

U S WEST Communications, Inc.
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Patricia A. Kline
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July 14, 1999

Michael J. Bradley, Esq.
Moss & Barnett
90 South Seventh Street, Suite 4800
Minneapolis, Minnesota 55402-4129

Re: In the Matter of a Complaint and Request for Expedited Proceeding by
USLink, Inc. and InfoTel Communications, LLC Against U S WEST
Communications, Inc. Regarding Extended Area Service, MPUC Docket
No. P421/C-99-724

Dear Mr. Bradley:

[Trade Secret Data Begins

On June 4, 1999, USLink, Inc. ("USLink") and InfoTel Communications, LLC ("InfoTel") filed a complaint against U S WEST Communications, Inc. ("U S WEST") before the Minnesota Public Utilities Commission ("Commission"), which is assigned case number P421/C-99-724 (hereinafter "Complaint"). In the Complaint, USLink and InfoTel ("Complainants") sought the ability to use local tandem functionality at certain U S WEST end offices to transport calls to and from Extended Area Service ("EAS") calling areas. U S WEST and Complainants, by means of executing this letter, hereby resolve their disputes and USLink and InfoTel agree to withdraw the complaint under the following terms and conditions:

1. USLink and InfoTel shall be allowed to utilize local tandem switching functionality and transport from and to U S WEST end offices in the exchanges listed



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below (hereinafter "Requested Exchanges") to transport calls within the Requested Exchanges and the exchanges included in Commission approved EAS calling areas for those exchanges. U S WEST will allow USLink and InfoTel to utilize the Requested Exchanges as local tandem switches:

A. Requested Exchanges:

Brainerd; (includes Nisswa remote)
Duluth;
Fargo (includes Moorehead/West Fargo);
Fergus Falls;
Grand Rapids;
Hibbing;
Little Falls;
Owattona
Rochester;
St. Cloud;
Wadena; and
Willmar.

2. In those Local Calling Areas in Minnesota where USLink and InfoTel operate and where U S WEST has an official Local Tandem, as listed in the Local Exchange Routing Guide ("LERG"), USLink and InfoTel may interconnect at the local tandem (including the Metropolitan EAS area).

3. USLink and InfoTel may request to utilize tandem switching functionality and transport to originate or terminate local traffic within the Requested Exchanges, or in other U S WEST end office exchanges. Except for the exchanges listed in paragraphs 1 and 2, such a request will not impose any obligation on U S WEST. Where U S Link and InfoTel make such a request, U S WEST may consider such requests on an individual case basis. U S WEST may request compensation for any costs imposed, including but not limited to up front recovery of any reconfiguration costs

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and/or switch upgrades, resulting from USLink's or InfoTel's use of the Requested Exchanges listed in paragraph 1, or any additional requests, as local tandems. Under U S WEST's policy, U S WEST is not obligated to agree to such a request since U S WEST does not use its end offices for tandem office functionality for provision of local calling services to itself. It shall remain U S WEST's policy that competitive local exchange providers or commercial mobile radio service providers shall use only designated official local tandems identified in the LERG as local tandems where they exist, otherwise, such provider must direct connect to each end office in such local calling area. Under this policy, a provider may not designate a U S WEST end office as a local tandem where such switch is not identified in the LERG as a local tandem. If the parties are unable to reach agreement, they may resort to the Dispute Resolution provisions of the applicable Agreement for Local Wireline Network Interconnection and Service Resale ("Interconnection Agreement").

4. In those instances where USLink and InfoTel may use tandem switching functionality and transport in an end office to terminate local EAS traffic, they shall pay U S WEST the usage rate elements, established in the Interconnection Agreement, including: 1) local switching for calls completed within the requested exchange end office; 2) tandem switching, transport (billed at the common transport rate), and local switching for calls completed to another U S WEST end office in the same EAS; 3) tandem switching and appropriate portion of transport (billed at the common transport rate) for calls to other carriers' end office(s) in that EAS. Calls originated by U S WEST end users in the Local Calling Area which route through the requested exchange end offices to terminate to USLink or InfoTel are subject to reciprocal compensation.

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Likewise, calls originated by USLink or InfoTel end users which route through the requested exchange end offices to terminate to U S WEST are subject to reciprocal compensation. U S WEST reserves the right to assess USLink and InfoTel up front for any unforeseen costs, as noted in number 3 above, incurred by U S WEST. Should USLink or InfoTel dispute the propriety of such costs, the parties agree to negotiate the matter and may resort to the Dispute Resolution provisions of the applicable Interconnection Agreement. USLink and InfoTel also reserve the right to elect to provide their own EAS facilities and thereby avoid such charges. Further, USLink and InfoTel are responsible for negotiating interconnection agreements for traffic with a terminating provider for traffic which terminates on that provider's network and only transits the U S WEST network. U S WEST, USLink and InfoTel also agree that U S WEST is not responsible for the relationship between USLink and InfoTel and other terminating providers.

5. In no case will USLink or InfoTel originate or terminate InterLATA or IntraLATA toll traffic of any sort through a U S WEST end office dedicated for local or EAS traffic, regardless of whether an end office has tandem switching functionality. Further, the 512 ccs restriction found in the Interconnection Agreements in Attachment 3, Appendix A, Section, 2.4.4, shall also apply to the Requested Exchanges.

6. Based on the terms of this settlement, USLink, InfoTel, and U S WEST (the "Parties") agree that the Complaint will be withdrawn immediately and no further action by the Commission with regard to that complaint is requested. Because the Complaint involves a dispute under an interconnection agreement, the Parties agree that a voluntary resolution of the dispute does not require Commission approval.

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However, the Parties agree to appear before the Commission to support approval of this agreement should the Commission so request.

7. Nothing contained herein, and no action taken by the Parties with regard to this agreement, shall be construed as an admission by any of these Parties as to liability regarding the matters herein, nor speculation as to the outcome had the matter been fully litigated before the Commission.

8. This agreement shall be construed in accordance with the laws of the State of Minnesota.

9. The Parties agree that until the Commission determines that paging, or Internet Service Provider traffic should be treated like local EAS traffic, the Parties retain the option of pursuing an appropriate remedy with respect to such traffic. Until such time as the Commission determines the appropriate compensation mechanism for paging and Internet Service Provider traffic, the parties may withhold payment for paging and Internet Service Provider traffic. The Commission, to date, has not determined Internet Service Provider traffic and paging traffic to be local traffic for purposes of reciprocal compensation. The party rendering the bill for reciprocal compensation will cooperate with the other party to make a good faith effort to identify paging traffic and ISP traffic.

10. This agreement is the entire agreement between the Parties regarding resolution of the Complaint. Prior oral and written agreements are superceded by the agreement herein and this agreement may be modified only if agreed to in writing, signed by the Parties to this complaint.

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11. Should any provision of this agreement be deemed unenforceable, this agreement shall terminate in its entirety.

12. This agreement does not supercede any terms or conditions of the interconnection agreement between U S WEST, InfoTel and USLink. Issues and disputes not specifically addressed by this Agreement shall be resolved pursuant to the terms of the interconnection agreement among the Parties. This agreement shall terminate upon the termination of the current interconnection agreement among the parties (March 17, 2002).

Trade Secret Data Ends]

By Michael J. Bradley
Michael J. Bradley

By Patricia A. Kline
Patricia A. Kline, General Manager-
Eastern Region

Date: 7-14-99

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