

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: PETITION BY QWEST
COMMUNICATIONS INTERNATIONAL,
INC. FOR APPROVAL OF PROPOSED
SETTLEMENT AGREEMENT WITH THE
DEPARTMENT OF LEGAL AFFAIRS,
OFFICE OF THE ATTORNEY GENERAL
OF THE STATE OF FLORIDA.

DOCKET NO. 020563-TI
ORDER NO. PSC-02-0998-PAA-TI
ISSUED: July 23, 2002

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI

NOTICE OF PROPOSED AGENCY ACTION ORDER REGARDING QWEST
COMMUNICATIONS INTERNATIONAL INC.'S PETITION FOR APPROVAL
OF SETTLEMENT AGREEMENT

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

CASE BACKGROUND

On June 25, 2002, Qwest Communications International Inc. (QWEST) filed a Petition in which it asks this Commission to enter an order accepting a proposed settlement agreement between the Office of the Attorney General of the State of Florida (OAG) and QWEST as satisfying any potential claims for issues related to the subject matter of an investigation by the OAG over which we may have overlapping jurisdiction.

DOCUMENT NUMBER 020563-TI

07674 JUL 23 02

FPSC-COMMISSION CLERK

In its Petition, QWEST states that the OAG opened an inquiry of QWEST in February 2001. Based on that investigation, the OAG asserted that certain of QWEST's third-party vendors conducted improper marketing practices designed to change Florida consumers' long distance providers to QWEST without first obtaining appropriate authority. The OAG also asserted that QWEST is legally accountable for the activities of its third party vendors. QWEST denied committing any violation of law, citing in support of its position, internal measures designed by QWEST to intercept and reject any deficient orders submitted by its vendors; QWEST's imposition of monetary penalties on vendors who breached contractual provisions prohibiting unauthorized transfers; QWEST's insistence that vendors discharge agents who committed those acts; and QWEST's termination of relationships with vendors who failed, after being notified of deficiencies, to police their agents.

In its Petition, QWEST recites that, in the interest of avoiding costly litigation, QWEST and the OAG entered into lengthy negotiations, and have now agreed to the terms of a settlement. However, under Section 364.603, Florida Statutes, and Rule 25-4.118, Florida Administrative Code, this Commission also has regulatory jurisdiction over the subject matter of the OAG's investigation. QWEST asks that we accept the Settlement Agreement, the terms of which include a compliance program and a monetary payment, as satisfying and dispositive of any claims of unauthorized transfers occurring during the period covered by the OAG's investigation over which the Commission would have overlapping jurisdiction. QWEST states that this action is needed to remove any aspect of the risk of litigation that the settlement is designed to eliminate, and thereby allow QWEST to consummate the settlement.

In the proposed Settlement Agreement, which is attached to this Order as Attachment A, the term "investigative period" is identified as the period beginning January 1, 1997, and ending on the date of the execution of the Settlement Agreement. The term "Matters Investigated" is defined as ". . . the activities of QWEST and its agents relating to their efforts to solicit and transfer consumers' incumbent long distance service providers to QWEST occurring in the State of Florida, or from other jurisdictions to consumers located in the State of Florida, and includes the investigation into allegations that some of these activities

involved the switching or attempted switching of long distance telephone service providers to QWEST without the consumer's knowledge, consent or legal authorization." For purposes of this Order, we adopt and incorporate these and the other definitions contained in the Settlement Agreement as defining the scope in time and subject matter of this Order.

The Settlement Agreement between QWEST and the OAG includes the following terms. QWEST will:

- Send a written notice to its Florida customers informing them that they have the option to remain with QWEST or choose another provider;
- Continue to provide credits and rate adjustments to all complaining Florida consumers who experienced unauthorized carrier changes by QWEST that resulted from solicitations during the period January 1, 1997, up to and including the date the proposed settlement agreement is executed;
- Refrain from effecting any change in its form of doing business, its organizational structure or from forming a separate entity or corporation to circumvent the Agreement;
- Issue a directive to all management personnel, employees and distributors who are responsible for implementing the obligations set forth in the Settlement Agreement providing information about the general terms and conditions of the Agreement;
- Comply with all applicable Federal and State of Florida rules and statutes;
- Implement or continue providing adequate training, policies and guidelines for its representatives, agents, employees and distributors who are responsible for implementing the obligations set forth in the Settlement Agreement to prevent unauthorized carrier changes.

- Continue to promptly resolve complaints from Florida consumers regarding unauthorized carrier changes by QWEST; and
- Provide a monetary settlement of \$3,250,000.

In the proposed Settlement Agreement the OAG stipulates that:

. . . upon acceptance of the Agreement by the Attorney General, the OAG shall terminate its investigation and not pursue any further investigation of QWEST for unauthorized carrier changes for the period January 1, 1997, to the effective date of the Settlement Agreement.

The Settlement Agreement is attached to this Order as "Attachment A."

DISCUSSION

The Settlement Agreement states that QWEST enters the agreement for settlement purposes only; the Settlement Agreement is not to be construed as either an admission or finding of any wrongdoing or violation of any state or federal law, rule, or regulation. In the Petition, QWEST states that the OAG has authorized it to represent that the Attorney General is prepared to approve the Settlement Agreement.

Through its enforcement of Rule 25-4.118, Florida Administrative Code, this Commission prohibits regulated carriers from transferring customers without first obtaining authorization in the manner prescribed (slamming). As QWEST acknowledges in its petition, in the past this Commission conducted show cause proceedings related to this rule against QWEST Communications Corporation and LCI International Telecom Corp., both of which are affiliates of QWEST, and both of which are included in the terms of the Settlement Agreement. On October 9, 1998, we issued Order No. PSC-98-1318-AS-TI in Docket No. 971487-TI, in which we accepted LCI's settlement offer of \$110,000. More recently, on September 5, 2001, we issued Order No. PSC-01-1791-AS-TP, in Docket No. 000778-TI, in which we accepted an offer by QWEST Communications Corporation in the amount of \$18,000 to settle the allegations of

unauthorized carrier changes raised in that docket. In addition, QWEST entered a settlement with the Federal Communications Commission (FCC) in July of 2000 for apparent unauthorized carrier changes, which required the implementation of corrective measures by QWEST; many of these corrective measures are incorporated and continued under the terms of QWEST's proposed Settlement Agreement with the OAG.

QWEST correctly states that currently we have no slamming-related enforcement proceedings against any affiliate or subsidiary of QWEST over which we have regulatory jurisdiction. We have reviewed the complaints filed with the Commission against QWEST for the calendar year 2002 and find that QWEST's efforts to reduce unauthorized carrier changes apparently have been effective. We also note that under the terms of the Settlement Agreement, any individual customers who may have been switched to QWEST without authorization will continue to have the right to submit complaints and have their situations rectified. Further, under the terms of the Settlement Agreement, QWEST agrees to follow in good faith the procedures for obtaining authority to transfer customers prescribed in Rule 25-4.118, Florida Administrative Code.

Based upon our review of the Petition, of the Settlement Agreement between QWEST and the OAG, and of the progress of QWEST in reducing complaints of unauthorized carrier changes, we find it in the public interest to grant QWEST's Petition. Once it has been executed and has become effective, the Settlement Agreement between the OAG and QWEST, attached hereto, will satisfy, and be dispositive of, any and all claims of violation of Rule 25-4.118, Florida Administrative Code, occurring between January 1, 1997 and the date of this Order by the QWEST affiliated entities encompassed by the Settlement Agreement over which we would have regulatory jurisdiction.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the requests set forth in the body of Qwest Communications International, Inc.'s Petition for Approval of Settlement Agreement are hereby granted. It is further

ORDER NO. PSC-02-0998-PAA-TI
DOCKET NO. 020563-TI
PAGE 6

ORDERED that the specific findings set forth in this Order are approved in every respect. It is further

ORDERED that the provisions of this Order, issued as proposed, agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that upon execution of the proposed Settlement Agreement between Qwest Communications International, Inc. and the Office of the Attorney General and acceptance of that Agreement by the Attorney General, as specified therein, and this Order becoming final, no action by this Commission shall be taken to impose any penalties or seek any remedies against Qwest Communications International, Inc. affiliated entities related to violations of Rule 25-4.118 that are alleged to have occurred between January 1, 1997 and the date of this Order. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed administratively upon verification by our staff of the execution of the settlement agreement.

By ORDER of the Florida Public Service Commission this 23rd Day of July, 2002.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records and Hearing
Services

(S E A L)

CLF

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 13, 2002.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement") is entered into on this ___ day of ___, 2002, between the Department of Legal Affairs, Office of the Attorney General of the State of Florida ("OAG"), and Qwest Communications International, Inc. ("Qwest").

WITNESSETH:

WHEREAS, the OAG caused an investigation to be made into the marketing and sales practices of Qwest and LCI International Telecom Corp. (LCI) (now a Qwest subsidiary) relating to the acquiring of telecommunications Consumers (as defined below) in or from the State of Florida;

WHEREAS, the investigative period for the OAG's investigation of Qwest (which includes the investigation of LCI) is from January 1, 1997 to present;

WHEREAS, the Parties acknowledge that Qwest enters into this Agreement for settlement purposes only. Qwest does not admit to any of the factual allegations made by the OAG and this Agreement shall not be construed as either an admission or finding of any wrongdoing or violation of any state or federal law, rule, or regulation; and

WHEREAS, Qwest and the OAG desire to conclude the Investigation and reach an Agreement that will fully and finally settle, resolve, release, discharge, and compromise the Matters Investigated (as defined below) related to the Investigative Period (as defined below) concerning Qwest and LCI and all claims and causes of action by the OAG against Qwest or LCI relating thereto. [The parties agree to provide acknowledgment of the course taken relative to the FPSC and insert it here in a final recital, reflecting that there has also been a full resolution of their claims for the same period, if the FPSC agrees to grant Qwest's Petition.]

NOW THEREFORE, in consideration of the premises and the mutual promises, agreements, covenants and obligations contained herein, and for other good and valuable consideration as stated herein, the receipt of which are hereby acknowledged, the OAG and Qwest hereby agree and stipulate to the following:

EXHIBIT A

DEFINITIONS

1. The term "Claim" shall mean any claims or causes of action for fines, damages, liabilities, penalties, attorneys' fees, losses, costs, expenses, or other relief of any kind or character whatsoever, at law or equity, regarding the Matters Investigated.

2. The term "Consumer" means any person, a natural person, individual, governmental agency or entity, partnership, corporation, limited liability company or corporation, trust, estate, incorporated or unincorporated association, and any other legal or commercial entity however organized located in the State of Florida.

3. The term "Distributor" means a third-party entity or agent engaging in face-to-face sales or engaging in telemarketing of Long Distance Services to Consumers on behalf of Qwest.

4. The Term "Effective Date" means the date upon which Qwest receives notice that the Florida Attorney General has accepted this Agreement, but shall be no later than thirty (30) days subsequent to the last date of execution of this Agreement.

5. The term "Investigation" shall mean the OAG's investigative case, number L01-3-1193, which was opened on or about January 31, 2001, and covers the time period from January 1, 1997 through the date of execution of this Agreement.

6. The term "Investigative Period" shall mean the time period of the Investigation, January 1, 1997 through the date of execution of this Agreement.

7. The term "Long Distance Services" means any 1+ service provided directly by Qwest to a Consumer.

8. The term "Long Distance Telephone Service Provider" means the entity that is chosen by a Consumer to transport "Long Distance Services" and shall include and is synonymous with the terms "Primary Interexchange Company," "Interexchange Carrier," "Primary Interexchange Carrier," "Preferred Carrier," "Interexchange Company," and "long distance company".

9. The term "Matters Investigated" means the activities of Qwest and its agents

relating to their efforts to solicit and transfer Consumers' incumbent Long Distance Telephone Service Providers to Qwest occurring in the State of Florida or from other jurisdictions to Consumers located in the State of Florida, and includes the investigation into allegations that some of these activities involved the switching or attempted switching of Long Distance Telephone Service Providers to Qwest without the Consumers' knowledge, consent or legal authorization.

10. The term "Parties" as used in this Agreement shall mean Qwest and the OAG.

11. The term "Qwest" as used herein means Qwest Communications International, Inc., and any of its affiliates, subsidiaries, branches, divisions, departments, groups, Distributors, employees, officers, directors, consultants, agents, attorneys or representatives; and any corporate predecessors, successors or assigns controlling or controlled by Qwest Communications International Inc. The term "Qwest" is expressly intended to include, but is not limited to, Qwest Communications Corporation and its subsidiary LCI. The term "Qwest" does not mean or include any switchless, switch based, or facilities based carrier or reseller of Long Distance Services that has contracted with Qwest.

REPRESENTATIONS AND WARRANTIES

12. Qwest represents and warrants that it is a properly named Respondent with respect to the Investigation and the Matters Investigated and a properly named Party to this Agreement and can incur the obligations set forth herein.

13. The Parties represent and warrant that this Agreement is entered into by the Parties as their own free and voluntary acts and with full knowledge and understanding of the nature of the proceedings and the obligations and duties imposed by this Agreement. Each Party represents and warrants that no waivers, offers, agreements, representations, warranties or inducements of any nature whatsoever concerning this Agreement, other than those contained herein, have been made to it by the other Party to procure this Agreement.

14. Qwest represents and warrants that it is solvent and it has good and sufficient funds available to meet fully all financial obligations called for in this Agreement. Qwest also

represents and warrants that it has reviewed its financial situation and that it currently is solvent within the meaning of 11 U.S.C. § 547(b)(3), and will remain solvent following its payment to the OAG hereunder.

15. Qwest represents and warrants that, within ninety (90) days of the Effective Date of this Agreement, it will send a written notice to all Consumers whose Long Distance Telephone Service was with Qwest on the date of execution of this Agreement. Qwest further warrants and represents that said notice shall clearly and conspicuously state to each such Consumer that his/her Long Distance Telephone Service Provider is Qwest and that the Consumer would have the option to remain with Qwest or switch to a Long Distance Telephone Service Provider of the Consumer's choice without cost to the Consumer if the Consumer was transferred to Qwest in error and without consent. A copy of the notice required by this Paragraph 15 is attached hereto as Exhibit A.

16. Qwest represents and warrants that it has provided and will continue to provide rate adjustments, credits, change of Long Distance Telephone Service Provider, or other redress, to all complaining Consumers whose Long Distance Telephone Service Provider was changed to Qwest without proper authorization as a result of solicitations and activities by or on behalf of Qwest involving Consumers located in the State of Florida during the time period specified in the Matters Investigated up to and including the date of this Agreement.

17. Qwest represents and warrants that neither Qwest nor any of its representatives, employees, agents or any other person acting directly under, by, through or on behalf of Qwest, shall state, represent or imply that the Attorney General of the State of Florida, the OAG, or any other governmental unit or subdivision of Florida has approved, sanctioned, or authorized any practice, act or conduct of Qwest pursuant to this Agreement except to the extent that this Agreement expressly mandates or incorporates such practices and procedures as adequate corrective action measures to meet the terms and conditions of the obligations undertaken by Qwest in this Agreement.

18. Qwest represents and warrants that it shall not effect any change in its form of

doing business or its organizational identity or participate directly or indirectly in any activity to form a separate entity or corporation for the purpose of engaging in acts prohibited by this Agreement or for any other purpose which would otherwise circumvent any part of this Agreement or the spirit or purposes of this Agreement.

APPLICATION

19. This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and assigns. This Agreement shall also be binding upon and inure to the benefit of any corporate parent, holding company, dba, affiliate or subsidiary of Qwest to the extent necessary to ensure that the rights and obligations created by this Agreement are effectuated and survive any merger, dissolution, or change in Qwest's corporate name, identity, organization or function.

20. This Agreement applies to Qwest acting directly, or through a Distributor which Qwest directs or controls, in connection with the offering for sale, selling or providing Qwest Long Distance Services in or from the State of Florida to Consumers within the State of Florida.

21. This Agreement applies to any current and future officer, servant, representative, employee, agent, Distributor, or any other person who acts on behalf of Qwest in or affecting the sale of Long Distance Services within the State of Florida. Where applicable, for the three years following the Effective Date of this Agreement, Qwest shall be responsible for making the substantive terms and conditions of this Agreement known to its respective officers, directors, successors, and appropriate managers, employees and those persons associated with Qwest, including Distributors acting on Qwest's behalf, who are responsible for implementing the obligations set forth in this Agreement.

22. For a period of three (3) years following the Effective Date of this Agreement and termination of the Investigation, prior to any sale, dissolution, reorganization, assignment, merger, acquisition or other action that would result in any successor or assign of any of Qwest's obligations with regard to selling Long Distance Services and/or acquiring long distance telephone Consumers in the State of Florida, Qwest shall furnish a copy of this Agreement to

such prospective successor or assign and advise same of its duties and obligations under this Agreement.

COMPLIANCE

23. Qwest shall, within sixty (60) days of the Effective Date of this Agreement, deliver a summary of this Agreement to all applicable managerial and supervisory employees having responsibilities for the implementation of the subject matter of this Agreement. Within thirty (30) days following the Effective Date of this Agreement, Qwest's Corporation's Executive Vice Presidents for Consumer Sales and National Business Accounts shall send a directive to: (1) all Qwest employees; and (2) all Distributors of Qwest involved in the sale of Long Distance Services to Florida Consumers having duties and responsibilities related to the subject matters of this Agreement, including solicitation of customers and monitoring of distributors. The directive shall provide information about the general terms and conditions of this Agreement, with instructions to Distributors that such information be provided to their employees.

24. Qwest shall implement and maintain a corporate compliance program for each of Qwest's divisions or operations providing Long Distance Services to Consumers. For the three years following the Effective Date of this Agreement, continuation by Qwest of its current practices implemented in compliance with Sections 13, 14, 15, 16, 17, 18, and 19, of the Consent Decree entered into by Qwest Communications International Inc. and the Federal Communications Commission captioned In the Matter of Qwest Communications International, Inc. (July 19, 2000), file No. ENF-99-11, NAL/ Acct. No. 916EF008 and attached hereto as Exhibit B shall satisfy the requirements of this Paragraph 24.

25. With regard to selling or providing Long Distance Services in or from the State of Florida to Consumers, Qwest, its representatives, officers, agents, Distributors, employees, or consultants shall:

- (a) comply with Title 47 of the Code of Federal Regulations relating to Telecommunications;
- (b) follow in good faith the procedures for transferring Consumers delineated

in Title 25-4.118 of the Florida Administrative Code relating to the Public Service Commission;
and

(c) comply with Sections 812.014, 831.01 and 831.02, Florida Statutes.

26. It is hereby agreed by Qwest that immediately upon the Effective Date of this Agreement and for a period of three (3) years thereafter, Qwest shall, with regard to selling Long Distance Services in or from the State of Florida to Consumers, adopt and implement adequate and responsible training, policies, guidelines, and procedures to monitor and ensure regularly and routinely that Qwest or its representatives, officers, agents, Distributors, employees, and consultants shall not receive, submit, change or attempt to receive, submit, or change Consumer orders or selections of Long Distance Telecommunications Providers, under false pretenses or without authorization or consent from the Consumer to be affected.

27. Qwest shall, within ninety (90) days of the Effective Date of this Agreement, begin providing the notice required by Paragraph 15 above and shall complete the notice within one hundred and twenty (120) days of the Effective Date of this Agreement.

28. Qwest shall continue to promptly resolve any and all Consumer complaints involving the Matters Investigated, which are referred to Qwest directly by the Consumer, referred to Qwest by the OAG, or referred to Qwest by any other source.

29. For a period of three (3) years after the Effective Date of this Agreement, Qwest shall continue its current practice of maintaining records of Consumer complaints for a period of two years following the date that a complaint is lodged (calculated on a rolling basis from each and every complaint made) and shall make such complaint information available to the OAG for inspection and copying during normal business hours upon reasonable notice, which shall mean at least five (5) business days notice, although, when necessary, the Parties shall work cooperatively and Qwest shall be given additional time to comply as needed

CERTIFICATION AND VERIFICATION

30. Qwest shall provide certification to the OAG within one hundred and thirty (130) days of the Effective Date of this Agreement. Said certification shall be in writing by an

appropriate employee of Qwest, who has personal knowledge of the matters contained in the certification. Qwest shall send the original certification to the OAG. The certification shall include:

- (a) a statement indicating the position and title of the person providing the certification;
- (b) a statement that the person providing the certification is executing the certification on behalf of Qwest pursuant to this Agreement; and
- (c) a statement that Qwest has complied with the notification provisions of Paragraphs 15 and 27, is complying with and will continue to comply with the complaint redress provision of Paragraph 28, and all other provisions of this Agreement.

MONETARY PROVISIONS & TERMINATION OF INVESTIGATION

31. In consideration of the mutual agreements, conditions and covenants set forth herein, upon execution of this Agreement, Qwest shall pay to the OAG the sum of 3.25 million dollars (\$ 3,250,000). This monetary obligation to the OAG shall be paid at the time of execution of this Agreement by Qwest, made payable to the "Legal Affairs Revolving Trust Fund". Payment shall be by wire transfer and notification of payment of said funds shall be delivered to Assistant Attorney General John A. Topa, Office of the Attorney General, The Capitol PL-01, Tallahassee, Florida 32399-1050.

32. Upon acceptance of the Agreement by the Florida Attorney General the OAG shall immediately terminate the Investigation and shall not pursue any further investigation of or action or Claims by the OAG against Qwest, or against past or present officers, directors, and employees of Qwest, regarding the Matters Investigated that are related to the Investigative Period

GENERAL PROVISIONS AND CONDITIONS

33. The Parties agree that venue for any and all matters or disputes arising out of this Agreement and asserted by or against the OAG shall lie solely in Leon County, Florida.

34. This Agreement shall become effective upon its acceptance by the Florida

Attorney General, who may refuse to accept it at his discretion. The Florida Attorney General will accept or reject this Agreement within thirty (30) days of its submission and execution by Qwest and the submission of the total payment set forth in Paragraph 31. Upon his acceptance of the Agreement, the Florida Attorney General shall terminate the Investigation and notify Qwest. In the event the Florida Attorney General does not accept this Agreement, the payment made pursuant to Paragraph 31 shall be immediately returned to Qwest and this Agreement shall become null and void.

35. This Agreement constitutes the entire agreement between Qwest, on the one hand, and the OAG, on the other hand, with regard to terminating the Investigation and resolving the Matters Investigated, and all prior negotiations and understandings between Qwest and the OAG shall be deemed merged into this Agreement.

36. No waiver, modification or amendment of the terms of this Agreement shall be valid or binding unless made in writing, signed by all Parties affected and then only to the extent set forth in such written waiver, modification, or amendment.

37. Qwest retains the right to modify and improve its Customer service policies, training programs and Distributor agreements and is not bound to maintain such policies, programs or agreements in any particular form. Substance, text and content of policies, programs and agreements adopted to implement the requirements set forth in this Agreement may be modified by Qwest at any time as long as the Customer service goals of eliminating unauthorized switches of Customers' Long Distance Service are continued and the underlying purposes of this Agreement are not thwarted.

38. Any failure by either Party to this Agreement to insist on strict performance by the other Party of any provision of the Agreement shall not be deemed a future waiver of any of the provisions of this Agreement, and such Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all provisions of this Agreement.

39. This Agreement shall be governed by, construed and enforced in accordance with

the laws of the State of Florida, including, but not limited to, its conflict of law principles.

40. If any clause, provision, or section of the Agreement shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Agreement, and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or other provision had not been contained herein.

41. With regard to its conduct, Qwest denies any liability, wrongful acts, or violation of law, and enters into this Agreement without any admission of liability, wrongful acts, or violation of law. While by this Agreement Qwest seeks to cooperate with, and to address and resolve concerns that the OAG may have with respect to the Matters Investigated, this Agreement does not constitute an admission of any sort by Qwest.

42. Qwest specifies in Paragraph 46 the address and telephone number where it can be contacted and served with process in the event of default under this Agreement. In addition, Qwest shall provide the new address, telephone number and facsimile number within five (5) business days of any future change to the contact information provided in Paragraph 46. Service upon Qwest for the purposes of enforcing the provisions of this Agreement in the event of default shall be effective upon mailing a notice via first class mail and facsimile transmissions.

43. Nothing in this Agreement shall be construed to limit the authority of the Florida Attorney General to protect the interests of the State or the people of the State of Florida except to the extent of the express settlement of Claims delineated herein and as expressly stated in this Agreement.

44. Nothing in this Agreement shall be construed as relieving Qwest of its obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions of this Agreement be deemed to be permission to engage in any acts or practices prohibited by such law, regulation or rule.

45. This document shall not be construed against the "drafter" because both Parties

participated in the drafting of this document.

46. Except as otherwise provided herein, any notice, affidavit, certification, or statement, sworn or otherwise, required to be sent to the OAG or Qwest by this Agreement shall be sent by United States mail, certified mail return receipt requested or other nationally recognized courier service that provides for tracking services and identification of the person signing for the document. The documents shall be sent to the following:

For the OAG: John A. Topa, Assistant Attorney General
Office of the Attorney General
PL-01 The Capitol
Tallahassee, Florida 32399-1050
Phone: 850-414-3600
Fax: 850-488-4483

For Qwest: Andrew D. Holleman, Senior Attorney
1801 California Street, Suite 3800
Denver, Colorado 80202
Phone: 303-672-2774
Fax: 303-672-2757

and: James A. Smith, Executive Vice President
Consumer Markets
1801 California Street, Suite 5200
Denver, CO 80202
Phone: 303-992-6001
Fax: 303-296-4977

47. This Agreement sets forth the entire agreement between the parties, and there are no representations, agreements, arrangements, or understandings, oral or written, between the Parties relating to the subject matter of this Agreement which are not fully expressed herein or attached hereto.

48. Except for the Parties' respective obligations hereunder, and for and in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged the OAG and the Attorney General for the State of Florida do hereby and forever discharge and release

Qwest, and its respective parent, subsidiary and affiliate corporations, officers, directors, shareholders, employees, agents, successors, Distributors, consultants, representatives, attorneys and assigns, of and from any and all manner of demands, actions, causes of action, Claims, suits, debts, sums of money, promises or damages whatsoever, in law or in equity, suspected or unsuspected, whether heretofore asserted or not, arising out of, or occurring as a result of, or in any way connected with the Claims that exist as of the date of this Agreement, concerning the Matters Investigated during the Investigative Period.

QWEST COMMUNICATIONS INTERNATIONAL, INC.

Dated: _____

By:

Title:

OFFICE OF THE ATTORNEY GENERAL

Dated: _____

By: Mary Leontakianakos
Chief of Economic Crimes

IMPORTANT NOTICE TO ALL QWEST CUSTOMERS

Our records indicate that you selected Qwest Communications Corporation as your long distance carrier for long distance calls. Qwest is working with the Office of the Attorney General of the State of Florida and other entities to ensure that no customers are or have been switched to Qwest without proper authorization. Some of you have been with Qwest for many years while others may have recently selected Qwest as your long distance carrier, but you are all valued customers and we want to ensure that you are receiving the long distance service that you need *and* that you have *chosen*. We know that you have many choices in long distance carriers and we appreciate your selection of our company to provide you this service. If you believe that our records are in error regarding your selection of Qwest as your long distance provider, please contact your Qwest customer service representative within the next 30 days at: _____.

Only your local phone company (also referred to as a "Local Exchange Carrier" or "LEC") or a new Long Distance Service Provider can make a change to effectuate your choice in the designation of your Long Distance Service Provider. If it is determined that you were switched to Qwest in error without proper authorization and you wish to select a different Long Distance Service Provider, you will need to contact either your LEC and inform it that you were switched improperly, and designate your chosen Long Distance Service Provider or you will need to directly contact the Long Distance Service Provider you have chosen to serve you in order for the change to be made. Qwest cannot make this change for you.