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IDAHO PUBLIC UTILITIES COMMISSION

June 26, 2007

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702-5983

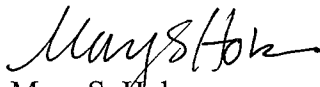
RE: Docket No. QWE-T-03-23

Dear Ms. Jewell:

Enclosed for filing with this Commission are an original and seven (7) copies of **QWEST CORPORATION'S NOTICE OF STIPULATION REGARDING CERTAIN PERFORMANCE INDICATOR DEFINITIONS AND QWEST PERFORMANCE ASSURANCE PLAN PROVISIONS AND JOINT MOTION ON BEHALF OF THE STIPULATING PARTIES TO ACCEPT SAME** in the above referenced matter.

If you have any questions, please contact me. Thank you for your cooperation in this matter.

Very truly yours,


Mary S. Hobson

EnclosureS

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IDAHO PUBLIC UTILITIES COMMISSION

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Attorneys for Qwest Corporation

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

<p>IN THE MATTER OF QWEST CORPORATION'S REVISIONS TO THE IDAHO QWEST PERFORMANCE ASSURANCE PLAN (QPAP)</p>	<p>Docket No. QWE-T-03-23</p>
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NOTICE OF STIPULATION REGARDING CERTAIN PERFORMANCE INDICATOR DEFINITIONS AND QWEST PERFORMANCE ASSURANCE PLAN PROVISIONS AND JOINT MOTION ON BEHALF OF THE STIPULATING PARTIES TO ACCEPT SAME

Qwest Corporation ("Qwest") on behalf of itself, Eschelon Telecom, Inc. ("Eschelon"), DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad") and McLeodUSA Telecommunications Services, Inc. ("McLeodUSA")

NOTICE OF 2007 STIPULATION /JOINT MOTION

(collectively, the “Stipulating Parties” and each individually, a “Party”) submits the Stipulation Regarding Certain Performance Indicator Definitions and Qwest Performance Assurance Plan Provisions (“2007 Stipulation”). The Stipulating Parties¹ respectfully recommend that the Commission accept the 2007 Stipulation, apply the agreed upon changes to the Qwest Performance Assurance Plan (“PAP”) and to the interconnection agreements containing the PAP, and also allow the Performance Indicator Definitions (“the PID” or “PIDs”) to take effect.

1. This submission results from collaborative work sessions among certain Competitive Local Exchange Carriers (CLECs) and Qwest. The participants identified above agreed upon a number of modifications to the PIDs and PAPs that would provide a fair resolution and be in the public interest. The Stipulating Parties’ agreement has been documented in the 2007 Stipulation attached as Exhibit 1.
2. These agreements were reached between Qwest and the CLECs in meetings between May 23, 2006, and May 17, 2007.
3. All of these changes were discussed by the participants in one or more of the sessions. Qwest provided notice of the opportunity to participate in the process as well as the issues presented for discussion to each CLEC certified in each of its fourteen states; nineteen CLECs in the region then elected to be notified of updates and meetings while six regularly participated.
4. State commission staffs in each of the fourteen Qwest local service region states were notified that Qwest and CLECs were engaged in PID/PAP modification discussions. *2007 Stipulation*, p. 1.

¹ US Link, Inc. d/b/a TDS Metrocom (“TDS Metrocom”) is a Stipulating Party, however, it is certified as a CLEC only in North Dakota and Minnesota, and as such is not bringing this motion with the other Stipulating Parties.

5. The Stipulating Parties recommend that the Stipulation be accepted by the commissions and the changes implemented in each of the fourteen states in Qwest's local region. *Id.*
6. The impacted PIDs are currently reflected in Exhibit B to the Statement of Generally Available Terms and Conditions ("SGAT") while the PAP is currently found in Exhibit K of the SGAT. A comprehensive redline of the changes to the PAP is attached as Exhibit 2. A comprehensive redline of the PIDs is attached as Exhibit 4. The Stipulating Parties have reviewed the proposed changes to both documents and agree that they appropriately delineate the agreement and appropriate administrative changes, and that the 2007 Stipulation should be accepted. The "clean" versions of both documents are also attached as Exhibits 3 and 5 respectively. ²
7. The Stipulating Parties believe that the 2007 Stipulation provides a fair resolution and is in the public interest. *2007 Stipulation*, p. 1.
8. The Stipulating Parties seek to have the Commission accept the Stipulation and implement the described changes for both the PIDs and the PAP without a hearing. *Id at p. 2.*
9. Each of the other Stipulating Parties, *i.e.*, Eschelon, Covad, TDS Metrocom and McLeodUSA, has authorized Qwest to file the 2007 Stipulation and jointly requests with Qwest the applicable changes be implemented in each state.

10. **Summary of Agreed Upon Changes**

The revisions include several provisions that do not apply in some states; for convenience, a summary of the portions only applicable to Idaho are provided:

² As in past filings, Qwest submits "clean" and "red-lined" versions of both the PID and the PAP in which redlines appear on the document that is currently in effect.

- a. Eliminate resale DSL from PIDs and Modify PID and PAP references to Qwest DSL.
- b. Change the MR-11 PID title to "LNP Trouble Reports Cleared within Specified Timeframes."
- c. Update the PID references to unbundled 2-wire non-loaded loop and unbundled ISDN capable loop disaggregations to reflect the retail analogue of ISDN BRI "(designed)," which is how Qwest has historically measured these products.
- d. Update PO-20 to reflect it is fully implemented by making PID and PAP revisions specified in the 2007 Stipulation.
- e. Remove the PIDs specified in the 2007 Stipulation from PAP payment mechanisms to the extent they currently are included in a specific state's PAP, subject to a Reinstatement/Removal process. Also, add a root cause analysis provision.
- f. Add exclusion to MR-6 PID that allows No Trouble Found (NTF) and Test Okay (TOK) trouble reports to be removed when the ticket's duration is one hour or less.
- g. Change the standard for BI-3A PID to a 98% benchmark and add a provision to the PAP for the BI-3A PAP payment calculation, creating a tiered structure of per occurrence amounts and modifying the per measurement cap for the sub-measure.
- h. Add one allowable miss provision to the PAP for individual CLEC results when the CLEC aggregate results have met the standard.
- i. Revise the PAP to change the flat minimum payment amount of \$2000 (\$300/\$600 in Minnesota) with a tiered minimum payment approach that establishes a relationship between the monthly PAP payment and the required minimum payment amount.
- j. Remove the following list of product disaggregations from all applicable OP and MR PIDs in the 13 state PAPs:
 - Resale Centrex; Resale Centrex 21; Resale DS0; E911/911 Trunks; Resale Frame Relay; Resale Basic ISDN; Resale Primary ISDN; Resale PBX; Sub-loop Unbundling; UNE-P POTS; UNE-P Centrex; and UNE-P Centrex 21.
- k. Eliminate six-month cap on Tier 1 escalation payment amounts in several states' PAPs, including Idaho's, so that payments will continue to increase

NOTICE OF 2007 STIPULATION /JOINT MOTION

in the event the payment level indicator increases beyond payment level 6.

Additional Administrative Change

11. In addition to the agreed upon changes described in the 2007 Stipulation, Qwest also removed MR-12 from the PAP as illustrated in the attached Exhibits 2 and 3, provided the other Stipulating Parties with the opportunity to review this deletion, and no comments, concerns or objections were noted. Qwest initiated the change because the MR-12 PID was eliminated prior to the initial approval of the PAP but references remained in the text through administrative error.

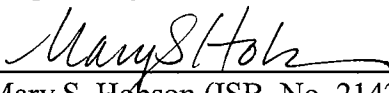
PID/PAP Change Information Provided to CLECs

12. Additionally, Qwest will post a summary of all of the changes to its website and provide information regarding the anticipated PID and PAP changes by electronic mail, to CLECs in its region.

The Stipulating Parties, respectfully request that the Commission accept the 2007 Stipulation describing proposed changes to the PAP and PID, apply the changes to any interconnection agreements containing the PAP, and allow the PID to go into effect no later than 60 days after this submission in accordance with 47 U.S.C. § 252(f)(3).

DATED this 26th day of June, 2007.

Respectfully submitted,


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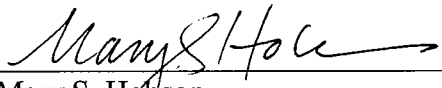
NOTICE OF 2007 STIPULATION /JOINT MOTION

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing **NOTICE OF STIPULATION REGARDING CERTAIN PERFORMANCE INDICATOR DEFINITIONS AND QWEST PERFORMANCE ASSURANCE PLAN PROVISIONS AND JOINT MOTION ON BEHALF OF THE STIPULATING PARTIES TO ACCEPT SAME** was served on the 26th day of June, 2007 as follows:

Jean D. Jewell
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, ID 83702
Telephone (208) 334-0300
Facsimile: (208) 334-3762
jjewell@puc.state.id.us

<input checked="" type="checkbox"/>	Hand Delivery
<input type="checkbox"/>	U. S. Mail
<input type="checkbox"/>	Overnight Delivery
<input type="checkbox"/>	Facsimile
<input type="checkbox"/>	Email



Mary S. Hobson
Attorney for Qwest Corporation

EXHIBIT 1

2007 Stipulation

**Stipulation Regarding Certain Performance Indicator Definitions and the Qwest
Performance Assurance Plan Provisions**

Qwest Corporation ("Qwest"), Eschelon Telecom, Inc. ("Eschelon"), DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad"), US Link, Inc. d/b/a TDS Metrocom ("TDS Metrocom") and McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") (collectively, the "Stipulating Parties" and individually a "Party") have participated in a series of discussions regarding the current 14-State 271 Performance Indicator Definitions ("PID") and the state Performance Assurance Plans ("PAPs").

1. The discussions have resulted in several agreements regarding certain items impacting the PIDs and the PAPs (the agreements together are known as the "2007 Stipulation" or this "Stipulation"). The agreements are reflected in the redlined Exhibit B and Exhibit K reviewed as part of the Stipulating Parties' discussions and to be filed concurrently with the 2007 Stipulation.

2. Qwest notified CLECs in each of the 14 states of the opportunity to participate in the discussions.

3. Each of the State Commission staffs in the 14-state region was notified.

4. During the discussions, the Stipulating Parties agreed to modify their positions and seek a fair resolution that continues to serve the public interest. While at any one time, all participants may not have specifically agreed with a particular item or items, each participant has participated in the negotiations, the drafting and finalization of this document and has either executed the 2007 Stipulation or agreed to remain neutral. The Stipulating Parties then together recommend that the applicable terms of this Stipulation be approved in each state within the 14-state region that includes Arizona, Colorado, Iowa, Idaho, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming. The Stipulating Parties have entered into this 2007 Stipulation with the intent that it be submitted to each of the commissions and be implemented in Qwest's 14-state region.

5. To encourage timely implementation of this stipulation, each Stipulating Party agrees to cooperate in and support the process of submitting this agreement to and receiving a ruling from each state commission in which the Stipulating Party is certified within the 14-state region without the need for

a hearing. Qwest will ask the state commissions, if and when this 2007 Stipulation and the amended PID/PAP is approved by a state commission to order that the approved changes to the PID/PAP will amend Exhibits B and K to the agreements of all CLECs that include either Exhibit, as set forth in the redlined Exhibits B and K. For purposes of this Stipulation, Stipulating CLECs will not oppose Qwest's request. If, any state commission does not approve this 2007 Stipulation in its entirety or any state commission denies Qwest's request to amend CLEC agreements as described, the Stipulating Parties agree that any Party may rescind this 2007 Stipulation as to that particular state.

I. Agreements Applicable to all 14 States

A. Eliminate Resale DSL from PIDs and Modify PID and PAP References to Qwest DSL

6. As a result of the Federal Communications Commission's ("FCC") Broadband Order,¹ between January 28, 2006 and November 16, 2006, Qwest grandfathered its retail DSL tariffed product offerings.² Beginning November 17, 2006, those DSL products were no longer offered for purchase under the tariff.

7. The Stipulating Parties have agreed that resold DSL product offerings, as information services, will be removed from all PIDs. Additionally, for the remaining wholesale products that are currently subject to a parity evaluation with retail Qwest DSL service, the Stipulating Parties have agreed to new retail analogues.

8. PID and PAP Revisions:

Though the agreement regarding resale DSL applies in each of the 14 states, some revisions to the PAPs are not applicable in every state; specific state applicability is noted when the change does not impact all 14 states. The revised PID and PAP changes include:

¹ *In the Matters of Appropriate Framework for Broadband Access to the Internet over Wireline Facilities; Universal Service Obligations of Broadband Providers; Review of Regulatory Requirements for Incumbent LEC Broadband Telecommunications Services; Computer III Further Remand Proceedings: Bell Operating Company Provision of Enhanced Services; 1998 Biennial Regulatory Review – Review of Computer III and ONA Safeguards and Requirements; Conditional Petition of the Verizon Telephone Companies for Forbearance Under 47 U.S.C. § 160(c) with Regard to Broadband Services Provided Via Fiber to the Premises; Petition of the Verizon Telephone Companies for Declaratory Ruling or, Alternatively, for Interim Waiver with Regard to Broadband Services Provided Via Fiber to the Premises; Consumer Protection in the Broadband Era, Report and Order and Notice of Proposed Rulemaking, 20 FCC Rcd 14853 (2005), pets for rev. pending, sub nom. Time Warner Telecom v. FCC, No. 05-4769 (and consolidated cases) (3rd Cir. Filed Oct. 26, 2005)(Broadband Order).*

² QC's tariff FCC No. 1 Section 8.99.4 was changed to specify that the DSL products were only available to existing customers.

- Deletion of pre-order transaction "Resale of Qwest DSL Qualification" from the PO-1 (Pre-Order/Order Response Times) PID and Appendix A of the Minnesota PAP ("MPAP").
- Deletion of the Resale DSL product disaggregation from all PIDs and Appendix A of the MPAP (Product disaggregations are not specified in the other state PAPs).
- Updating the retail analogue for Line Sharing and Line Splitting product disaggregations to "retail RES and BUS POTS" in all OP and MR measures where the current retail analogue is "Qwest DSL."
- Updating the retail analogue for xDSL-I Capable Loops to "retail DS1 Private Line" in the OP-5A, MR-3, MR-4, MR-6, MR-7 and MR-8 measures where the current retail analogue is "Qwest DSL" or "Qwest IDSL."
- Updating the retail analogue for xDSL-I Capable Loops to "retail ISDN BRI (designed)" in the OP-6 measure where the current retail analogue is "Qwest DSL, with dispatch."
- Updating the retail analogue for ADSL Qualified Loops to "retail ISDN BRI (designed)" in all OP and MR measures where the current retail analogue is "Qwest DSL."
- Deletion of "megabit resale" from the Low Volume, Developing Markets section of the AZ, ID, IA, MT, NE, NM, ND, OR, SD, UT, WA and WY PAPs.
- Deletion of references to "DSL" in Appendices A and B in the Colorado PAP ("CPAP") and MPAP.

9. Application of Changes: In addition to the PID and PAP changes, the Stipulating Parties have also agreed to retroactively apply the changes to performance and payment results of each PAP following commission adoption/approval of the 2007 Stipulation subject to the following conditions/limitations:

- If Commission adoption/approval is received on or before August 31, 2007, Qwest will apply retroactively from the effective date of the commission order adopting/approving the 2007 Stipulation for a maximum of six months but no earlier than December 2006 results.
- If Commission adoption/approval is received after August 31, 2007, changes will apply on a going forward basis only.
- For CO and MN: Tier 1A – Six Month Retail Average will be modified as follows:

- o Qwest will begin collection of the new retail analogue data effective with December 06 data. Therefore retail results will not be based on a full six month average until June 07 results. Until six months of data are available, the retail average will be based on as many months as are available.

B. Update PID MR-11 Title

10. During the 2003 Audit of the CPAP, the auditor found that the MR-11 title, "LNP Trouble Reports Cleared within 24 Hours," was inappropriate, given that MR-11A measures trouble reports cleared within four hours and MR-11B measures trouble reports cleared within 48 hours.

11. Stipulating Parties have agreed to change the MR-11 PID title to "LNP Trouble Reports Cleared within Specified Timeframes."

12. PID and PAP Revisions:

The revised PID and PAP changes include:

- Updating the title of MR-11 in the PID.
- Updating the title of MR-11 in Section 3.2 and Attachment 1 in the AZ, ID, IA, MT, NE, ND, OR, SD, UT and WY PAPs.
- Updating the title of MR-11 in Section 3.2 and Appendices A and B in the CPAP.
- Updating the title of MR-11 in Section 3.2 and Appendix A in the MPAP.
- Updating the title of MR-11 in Section 3.2 and Attachments 1 and 3 in the NM and WA PAPs.

C. Clarify Retail Analogue for Unbundled 2-wire Non-Loaded and ISDN Capable Loops

13. During the ROC PAP Audit, the auditor found that OP-5A used ISDN BRI retail orders following the designed provisioning flow as the retail analogue for Unbundled 2-wire Non-Loaded Loops and Unbundled ISDN Capable Loops. The auditor found that Qwest should consider making a clarifying change to the PID.³

14. Stipulating Parties have agreed to update the Unbundled 2-wire Non-Loaded Loop and Unbundled ISDN Capable Loop product disaggregations to consistently reflect when the retail analogue of ISDN BRI is limited to orders/tickets following the designed flow by specifying "ISDN BRI (designed)" in

³ See Appendix A of the Final Report on the Audit of Qwest's Performance Assurance Plans, Prepared for: The Qwest Regional Oversight Committee, By: The Liberty Consulting Group, dated October 28, 2005, Recommendation 8 page 121.

the applicable OP and MR PIDs. Qwest has represented that this change reflects the way Qwest has historically applied the retail analogue to these products. Stipulating Parties' agreement to update the PID does not indicate any agreement by the Stipulating Parties as to whether this historical application is appropriate.

15. PID and PAP Revisions:

No PAP changes result from this agreement. The OP-3, OP-4, OP-5A, OP-6, OP-15, MR-3, MR-4, MR-6, MR-7 and MR-8 measurements have been updated in the PID.

D. Modify PO-20 to Reflect Implementation of Expanded Measure

16. When the last version of the PID document was issued, the PO-20 measure had future phases defined and the potential to include additional CLEC-specified Feature Detail Field Identifiers ("FIDs") or Blocking Type entries. All PO-20 phases have been implemented without further CLEC identification of additional FIDs or blocking entries.

17. Stipulating Parties have agreed to update PO-20 to reflect that it is fully implemented. Further, the Stipulating Parties acknowledge that the absence of proposals to modify the PO-20 PID in conjunction with the implementation of Phase IV in no way forecloses any party's ability to submit subsequent PID change proposals to modify the PO-20 PID in the future.

18. PID and PAP Revisions:

The revised PID and PAP changes include:

- Updated Availability Section to simply reflect Available and deleted Phase specific implementation dates in the PID.
- Updated Standard Section to remove standards for completed phases in the PID.
- Removed Phase references in the LSR-Service Order Fields Evaluated table in the PID.
- Removed the FEATURE DETAIL and BLOCK (Stage 2) entries referring to CLEC proposed additions in the PID.
- Deleted Stabilization Period references in Attachment 1 in the AZ, ID, IA, MT, NE, NM, ND, OR, SD, UT, WA and WY PAPs.
- Deleted PO-20 from Appendix B in the CPAP and MPAP.

E. Remove PIDs from PAPs Subject to a Reinstatement/Removal Process

19. The Reinstatement/Removal process, included in this Stipulation, removes PIDs from being subject to a PAP's payment mechanism while providing an ongoing evaluation of the PID's performance to ensure that, if warranted, under the terms of the process, the PID will be reinstated as subject to PAP payments. The process also provides terms for evaluating performance after reinstatement to qualify for subsequent removal and a root-cause analysis process for evaluation of PIDs.

20. Stipulating Parties have agreed to remove the the GA-3, GA-4, GA-7, PO-2B, PO-3, PO-5D, PO-7, PO-8, PO-16, OP-7, OP-17, MR-11, BI-4, NI-1, NP-1, and CP-3 PIDs, to the extent they currently are included in a specific state's PAP. Removal in a state specific PAP is specifically subject to the Reinstatement/Removal process.

21. PID and PAP Revisions:

The revised PID and PAP changes include:

- Addition of Reinstatement/Removal provisions in Section 3 of the AZ, ID, IA, MN, MT, NE, NM, ND, OR, SD, UT, WA and WY PAPs.
- Revision of Reinstatement/Removal provisions in Section 3 and Appendix A of the CPAP.
- Addition of the root cause analysis provision in Section 16 of the AZ, ID, IA, MT, NE, NM, ND, OR, SD, UT, WA and WY PAPs.
- Addition of the root cause analysis provision in Section 18 of the MPAP.

F. Modifications to MR-6 and BI-3A

22. Stipulating Parties have agreed to add an exclusion to the MR-6 PID that allows No Trouble Found ("NTF") and Test Okay ("TOK") trouble reports to be removed when the ticket's duration is one hour or less. Stipulating Parties agreed to modify BI-3A. The BI-3A standard will be changed to a 98% benchmark, the PAP payment calculation will be revised by creating a tiered structure of per occurrence amounts, and the per measure cap for the sub-measure will be modified.

23. PID and PAP Revisions:

The revised PID and PAP changes include:

- Addition of an exclusion to MR-6 that allows NTF and TOK trouble reports to be removed when the ticket's duration is one hour or less in the PID.
- Changing the BI-3A standard to 98% in the PID.

- Addition of a new provision describing payment calculation for BI-3A including a new table defining the Per Occurrence and Per Measure Cap amounts in the PAPs.
- Revision to existing PAP provisions to account for the BI-3A changes.

II. Agreements Applicable to all States excluding CO

A. One Allowable Miss for Benchmark and Non-interval Parity Measures

24. Stipulating Parties have agreed to add a one allowable miss provision for benchmark and non-interval parity measurements where 100% performance would otherwise be required to meet the standard in cases where the CLEC aggregate results have met the standard. The one allowable miss provision will also apply if the CLEC aggregate results have not met the standard, but would require 100% performance to meet the standard and with one allowable miss at the CLEC aggregate level would result in CLEC aggregate results meeting the standard.

25. PID and PAP Revisions:

The PID does not have any associated changes. The revised PAP changes include:

- Addition of One Allowable Miss in Section 3.1.2 of the PAPs.
- Revisions to existing PAP provisions to account for the addition of the One Allowable Miss provision.

B. Modify Minimum Payment Provisions

26. Stipulating Parties have agreed to change the minimum payment provision replacing the flat minimum payment amounts of \$300/\$600 (MN) and \$2000 (the 12 remaining states) with a tiered minimum payment approach that establishes a relationship between the monthly PAP payment and the required minimum payment amount. Moreover, the parties have agreed to replace the monthly minimum payment approach and CLEC certification process in MN with the annual minimum payment determination applicable to the other 12 states.

27. PID and PAP Revisions:

The PID does not have any associated changes. The revised PAP changes include:

- Revision to Section 6.3 in the AZ PAP.
- Revision to Section 6.4 in the ID, IA, MT, NE, NM, ND, OR, SD, UT, WA and WY PAPs.
- Revision to Section 9 in the MPAP.

28. Application of Changes: In addition to the PAP changes resulting from the agreed upon modification, the Stipulating Parties have also agreed to retroactively apply the changes following commission adoption/approval subject to the following:

- Qwest will apply the revised minimum payment terms retroactively to include all 12 months included in the annual minimum payment determination made in December 2007 except that in Minnesota,
 - The increased amount of any monthly payment resulting from the current MN minimum payment provision will be excluded when determining the annual minimum payment amount under the revised minimum payment provision.
 - The portion of any monthly payment attributable to the current MN minimum payment provision will be used to reduce any additional annual payment due under the revised minimum payment provision. Should total of such amounts exceed the additional annual payment amount, the difference will be treated as a MN overpayment to the CLEC.

C. Remove Low Volume Products from the PAP

29. Stipulating Parties have agreed to remove the following list of product disaggregations from all the applicable OP and MR PIDs in 13 state PAPs. The results for these product disaggregations will continue to be reported in the 271 performance reports.

- Resale Centrex
- Resale Centrex 21
- Resale DS0--Non-Designed and Designed
- E911/911 Trunks
- Resale Frame Relay
- Resale Basic ISDN--Non-Designed and Designed
- Resale Primary ISDN--Non-Designed and Designed
- Resale PBX--Non-Designed and Designed
- Sub-Loop Unbundling
- UNE-P POTS
- UNE-P Centrex
- UNE-P Centrex 21

30. PID and PAP Revisions:

The PID does not have any associated changes. The revised PAP changes include:

- Modifying Section 10 (all states except MN) to remove UNE-P POTS.
- Addition of footnote in Attachment 1 in all states except MN specifying the exclusion of the list of product disaggregations.
- Removing the Sub-Loop Unbundling product disaggregation from Attachment 3 in the NM and WA PAPs.
- Removing the product disaggregations from Appendix A in the MPAP.
- Addition of notes in Appendix B in the MPAP specifying the exclusion for the list of product disaggregations.

III. Agreement Applicable to MT, NE, NM, SD, UT, WA, and WY Only

A. Modify Tier 2 Payment Provisions

31. Stipulating Parties have agreed to adopt the MT Tier 2 provision. Under the provision, Tier 2 payments will be based on the number of performance measurements exceeding the critical z-value for three consecutive months unless there have been two misses in any three consecutive months during the last 12 months. If there have been two misses in any three consecutive months during the last 12 months, Tier 2 payments will be triggered by either two consecutive months' misses (for PIDs that are classified as both Tier 1 and Tier 2) or the current month's miss (for PIDs that are Tier 2 only). Qwest has represented that this change reflects the way Qwest has historically applied this provision in Montana. Stipulating Parties' agreement to update the Tier 2 provision does not indicate any agreement by the Stipulating Parties as to whether this historical application is appropriate.

32. PID and PAP Revisions:

The PID does not have any associated changes. The revised PAP changes include:

- Revising Sections 7.3 and 9 in the NE, NM, SD, UT, WA, and WY PAPs to reflect when Tier 2 payments are required and how they are calculated.
- Correcting Section 9 in the MT PAP to achieve consistency with MT Section 7.3.

IV. Agreement Applicable to CO, ID, MN, ND, OR, UT and WA Only

A. Modify Escalation and CLEC Not Opted In Provisions in the PAP

33. Stipulating Parties have agreed to modify MPAP escalation language to make it consistent with the OR PAP. They have also agreed to eliminate the six-month cap on Tier 1 escalation

payment amounts in CO, ID, MN, ND, OR, UT and WA, so that payments will continue to increase in the event the payment level indicator increases beyond payment level 6. Additionally, the MPAP is being revised to remove Section 10.3 and reflect that 100% of Tier 1 payments will be made only to those CLECs that have opted into the MPAP.

34. PID and PAP Revisions:

The PID does not have any associated changes. The revised PAP changes include:

- Revision to Section 8 in the MPAP.
- Eliminating Sections 10.2 and 10.3 in the MPAP.
- Uncapping Table 4 in Section 8 and revising language in Appendix A, Tier 1C Billing in the CPAP.
- Uncapping Table 2 in Section 6 in the ID, ND, OR and WA PAPs.
- Uncapping and eliminating redundancy in Table 2A in Section 6 in the WA PAP.
- Uncapping "Per Measurement Cap" portion of Table 2 in Section 6 and removing 6.2.1 language splitting escalation payments between CLEC and Tier 2 fund in the UT PAP.

V. Agreement Applicable to AZ and MN Only

A. Modify Data Retention Provision in the AZ and MN PAPs

35. Stipulating Parties have agreed to revise the data retention requirements in the AZ and MN PAPs from a total of six years to three years with the data being stored in an easy-to-access electronic form for one year after the performance reports have been produced and for an additional two years in an archived format.

36. PID and PAP Revisions:

The PID does not have any associated changes. The revised PAP changes include:

- Revision to Section 15.6 in the AZ PAP to reduce data retention requirements from six to three years.
- Revision to Section 13.1 in the MPAP to reduce data retention requirements from six to three years.
- Deletion of Section 14.4 in the MPAP.

VI. Agreements Applicable to MN Only

A. Eliminate Severity Provisions in the MPAP

37. Stipulating Parties have agreed to eliminate the severity provisions in the MPAP.

38. PID and PAP Revisions:

The PID does not have any associated changes. The revised MPAP changes include:

- Deletion of Section 7.4.
- Revision of Appendix A to remove the severity provision related to OP-13A.
- Revisions to other existing provisions to account for deletion of severity.

B. Modify the Electronic Flow-Through (PO-2) Provisions and Remove Interface Versions Availability (PO-18) from the MPAP

39. Stipulating Parties have agreed to remove PO-2A and PO-18 from the MPAP and to modify the payment structure for PO-2B so that payments are calculated at the rate of \$2000 for each 2.5% that the performance differs from its standard, not to exceed \$16,000 per product disaggregation.

40. PID and PAP Revisions:

The revised PID and PAP changes include:

- Correction to the PO-2A Standard, Availability and Notes Sections in the PID.
- Update Appendices A and B to reflect elimination of PO-2A and change in payment calculation amounts for PO-2B.
- Update Appendices A and B to remove PO-18.

This Stipulation may be executed in counterparts including signatures by facsimile. So we all have stipulated as of the _____ day of _____ 2007.

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2007 Stipulation

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PMP Stipulation

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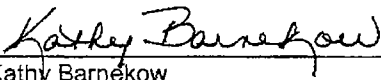
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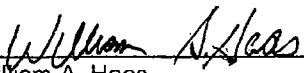
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2007 Stipulation

EXHIBIT 2

PAP – Redlined

Exhibit K

PERFORMANCE ASSURANCE PLAN

1.0 Introduction

1.1 As set forth in this Agreement, Qwest and CLEC voluntarily agree to the terms of the following Performance Assurance Plan ("PAP"), initially prepared in conjunction with Qwest's application for approval under Section 271 of the Telecommunications Act of 1996 (the "Act") to offer in-region long distance service and subsequently modified in accordance with the Commission's orders and, where applicable, by operation of law.

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2.0 Plan Structure

2.1 The PAP is a two-tiered, self-executing remedy plan. CLEC shall be provided with Tier 1 payments if, as applicable, Qwest does not provide parity between the service it provides to CLEC and that which it provides to its own retail customers, or Qwest fails to meet applicable benchmarks.

2.1.1 As specified in section 7.0, if Qwest fails to meet parity and benchmark standards on an aggregate CLEC basis, Qwest shall make Tier 2 payments to a Fund established by the state regulatory commission or, if required by existing law, to the state general fund.

2.2 As specified in sections 6.0 and 7.0 and Attachments 1 and 2, payment is generally on a per occurrence basis, (i.e., a set dollar payment times the number of non-conforming service events). For the performance measurements which do not lend themselves to per occurrence payment, payment is on a per measurement basis, (i.e., a set dollar payment). The level of payment also depends upon the number of consecutive months of non-conforming performance, (i.e., an escalating payment the longer the duration of non-conforming performance) unless otherwise specified.¹

2.3 Qwest shall be in conformance with the parity standard when service Qwest provides to CLEC is equivalent to that which it provides to its retail customers. The PAP relies upon statistical scoring to determine whether any difference between CLEC and Qwest performance results is significant, that is, not attributable to simple random variation. Statistical parity shall exist when performance results for CLEC and for Qwest retail analogue result in a z-value that is no greater than the critical z-values listed in the Critical Z-Statistical Table in section 5.0.

2.4 For performance measurements that have no Qwest retail analogue, agreed upon benchmarks shall be used. Benchmarks shall be evaluated using a "stare and compare" method. For example, if the benchmark is for a particular performance measurement is 95% or better, Qwest performance results must be at least 95% to

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¹ Stipulation Issue I.F: BI-3A.

Exhibit K

meet the benchmark. Percentage benchmarks will be adjusted to round the allowable number of misses up or down to the closest integer, except when a benchmark standard and low CLEC volume are such that a 100% performance result would be required to meet the standard and has not been attained in which case section 3.1.2 applies.²

3.0 Performance Measurements

3.1 The performance measurements that are in the PAP and either (1) subject to the PAP payment mechanisms or (2) not subject to the PAP payment mechanisms but subject to the Reinstatement/Removal Process set forth in section 3.2 below are identified in Attachment 1 and sections 6.3 and 7.4.³ Each performance measurement identified is defined in the Performance Indicator Definitions ("PIDs") included in the SGAT at Exhibit B.

3.1.1 On Attachment 1, the measurements have been designated as Tier 1, Tier 2, or both Tier 1 and Tier 2 and given a High, Medium, or Low designation.

3.1.2 Where applicable elsewhere in the PAP, this provision modifies other provisions and operates as follows: For any Tier 1 or Tier 2 benchmark or non-interval parity performance sub-measure, Qwest shall apply one allowable miss to a sub-measure disaggregation that otherwise would require 100% performance before the performance is considered as non-conforming to standard (1) if at the CLEC-aggregate level, the performance standard is met or (2) where the CLEC-aggregate performance must be 100% to meet the standard, the CLEC-aggregate performance is conforming after applying one allowable miss at that level.⁴

3.2 The following measures, which are listed in Attachment 1 or section 7.4, are not subject to the payment mechanisms of the PAP; however, they are subject to the PID Reinstatement/Removal Process. All other measures listed in Attachment 1, section 6.3 or section 7.4 are subject to the PAP payment mechanisms, but they are not subject to the PID Reinstatement/Removal Process.

- GA-3 Gateway Availability EB-TA
- GA-4 System Availability EXACT
- GA-7 Timely Outage Resolution following Software Releases
- PO-3 LSR Rejection Notice Interval
- PO-5D Firm Order Confirmations (FOCs) On Time (ASRs for LIS Trunks)
- PO-7 Billing Completion Notification Timeliness
- PO-8 Jeopardy Notice Interval
- PO-16 Timely Release Notifications

² Stipulation Issue II.A.

³ Stipulation Issue I.E.

⁴ Stipulation Issue II.A.

Deleted: In such a situation, the determination of whether Qwest meets or fails the benchmark standard will be made using performance results for the month in question, plus a sufficient number of consecutive months so that a 100% performance result would not be required to meet the standard. For purposes of section 6.2, a meet or fail determined by this procedure shall count as a single month.¶

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