to develop an alternative means of establishing the IP requested by Verizon until such time as Verizon can accommodate Collocation.

1.0.1.7. Should either Party offer additional IPs to any Telecommunications Carrier that is not a Party to the Agreement, the other Party may elect to deliver traffic to such IPs for the NXXs or functionalities served by those IPs. To the extent that any such Level 3-IP is not located at a Collocation site at a Verizon Tandem (or Verizon End Office Host or other Verizon End Office location), then Level 3 shall permit Verizon to establish physical interconnection at the Level 3-IP, to the extent such physical interconnection is technically feasible.

1.0.1.8. At any time that Level 3 establishes Collocation at a Verizon End Office, then either Party may request that such Level 3 Collocation be established as the Level 3-IP for traffic originated by Verizon Customers served by that End Office. Such request shall be negotiated pursuant to the Joint Grooming

Plan process, and approval shall not be unreasonably withheld or delayed. If Level 3 should fail to establish an IP at such an end office Collocation pursuant to Verizon's request within thirty (30) days following Verizon's request, then without waiver of Verizon's right to specifically enforce the requirement for Level 3 to establish an IP at such end office Collocation and without releasing Level 3 from its obligation to comply with such requirement, Level 3 shall credit Verizon in amounts equal to Verizon's monthly recurring rate for intrastate tariffed special access transport (including any necessary multiplexing and any other necessary service or facility) for transport provided by Verizon and other costs (to the extent Verizon purchases such transport from Level 3 or a third party, in which case such third party transport costs shall not exceed those that would apply under Verizon's intrastate special access tariff) from Verizon's originating End Office to Level 3's IP.

1.0.1.9. Should Level 3 choose to obtain transport from Verizon for Reciprocal Compensation Traffic and ISP-bound Traffic from a Level 3-IP established by Collocation at a Verizon serving wire center to Level 3's switch location served by that same Verizon wire center in the same LATA, Verizon shall bill and Level 3 shall pay, the applicable unbundled network element (UNE) rates set forth in the Agreement (including any applicable non-recurring charges); provided, however, that if, in order to obtain UNE rates pursuant to this Section 1.0.1.9, Level 3 terminates a circuit previously ordered from Verizon's access tariff, then Level 3 shall be responsible for any non-recurring charges that may apply under such access tariff in relation to termination of the access circuit (including, by way of example and without limitation, minimum service period charges, termination liability, and volume commitment penalties). For purpose of clarification, UNE rates shall not apply for any transport that Verizon may provide to Level 3 under this Section 1.0.1.9 if the Verizon wire center at which Level 3 has established its IP by Collocation does not serve Level 3's switch location in the same LATA; provided, however, that UNE rates shall apply to such transport to the extent it consists of transport from the Verizon wire center at which Level 3 has established its IP by Collocation to a Level 3 Collocation arrangement at the Verizon serving wire center that serves Level 3's switch location in the same LATA.

1.0.2 Trunking Architecture.

1.0.2.1 (a) If an Originating Party's Reciprocal Compensation Traffic and ISP-bound Traffic destined for a particular end office of the Receiving Party exceeds the equivalent of one DS1 for any three (3) months during any six (6) month period, the Originating Party must establish direct trunking to that end office of the Receiving Party (which shall have a Tandem-routed overflow for two-way trunks) by: (i) self-provisioning, (ii) purchasing from the Receiving Party transport (i.e., trunking and facilities, including any necessary multiplexing) from the relevant IP of the Originating Party to the Receiving Party's end office at rates set forth in the Receiving Party's applicable special access tariff, or (iii) purchasing transport from a third party. To the extent such trunking is provided pursuant to option (ii) in the immediately preceding sentence, such transport shall be rated according to the Receiving Party's applicable intrastate or interstate special access tariff by applying the Percent Interstate Usage ("PIU") and Percent Local Usage ("PLU") factors provided by the Originating Party. For

purposes of such application, the portion of use attributable to Reciprocal Compensation Traffic shall be rated at intrastate special access tariff rates, and the portion attributable to ISP-bound Traffic shall be rated at interstate special access tariff rates. For purposes of this Section 1.0.2, Verizon shall satisfy its end office trunking obligations by handing off traffic to a geographically relevant Level 3 IP established pursuant to Sections 1.0.1.1 and 1.0.1.3 above.

(b) Unless otherwise agreed by the Parties, Level 3 shall order from Verizon two-way trunks to satisfy either Party's obligations under this Section 1.0.2 or as Level 3 may otherwise deem necessary to accommodate traffic flow. Where such trunking and facilities are provided by Verizon, Level 3 shall compensate Verizon for such trunking and facilities as follows: Level 3 shall pay fifty percent (50%) of the non-recurring charges as the trunking and/or facilities are installed and shall pay recurring charges at a percentage equal to Level 3's percentage of usage of the facilities for transporting Level 3-originated traffic to Verizon's end office (in addition to any reciprocal compensation or intercarrier compensation that Level 3 may owe Verizon under the Agreement for terminating or handing off the Level 3-originated Reciprocal Compensation Traffic or ISP-bound Traffic), regardless of whether such usage exceeds the equivalent of one DS1. During the first full calendar quarter (and any partial calendar quarter preceding such first full calendar quarter) after the first two-way trunk is established, Level 3's percentage of usage for purposes of the foregoing recurring charges will be fifty percent (50%). Upon the request of either Party at any time after the first full calendar quarter, but no more than on a quarterly basis, the Parties shall recalculate Level 3's percentage of usage using actual traffic usage data from the preceding calendar quarter, and the recalculated percentage shall apply beginning with the next billing cycle following the request for recalculation. The recurring percentage usage factor and the 50% non-recurring rate shall not be applied to calculate the charges for any portion of a facility that is on Level 3' s side of Level 3's IP, which charges shall be solely the financial responsibility of Level 3.

1.0.2.2. Notwithstanding any contrary requirement of Section 1.0.2.1 above, if Verizon, in any voluntarily-negotiated interconnection agreement entered into pursuant to Section 252(a)(1) of the Act and executed (and approved by the applicable state commission) after the Effective Date of this Section 1.0, agrees to provide the direct end office trunking referenced in option (ii) of Section 1.0.2.1(a) at UNE rates instead of at access rates, then Level 3 may request adoption, prospectively from the effective date of such adoption, of such direct end office trunking arrangement in accordance with, and to the extent required by, Section 252(i) of the Act (or any applicable merger condition); provided, however, that such adoption must include any related terms and conditions, and Verizon may reject such adoption in its entirety in the event the related terms and conditions would alter either Party's rights or obligations under this Section 1.0 in any respect other than application of UNE rates in lieu of access rates to the trunking referenced in option (ii) above.

1.0.3. <u>References to Tariffs.</u> In the event this Section 1.0 (including subsections) refers to Verizon's intrastate access tariff for a rate or charge for a service or facility, and Verizon's intrastate access tariff does not contain a rate or charge for the service or

facility at issue, the applicable rate or charge set forth in Verizon's interstate access tariff shall apply.

1.0.4 Definitions. The definitions set forth below apply only for purposes of this Section 1.0. In the event of a conflict between a definition set forth below and a definition in the Agreement, the definition set forth below shall control with respect to interpretation of this Section 1.0.

Act. The Communications Act of 1934 (47 U.S.C. §151 et seq.), as from time to time amended (including, but not limited to, by the Telecommunications Act of 1996).

Agreement. The Parties' interconnection agreement (including any successor agreement) under Sections 251 and 252 of the Act in effect during the period set forth in Section 1.0 above.

Reciprocal Compensation Traffic. "Reciprocal Compensation Traffic" shall have the meaning set forth in the Agreement, subject to any changes in that definition from time to time under applicable law, and shall include only traffic that is subject to reciprocal compensation pursuant to Section 251(b)(5) of the Act and the applicable orders and regulations of the Federal Communications Commission, including, but not limited to, the Order on Remand and Report and Order, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic*, FCC 01-131, CC Docket Nos. 96-98 and 99-68, (adopted April 18, 2001) and any subsequent decisions of the FCC. Nothing in this Section 1.0 shall be construed to require payment of reciprocal compensation or intercarrier compensation for ISP-bound Traffic.

ISP-bound Traffic. Any traffic that is transmitted to or returned from the Internet at any point during the duration of the transmission.

SCHEDULE 1.1 – IDAHO

Level 3 Interconnection Points established pursuant to
Section 1.0.1 of Attachment 1 to Amendment No. 1

LATA	IP SITE	CLLI CODE