

UT-041293(AF)
8-11-04

July 16, 2004

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STATE OF WASHINGTON
UTIL. AND TRANSPORTATION
COMMISSION



Verizon Northwest Inc.

P.O. Box 1003
Everett, WA 98206-1003
Fax: 425-261-5262

Ms. Carole Washburn
Executive Secretary
Washington Utilities and Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive SW
Olympia, Washington 98504

Subject: AFFILIATED INTEREST AGREEMENT – ADVICE NO. 206

Dear Ms. Washburn:

Enclosed for filing with the Commission is a verified copy of the Technical Support Agreement between the Verizon Telephone Operating Companies, including Verizon Northwest Inc., and Verizon Internet Services Inc. and GTE.net LLC d/b/a Verizon Internet Solutions (VOL). VOL will obtain technical support services for customer resolution and repair associated with the portion of installation and repair of FIOS configured service for its FIOS Internet subscribers from the Verizon Telephone Operating Companies, including Verizon Northwest Inc. This is a new agreement.

If you have any questions, please contact Richard Potter at 425-261-5006.

Sincerely,

A handwritten signature in cursive script that reads "Dean Randall".

Dean Randall
Specialist – Network Engineering

VERIFICATION OF AFFILIATED INTEREST AGREEMENT

I verify the enclosed is a true copy of the Technical Support Agreement between the Verizon Telephone Operating Companies and Verizon Internet Services Inc. and GTE.net LLC d/b/a Verizon Internet Solutions (VOL).

Dean Randall

Dean Randall
Specialist – Network Engineering

RECEIVED
RECORDS MANAGEMENT

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TECHNICAL SUPPORT AGREEMENT

STATE OF TEXAS
UTIL. AND
COM.

This TECHNICAL SUPPORT AGREEMENT (this "Agreement") is entered into between the VERIZON TELEPHONE OPERATING COMPANIES listed in Exhibit 1 ("VERIZON") and VERIZON INTERNET SERVICES INC. and GTE.net LLC d/b/a VERIZON INTERNET SOLUTIONS (collectively, "VOL") (sometimes referred to collectively as the "Parties" and individually as a "Party").

Whereas VOL wishes to obtain, on an interim basis, the Technical Support services described in this Agreement for customer resolution and repair associated with the portion of installation and repair of FIOS configured service for its FIOS Internet subscribers (as further defined below, the "Services") and, subject to the terms and conditions contained herein, VERIZON agrees to provide such services.

In consideration of the mutual promises set forth below, the Parties agree:

1. SERVICES:

- 1.1. Scope of Services. Verizon shall provide the Services to VOL as described in Exhibit 2. Verizon's provision of the Services in a state is subject to Verizon's securing any necessary regulatory approval.
- 1.2. Service Availability. Verizon will provide the Services in the geographic areas identified in Exhibit 3.
- 1.3. Metrics. VERIZON will provide VOL with all agreed upon metrics, subject to the change control process in Section 1.4.
- 1.4. Change Control Process. VERIZON and VOL both recognize that service enhancements and changes will be necessary as FIOS proceeds through its life cycle. A Party may request that a change be initiated by submitting a written request to the other Party. The Parties agree to cooperate in developing a mutually acceptable change and the associated administrative procedures to implement the change. This change control process is expected to cover the following items:
 - Changes to service descriptions
 - Changes to supported equipment, hardware and software
 - Changes or additions to supported operating systems
 - Changes to market or service areas
 - Performance measurements and timelines for delivery

2. **CHARGES, BILLING AND PAYMENTS:** VOL agree to pay the charges for the Services shown in attached Exhibit 2 and 4.

- 2.1. Payment Terms. VERIZON shall bill VOL on a monthly basis. Payment is due thirty (30) calendar days after the bill is rendered. If payment is not received by VERIZON on or before the due date, VERIZON shall assess VOL a late payment charge on the past due balance at an interest rate no higher than that permitted by any applicable state law. Payments shall be applied to the oldest outstanding balance first.
- 2.2. Changes in Charges. VERIZON may change its charges upon sixty (60) calendar days advance written notice to VOL. VOL may terminate this agreement by written notice provided to VERIZON no later than thirty (30) calendar days subsequent to receipt of VERIZON notice of the changes to the charges. If the agreement is not so terminated, the changes become part of the Agreement at the end of the notice period.
3. **EFFECTIVE DATE:** This Agreement is effective upon execution by both Parties.
4. **TERMS AND TERMINATION:** This agreement shall be effective for an initial term of one (1) Year (“Initial Term”) from the Effective Date unless terminated earlier pursuant to this Agreement. Termination prior to the end of the Initial Term shall be accomplished by written notice provided at least thirty (30) calendar days prior to the requested termination date. Otherwise, this Agreement shall continue in effect for consecutive one (1) year renewal terms following the Initial Term until either Party gives the other Party written notice of termination at least thirty (30) calendar days prior to the expiration of the then-current term.
5. **LIABILITY UPON TERMINATION:** Termination of this Agreement, or any part hereof, for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues to any act of omission occurring prior to the termination or from an obligation which is expressly stated in this Agreement to survive termination.
6. **LIMITATION OF LIABILITY:** With respect to claims arising out of this Agreement, either Party’s liability, whether in contract, tort or otherwise, shall be limited to direct damages, and neither Party shall be liable for incidental, consequential, or special damages, notwithstanding their foreseeability or disclosure by one Party to the other. VERIZON shall not be liable for any incidental, consequential, or special damages, to include, but not limited to, loss of revenue, loss of business, loss of data, personal computer damage, or financial loss incurred by any end user customer, notwithstanding their foreseeability or notice to VERIZON by any end user customer.
7. **COMPLIANCE WITH LAW:** The Parties shall comply with all federal, state and local laws and regulations applicable to their performance as described in this Agreement.

8. DELAYED PERFORMANCE: If performance under this agreement is interfered with by acts of God, war, embargo, acts of the government in its sovereign capacity, or any other circumstances beyond the reasonable control and without the fault of the Party affected, such Party, upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from its performance) provided that the Party so affected shall use reasonable efforts to remove such causes of nonperformance and both Parties shall proceed whenever such causes are removed or ceased.
9. DEFAULT: If either Party fails to perform any material obligation under this Agreement or violates any material term or condition of this Agreement, and such failure or violation is not cured within thirty (30) calendar days following receipt of a written notice from the other Party, then the other Party shall have the right to terminate this Agreement upon written notice to the defaulting Party.
10. INSOLVENCY: Either Party may terminate this Agreement by written notice if the other Party admits insolvency, makes an assignment for the benefit of creditors, or has a trustee appointed over all or a substantial part of its assets.
11. INDEPENDENT CONTRACTORS: Each Party is engaged in a business that is independent of the other Party and each Party shall perform its obligations under this Agreement as an independent contractor.
12. PROPRIETARY INFORMATION: VERIZON shall treat all information about the Services provided to VOL customers as confidential to VOL and the customer. VERIZON shall not disclose to any third party any information about a customer's account or the Services provided by VERIZON to the customer.
13. ASSIGNMENT: Neither Party may assign this Agreement without the other Party's written consent, except that either Party may assign this Agreement to an affiliate or successor without consent, but with prior written notification.
14. SUCCESSORS: This Agreement shall be binding on and inure to the benefit of the respective successors and permitted assigns of the Parties.
15. NOTICES: Notices required by the Agreement shall be in writing and shall be sent by a method that obtains written receipt. Notices shall be sent to the following addresses until such addresses are changed by written notice.
 To VERIZON: Contract Sales Support
 HQE02L47
 600 Hidden Ridge
 Irving, TX 75038

 To VERIZON INTERNET SERVICES, INC. and

GTE.Net LLC d/b/a VERIZON INTERNET SOLUTIONS
1880 Campus Commons Dr.
2nd Floor
Reston, VA 20191
Attn: General Counsel

16. GOVERNING LAW: This Agreement is to be governed and construed according to the laws of the State of Texas, excluding its choice of law rules.
17. NO WAIVER: Either Party's failure to enforce any of the provisions of this Agreement, or to exercise any right or option is not a waiver of any such provision, right, or option, and shall not affect the validity of the Agreement.
18. SURVIVABILITY: If any provision of this Agreement is held by a court, arbitrator, or governmental agency of competent jurisdiction to be unenforceable, the rest of the Agreement shall remain in full force and effect and shall not be affected unless removal of that provision results, in the opinion of either Party, in a material change to this Agreement. If a material change as described in this paragraph occurs as a result of action by a court, arbitrator or governmental agency, the Parties shall negotiate in good faith for replacement language. If replacement language cannot be agreed upon within a reasonable period, either Party may terminate this Agreement without penalty or liability for such termination upon written notice to the other Party.
19. HEADINGS: The section headings and titles of this Agreement are for convenience only and shall not be considered in its interpretation.
20. TRADEMARKS: Nothing in this Agreement shall grant, suggest, or imply any authority for one Party to use the name, trademarks, service marks, or trade names of the other for any purpose whatsoever.
21. CONSENT: When consent, approval or mutual agreement is required of a Party, it shall not be unreasonably withheld or delayed.
22. NO THIRD PARTY RIGHTS: This Agreement does not provide and shall not be construed to provide third parties with any remedy claim, liability, reimbursement, cause of action, or other right or privilege.
23. ENTIRE AGREEMENT: This Agreement, including exhibits, constitutes the entire agreement of the Parties pertaining to the subject matter herein and supersedes all prior agreements, negotiations, and representations, whether written or oral, concerning such subject matter. No representations or warranties express or implied, have been made or relied upon in the making of this Agreement other than those specifically contained in this Agreement. Other documents, such as example end-user brochures or information and the CLEC guide, is not part of this Agreement, and in case of conflict between terms of this Agreement and information contained in such other material, this Agreement governs.

24. REGULATORY COMPLIANCE:

- 24.1. Notwithstanding anything to the contrary contained in this Agreement, compensation for the Services rendered under the Agreement is at all times subject to review and modification to conform with any applicable regulatory requirement governing transactions between VERIZON and its affiliates, including, but not limited to FCC 96-150.
- 24.2. The Agreement is subject at all times to statute, order, rule, or regulation or any state of federal regulatory agency having competent jurisdiction over one or both of the Parties hereto or the services provided hereby. VERIZON and VOL agree to cooperate with each other and with any applicable regulatory agency so that any and all necessary approvals may be obtained. During the term of this Agreement, the Parties agree to continue to cooperate with each other in any review of this Agreement by a regulatory agency so that the benefits of this Agreement may be achieved. If any such agency accepts this Agreement in part and rejects it in part, or makes a material modification to the Agreement as a condition of its approval, either Party may terminate the Agreement in its entirety without penalty or liability.
- 24.3. Notwithstanding Section 4, the term of this Agreement and the other terms and conditions hereof, are subject to applicable law and regulatory approval. Accordingly, although this Agreement is executed by both Parties, to the extent that any state statute, order, rule or regulation or any regulatory agency having competent jurisdiction over one or both Parties to this Agreement, shall require that this Agreement or subsequent amendment be filed with or approved by such regulatory agency before the Agreement or amendment may be effective, this Agreement or amendment shall not be effective in such state until the first business day after such approval or filing shall have occurred.
- 24.4. The Parties acknowledge that this Agreement constitutes the Proprietary information of both Parties, and is subject to the terms of this section, provided, however that the Parties further acknowledge that this Agreement may be filed with any regulatory commission having authority over the subject matter, and the Parties agree to seek commercial confidential status for this Agreement with any such regulatory commission, to the extent such a designation can be secured.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be effective as of the date last written below.

VERIZON SERVICES CORP.

By: _____

Name: Mary Jane Johnston

Title: Vice President

Date: _____

VERIZON INTERNET
SERVICES INC.

By: John A. Wimsatt

Name: John A. Wimsatt

Title: Vice President

Date: 6-21-04

GTE.NET LLC D/B/A
VERIZON INTERNET
SOLUTIONS

By: John A. Wimsatt

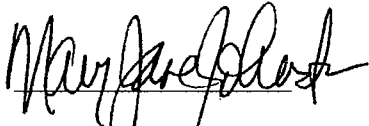
Name: John A. Wimsatt

Title: Vice President

Date: 6-21-04

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be effective as of the date last written below.

VERIZON SERVICES CORP.

By: 

Name: Mary Jane Johnston

Title: Vice President

Date: 6/21/04

VERIZON INTERNET SERVICES INC.

By: _____

Name: John A. Wimsatt

Title: Vice President

Date: _____

GTE.NET LLC D/B/A
VERIZON INTERNET SOLUTIONS

By: _____

Name: John A. Wimsatt

Title: Vice President

Date: _____

EXHIBIT 1

Verizon (formerly GTE) Telephone Operating Companies

GTE Alaska Incorporated, d/b/a Verizon Alaska
GTE Arkansas Incorporated, d/b/a Verizon Arkansas
Verizon California Inc. (f/k/a GTE California Incorporated)
Verizon Florida Inc. (f/k/a GTE Florida Incorporated)
Verizon Hawaii Inc. (f/k/a GTE Hawaiian Telephone Company Incorporated)
GTE Midwest Incorporated, d/b/a Verizon Midwest
Verizon North Inc. (f/k/a GTE North Incorporated)
Verizon Northwest Inc. (f/k/a GTE Northwest Incorporated)
Verizon South Inc. (f/k/a GTE South Incorporated)
GTE Southwest Incorporated, d/b/a Verizon Southwest
Verizon West Coast Inc. (f/k/a GTE West Coast Incorporated)
Contel of Minnesota, Inc. d/b/a Verizon Minnesota
Contel of the South, Inc. d/b/a Verizon Mid-States

The names of the GTE Telephone Operating Companies have changed as a result of the merger of GTE Corporation and Bell Atlantic Corporation. The legal entities themselves have not changed under the merger. The only change is either a change in the name of the company or a change in the doing-business-as (d/b/a) name.

Tariffs under GTE name continue to be applicable to the companies under the Verizon names.

Verizon (formerly Bell Atlantic) Telephone Operating Companies

VERIZON Delaware Inc.
VERIZON Maryland Inc.
VERIZON New England Inc.
VERIZON New Jersey Inc.
VERIZON New York Inc.
VERIZON Pennsylvania Inc.*
VERIZON Virginia Inc.*
VERIZON Washington, D.C. Inc.
VERIZON West Virginia Inc.

* - former Bell Atlantic areas only

EXHIBIT 2

Description of the Services – Technical Support

FIOS Services is intended to provide VOL end user customers FIOS services support.

SERVICE DESCRIPTION

During the term of this agreement, VERIZON shall provide VOL Technical Support and Trouble Isolation Service (“Service”) for the FIOS product. The specific functions will be performed by the Fiber Solution Center (“FSC”) and include the following tasks.

1. Analyze customer account and identify any problems.
2. Verify end user billing records to confirm appropriate billing for FIOS.
3. Isolate Trouble
4. Create trouble ticket.
5. Verify FIOS PC requirements of end user.
6. Obtain User ID and Password from end user in order to sign in as end user and to attempt to duplicate the problem.
7. Review appropriate databases and systems to verify correct provisioning of FIOS.
8. Create an additional trouble ticket for further analysis if the trouble is determined to be a problem with the FIBER network.
9. Update and close all open trouble tickets upon resolution of the trouble.
10. Perform follow-up calls and analysis in the event that service orders or repairs can not be completed on an initial technician field dispatch due to problems with customer owned equipment.
11. Provide order tracking

VERIZON SERVICE OBLIGATIONS

1. VERIZON shall be responsible for communicating trouble resolution to the end user.
2. VERIZON shall keep confidential any FIOS customer information, including but not limited to user names and passwords and customer account information.

PRICING

Employee Title/Service	Number of VERIZON Employees	Pricing Criterion	Rate per Hour (Month, etc.)	Frequency of Transaction: (per service)
Tech Center Support	N/A	FDC	Per call	Daily
Training Services	0-50	FDC	Per hour	Occasionally

REPAIR SERVICES

Should the end user encounter problems with their FIOS service, they will report the problem to VERIZON. VERIZON will analyze the trouble report to isolate the cause. If the isolation indicates FIOS equipment problems, a technician will be dispatched to complete repairs as necessary. Upon completion of the repair, the technician will test the service to verify operation and demonstrate the operation to the customer.

EXHIBIT 3

Service Areas

Verizon West:

GTE Alaska Incorporated, d/b/a Verizon Alaska
GTE Arkansas Incorporated, d/b/a Verizon Arkansas
Verizon California Inc. (f/k/a GTE California Incorporated)
Verizon Florida Inc. (f/k/a GTE Florida Incorporated)
Verizon Hawaii Inc. (f/k/a GTE Hawaiian Telephone Company Incorporated)
GTE Midwest Incorporated, d/b/a Verizon Midwest
Verizon North Inc. (f/k/a GTE North Incorporated)
Verizon Northwest Inc. (f/k/a GTE Northwest Incorporated)
Verizon South Inc. (f/k/a GTE South Incorporated)
GTE Southwest Incorporated, d/b/a Verizon Southwest
Verizon West Coast Inc. (f/k/a GTE West Coast Incorporated)
Contel of Minnesota, Inc. d/b/a Verizon Minnesota
Contel of the South, Inc. d/b/a Verizon Mid-States

Verizon East:

Connecticut
Delaware
Maryland
Pennsylvania*
Virginia*
Washington, D.C.
West Virginia
New York
Massachusetts
Maine
New Hampshire
Rhode Island
Vermont
New Jersey

*- former Bell Atlantic areas only

EXHIBIT 4

Application of Rates – FIOS Services

1. VOL will be charged by VERIZON for actual time spent in the Fiber Solutions Center to resolve issues with customer FIOS equipment beyond the regulated demarcation point.
2. VERIZON FSC will be multiplied by fully loaded technician rates to obtain the amount to be billed. This will not include time performing regulated work. Quarterly reviews will be conducted so that the time documented for resolving issues with customer FIOS equipment beyond the regulated demarcation point can be kept current and adjusted as necessary using agreed upon measurement tools (standard reports, etc.).
 - 2.1. Key performance metrics and tools will be developed and agreed upon by the parties involved to track, report and budget for FIOS Services work. This agreement will be amended as necessary to reflect metrics and tools used to perform quarterly reviews by the parties involved. The tools and/or processes necessary to administer the quarterly reviews will be in place not later than 120 days after signing this agreement.
3. Billing charges for FIOS Services will appear on VOL wholesale bill.
4. Prices are subject to change on sixty (60) calendar days written notice.

Prices do not include any applicable sales, use or similar taxes that may apply to the Services. Applicable taxes shall be added to VERIZON's bill for the Services.