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IDAHO PUBLIC  
UTILITIES COMMISSION



20575 NW Von Neumann DR  
Hillsboro, OR 97076

January 16, 2009

Ms. Jean Jewell, Secretary  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074

Re: VZN-T-04-03 – Amendment No. 3 to the Agreement between Verizon Northwest Inc.  
and XO Communications Services, Inc.

Dear Ms. Jewell:

Attached please find an original plus three copies of Amendment No. 3 to the interconnection agreement between Verizon Northwest Inc. and XO Communications Services, Inc. originally approved in Docket No. VZN-T-04-03.

If you have any questions concerning this filing, please contact me at 972-718-3418.

Sincerely,

A handwritten signature in cursive script that reads "Kim Douglass".

Kim Douglass  
Sr. Staff Consultant – Regulatory and Government Affairs

Attachments

**AMENDMENT NO. 3**

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**INTERCONNECTION AGREEMENT**

IDAHO PUBLIC  
UTILITIES COMMISSION

**BETWEEN**

**VERIZON NORTHWEST INC., F/K/A GTE NORTHWEST INCORPORATED**

**AND**

**XO COMMUNICATIONS SERVICES, INC.**

This Amendment No. 3 (this "Amendment") shall be deemed effective as of October 1, 2008 (the "Amendment Effective Date"), by and between Verizon Northwest Inc., f/k/a GTE Northwest Incorporated ("Verizon"), a Washington corporation with offices at 1800 41st Street, Everett, WA 98201, and XO Communications Services, Inc. ("XO"), a corporation with offices at 1601 Trapelo Road, Suite 397, Waltham, MA 02451. (Verizon and XO may be hereinafter referred to individually, as a "Party" and collectively as the "Parties").

**WITNESSETH:**

**WHEREAS**, Verizon and XO are Parties to an interconnection agreement under Sections 251 and 252 of the Communications Act of 1934, as amended (the "Act") dated February 9, 2000 (such agreement, including such amendments as may be effective prior to the effectiveness of this Amendment, the "Agreement"); and

**WHEREAS**, the Parties wish to amend the Agreement to address the matters set forth herein;

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Amendment to Agreement.** As of the Amendment Effective Date, the Agreement is hereby amended to incorporate the terms and conditions set forth in this Amendment, all of which shall apply to and be a part of the Agreement (hereinafter referred to as the "Amended Agreement") notwithstanding any other term or condition of the Agreement, a Tariff or Statement of Generally Available Terms and Conditions.
2. **Exchange of VOIP Traffic.**
  - 2.1 An Originating Party delivering Interexchange VOIP Traffic to the Terminating Party for termination on the Terminating Party's network shall compensate the Terminating Party at the Interexchange VOIP Rate for the transport and termination of such Interexchange VOIP Traffic.
  - 2.2 VOIP Traffic may be exchanged over the local interconnection trunk groups established pursuant to the Agreement. A Party using local interconnection trunk groups to transport Interexchange VOIP Traffic shall bear proportional financial responsibility for those trunks and facilities. To the extent that a Party uses facilities provided by the other Party for transport, the other Party shall bill, and such Party shall pay, for such facilities at the other Party's relevant tariffed access rates (interstate to the extent that the Interexchange VOIP usage is compensated at interstate rates herein, or intrastate to the extent that the

Interexchange VOIP usage is compensated as intrastate herein), to the extent, and in the proportion, that such facilities are used to carry Interexchange VOIP Traffic; provided that such rates shall not exceed Verizon's tariffed rates for like services.

- 2.3 No interconnection or network architecture changes are required or intended to be required by this Amendment for the exchange of such traffic.
- 2.4 An Originating Party delivering Local VOIP Traffic to the Terminating Party for termination on the Terminating Party's network shall compensate the Terminating Party for the transport and termination of such Local VOIP Traffic at the rate that would apply (e.g. the reciprocal compensation rate or the ISP rate) under the Agreement to like traffic that is not VOIP Traffic (such rate, the "Local VOIP Rate").
3. FCC VOIP Order. If the FCC issues an order on or after the Amendment Effective Date that specifies what compensation is due for the exchange of Interexchange VOIP Traffic, such compensation shall apply prospectively according to the implementation dates set forth in such order without the need for further amendment to the Amended Agreement to incorporate such compensation mechanisms.
4. Effectiveness of Amendment.
  - 4.1 This Amendment shall remain in effect through December 31, 2009. On or after January 1, 2010, either Party may cause this Amendment to terminate by written notice delivered to the other Party specifying a termination date not less than 30 days after delivery of such notice (such date, the "Amendment Termination Date"). After the Amendment Termination Date, the subject matter hereof shall be governed by the Agreement, or by such other agreement as the parties may enter into after the date hereof.
  - 4.2 The relationship of the Parties with respect to the subject matter hereof shall be governed by this Amendment through the Amendment Termination Date, notwithstanding the expiration or termination of the Agreement. In case the Agreement is terminated, replaced or otherwise superseded prior to the Amendment Termination Date, this Amendment shall remain in full force and effect, and shall continue to govern the subject matter hereof.
5. [Intentionally Omitted]
6. Billing. An Originating Party shall track, and identify to the Terminating Party (by such means as the Parties may mutually agree), the Interexchange VOIP Traffic that is delivered by the Originating Party to the Terminating Party. The Parties will work together cooperatively to establish billing and payment procedures to implement the terms hereof, including without limitation methods for identifying Interexchange VoIP Traffic for billing purposes. Such methods may include, without limitation, the establishment of factors to distinguish the portion of a Party's traffic that is Interexchange VOIP Traffic. A Party will, upon request of the terminating Party, supply such data as may be reasonably required to support the non-terminating Party's characterization of traffic as Interexchange VOIP Traffic or otherwise. If a Party terminates more than a de minimis amount of PSTN-to-VOIP traffic to its end users, it shall promptly notify the other Party, and the Parties shall work cooperatively to establish billing and payment procedures for such PSTN-to-VOIP Traffic (including without limitation the identification of such traffic to the other Party) as set forth in this paragraph.
7. Definitions. As used in this Amendment, the following capitalized terms shall have the specified meanings:

- 7.1 "Interexchange VOIP Traffic" means VOIP Traffic that is terminated by a Party to its end-user whose physical location is outside the mandatory local calling area (including non-optional EAS, and based on Verizon's local calling areas) of the physical location of the originating end-user.
- 7.2 "Interexchange VOIP Rate" means:
- 7.2.1 If a Party is a Qualified Party, the Interexchange VOIP Rate shall be the Terminating Party's interstate terminating switched access rates; provided that such rates shall not exceed Verizon's tariffed interstate terminating switched access rates (as such rates may be in effect or modified from time to time).
- 7.2.2 If a Party is not a Qualified Party, the Interexchange VOIP Rate shall be (a) for traffic that is interstate based on the physical locations of the calling and called parties, the Terminating Party's interstate terminating switched access rates; and (b) for traffic that is intrastate based on the physical locations of the calling and called parties, the Terminating Party's intrastate access rates; provided that in each case such rates shall not exceed Verizon's applicable tariffed terminating switched access rates (as such rates may be in effect or modified from time to time).
- 7.3 "Local VOIP Traffic" means VOIP Traffic that is terminated by a Party to its end user whose physical location is within the mandatory local calling area (including non-optional EAS, and based on Verizon's local calling areas) of the physical location of the originating end-user.
- 7.4 "Originating Party" means a Party that delivers telephone traffic (including traffic that originates on the Originating Party's network and third-party traffic) to the other Party for termination on the other Party's network.
- 7.5 "Phone-to-Phone VOIP Traffic" means communications that originate and terminate on the public switched telephone network but are transmitted by Internet Protocol at some point in the middle, as set forth in the FCC's Order, *In the Matter of Petition for Declaratory Ruling that AT&T's Phone-to-Phone IP Telephony Services are Exempt from Access Charges*, FCC 04-97, WC Docket No. 02-361 (rel. April 21, 2004).
- 7.6 "Qualified Party" means a Party that meets each of the following conditions:
- 7.6.1 For each of the three calendar months immediately preceding the calendar month in which the Amendment Effective Date falls, such Party, combined with all of its affiliates, must have been billed by the other Party, combined with all of its affiliates, intercarrier compensation for the transport and termination of local traffic, ISP-bound traffic, and VOIP traffic, totaling not less than five hundred thousand dollars (\$500,000).
- 7.6.2 As of the Amendment Effective Date and until the Amendment Termination Date, such Party, and each of its affiliates, shall be a party to terms substantially similar to this Amendment in every jurisdiction in which they are parties, with the other Party or any of its affiliates, to an interconnection agreement under Sections 251 and 252 of the Act.
- 7.6.3 As of the Amendment Effective Date, such Party, together with all of its affiliates, shall have no outstanding liability for payment on any invoices rendered by the other Party, or any of its affiliates, before the Amendment Effective Date.

- 7.6.4 As of the Amendment Effective Date, such Party shall not have any outstanding billing disputes with the other Party over any invoices dated on or before the Amendment Effective Date.
- 7.6.5 Notwithstanding any other provision hereof, if XO is a Qualified Party, Verizon shall be deemed to be a Qualified Party.
- 7.6.6 For purposes of this section 7.6, the term "affiliates" means, as to XO, all of the competitive local exchange carriers controlled by or under common control with XO; and as to Verizon, all of the incumbent local exchange carriers controlled by or under common control with Verizon.
- 7.7 "Terminating Party" means a Party that terminates on its network, telephone traffic delivered by the Originating Party.
- 7.8 "VOIP Traffic" means voice communications and such other applications (e.g. fax transmissions) that (a) originate in Internet protocol ("IP") format at the end user's customer premises, are transmitted over a broadband connection to an IP service provider (including a Party or a third party) in IP format, are converted from IP format to circuit switched format, and are delivered to a Party for termination by a circuit switch on the public switched telephone network, (b) originate on the public switched telephone network, are converted from circuit-switched format to IP format, and are delivered to a Party, for termination by an IP service provider (including a Party or a third party) in IP format over a broadband connection to the end user's customer premises ("PSTN-to-VOIP Traffic"), or (c) originate in "IP format at the end user's customer premises, are transmitted over a broadband connection to an IP service provider (including a Party or a third party), and are delivered (via circuit-switched trunks established in accordance with the Agreement) to a Party, for termination by an IP service provider (including a Party or a third party) in IP format over a broadband connection to the end user's customer premises ("VOIP-to-VOIP Traffic"), in each case including such traffic that is originated by a Party or by a third party; provided, however, that VOIP Traffic does not include Phone-to-Phone VOIP Traffic or toll free access code (8YY) traffic.

8. Miscellaneous Provisions.

- 8.1 Conflict. This Amendment shall be deemed to revise the terms and conditions of the Agreement to the extent necessary to give effect to the terms and conditions of this Amendment. In the event of a conflict between the terms and conditions of this Amendment and the terms and conditions of the Agreement, this Amendment shall govern, but the fact that a term or condition appears in this Amendment but not in the Agreement, or in the Agreement but not in this Amendment, shall not be interpreted as, or deemed grounds for finding, a conflict.
- 8.2 Counterparts. This Amendment may be executed in 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.
- 8.3 Captions. The Parties acknowledge that the captions in this Amendment have been inserted solely for convenience of reference and in no way define or limit the scope or substance of any term or condition of this Amendment.
- 8.4 Scope of Amendment. This Amendment shall amend, modify and revise the Agreement only to the extent set forth expressly in this Amendment and, except to the extent expressly set forth in this Amendment, the terms and conditions of the Agreement shall remain in full force and effect, but nothing in this Amendment shall be deemed to amend

or extend the term of the Amended Agreement, or to affect the right of a Party to exercise any right of termination it may have under the Amended Agreement.

- 8.5 Joint Work Product. The Parties acknowledge that this Amendment is the joint work product of the Parties, and that, accordingly, in the event of ambiguities, no inferences shall be drawn for or against either Party on the basis of authorship of this Amendment.
- 8.6 Amendments. No amendments or modifications shall be made to this Amendment unless in writing and signed by appropriate representatives of the Parties.
- 8.7 Waivers. A failure or delay of either Party to enforce any of the provisions of this Amendment, or any right or remedy available under this Amendment, or at law or in equity, or to require performance of any of the provisions of this Amendment, or to exercise any option that is provided under this Amendment, shall in no way be construed to be a waiver of such provisions, rights, remedies or options.
- 8.8 Reservation of Rights. The Parties disagree as to whether, under applicable law, Interexchange VOIP Traffic constitutes non-local telecommunications traffic that, apart from the provisions of this Amendment, would be subject to terminating charges at the appropriate jurisdictional rates, per the appropriate tariff or agreement governing such non-local telecommunications traffic. By entering into this Agreement, neither party waives its right to advocate its view with respect to this issue. The Parties agree that nothing in this Agreement shall be construed as an admission that Interexchange VOIP Traffic is, or is not, non-local telecommunications traffic in nature. The Parties further agree that any payments under the terms of this Agreement shall not be construed as agreement or acquiescence that, under applicable law, Interexchange VOIP Traffic constitutes non-local telecommunications traffic that, apart from the provisions of this Amendment, would be subject to terminating charges at the appropriate jurisdictional rates, per the appropriate tariff or agreement governing such non-local telecommunications traffic.

**[Signature Page Follows]**

**SIGNATURE PAGE**

**IN WITNESS WHEREOF**, the Parties hereto have caused this Amendment to be executed as of the Amendment Effective Date.

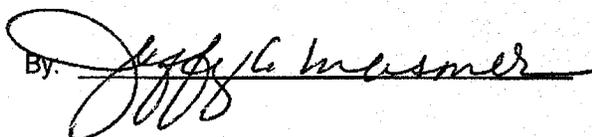
**XO COMMUNICATIONS SERVICES, INC.**

By: 

Printed: Heather Burnett Gold

Title: Sr. Vice President, External Affairs

**VERIZON NORTHWEST INC.**

By: 

Printed: Jeffrey A. Masoner

Title: Vice President – Interconnection Services  
Policy and Planning