

Qwest
1600 7th Avenue, Room 1506
Seattle, Washington 98191
Phone (206) 398-2504
Facsimile (206) 343-4040

Maura E. Peterson
Paralegal
Regulatory Law Dept.

RECEIVED
2011 FEB -9 AM 9:38
IDAHO PUBLIC
UTILITIES COMMISSION



Via Overnight Delivery

February 7, 2011

Jean Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, Idaho 83720-0074

Re: QWE-T-00-07
Settlement Agreement Qwest/PAETEC

Dear Ms. Jewell:

Enclosed please find two copies of a CONFIDENTIAL settlement agreement resolving a dispute between Qwest and PAETEC. First, there is a confidential version for the Commission's inspection, which is not for the public file. Second, there is a redacted version for the public file, to be filed pursuant to Section 252 because it contains an agreement to enter into a prospective amendment to the parties' Interconnection Agreement. The public version redacts confidential and proprietary information about the historic dispute between Qwest and PAETEC.

Sincerely,

A handwritten signature in black ink, appearing to read 'Maura E. Peterson', is written over the word 'Sincerely,'.

Maura E. Peterson
Enclosures
cc: PAETEC
MEP/mep

QWE T-00-07

RECEIVED

CONFIDENTIAL SETTLEMENT AGREEMENT

2011 FEB -9 AM 9:38

This Confidential Settlement Agreement ("Agreement") is made by and between Qwest Corporation ("QC") and McLeod Telecommunications Services, LLC, dba PAETEC Business Services ("Customer"). All parties to this Agreement are collectively referred to as "Parties" and individually as a "Party."

WHEREAS, QC and Customer are parties to that certain Minnesota Interconnection Agreement approved by the Minnesota Public Utilities Commission on January 30, 1998 as amended (the "Interconnection Agreement").

WHEREAS, QC and Customer are also parties to ICAs in 13 other states, as follows: Arizona, approved on December 14, 2000; Colorado, approved on February 16, 2001; Idaho, approved on November 9, 2000; Iowa, approved on December 15, 1997; Montana, approved May 16, 2011; Nebraska, approved April 14, 1999; New Mexico, approved on February 6, 2001; North Dakota, approved on May 26, 1999; Oregon, approved December 19, 2000; South Dakota, approved on July 23, 1999; Utah, approved July 11, 2000; Washington, approved August 30, 2000; and Wyoming, approved February 22, 2001; and

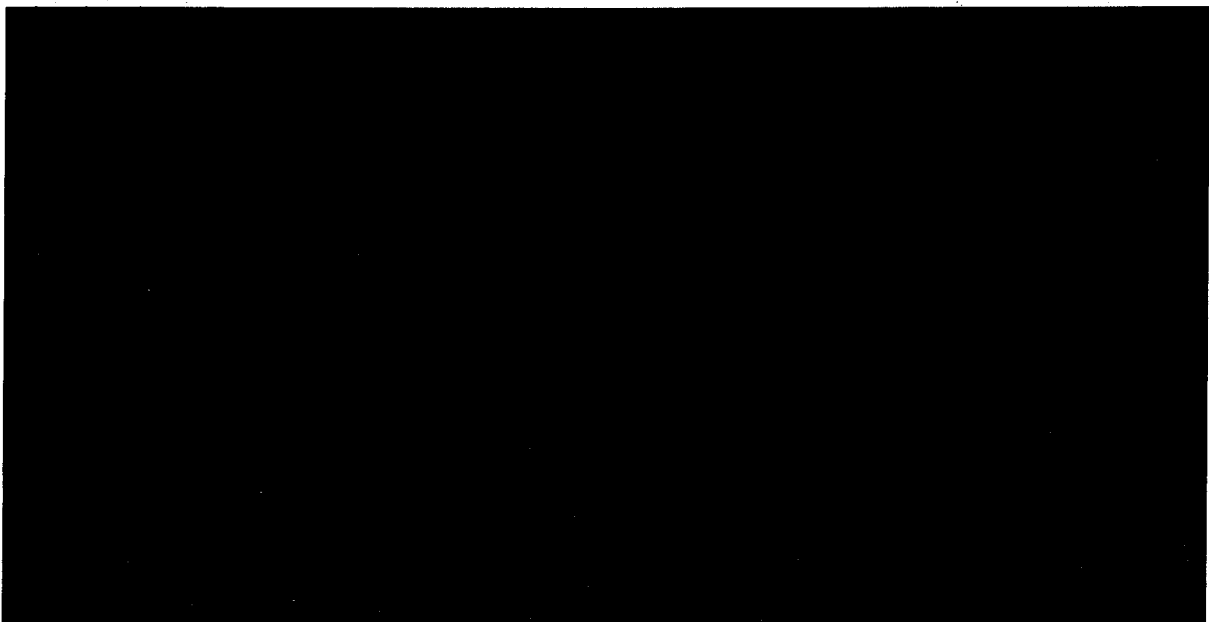
WHEREAS, following good faith negotiations and in order to fully and finally resolve the Customer Claims, avoid litigation, expense and delay, and settle all claims and causes of action in connection with the Customer Claims, QC and Customer have entered into this Agreement.

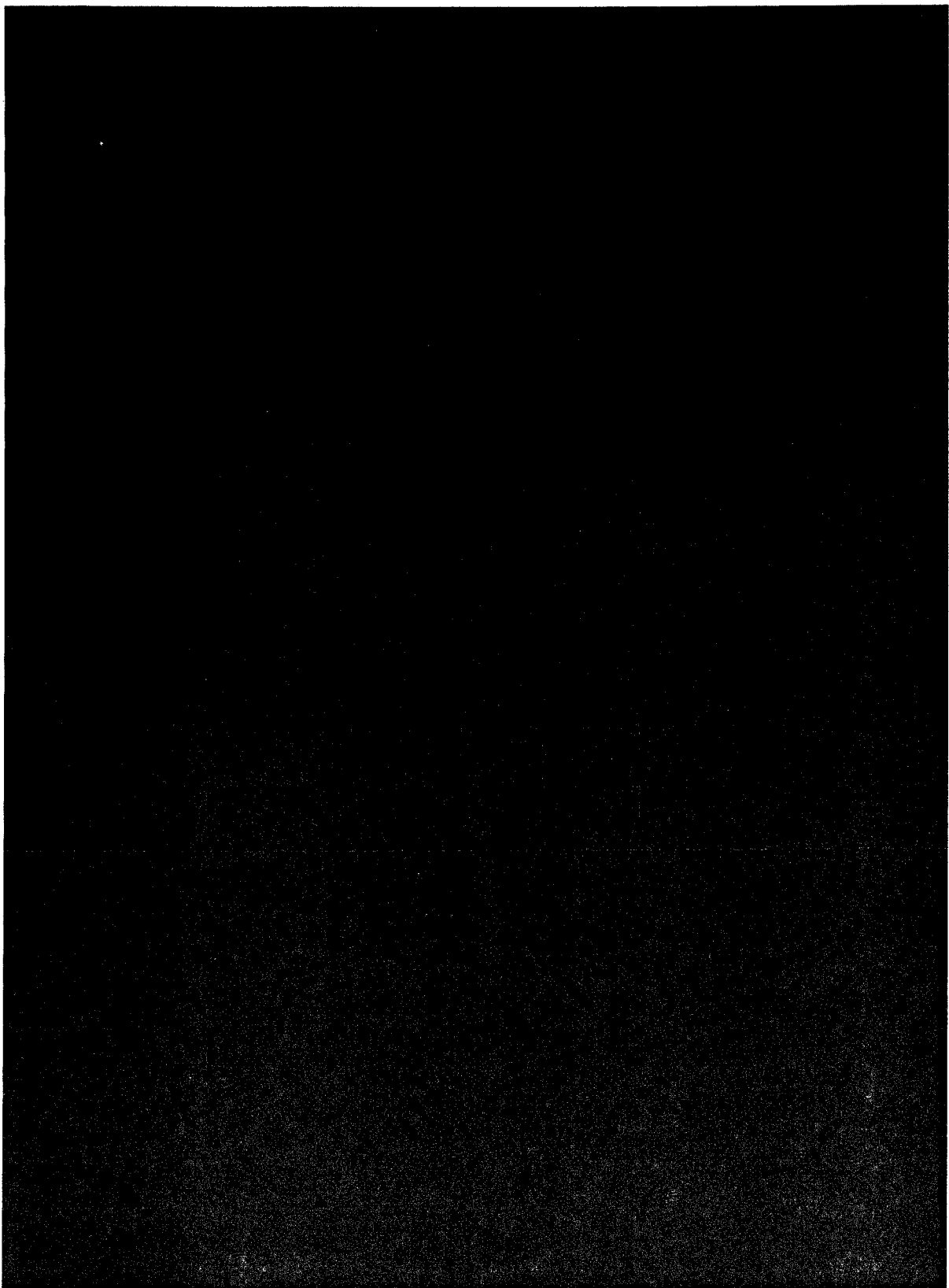
NOW, THEREFORE, in consideration of the covenants, premises and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereby, agree as follows:

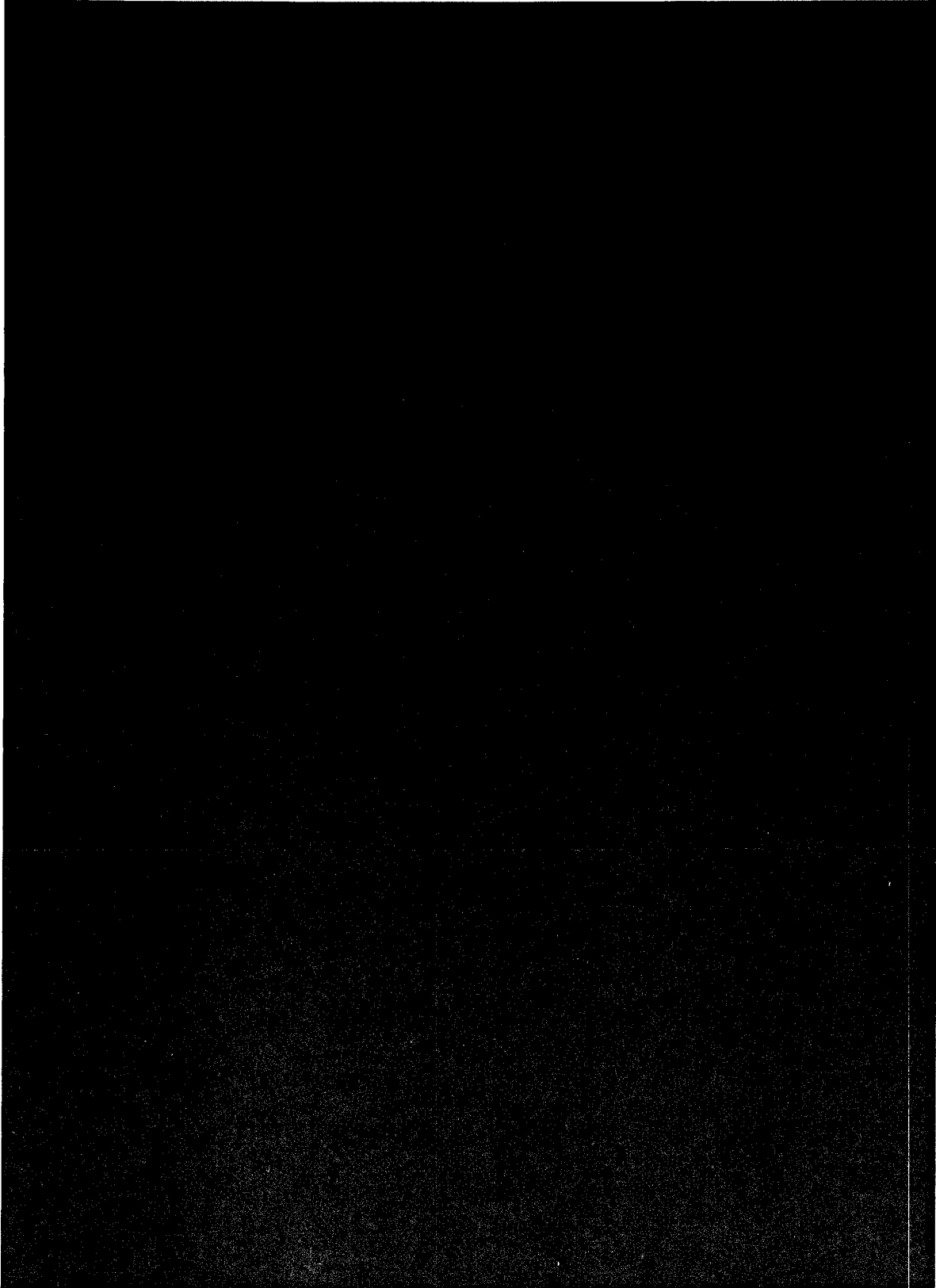


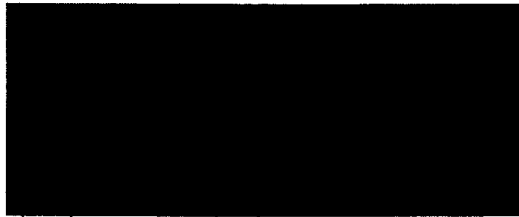
Section 2. Within 30 days of the Effective Date, QC and Customer will enter into an amendment to the Parties' ICA in each state in the form set forth in Attachment A. Qwest agrees to implement the terms of the amendment no later than March 24, 2011. Upon execution of this Agreement, Customer agrees that this amendment satisfies the Customer Claims and that it will seek no further relief in the Minnesota 1066 Docket regarding xDSL issues as listed in the November 2009 Joint CLEC comments.

Section 3. Notwithstanding the confidentiality provision in Section 7, the Parties will cooperate to submit this Agreement to the state commission in each state as a settlement of a historic dispute. The Parties will also cooperate to submit an executed version of Attachment A for each state, and QC will request approval by the applicable commission of that negotiated amendment pursuant to Section 252 of the Telecom Act. The date of commission approval of that amendment shall be the "Approval Date".









IN WITNESS WHEREOF, the parties have executed this Agreement

QWEST CORPORATION

By: LT Christensen
Name: LT Christensen
Title: Director - Wholesale
Date: 1/20/11

**MCLEOD TELECOMMUNICATIONS
SERVICES, LLC. DBA PAETEC
BUSINESS SERVICES,**

By: William A. Hoes
Name: William A. Hoes
Title: Corp. VP Public Affs
Date: 1-19-11

ATTACHMENT A

Unbundled Loops Used to Provide xDSL Services Amendment to the Interconnection Agreement between Qwest Corporation and [REDACTED] for the State of [State]

This is an Amendment ("Amendment") to the Interconnection Agreement between Qwest Corporation ("Qwest"), a Colorado corporation, and [REDACTED] ("CLEC"). Qwest and CLEC shall be referred to jointly as the "Parties."

RECITALS

WHEREAS, the Parties entered into an Interconnection Agreement ("Agreement") in the state of [REDACTED], which was approved by the Commission;

WHEREAS, the Parties agree to amend the Agreement further under the terms and conditions contained herein.

AGREEMENT

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

Amendment Terms

The Agreement is hereby amended by adding terms and conditions relating to xDSL Capable Loops, as set forth in Attachments 1-3 and Exhibit A to this Amendment, attached hereto and incorporated herein by this reference. The Parties agree the terms in this document are for the limited purposes of this Amendment. CLEC and Qwest reserve their rights to assert different language and/or term(s) in other contexts.

Qwest will restore Asymmetric Digital Subscriber Line ("ADSL"), including the NC code of LXR-, which Qwest previously grandparented. Qwest will reverse changes made via its Change Request ("CR") (CR #PC121106-1). Qwest will not re-notify or implement the changes initially announced in its March 13, 2009 notice (PROS.03.13.09.F.06150.LoopQualCLECJobAid_V25) that Qwest did not implement (but indicated in its April 3, 2009 Response it will re-notify). Qwest will not take actions, or make statements in notices to CLECs, that are inconsistent with Qwest's obligation, under 47 C.F.R. § 51.319(a)(8), to not engineer the transmission capabilities of its network in a manner, or engage in any policy, practice, or procedure, that disrupts or degrades access to the local loop.

Intrabuilding cable is not addressed in this Amendment. CLEC and Qwest reserve their rights with respect to intrabuilding cable.

ATTACHMENT A

Effective Date and Implementation Date

This Amendment shall be deemed effective upon approval by the Commission; however, the Parties agree to begin implementation of the provisions of this Amendment upon execution.

Further Amendments

Except as modified herein, the provisions of the Agreement shall remain in full force and effect. Except as provided in the Agreement, this Amendment may not be further amended or altered, and no waiver of any provision thereof shall be effective, except by written instrument executed by an authorized representative of both Parties.

Entire Agreement

Other than the publicly filed Agreement and its Amendments, Qwest and CLEC have no agreement or understanding, written or oral, relating to the terms and conditions of Attachments 1-3 and Exhibit A in the State of [REDACTED].

The Parties intending to be legally bound have executed this Amendment as of the dates set forth below, in multiple counterparts, each of which is deemed an original, but all of which shall constitute one and the same instrument.

[CLEC]

Qwest Corporation

Signature

Signature

Name Printed/Typed

L. T. Christensen

Name Printed/Typed

Title

Director – Wholesale Contracts

Title

Date

Date

ATTACHMENT A

ATTACHMENT 1

NOTE: The numbering in this Attachment 1 (which may not be consecutive) is used as a convenience to the Parties and may not be related to the numbering of the remainder of the Agreement.

2.0 Interpretation and Construction

2.3 Unless otherwise specifically determined by the Commission, in cases of conflict between the Agreement and Qwest's Tariffs, PCAT, methods and procedures, technical publications, policies, product notifications or other Qwest documentation relating to Qwest's or CLEC's rights or obligations under this Agreement, then the rates, terms and conditions of this Agreement shall prevail. To the extent another document abridges or expands the rights or obligations of either Party under this Agreement, the rates, terms and conditions of this Agreement shall prevail.

4.0 Definitions

Defined terms used but not defined in this Amendment are as defined in the Agreement. To the extent that a term is defined in both the Agreement and Section 4.0 of this Amendment, the definition in the Agreement is deemed deleted, and that definition is replaced with the definition in this Section 4.0 of this Amendment, unless the definition below indicates otherwise.

For purposes of the Agreement and this Amendment, the following terms are defined as follows:

"ADSL Compatible Loop" means the unbundled Loop complies with technical parameters of the specified Network Channel/Network Channel Interface codes as specified in the relevant technical publications and industry standards for Asymmetric Digital Subscriber Line ("ADSL"), which is further described in the definition of Digital Subscriber Loop. Qwest makes no assumptions as to the capabilities of CLEC's Central Office equipment or the Customer Premises Equipment. CLEC orders ADSL Compatible Loops using the LXR- NC code.

"Best Available Pair" means, for facilities assignment purposes, the Loop that has the least Estimated Measured Loss ("EML") and that is assigned taking into account the least amount of Conditioning, as described in Section 9.2.2.3.5.1.

"Bridged Tap" means the unused sections of a twisted pair subtending the Loop between the end user customer and the Serving Wire Center or extending beyond the end user customer. Regarding stub cable, see Section 9.2.2.3.5.2.5.1.1.1.

"Condition" or "Conditioning" has the meaning set forth in 47 C.F.R. §51.319 and as interpreted in the rules and orders of the Federal Communications Commission ("FCC"). Conditioning includes when Qwest dispatches personnel

ATTACHMENT A

and removes at least load coils, low pass filters, range extenders, any single Bridged Tap(s) greater than 2000 feet, total Bridged Tap(s) greater than 2500 feet, any Near-End Bridged Tap(s), and any Far-End Bridged Tap(s) from a copper unbundled Loop or Subloop. Different rates and terms apply to Remove All Conditioning, as that term is defined in this Amendment.

"Digital Subscriber Loop," "DSL," "xDSL," or "xDSL Service" refers to a set of service-enhancing copper technologies that are designed to provide digital services over copper Loops or Subloops either in addition to or instead of analog voice service including, but not limited to, the following types of xDSL Service, and successor or successive (e.g., HDSL, HDSL2, HDSL4) technologies:

"ADSL" or "Asymmetric Digital Subscriber Line" is a Passband digital Loop transmission technology that typically permits the transmission of up to 8 Mbps downstream (from the Central Office to the End User Customer) and up to 1 Mbps digital signal upstream (from the End User Customer to the Central Office) over one (1) copper pair.

"ADSL2" and ADSL2+" refer to technologies that extend the capability of ADSL in data rates up to 24 Mbit/s downstream and 3.5 Mbit/s upstream. ADSL2+ may achieve rates of 24 Mbps on telephone lines as long as 5,000 feet. ADSL2+ solutions will interoperate with ADSL and ADSL2, as well as with ADSL2+. ADSL2 is based on ITU standard G.992.3, and ADSL2+ is based on ITU standard G.992.5.

"HDSL" or "High-Data Rate Digital Subscriber Line" is a synchronous baseband DSL technology operating over one or more copper pairs. HDSL can offer 784 Kbps circuits over a single copper pair, T1 service over two (2) copper pairs, or future E1 service over three (3) copper pairs.

"HDSL2" or "High-Data Rate Digital Subscriber Line 2" is a synchronous baseband DSL technology operating over a single pair capable of transporting a bit rate of 1.544 Mbps.

HDSL4" or "High-Data Rate Digital Subscriber Line 4" is a synchronous baseband DSL technology operating over two copper pairs and is capable of transporting an aggregate bit rate of 1.544. This transport offers extended reach in comparison to HDSL2.

"ISDL" or "ISDN Digital Subscriber Line" or "Integrated Services Digital Network Digital Subscriber Line" is a symmetrical, baseband DSL technology that permits the bi-directional transmission of up to 128 Kbps using ISDN CPE but not circuit switching.

"RADSL" or "Rate Adaptive Digital Subscriber Line" is a form of ADSL that can automatically assess the condition of the Loop and optimize the line rate for a given line quality.

"SDSL" or "Symmetric Digital Subscriber Line" is a baseband DSL transmission technology that permits the bi-directional transmission from up to 160 kbps to 2.048 Mbps on a single pair.

ATTACHMENT A

"SHDSL" or "Single-Pair High Speed DSL" provides for sending and receiving high-speed symmetrical data streams over a single pair of copper wires. The SHDSL payload may be 'clear channel' (unstructured), T1 or E1 (full rate or fractional), multiple ISDN Basic Rate Access (BRA), Asynchronous Transfer Mode (ATM) cells, or Ethernet packets. "G.SHDSL" or "Symmetric High Bit Rate DSL" features symmetrical data rates from 192 kbit/s to 2,304 kbit/s of payload in 64 kbit/s increments per pair. "E.SHDSL" or "Extended Single-Pair High Speed DSL" offers symmetrical data rates of up to 5,696 kbit/s in 64k increments per a pair. SHDSL is based on ITU standard G.991.2 with additional coverage of E.SHDSL in 802.3ah.

"VDSL" or "Very High Speed Digital Subscriber Line" is a baseband DSL transmission technology that permits the transmission of up to 52 Mbps downstream (from the Central Office to the End User Customer) and up to 2.3 Mbps digital signal upstream (from the End User Customer to the Central Office). VDSL can also be 26 Mbps symmetrical, or other combination.

"Embedded Base xDSL Capable Loop" refers to an xDSL Capable Loop (including ADSL Compatible Loop and Non-Loaded Loop) installed for CLEC before the Final Implementation Date of this Amendment.

"Estimated Measured Loss" or "EML" is an estimate based on a mathematical formula or algorithm and individual Loop make up. EML estimates how a requested Loop is likely to perform at the applicable specifications for a specified xDSL Service. EML is used to calculate insertion loss for various xDSL technologies based on Loop make up information in Qwest records. EML is described further in Section 9.2.2.3.5.1.

"Far-End" and/or "Near-End" Bridged Tap means Bridged Tap within 1,000 feet of the end user customer location or within 1,000 feet of the main distribution frame in the Central Office.

"LXR- xDSL Capable Loop" means an xDSL Capable Loop that is associated with the NC Code of "LXR-," including the codes identified with a Qwest LXR- NC code in Attachment 2 to this Amendment. LXR- xDSL Capable Loops include Loops with any of the NCI codes used in association with an LXR- NC code to identify the type of xDSL Service. LXR- xDSL Capable Loops are sometimes referred to as ADSL Compatible Loops.

"LX-N xDSL Capable Loop means an xDSL Capable Loop that is associated with the NC Code of "LX-N," including the codes identified with a Qwest LX-N NC code in Attachment 2 to this Amendment. LX-N xDSL Capable Loops include Loops with any of the NCI codes used in association with an LX-N NC code to identify the type of xDSL Service. LX-N xDSL Capable Loops are sometimes referred to as Non-Loaded Loops.

ATTACHMENT A

"Near-End" Bridged Tap – See Far-End and/or Near-End Bridged Tap

"Network Channel" or "NC" codes identify the technical details of channels provided by a Carrier, from the Point of Termination (POT) at another Carrier's Point of Presence (POP) to the central office.

"Network Channel Interface" or "NCI" codes identify interface elements such as physical conductors, protocol, impedance, protocol options, and transmission level points that reflect physical and electrical characteristics located at a POT at the switch or customer location. The NCI code communicates to Qwest the character of the signals CLEC is connecting to the network at each end-point of the metallic circuit. The NCI code tells Qwest of CLEC's specific technical requirements at a network interface. The NCI code indicates the type of xDSL Service to be deployed on the requested Loop or Subloop.

"Non-Embedded Base xDSL Capable Loop" refers to an xDSL Capable Loop (including ADSL Compatible Loop and Non-Loaded Loop) installed for CLEC on or after the Final Implementation Date of this Amendment.

"Performance Parameter Tests" means the threshold tests that Qwest will perform for Loops and Subloops used to provide xDSL Services, as set forth in Sections 9.2.2.3.5.3.1 and 9.2.2.3.5.4.2 of this Amendment.

"Remove All Conditioning" means Qwest dispatches personnel and removes all Bridged Taps, as well as any load coils, low pass filters, and range extenders, from a copper unbundled Loop or Subloop.

"xDSL Capable Loop" refers to 2-wire and 4-wire copper Loop(s) and copper Subloop(s) that transmit the digital signals needed to provide xDSL Service. Unbundled digital Loops may be provided using a variety of transmission technologies pursuant to the Agreement. For purposes of this Amendment, "xDSL Capable Loops" is used to refer specifically to Loops and Subloops used to provide narrowband or broadband services (or both) to customers served by copper Loops and Subloops (including those that are in active service and those that are deployed in the network as spares).

"xDSL Service" – See definition above for Digital Subscriber Loop.

9.0 Unbundled Network Elements

9.2.2.3.5 xDSL Capable Loops

9.2.2.3.5.1 **Assignment of Facilities - xDSL Capable Loops.** Qwest will assign facilities for xDSL Capable Loops using the criteria described in this Section.

9.2.2.3.5.1.1 Qwest will take into account the NC code and the NCI code when assigning facilities for xDSL Capable Loops.

ATTACHMENT A

9.2.2.3.5.1.2 For Loops 4,000 feet in length or longer, Qwest will assign the Best Available Pair using the criteria described in this Section.

9.2.2.3.5.1.2.1 Qwest will calculate Estimated Measured Loss ("EML") and assign Loops based on least EML. Qwest will calculate EML in each case using the following steps with respect to Conditioning assumptions:

9.2.2.3.5.1.2.1.1 First, Qwest will assume no Conditioning is needed. Second, if no qualifying Loop is otherwise available and CLEC pre-approved Conditioning, Qwest will re-calculate EML assuming Conditioning is needed. Finally, if no qualifying Loop is otherwise available and CLEC pre-approved Remove All Conditioning, Qwest will re-calculate EML assuming Remove All Conditioning is needed.

9.2.2.3.5.1.2.1.2 CLEC's pre-approval of Conditioning will not have any negative impacts on CLEC's service request. Qwest will still attempt to locate and assign facilities that do not require Conditioning or, when Conditioning is needed, require the least amount of Conditioning.

9.2.2.3.5.1.2.2 In the case of each Loop assigned, Qwest will provide the EML used by Qwest to assign the Loop to CLEC on the Design Layout Record ("DLR").

9.2.2.3.5.1.2.3 For EML purposes, Qwest will measure insertion loss at 196 kHz (except ISDN BRI), as described in this Section. The maximum dB loss parameters used for EML purposes will vary by type of xDSL Service as follows:

9.2.2.3.5.1.2.3.1 For LXR- xDSL Capable Loops, including ADSL and ADSL2+:
EML \leq 81 dB (*i.e.*, 78 dB +3db) at 196 kHz; maximum loss of 81 dB

9.2.2.3.5.1.2.3.2 For 2-wire LX-N xDSL Capable Loops, including HDSL2, G.SHDSL, and E.SHDSL - NCI codes of 02QB9.00H and 02QB5.00G:
EML \leq 31dB (*i.e.*, 28 dB +3db) at 196 kHz; maximum loss of 31 dB

9.2.2.3.5.1.2.3.3 For 4-wire LX-N xDSL Capable Loops, including HDSL4 and G.SHDSL - NCI codes of 04QB9.00H, 04QB5.00G, and 04QB9.00F:
EML \leq 34dB (*i.e.*, 31 dB +3db) at 196 kHz; maximum loss of 34 dB

9.2.2.3.5.1.2.3.4 For ISDN BRI, with NC/NCI codes of LX-N

ATTACHMENT A

O2QC5.OOS:

EML \leq 40 dB at 40 kHz; maximum loss of 40 dB

9.2.2.3.5.1.2.3.5 For all other LX-N xDSL Capable Loops, including Spectrum Management Classes 1-9, Qwest will assign the Best Available Pair using EML measured at 196 kHz (without a maximum dB loss level), except as described in Section 9.2.2.3.5.1.5. A Loop that fails EML or Actual Measured Loss ("AML") for the xDSL Services identified in Sections 9.2.2.3.5.1.2.3.1-9.2.2.3.5.1.2.3.3 may meet EML and/or AML for the xDSL Services identified in this Section 9.2.2.3.5.1.2.3.5.

9.2.2.3.5.1.3 For Loops shorter than 4,000 feet, Qwest will assign facilities using the criteria described in this Section.

9.2.2.3.5.1.3.1 If the facilities available for assignment to the same location do not all have the same cable gauge, Qwest will assign the Best Available Pair pursuant to the criteria in Section 9.2.2.3.5.1.2.

9.2.2.3.5.1.3.2 If the facilities available for assignment all have the same cable gauge, Qwest will assign any pair in the cross box and terminal, subject to Section 9.2.2.3.5.1.3.3.

9.2.2.3.5.1.3.3 If CLEC requests multiple Loops to the same location, all Loops will have the same Loop make-up, including Loop lengths.

9.2.2.3.5.1.3.3.1 If Loops having the same Loop make-up are not available for all of the multiple Loops to the same location, Qwest will assign as many of these Loops as possible with the same Loop make-up, including Loop lengths. For remaining Loops shorter than 4,000 feet, if any, Qwest will assign any pair in the cross box and terminal.

9.2.2.3.5.1.4 Loops and Subloops that require Conditioning, as well as Loops and Subloops that fail EML, fall out of the automatic facilities assignment process. Qwest will follow the manual steps for copper loop assignment, as applicable.

9.2.2.3.5.1.4.1.1 If, after the manual steps for copper loop assignment and Conditioning, no loop meets the criteria described above for facilities assignment, Qwest will validate that there is no such loop. Qwest will notify CLEC using the jeopardy notification process. CLEC may supplement its service request either to modify it or to cancel it. If CLEC does not supplement its service request, Qwest will cancel it consistent with the held order terms in the Agreement.

ATTACHMENT A

9.2.2.3.5.1.4.1.2 Regarding Subloops generally, to the extent that processes and procedures for Subloops are different from, or more manual than, the processes and procedures for Loops, the Parties will work together to develop mutually agreeable processes for Subloops.

9.2.2.3.5.1.5 For Non-Embedded Base xDSL Capable Loops, Qwest will not assign any Loop that exceeds a length of 18,000 feet for LXR- xDSL Capable Loops or 22,000 feet for LX-N xDSL Capable Loops. If, however, changes in technologies or industry standards occur that allow CLEC to reasonably use Loops in excess of one or both of these Loop lengths for providing advanced services, Qwest will assign xDSL Capable Loops in excess of the affected Loop length(s) consistent with those standards when requested by CLEC.

9.2.2.3.5.2 Conditioning - xDSL Capable Loops.

9.2.2.3.5.2.1 CLEC may indicate on its service request that it pre-approves Conditioning (Conditioning, and/or Remove All Conditioning) in the event Conditioning is necessary. Upon CLEC pre-approval or approval of Conditioning (except as provided in Section 9.2.2.3.5.2.3), and only if Conditioning is necessary, Qwest will dispatch personnel to Condition the Loop.

9.2.2.3.5.2.1.1 If CLEC pre-approves Remove All Conditioning and Qwest performs Remove All Conditioning, Qwest will bill only one charge (the Remove All Conditioning charge) for Conditioning, even though CLEC may also have pre-approved Conditioning on its service request.

9.2.2.3.5.2.1.2 If CLEC has not pre-approved Conditioning, Qwest will obtain CLEC's consent prior to undertaking any Conditioning efforts, except in the scenario described in Section 9.2.2.3.5.2.3.

9.2.2.3.5.2.1.3 See Section 9.2.2.3.5.1.2.1.2 regarding pre-approval and facilities assignment.

9.2.2.3.5.2.2 Remove All Conditioning During Loop Delivery and Acceptance, When Requested by CLEC but Not Pre-Approved. (After service order completion, see Sections 9.2.2.3.5.2.4 and 9.2.2.3.5.4 regarding Repair.)

9.2.2.3.5.2.2.1 If CLEC does not indicate on its initial service request that it pre-approves Remove All Conditioning and then, during Loop delivery and acceptance (e.g., upon receiving test results), CLEC requests Remove All Conditioning, if the Qwest technician is still available (so that an additional dispatch is not required), Qwest will perform Remove All Conditioning, and CLEC will pay only the Remove All Conditioning charge for Conditioning.

