

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Sprint-Florida, Incorporated for approval of interconnection and resale agreement with Business Telecom, Inc. d/b/a BTI.

DOCKET NO. 980577-TP
ORDER NO. PSC-98-1066-FOF-TP
ISSUED: August 10, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

ORDER APPROVING REALE AND INTERCONNECTION AGREEMENT

BY THE COMMISSION:

On April 27, 1998, Sprint-Florida, Incorporated (Sprint) and Business Telecom, Inc. d/b/a BTI (BTI) filed a request for approval of a resale and interconnection agreement under the Telecommunications Act of 1996, 47 U.S.C. §252(e) of the Telecommunications Act of 1996 (the Act). The agreement is attached to this Order as Attachment A and incorporated by reference herein.

Both the Act and Chapter 364, Florida Statutes, encourage parties to enter into negotiated agreements to bring about local exchange competition as quickly as possible. Under the requirements of 47 U.S.C. § 252(e), negotiated agreements must be submitted to the state commission for approval. Section 252(e)(4) requires the state to reject or approve the agreement within 90 days after submission or it shall be deemed approved.

This agreement covers a two-year period and governs the relationship between the companies regarding local interconnection and the exchange of traffic pursuant to 47 U.S.C. § 251. Under 47 U.S.C. § 252(a)(1), the agreement shall include a detailed schedule

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ORDER NO. PSC-98-1066-FOF-TP
DOCKET NO. 980577-TP
PAGE 2

of itemized charges for interconnection and each service or network element included in the agreement.

Upon review of the proposed agreement, we believe that it complies with the Telecommunications Act of 1996; thus, we hereby approve it. Sprint and BTI are also required to file any subsequent supplements or modifications to their agreement with the Commission for review under the provisions of 47 U.S.C. § 252(e).

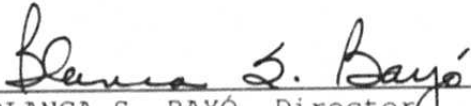
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the resale and interconnection agreement between Sprint-Florida, Incorporated and Business Telecom, Inc. d/b/a BTI, as set forth in Attachment A and incorporated by reference in this Order, is hereby approved. It is further

ORDERED that any supplements or modifications to this agreement must be filed with the Commission for review under the provisions of 47 U.S.C. § 252(e). It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 10th day of August, 1998.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

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ORDER NO. PSC-98-1066-FOF-TP
DOCKET NO. 980577-TP
PAGE 3

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 or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review in Federal district court pursuant to the Federal Telecommunications Act of 1996, 47 U.S.C. § 252(e)(6).

Attachment A

MASTER NETWORK INTERCONNECTION AND RESALE AGREEMENT

This Master Network Interconnection And Resale Agreement ("Agreement") between Business Telecom, Inc. ("BTI") and Sprint -Florida, Incorporated (hereinafter referred to as "Sprint" or "Company") hereinafter collectively, "the Parties", is entered into and effective this 18th day of March, 1998, for the State of Florida.

NOW, THEREFORE, the Parties agree as follows:

The Parties agree that the Agreement between the Parties shall consist of the Interconnection agreement For the State of Florida entered into by and between the Company and KMC Telecom, Inc. dated the 4th day of June, 1997 and approved by the Florida Public Service Commission on the 4th day of February, 1998 (hereinafter the "KMC Agreement"), amended as follows:

BTI is hereby substituted in the KMC Agreement for KMC and Sprint is substituted for Company. This Agreement shall terminate corresponding to the termination date of the KMC Agreement. In all other respects the KMC Agreement shall remain unchanged.

The Parties acknowledge that there is a disagreement between the Parties as to requirements of Section 252(i) of the Telecommunications Act of 1996 with respect to the Sprint's obligations to allow BTI to adopt the KMC Agreement. Neither Party waives any right it may have to address or contest the application of 252(i) to this Agreement any other agreement in proceeds before the Florida Public Service Commission, the Federal Communications Commission or any court of competent jurisdiction. Specifically, Sprint reserves the right to protest such application at a latter date.

IN WITNESS WHEREOF, the Parties thereto have caused this Agreement to be executed by their respective duly authorized representatives.

Sprint - Florida, Incorporated

By: William E. Cheek

Name: William E. Cheek

Title: VP - Sales & Account Management

Date: 4/10/1998

Business Telecom, Inc.

By: Anthony Caputo

Name: Anthony Caputo

Title: VP/Gen. Counsel

Date: 3/17/98

ORDER NO. PSC-98-1066-FOF-TP
DOCKET NO. 980577-TP
PAGE 5

- Attachment A

INTERCONNECTION AGREEMENT FOR THE STATE OF FLORIDA

Dated as of June 4, 1997

by and between

SPRINT - FLORIDA, Inc.

and

KMC TELECOM, INC.

INTERCONNECTION AGREEMENT

This Interconnection Agreement ("Agreement"), is effective as of the 4th day of June, 1997 (the "Effective Date"), by and between Sprint - Florida, Inc. ("Sprint") a Florida corporation, with offices at 555 Lake Border Drive, Apopka, Florida 32703, and KMC Telecom, Inc. ("KMC"), a Delaware corporation with offices located at 154S Route 206, Suite 300, Bedminster, NJ 07921.

WHEREAS, the Parties agree to interconnect their networks at mutually agreed upon points of interconnection to provide Telephone Exchange Services and Exchange Access Services (as defined below) to their respective Customers.

WHEREAS, the Parties are entering into this Agreement to set forth the respective obligations of the Parties and the terms and conditions under which the Parties will interconnect their networks and provide other services as required by the Act (as defined below) and additional services as set forth herein.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, KMC and Sprint hereby agree as follows:

1.0 DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified below in this Section 1.0.

1.1 "Act" means the Communications Act of 1934 (47 U.S.C. 151 *et seq.*) as amended by the Telecommunications Act of 1996, and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.2 "ADSL" or "Asymmetrical Digital Subscriber Line" means a transmission technology which transmits an asymmetrical digital signal using one of a variety of line codes.

1.3 "Affiliate" is As Defined in the Act.

1.4 "As Defined in the Act" means as specifically defined by the Act and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.5 "As Described in the Act" means as described in or required by the Act and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.6 "Automatic Number Identification" or "ANI" means a Feature Group D signaling parameter which refers to the number transmitted through a network identifying the billing number of the calling party.

1.7 "BLV/BLVI Traffic" means an operator service call in which the caller inquires as to the busy status of or requests an interruption of a call on another Customer's Telephone Exchange Service line.

1.8 "Calling Party Number" or "CPN" is a Common Channel Interoffice Signaling ("CCIS") parameter which refers to the number transmitted through a network identifying the originating telephone number.

1.9 "Central Office Switch" means a switch used to provide Telecommunications Services, including, but not limited to:

(a) "End Office Switches" which are used to terminate Customer station Loops for the purpose of interconnection to each other and to interoffice trunks; and

(b) "Tandem Office Switches" or "Tandems" which are used to connect and switch trunk circuits between and among other Central Office Switches.

A Central Office Switch may also be employed as a combination End Office/Tandem Office Switch.

1.10 "CCS" means one hundred (100) call seconds.

1.11 "CLASS Features" means certain CCIS-based features available to Customers including, but not limited to: Automatic Call Back; Call Trace; Caller Identification and related blocking features; Distinctive Ringing/Call Waiting; Selective Call Forward; and Selective Call Rejection.

1.12 "Collocation" means an arrangement whereby one Party's (the "Collocating Party") facilities are terminated in equipment necessary for Interconnection or for access to Network Elements on an unbundled basis which has been installed and maintained at the premises of a second Party (the "Housing Party"). For purposes of Collocation, the "premises" of a Housing Party is limited to an occupied structure or portion thereof in which such Housing Party has the exclusive right of occupancy. Collocation may be "physical" or "virtual". In "Physical Collocation," the Collocating Party installs and maintains its own equipment in the Housing Party's premises. In "Virtual Collocation," the Housing Party installs and maintains the Collocating Party's equipment in the Housing Party's premises. Equipment eligible for collocation shall be as determined by the FCC or the Commission pursuant to the Telecommunications Act of 1996.

1.13 "Commission" or "PSC" means the Florida Public Service Commission.

1.14 "Common Channel Interoffice Signaling" or "CCIS" means the signaling system, developed for use between switching systems with stored-program control, in which all of the signaling information for one or more groups of trunks is transmitted over a dedicated high-speed data link rather than on a per-trunk basis and, unless otherwise agreed by the Parties, the CCIS used by the Parties shall be SS7.

1.15 "Cross Connection" means a connection provided pursuant to Collocation at the Digital Signal Cross Connect, Main Distribution Frame or other suitable frame or panel between (i) the Collocating Party's equipment and (ii) the equipment or facilities of the Housing Party.

1.16 "Customer" means a third-party residence or business that subscribes to Telecommunications Services provided by either of the Parties.

1.17 "Dialing Party" is As Defined in the Act. As used in this Agreement, Dialing Party refers to both Local Dialing Party and Toll Dialing Party. "Local Dialing Party" means the ability of Telephone Exchange Service Customers of one LEC to place local calls to Telephone Exchange Service Customers of another LEC, without the use of any access code and with no unreasonable dialing delay. "Toll Dialing Party" means the ability of Telephone Exchange Service Customers of a LEC to have their toll calls (inter or intraLATA) routed to a toll carrier (intraLATA or interLATA) of their selection without dialing access codes or additional digits and with no unreasonable dialing delay.

1.18 "Digital Signal Level" means one of several transmission rates in the time-division multiplex hierarchy.

1.19 "Digital Signal Level 0" or "DS0" means the 64 Kbps zero-level signal in the time-division multiplex hierarchy.

1.20 "Digital Signal Level 1" or "DS1" means the 1.544 Mbps first-level signal in the time-division multiplex hierarchy. In the time-division multiplexing hierarchy of the telephone network, DS 1 is the initial level of multiplexing.

1.21 "Digital Signal Level 3" or "DS3" means the 44.736 Mbps third-level in the time-division multiplex hierarchy. In the time-division multiplexing hierarchy of the telephone network, DS3 is defined as the third level of multiplexing.

1.22 "Exchange Access Service" is As Defined in the Act.

1.23 "Exchange Message Record" or "EMR" means the standard used for exchange of Telecommunications message information among Telecommunications providers for billable, non-billable, sample, settlement and study data. EMR format is contained in Bellcore Practice BR-010-200-010 CRIS Exchange Message Record.

1.24 "FCC" means the Federal Communications Commission.

1.25 "Fiber-meet" means an Interconnection architecture method whereby the Parties physically interconnect their networks via an optical fiber interface (as opposed to an electrical interface) at a mutually agreed upon location.

1.26 "HDSL" or "High-Bit Rate Digital Subscriber Line" means a transmission technology which transmits up to a DS1-level signal, using any one of the following line codes: 2 Binary / 1 Quaternary ("2B1Q"), Carrierless AM/PM, Discrete Multitone ("DMT"), or 3 Binary / 1 Octet ("3B 1O").

1.27 "Information Service Traffic" means Local Traffic or IntraLATA Toll Traffic which originates on a Telephone Exchange Service line and which is addressed to an information service provided over a Party's information services platform (e.g. 976).

1.28 "Integrated Digital Loop Carrier" means a subscriber loop carrier system which integrates within the switch at a DS1 level that is twenty-four (24) local Loop transmission paths combined into a 1.544 Mbps digital signal.

1.29 "Interconnection" is As Described in the Act and refers to the connection of separate pieces of equipment, facilities, or platforms between or within networks for the purpose of transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic.

1.30 "Interexchange Carrier" or "IXC" means a carrier that provides, directly or indirectly, interLATA or intraLATA Telephone Toll Services.

1.31 "Interim Number Portability" or "INP" is As Described in the Act.

1.32 "InterLATA" is As Defined in the Act.

1.33 "Integrated Services Digital Network" or "ISDN" means a switched network service that provides end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for a digital transmission of two 64 kbps bearer channels and one 16 kbps data channel (2B+D).

1.34 "IntraLATA Toll Traffic" means those intraLATA station calls that are not defined as Local Traffic in this Agreement.

1.35 "Local Access and Transport Area" or "LATA" is As Defined in the Act.

1.36 "Local Traffic" (including Extended Area Service (EAS)), means those calls as defined by Sprint's local calling areas, as described in maps, tariffs or rate schedules filed with and approved by the Commission as of the date of this Agreement; provided that, during the term of this Agreement, in no event shall a Local Traffic call be less than the local calling areas as defined on the Effective Date

- 1.37 "Local Exchange Carrier" or "LEC" is As Defined in the Act.
- 1.38 A "Loop" is a transmission path between the main distribution frame cross-connect, or its equivalent, in a Sprint Central Office or wire center, and up to the network interface device at a customer's premises. This includes, but is not limited to, two-wire and four-wire cooper analog voice-grade loops, two-wire and four-wire loops that are conditioned to transmit the digital signals needed to provide services such as ISDN and DS1-level signals. This also includes other mediums, such as DS-3, OC-n and STS-n services (e.g. n = 1, 3, 12...).
- 1.39 "Losses" means any and all losses, costs (including court costs), claims, damages (including fines, penalties, and criminal or civil judgments and settlements), injuries, liabilities and expenses (including attorneys' fees).
- 1.40 "Main Distribution Frame" or "MDF" means the distribution frame of the Party providing the Loop used to interconnect cable pairs and line and trunk equipment terminals on a switching system.
- 1.41 "MECAB" refers to the Multiple Exchange Carrier Access Billing (MECAB) document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more LECs, or by one LEC in two or more states within a single LATA.
- 1.42 MECOD" refers to the Multiple Exchange Carriers Ordering and Design (MECOD) Guidelines for Access Services - Industry Support Interface a document developed by the Ordering/Provisioning Committee under the auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Bellcore as Special Report SR STS-002643, establishes methods for processing orders for access service which is to be provided by two or more LECs.
- 1.43 "Meet-point Billing" or "MB" refers to the billing arrangement for the interconnection of facilities between two or more LECs for the routing of traffic to and from another interexchange carrier.
- 1.44 "Multiple Bill/Single Tariff as defined by the industry's MECAB document, means the meet-point billing method where each LEC prepares and renders its own meet point bill in accordance with its own Tariff or the portion of the jointly-provided Switched Access Service which the LEC provides. Sometimes erroneously referred to as "Multiple Bill/Multiple Tariff" method.
- 1.45 "Network Element" is As Defined in the Act.
- 1.46 "Network Element Bona Fide Request" means the process described on Exhibit A that prescribes the terms and conditions relating to a Party's request that the other Party provide a Network Element not otherwise provided by the terms of this Agreement.
- 1.47 "Network Interface Device" (NID) is a single-line termination device or that portion of a multiple-line termination device required to terminate a single line or circuit. The fundamental function of the NID is to establish the official network demarcation point between a carrier and its end-user customer. The NID (protector) provides a protective ground connection, and is capable of terminating cables such as twisted pair cable.
- 1.48 "North American Numbering Plan" or "NANP" means the numbering plan used in the United States that also serves Canada, Bermuda, Puerto Rico and certain Caribbean Islands. The NANP

format is a 10-digit number that consists of a 3-digit NPA code (commonly referred to as the area code), followed by a 3-digit NXX code and 4-digit line number.

1.49 "Number Portability" is As Defined in the Act.

1.50 "NXX" means the three-digit code which appears as the first three digits of a seven digit telephone number.

1.51 "PARITY" means, subject to the availability, development and implementation of necessary industry standard Electronic Interfaces, the provision by Sprint of services, Network Elements, functionality or telephone numbering resources under this Agreement to KMC on terms and conditions, including provisioning and repair intervals, no less favorable than those offered to Sprint, its Affiliates or any other entity that obtains such services, Network Elements, functionality or telephone numbering resources. Until the implementation of necessary Electronic Interfaces, Sprint shall provide such services, Network Elements, functionality or telephone numbering resources on a non-discriminatory basis to CARRIER as it provides to its Affiliates or any other entity that obtains such services, Network Elements, functionality or telephone numbering resources.

1.52 "Party" means either Sprint or KMC, and "Parties" means Sprint and KMC.

1.53 "Public Safety Answering Point" ("PSAP") means an answering location for 911 calls originating in a given area. A PSAP may be designed as Primary or Secondary, which refers to the order in which calls are directed for answering. Primary PSAPs respond first; Secondary PSAPs receive calls on a transfer basis only, and generally serve as a centralized answering location for a particular type of emergency call. PSAPs are staffed by employees of Service Agencies such as police, fire or emergency medical agencies or by employees of a common bureau serving a group of such entities.

1.54 "Rate Center" means the specific geographic point which has been designated by a given LEC as being associated with a particular NPA-NXX code which has been assigned to the LEC for its provision of Telephone Exchange Service. The Rate Center is the finite geographic point identified by a specific V&H coordinate, which is used by that LEC to measure, for billing purposes, distance sensitive transmission services associated with the specific Rate Center.

1.55 "Reciprocal Compensation" is As Described in the Act, and refers to the payment arrangements that recover costs incurred for the transport and termination of Telecommunications originating on one Party's network and terminating on the other Party's network.

1.56 "Signaling Transfer Point" or "STP" means a signaling point that performs message routing functions and provides information for the routing of messages between signaling points within or between CCIS networks. An STP transmits, receives and processes CCIS messages.

1.57 "Switched Access Detail Usage Data" means a category 1101XX record as defined in the EMR Bellcore Practice BR 010-200-010.

1.58 "Switched Access Summary Usage Data" means a category 1150XX record as defined in the EMR Bellcore Practice BR 010-200-010.

1.59 "Switched Exchange Access Service" means the offering of transmission or switching services to Telecommunications Carriers for the purpose of the origination or termination of Telephone Toll Service. Switched Exchange Access Services include: Feature Group A, Feature Group B, Feature Group D, 800/888 access, and 900 access, and their successor or similar Switched Exchange Access Services.

1.60 "Synchronous Optical Network" or "SONET" is an optical interface standard that allows interworking of transmission products from multiple vendors (i.e. mid-span meets). The base rate is 51.84 Mhps (OC-1/STS-1) and higher rates are direct multiples of the base rate up to 13.22 Ghps.

- 1.61 "Technically Feasible Point" is As Described in the Act.
- 1.62 "Telecommunications" is As Defined in the Act.
- 1.63 "Telecommunications Act" means the Telecommunications Act of 1996 and any rules and regulations promulgated thereunder.
- 1.64 "Telecommunications Carrier" is As Defined in the Act.
- 1.65 "Telecommunications Service" is As Defined in the Act.
- 1.66 "Telephone Exchange Service" As Defined in the Act.
- 1.67 "Telephone Toll Service" is As Defined in the Act.
- 1.68 "Wire Center" means an occupied structure or portion thereof in which a Party has the exclusive right of occupancy and which serves as a Routing Point for Switched Exchange Access Service.

2.0 INTERPRETATION AND CONSTRUCTION

All references to Sections, Exhibits and Schedules shall be deemed to be references to Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. The headings of the Sections and the terms defined in Schedule 1.0 are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument (including Sprint or other third party offerings, guides or practices), statute, regulation, rule or Tariffs to such agreement, instrument, statute, regulation, rule or Tariff is as amended and supplemented from time to time (and, in the case of a statute, regulation, rule or Tariff, to any successor provision).

3.0 IMPLEMENTATION SCHEDULE

Except as otherwise specifically provided below, the interconnections specified in this Agreement shall be fully implemented and activated as mutually agreed between both parties.

4.0 NETWORK INTERCONNECTION ARCHITECTURE

Trunking can be established to tandems or end offices or a combination of both via either one-way or two-way trunks. Trunking will be at the DS-0 level, DS-1 level, DS-3/OC-3 level, or higher, as agreed upon by KMC and Sprint. Initial trunking will be established between the KMC switching centers and Sprint's access tandem(s) at a DS-1 level. The parties may utilize direct end office trunking depending upon tandem exhaust, traffic volumes, or by mutual agreement.

5.0 TRANSMISSION AND ROUTING OF TRAFFIC BETWEEN THE PARTIES' TELEPHONE EXCHANGE SERVICE CUSTOMERS

This section prescribes parameters for specific trunk groups ("Traffic Exchange Trunk Groups") to be effected over the Interconnection specified in Section 4.0 for the transmission and routing of Local Traffic and IntraLATA Toll Traffic between the Parties' respective Telephone Exchange Service customers.

5.1 Trunk Group Architecture, Traffic Routing and Grade of Service

The Parties shall establish Traffic Exchange Trunk Groups as follows:

5.1.1 The Parties agree to deploy 2-way trunking facilities to care for all bi-directional interoffice traffic unless economics, application, technical or billing limitations dictate the use of 1-way trunking facilities. The Parties also agree that for an initial period, not to exceed 150 days, such facilities will be directionalized to emulate 1-way operation, in order to facilitate traffic studies and to confirm proper billing.

Further studies, trunking and switching architectures and configurations will be handled on a case-by-case basis as outlined in the Grooming Plan.

5.1.2 The Parties shall initially configure single trunk group as a direct transmission path between Sprint's Tandem Switch and the initial Central Office Switch employed by KMC to provide Telephone Exchange Service or Exchange Access.

5.1.3 Subsequently, if any individual trunk group traffic volumes between any two Central Office Switches (whether Primary-Primary, Primary-Secondary or Secondary-Secondary) consistently exceed the blocking parameters established in the Joint Grooming Plan, then the parties will take whatever action necessary to augment such trunk groups to achieve established service objectives. Such augmentation shall be consistent with established network design methods using modular trunk engineering techniques wherever possible or practical.

5.1.4 Where available and upon the request of the other Party, each Party shall cooperate to ensure that its Traffic Exchange Trunk Groups are configured utilizing the BEZS Extended Super Frame ("ESF") protocol for 64 kbps clear channel transmission to allow for ISDN interoperability between the Parties' respective networks.

5.1.5 A blocking standard of one percent (.01) during the average busy hour, as defined by each party's standards, for final trunk groups between a KMC end office and a Sprint access tandem carrying meet point traffic shall be maintained. All other final trunk groups are to be engineered with a blocking standard of one percent (.01). Direct end office trunk groups are to be engineered with a blocking standard of one percent (.01).

5.2 Installation, Maintenance, Joint Testing, and Repair

5.2.1 KMC and Sprint shall work cooperatively to install and maintain a reliable network. KMC and Sprint shall exchange appropriate information (e.g., maintenance contract numbers, network information, information required to comply with law enforcement and other security agencies of the Government and such other information as the Parties shall mutually agree) to achieve this desired reliability. KMC and Sprint shall work cooperatively to apply sound network management principles by invoking network management controls to alleviate or to prevent congestion.

5.2.2 Within 120 days of the effective date of this Agreement, the Parties shall jointly develop a Joint Operations Plan according to which they shall engineer and jointly monitor and maintain all Traffic Exchange Trunk Groups and KMC/Sprint inter-company processes. Such plan shall define and detail inter alia:

- a) standards to ensure the Traffic Exchange Trunk Groups experience grades of service, availability and quality which is comparable to that achieved on interoffice trunk groups within Sprint's Telephone Exchange Service network and in accordance with all appropriate relevant industry-accepted quality, reliability and availability standards;

- b) the respective duties and responsibilities of the Parties with respect to the administration and maintenance of the Traffic Exchange Trunk Groups, including but not limited to standards and procedures for notification and discovery of trunk disconnects;
- c) disaster recovery provision escalations;
- d) calculation of compensation or INP'ed calls pursuant to Section 11.5;
- e) ordering, provisioning and implementation processes, standards and points of contact;
- f) locations of, and Loops provisioned from, Sprint's Remote Switching Systems or Integrated Digital Loop Carrier; and
- g) such other matters as the Parties may agree.

5.3 Signaling

5.3.1 Where available, the Parties shall employ CCIS signaling to set up calls between the Parties' Telephone Exchange Service networks. If CCIS signaling is unavailable, Multi-Frequency ("MF") signaling shall be used by the Parties.

5.3.2 The Parties shall cooperate on the exchange of Transactional Capabilities Application Part ("TCAP") messages to facilitate interoperability of CCIS-based features between their respective networks, including CLASS features and functions, to the extent each Party offers such features and functions to its Customers. All CCIS signaling parameters will be provided including, without limitation, calling party number ("CPN"), originating line information ("OLI"), calling party category and charge number.

5.4 Measurement, Billing and Compensation

5.4.1 Where SS7 is deployed, each Party shall pass Calling Party Number (CPN) information on each call carried over the Traffic Exchange Trunk Groups. All calls exchanged without CPN information shall be billed as either Local Traffic or IntraLATA Toll Traffic in direct proportion to the minutes of use of calls exchanged with CPN information. Where one Party is passing CPN but the other Party is not properly recording or receiving the information, the Parties shall work cooperatively to correctly rate the traffic.

5.4.2 Reciprocal Compensation applies solely for termination of Local traffic, including Extended Area Service (EAS) traffic, billable by Sprint or KMC which a Telephone Exchange Service Customer originates on Sprint's or KMC's network for termination on the other Party's network. Except as provided below in 5.4.2.1 and 5.4.2.2, the parties shall compensate each other at the rates provided in Schedule 1.0 which are rates (except for the transport rate) that are contained in Sprint's Interconnection Agreement with MFS Communications Company, Inc. (MFS) dated September 19, 1996 (MFS Agreement) which rates KMC is electing to take pursuant to Section 26.14 of this Agreement. Schedule 1.0 of this Agreement does not include the MFS Agreement local call termination rates. KMC's ability to elect the MFS local call termination rate is the subject of KMC's Petition for Relief to Opt Into an Approved Interconnection Agreement, filed with the Commission on April 24, 1997 (KMC's Petition). Should KMC's Petition result in Sprint being ordered to allow KMC to elect the local call termination rates from the MFS Agreement, then the Parties shall compensate each other at those rates, except as provided below in 5.4.2.1 and 5.4.2.2.

5.4.2.1 In any event, the rates contained in Schedule 1.0 shall no longer be effective or charged by the Parties to each other once Sprint files a cost study, consistent with the Act, with the

Commission and the Commission approves rates determined through such cost study in any Commission proceeding, including a rulemaking proceeding, a tariff proceeding, or a generic proceeding, in which KMC has the opportunity to participate, regardless of whether KMC availed itself of such opportunity. At that time, the Commission approved rates shall be applicable and the Parties shall compensate each other at those rates.

5.4.2.2 In the event that the MFS Agreement terminates or expires or that the rates specified in Schedule 1.0 of the September 19, 1996 MFS Agreement are no longer effective as between Sprint and MFS and there has not been Commission approved rates as set forth in Section 5.4.2.1. above, then the rates in Schedule 1.0 of this Agreement shall no longer be applicable or effective as between the Parties. Instead, KMC may elect to opt into rates then available in other Commission approved interconnection agreements. The parties agree however, if the Stay of PCC Rule 51.711 is lifted and the Rule becomes valid and enforceable, the Parties shall compensate each other in accordance with that Rule.

5.4.3 Each party shall compensate the other Party for transport and termination of IntraLATA toll Traffic over the Traffic Exchange Trunk Groups pursuant to the other Party's Feature Group D tariffs in effect at the time of such termination.

5.4.4 Compensation for transport and termination of traffic which has been subject to performance of INP by one Party for the other Party pursuant to Section 11.0 shall be as specified in Section 11.5.

5.4.5 Measurement of billing minutes for Local Traffic and transited traffic provided for in Sections 5.1 and 7.5 shall be in actual conversations seconds.

5.4.6 Sprint and KMC shall comply with various industry, OBF (MECAB and CABS/BOS), and other standards referred to throughout this Agreement. Sprint and CLBC will review any changes to industry standards, and Sprint's interpretation of these standards before they are implemented by Sprint. Until industry standards are adopted and implemented, Sprint and KMC shall utilize a mutually agreed upon interim process.

5.4.7 Each Party shall bill the other Party other for each service supplied, pursuant to this Agreement at the rates set forth in this Agreement.

5.4.8 Subject to the terms of this Agreement each Party shall pay the other Party within thirty (30) days from the Bill Date. If the payment due date is a Saturday, Sunday or a has been designated a bank holiday payment shall be made the next business day.

5.4.9 Billed amounts which are being investigated, queried, or for which claims have or may be filed shall be handled in accordance with the procedures set forth in Section 28 of this Agreement.

5.4.10 Each Party will assess late payment charges to the other Party in accordance with the applicable tariff or, if there is no tariff Sprint will assess a late payment charge equal to the lesser of one and one-half percent (1 1/2%) or the maximum rate allowed by law per month of the balance due, until the amount due, including late payment charges, is paid in full.

6.0 TRANSMISSION AND ROUTING OF EXCHANGE ACCESS TRAFFIC

6.1 Scope

Section 6.0 prescribes parameters for certain trunk groups ("Access Toll Connecting Trunks") to be established over the interconnections specified in Section 4.0 for the transmission and routing of Exchange Access traffic between KMC Telephone Exchange Service Customers and Interexchange Carriers.

6.2 Trunk Group Architecture and Traffic Routing

6.2.1 The Parties shall jointly establish Access Toll connecting Trunks by which they will jointly provide tandem-transported Switched Exchange Access Services to Interexchange Carriers to enable such Interexchange Carriers to originate and terminate traffic from/to KMC's Customers.

6.2.2 Access Toll Connecting Trunks shall be used solely for the transmission and routing of Exchange Access to allow KMC's Customers to connect to or be connected to the interexchange trunks of any Interexchange Carrier which is connected to a Sprint Access Tandem.

6.2.3 The Access toll Connecting Trunks shall be two-way trunks connecting each End Office Switch KMC utilizes to provide Telephone Exchange Service and Switched Exchange Access.

6.3 Meet-Point Billing Arrangements

6.3.1 KMC and Sprint will establish meet-point billing ("MB") arrangements in order to provide a common transport option to Switched Access Services customers via a Sprint access tandem switch, in accordance with the Meet-Point Billing guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as modified herein, and in Exhibits B and C. The arrangements described in this Section 6.0 and in Exhibits B and C are intended to be used to provide Switched Access Service that originates and/or terminates on a KMC-provided Exchange Service where the transport component of the Switched Access service is routed through a Sprint-provided tandem switch.

6.3.2 When KMC collocates at a Sprint Interconnection Wire Center ("SIWC"), the SIWC shall be designated as the Meet-Point Billing rating point.

6.3.3 Common channel signaling ("CCS") shall be utilized in conjunction with meet-point billing arrangements to the extent such signaling is resident in the Sprint access tandem switch.

6.3.4 KMC and Sprint will use reasonable efforts, individually and collectively, to maintain provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor Tariff, sufficient to reflect the MB arrangements between the parties, including Exhibit C.

6.3.5 Each party shall implement the "Multiple Bill/Single Tariff" option in order to bill an DXC for the portion of the jointly provided telecommunications service provided by that Party. For all traffic carried over the MB arrangement, each party shall only bill the rate elements identified for it in Exhibit C. For transport elements subject to billing percentages, each Party shall utilize the billing percentages as filed in NECA Tariff No. 4, or any successor Tariff. The MB percentages for each route shall be calculated according to one of the three methods identified in the MECAB document, and the parties agree to work cooperatively to establish percentages as necessary. The actual rate values for each element shall be the rates contained in that Party's own effective Federal and State access tariffs. The Parties shall utilize a monthly billing period for meet-point billing.

6.3.6 Sprint shall provide to KMC the billing name, billing address, and CIC of the DXCs in order to comply with the MB Notification process as outlined in the MECAB document and pursuant to OBF guidelines.

6.3.7 Access usage data will be exchanged between the parties in a manner acceptable to both parties. If access usage data is not processed and delivered by either Party as agreed and in turn such other Party is unable to bill the DXC, the delivering Party will be held liable for the amount of lost billing.

6.3.8 The parties agree that further discussion is required regarding a "Single Bill" option for the delivery of a single consolidated billing statement each month.

6.3.9 In the event errors are discovered by KMC, the DXC or Sprint, both Sprint and KMC agree to provide the other Party with notification of any discovered errors within two (2) business days of the discovery. In the event of a loss of data, both Parties shall cooperate to reconstruct the lost data and if such reconstruction is not possible, shall accept a reasonable estimate of the lost data based upon three (3) to twelve (12) months of prior usage data. Errors that are discovered by the DXC or billing disputes that originate from the DXC will be handled by the parties in accordance with the MECAB document.

6.3.10 Either Party may request a review or audit of the various components of access recording. Such review or audit shall be conducted subject to confidentiality protection.

6.3.11 The Parties shall not charge one another for the services rendered or information provided pursuant to this Section 6.0 of this Agreement.

6.3.12 MB will apply for all traffic bearing the 800, 888, or any other non-geographic NPA which may be likewise designated for such traffic in the future, where the responsible party is an DXC. In those situations where the responsible party for such traffic is a LBC, full switched access rates will apply.

7.0 TRANSPORT AND TERMINATION OF OTHER TYPES OF TRAFFIC

7.1 E911 Traffic

7.1.1 KMC and Sprint shall configure the appropriate number of 911/E911 trunks to support connection to the 911/E911 selective router that serves KMC Telephone Exchange Services customers within Sprint's service territory, for the provision of 911/E911 services and for access to all sub-tending Public Safety Answering Points (PSAP). The trunks shall be configured over the architecture defined in Section 4.0.

7.1.2 Sprint will provide KMC with a mutually agreeable electronic interface, in accordance with Exhibit E, through which KMC shall input and daily update 911/E911 database information related to KMC Exchange Service customers. If Sprint is the 911/E911 database provider, Sprint will provide KMC with the master Street Access Guide so that KMC can ensure the accuracy of the data transfer. If Sprint is not the 911/E911 database provider, Sprint will work cooperatively with KMC to obtain such database. Additionally, Sprint shall provide to KMC the ten-digit Subscriber number of each PSAP which sub-tends Sprint's selective router to which KMC is interconnected.

7.1.3 Sprint will use its best efforts to facilitate the prompt, reliable and efficient interconnection of KMC systems to the 911/E911 platforms.

7.1.4 Sprint and KMC will work cooperatively to arrange meetings with PSAPs to answer any technical questions the PSAPs, or county or municipal coordinators may have regarding 911/E911 arrangements.

7.1.5 KMC will compensate Sprint for 911/E911 interconnection as prescribed in the Pricing Schedule.

7.2 BLV/BLVI Traffic

7.2.1 Busy Line Verification ("BLV") is performed when one Party's Customer requests assistance from the operator bureau to determine if the called line is in use, however, the operator bureau will not complete the call for the Customer initiating the BLV inquiry. Only one BLV attempt will be made per Customer operator bureau call, and a charge shall apply whether or not the called party releases the line.

7.2.2 Busy Line Verification Interrupt ("BLVI") is performed when one Party's operator bureau interrupts a telephone call in progress after BLV has occurred. The operator bureau will interrupt the

busy line and inform the called party that there is a call waiting. The operator bureau will only interrupt the call and will not complete the telephone call of the Customer initiating the BLVI request. The operator bureau will make only one BLVI attempt per Customer operator telephone call and the applicable charge applies whether or not the called party releases the line.

7.2.3 Each Party's operator bureau shall accept BLV and BLVI inquiries from the operator bureau of the other Party in order to allow transparent provision of BLV/BLVI Traffic between the Parties' networks.

7.2.4 Each Party shall route BLV/BLVI Traffic inquiries to the other Party via the Traffic Exchange Trunk Group utilizing a dialing plan mutually agreed upon by the Parties. Each Party shall compensate the other Party for BLV/BLVI Traffic as set forth on Schedule 1.0.

7.3 Information Services Traffic

For the purposes of rating of end user calls to Information Service Providers ("ISP"), the Parties agree that each will provide the other, upon request, rating information for ISP calls. The requesting Party will then bill its end user for the ISP call. Neither Party may deduct or retain for itself any portion of the amounts due an ISP unless that Party has written, properly executed contractual agreement with the said ISP specifying the appropriate charge to be deducted or retained. To the extent that the providing Party incurs any additional costs as a result of providing such ISP call rating information to the requesting Party, nothing in this paragraph shall preclude the providing Party from recovering those costs through incremental charges to the requesting Party.

7.4 IntraLATA 800/888 Services

The IntraLATA 800/888 services of each party shall be billed pursuant to each Party's applicable Feature Group D Tariff.

7.5 Transit Traffic Function

7.5.1 Sprint agrees that it shall provide a Transit Function to KMC on the terms and conditions set forth in this Section 7.5 and at a rate set forth in the Pricing Schedule.

7.5.2 "Transit Function" means the delivery of certain traffic between KMC and a third party LEC by Sprint over the Telephone Exchange Service Trunks. The following traffic types will be delivered: (i) Local Traffic originated from KMC to such third party LEC, (ii) Local Traffic originated from such third party LEC and terminated to KMC, and (iii) Local/intraLATA Traffic originated and terminated from wireless carriers.

7.5.3 While the Parties agree that it is the responsibility of each third party LEC to enter into arrangements to deliver Local Traffic to KMC, they acknowledge that such arrangements are not currently in place. Sprint will, unless notified to the contrary, pass 3rd party LEC traffic to/from KMC. Nothing in this provision shall prohibit either Party from establishing other financial arrangements for this transit traffic with the other LECs from/to whose network such Traffic ultimately originates or terminates.

7.5.4 Sprint expects that all networks involved in transit traffic will deliver each call to each involved network with CCS and the appropriate messages to facilitate full interoperability and billing functions. In all cases, KMC is responsible to follow the Exchange Message Record ("EMR") standard and exchange records with both Sprint and the terminating LEC to facilitate the billing process to the originating network.

7.5.5 For purposes of this Section 7.5, Sprint agrees that it shall make available to KMC, at KMC's sole option, any transiting arrangement Sprint offers to any LEC, other than an incumbent LEC (ILEC), at the same rates, terms, and conditions provided to such LEC. Transiting arrangements made

available by Sprint to incumbent Class A LECs will not be available to KMC until the agreements containing the transiting arrangements have been filed with the Commission or July 1, 1997, whichever comes first.

7.5.6 Where KMC routes Local Traffic, BLV/BLVI Traffic, or Information Services Traffic to other LECs or Wireless Carriers via the Traffic Exchange Trunk Groups, KMC shall pay a transit charge as identified in Schedule 1.0. Where Sprint routes Local Traffic, BLV/BLVI Traffic or Information Services Traffic originated from another LEC or Wireless Carrier to KMC via the Traffic Exchange Trunk Groups, neither Party shall apply a transiting charge to the other.

7.6 Directory Assistance Trunks

If KMC purchases Directory Assistance (DA) service from Sprint pursuant to Section 17.0 of this Agreement, the trunking to the Sprint DA tandem within the LATA will be routed over the architecture defined in Section 4.0.

8.0 UNBUNDLED ACCESS

8.1 Local Loop

Where technically feasible and subject to the provisions of this section, Sprint shall allow KMC to access the following Loop types (in addition to those Loops available under applicable tariffs) unbundled from local switching and local transport in accordance with the terms and conditions set forth in this Section 8.1:

8.1.1 "2-Wire Analog Voice Grade Loops" or "Analog 2W" which support analog transmission of 300-3000 Hz, repeat loop start, loop reverse battery, or ground start seizure and disconnect in one direction (toward the End Office Switch), and repeat ringing in the other direction (toward the Customer). Analog 2W include Loops sufficient for the provision of PBX trunks, pay telephone lines and electronic key system lines.

8.1.2 "4-Wire Analog Voice Grade Loops" or "Analog 4W" which support transmission of voice grade signals using separate transmit and receive paths and terminate in a 4-wire electrical interface.

8.1.3 "2-Wire ISDN Digital Grade Links" or "BRI ISDN" which support digital transmission of two 64 kbps bearer channels and one 16 kbps data channel. BRI ISDN is a 2B+D Basic Rate Interface-Integrated Services Digital Network (BRI-ISDN) Loop which will meet national ISDN standards.

8.1.4 "2-Wire ADSL-Compatible Loop" or "ADSL 2W" is a transmission path which facilitates the transmission of up to a 6 Mbps digital signal downstream (toward the simultaneously carrying an analog voice signal). An ADSL-2W is provided over a 2-Wire non-loaded twisted copper pair provisioned using revised resistance design guidelines and meeting ANSI Standard T1.413-1995-007R2. An ADSL-2W terminates in a 2-wire electrical interface at the Customer premises as at the Sprint Central Office frame.

8.1.5 "2-Wire HDSL-Compatible Loop" or "HDSL 2W" is a transmission path which facilitates the transmission of a 768 kbps digital signal over a 2-Wire non-loaded twisted copper pair meeting the specifications in ANSI T1E1 Committee Technical Report Number 28.

8.1.6 "4-Wire HDSL-compatible Loop" or "HDSL 4W" is a transmission path which facilitates the transmission of a 1.544 Mbps digital signal over two 2-Wire non-loaded twisted copper pairs meeting the specifications in ANSI T1E1 Committee Technical Report Number 28.

8.1.7 Loops will be offered hereunder on the terms and conditions specified herein and on such other terms in applicable tariffs that are not inconsistent with the terms and conditions set forth herein. KMC and Sprint agree that until such time as Sprint files and the Commission approves a cost study pursuant to the 1996 Act, in a proceeding in which KMC has the opportunity to participate, interim loop rates based on the proxy loop prices specified in the FCC Order shall be used. The Parties further agree that the interim rate should apply for all Analog 2W, BIR-ISDN, ADSL 2W and HDSL 2W loops, and that the interim rate for Analog 4W and HDSL 4W should be set at 1.75 times the interim rate for Analog 2W and HDSL 2W loops (whether set equal to the FCC proxy or based on a deaveraging of the FCC Proxy).

8.1.8 Sprint requires KMC to provide in writing the grade of service desired in a particular loop (e.g., ISDN-BRI, PRI, ADSL, HDSL, DS1, etc.) so that the loop provided meets the appropriate spectrum compatibility requirements. If Sprint finds that it is not technically feasible to provide the level of service requested by KMC, Sprint will notify KMC that it is unable to meet KMC's request. If a particular grade of service is installed but KMC uses the loop to provide a service that exceeds the engineered capacity of a medium (i.e., interferes with Sprint's services, regardless of whether such services are provided to end users or CLECs) a mutually agreed upon process will be developed to resolve the issue.

8.2 Limitations on Unbundled Access

8.2.1 KMC may access, where available, Sprint's unbundled Loops via Collocation in accordance with Section 10.0 at the Sprint Wire Center where those Loops exist. Each Loop shall be delivered to KMC's Collocation by means of a Cross Connection.

8.2.2 Sprint shall provide KMC access to its unbundled Loops at each of Sprint's Wire Centers. If Sprint uses Integrated Digital Loop Carrier or other similar remote concentration devices, Sprint will make alternative arrangements at KMC's request, to provide an unbundled local loop. Alternative arrangements may include, dedicated transmission equipment or the deployment of newer devices providing for multiple hosting. The cost of modifications will be recovered from KMC. If, however, no spare physical Loop is available, Sprint shall within forty-eight (48) hours of KMC's request notify KMC of the lack of available facilities. KMC may then at its discretion make a Network Element bona Fide Request for Sprint to provide the unbundled Loop through the demultiplexing of the integrated digitized Loop(s).

8.2.3 If KMC orders a Loop type and the requested grade of service of such Loop is not available, KMC will notify Sprint in writing for the requested change in grade of service. KMC shall compensate Sprint for loop conditioning required to meet the technical parameters based on the costs of providing such conditioning, as calculated using a Commission or FCC-approved cost methodology for unbundled network elements, or until such cost methodology has been approved at TELRIC.

Loop Type	Technical Reference/Limitation
Electronic Key Line	2.5 Miles
ISDN	Bellcore TA-NWT-000393
HDSL 2W	T1E1 Technical Report Number 28
HDSL 4W	T1E1 Technical Report Number 28
ADSL 2W	ANSI T1.413-199 Specification

8.2.4 Sprint need not monitor the unbundled loop for maintenance purposes, and accordingly, the compensation for the unbundled loop will not include any monitoring costs. KMC may be required to provision a loop testing device either in its Central Office, Network control Center or in its collocation arrangement to test the unbundled loop. Sprint will perform repair and maintenance once trouble is identified by KMC.

8.3 Availability of Other Network Elements on an Unbundled Basis

8.3.1 Sprint shall upon request of KMC and to the extent technically feasible, provide to KMC access to its Network Elements for the provision of KMC's Telecommunications Service. Any request by KMC for access to an Sprint Network element that is not already available shall be treated as a Network Element bona Fide Request. KMC shall provide Sprint access to its Network Elements as mutually agreed by the Parties or as required by the Commission or FCC.

8.3.2 KMC may utilize a Network Element obtained from Sprint under this Section 8.3 in combinations with KMC's owned or leased facilities only to provide a Telecommunications Service, including, but not limited to obtaining billing and collection, transmission, and routing of the Telecommunications Service.

8.3.3 Sprint shall not be required to provide a proprietary Network element to KMC under this Section 8.3, except as required by the Commission or FCC, or except as Sprint may make such proprietary Network Element available to other Telecommunications Carriers.

8.4 Provisioning of Unbundled Loops

The following coordination procedures shall apply for conversion of "live"-Telephone Exchange Services to unbundled Network Elements:

8.4.1 KMC shall request unbundled Loops from Sprint by delivering to Sprint a valid electronic transmittal Service Order (a "Service Order") using the Sprint electronic ordering system or another mutually agreed upon system. Within forty-eight (48) hours of Sprint's receipt of a Service Order, Sprint shall provide KMC the firm order commitment ("FOC") date according to the applicable target objectives set forth in Section 27.0 by which the Loop(s) covered by such Service Order will be installed.

8.4.2 Sprint agrees to coordinate with KMC at least forty-eight hours prior to the due date a scheduled conversion date and time (the "Scheduled Conversion Time") in the "A.M." (12:00 midnight to 12:00 noon) or "P.M." (12:00 noon to 12:00 midnight) (as applicable, the "Conversion Window").

8.4.3 Sprint shall test for KMC dial-tone ("Dial Tone Test") on KMC's Virtual Collocation-digital Loop carrier during a window not greater than forty-eight (48) hours but not less than eight (8) hours prior to the Scheduled Conversion Time (or New Scheduled Time as applicable). Sprint shall perform the Dial Tone Test on KMC's Virtual Collocated digital Loop carrier at no charge for 30 days after the first unbundled loop has been ordered and installed. Thereafter, KMC may request Sprint to perform such Dial Tone Test on a time and materials basis at Sprint's then current rates. Sprint shall not perform any Dial Tone Test on any KMC Physically Collocated digital Loop carrier.

8.4.4 Not less than one hour prior to the Scheduled Conversion Time, either Party may contact the other Party and unilaterally designate a new Scheduled Conversion Time (the "New conversion Time"). If the New Conversion Time is within the Conversion Window, no charges shall be assessed on or waived by either Party. If, however, the New Conversion Time is outside of the Conversion Window, the Party requesting such New Conversion Time shall be subject to the following:

- If Sprint requests the New Conversion Time, the applicable Line Connection Charge shall be waived; and
- If KMC requests the New Conversion Time, KMC shall be assessed a Line Connection Charge in addition to the Line Connection Charge that will be incurred for the New Conversion Time.

- If the Parties cannot mutually agree to a New Conversion Time within the Conversion Window, no charges shall be assessed on or waived by either Party.

8.4.5 Except as otherwise agreed by the Parties for a specific conversion, the parties agree that the time interval expected from disconnection of "live" Telephone Exchange Service to the connection of an unbundled Network Element at the KMC Collocation interface point will be sixty (60) minutes or less. Sprint will work cooperatively with KMC to develop a means to measure/report results so that if the new conversion interval exceeds sixty (60) minutes and such delay is caused solely by Sprint, Sprint shall waive the applicable Line Connection Charge for such element. If KMC has ordered INP with the installation of a Loop, Sprint will coordinate the implementation of INP with the Loop conversion during the sixty (60) minute interval at no additional charge.

8.4.6 If KMC requests or approves a Sprint technician to perform services in excess of or not otherwise contemplated as part of a standard loop installation, Sprint may charge KMC for any additional and reasonable labor charges to perform such services.

9.0 NOTICE OF CHANGES

If a Party makes a change in its network which it believes will materially affect the interoperability of its network with the other Party, the Party making the change shall provide written notice of such change to the other Party in accordance with the minimum time intervals contained in the Industry Carriers Compatibility Forum's Recommended Notification Procedures to Industry for Changes in Network Architecture.

10.0 COLLOCATION

10.1 Sprint shall provide to KMC Physical collocation of equipment necessary for Interconnection (pursuant to Section 4) or for access to unbundled Network Elements (pursuant to Section 8.0), except that Sprint may provide for virtual collocation if Sprint demonstrates to KMC that Physical Collocation is not practical for technical reasons or because of space limitations, as provided in Section 251(c)(6) of the Act. (Where the Parties are in dispute as to the adequacy of space for physical collocation, either or both may seek Commission or FCC resolution of such dispute.) Sprint shall provide such Collocation for the purpose of Interconnection or access to unbundled Network Elements, except as otherwise mutually agreed to in writing by the Parties or as required by the FCC or the appropriate Commission subject to applicable federal and state tariffs.

10.2 Although not required to do so by Section 251(c)(6) of the Act, by this Agreement, KMC agrees to provide to Sprint upon Sprint's Network Element Bona Fide Request by Sprint, Collocation (at KMC's option either Physical or virtual) of equipment for purposes of Interconnection (pursuant to Section 4) on a non-discriminatory basis and at comparable rates, terms and conditions as KMC may provide to other third parties, or Sprint provides to KMC whichever is lower. KMC shall provide such Collocation subject to applicable tariffs or contracts.

10.3 Where KMC is Virtually Collocated on the Effective Date in a premises that was initially prepared for Physical Collocation, KMC may elect to (i) retain its Virtual Collocation in that premises and expand that Virtual collocation according to current procedures and applicable tariffs, or (ii) revert to Physical Collocation, in which case KMC shall coordinate with Sprint for rearrangement of its equipment (transmission and IDLC) and circuits, for which Sprint shall impose no conversion charge, or (iii) retain its Virtual Collocation in that premises and implement a physical collocation at the same premises simultaneously. All applicable Physical Collocation recurring charges shall apply.

10.4 For both Physical collocation and Virtual Collocation, the Collocating Party shall provide its own or third-party leased transport facilities and terminate those transport facilities in equipment located in its Physical Collocation space at the Housing Party's premises as described in applicable tariffs or contracts and purchase Cross Connection to services or facilities as described in applicable tariffs or contracts.

10.5 Collocation will be provided at the prices in effect in and according to the terms and conditions contained in Section 17 of Sprint's Intrastate Access Services Tariff.

10.6 Where KMC collocates at the premises of the Sprint Wire Center or other premises, Sprint shall allow KMC to directly interconnect to any other entity which maintains a collocation facility at the same premises. Sprint shall enable such interconnection by effecting a cross-connection between these collocation facilities, as jointly directed by KMC and the other collocated entity. For each such cross-connection, Sprint will charge the applicable Tariff connection charge as contained in its Tariff.

10.7 Sprint will permit KMC to physically collocate and, on an interim basis, virtually collocate eligible digital loop carriers (DLC) as determined by the Commission or FCC pursuant to the Telecommunications Act of 1996. This provision is immediately enforceable for virtual collocation upon execution of the Agreement, notwithstanding the lack of an agreement on final rates, terms, and conditions for physical collocation which is subject to the outcome of further negotiations, tariff filings, Commission and/or FCC proceedings or arbitration.

10.8 Sprint will not limit or restrict the use of existing or future virtual collocation arrangements in such a way as to impair KMC's ability to efficiently utilize its virtually collocated equipment or its ability to provide authorized services to its customers.

11.0 NUMBER PORTABILITY

11.1 Scope

11.1.1 The Parties shall provide Number Portability on a reciprocal basis to each other to the extent technically feasible, and in accordance with rules and regulations as from time to time prescribed by the FCC and/or the Commission.

11.1.2 Until Number Portability is implemented by the industry pursuant to regulations issued by the FCC or the commission, the Parties agree to provide Interim Telecommunications Number Portability ("INP") to each other through remote call forwarding, direct inward dialing and NXX migration.

11.1.3 Once Number Portability is implemented pursuant to FCC or Commission regulation, either Party may withdraw, at any time and at its sole discretion, its INP offerings, subject to advance notice to the other Party and coordination to allow the seamless and transparent conversion of INP Customer numbers to Number Portability. Upon implementation of Number Portability pursuant to FCC regulation, both Parties agree to conform and provide such Number Portability.

11.2 Procedures for Providing INP Through Remote Call Forwarding

KMC and Sprint will provide INP through Remote Call Forwarding as follows:

11.2.1 A Customer of one Party ("Party A") elects to become a Customer of the other Party ("Party B"). The Customer elects to utilize the original telephone number(s) corresponding to the Exchange Service(s) it previously received from Party A, in conjunction with the Exchange Service(s) it will now receive from Party B. Upon authorization by an end user, Party B will issue an associated service order, to Party A, assigning the number to Party B. Party A will comply with the service order. Party A will route the forwarded traffic to Party B over the appropriate Traffic Exchange Trunk Groups. Party B will have on file a signed letter of agency from the customer. The period of time between disconnection of the customer's service with Party A and reconnection of the customer's service with Party B shall be an industry-accepted time-frame.

11.2.2 Party B will become the responsible billing entity for the original Party A telephone number(s) subject to the INP arrangements. Party A shall use its reasonable efforts to consolidate

into as few billing statements as possible for the INP service with the statement(s) being consistent with industry-accepted guidelines. The billing of all collect, calling card, and third-number billed calls associated with those numbers will be processed by one of the following, mutually agreeable, methods: (i) through the consolidated master billing statement(s) by sub-account detail by retained number and delivered via electronic data transfer or monthly magnetic tape, or (ii) through a modification of the collect, calling card and third-number billing detail records as appropriate and sent through current CMDS processes.

11.2.3 Party A will update its Line Information Database ("LIDB") listings for retained numbers, and cancel calling cards associated with those forwarded numbers as directed by Party B. In addition, Party A will update the retained numbers in the LIDB with the screening options provided by Party B on a per order basis.

11.2.4 Within two (2) business days of receiving notification from the Customer, Party shall notify Party A of the Customer's termination of service with Party B, and shall further notify Party A as to that Customer's instructions regarding its telephone number(s). Party A will reinstate service to that Customer, cancel the INP arrangements for that Customer's telephone number(s), or redirect the INP arrangement to another INP-participating-LEC pursuant to the Customer's instructions at that time. If Party A is notified of the Customer's intent to terminate service with Party B and reinstate service with Party A, Party A shall notify Party B of the Customer's termination of service with Party B. Based on instructions (i.e., service order) from Party B or the Customer, Party A will reinstate service to that Customer, cancel the INP arrangements for that Customer's telephone number(s), or redirect the INP arrangement to another INP-participating-LEC pursuant to the Customer's instructions at that time.

11.3 Procedures for Providing IM Through Direct Inward Dial

In the event either Party requests provision of INP through direct inward dial, the Parties shall in good faith negotiate terms and procedures for provision of INP through that means. The foregoing notwithstanding, the non-requesting Party shall minimally offer INP through direct inward dial to the requesting Party according to the terms and procedures the non-requesting Party may offer such INP to other LECs.

11.4 Procedures for Providing INP Through NXX Migration

Where either Party has activated an entire NXX for a single Customer, or activated a substantial portion to an NXX for a single Customer with the remaining numbers in that NXX either reserved for future use or otherwise unused, if such Customer chooses to receive service from the other Party, the first Party shall cooperate with the second Party to have the entire NXX reassigned in the LERG (and associated industry databases, routing tables, etc.) to an End Office operated by the second Party. Such transfer will be accomplished with appropriate coordination between the Parties and subject to appropriate industry lead-times for movements of NXXs from one switch to another. No recurring or non-recurring charges shall apply for NXX migration assuming the Party receiving the migrated NXX performs its own LERG updates.

11.5 Receipt of Terminating Compensation on Traffic to INP'ed Numbers

11.5.1 The Parties agree that under INP terminating compensation on calls to INP'ed numbers should be received by each Customer's chosen LEC as if each call to the Customer had been originally addressed by the caller to a telephone number bearing an NPANXX directly assigned to the Customer's chosen LEC. In order to accomplish this objective where INP is employed, the Parties shall utilize the process set forth in this Section 11.5 whereby terminating compensation on calls subject to INP will be passed from the Party (the "Performing Party") which performs the INP to the other Party (the "Receiving Party") for whose Customer the INP is provided. The process outlined in this Section 11.5 should not apply in the case of NXX migration pursuant to Section 11.4, since in such cases the Customer's chosen provider will directly receive all terminating compensation.

11.5.2 The Parties shall jointly develop a process which will allow the Party whose Customer ultimately receives a call routed via INP, to receive the terminating compensation for such call based on the initial origination point and ultimate termination point of the INP'ed call. Such Party shall receive the full reciprocal compensation rate, as listed in the Pricing Schedule, for Local Traffic completed subject to INP, and shall receive the full terminating Switched Access charges (e.g., carrier common line, local switching, residual interconnection and local transport rate elements) as listed in its applicable state and federal access tariffs for Toll calls completed subject to INP. (See Exhibit C for intrastate and interstate toll call compensation.)

11.6 Competitively Neutral Recovery of INP Costs Pursuant to the FCC's First Report and Order and Further Notice of Proposed Rulemaking in CC Docket No. 95-116

Pursuant to the FCC's First Report and Order and Further Notice of Proposed Rulemaking, adopted June 27, 1996, in CC Docket No. 95-116 ("Order"), the Parties stipulate and agree, for purposes of this Agreement, that cost-recovery for number portability will be subject to the implementation of the FCC's order at the Commission in Florida PSC Docket No. 950737 - TP.

12.0 DIALING PARITY

The Parties shall provide Local Dialing Parity to each other as required under Section 251 (h)(3) of the Act.

13.0 ACCESS TO RIGHTS-OF-WAY

Pursuant to Section 251 (b)(4) of the Act, each Party shall provide the other Party access to its poles, ducts, rights-of-way and conduits it controls on terms, conditions and prices comparable to those offered to any other entity pursuant to each Party's applicable tariffs and/or standard agreements.

14.0 DATABASE ACCESS.

In accordance with Section 251(c)(3) of the Act, Sprint shall provide KMC with interfaces to access Sprint's databases and associated signaling necessary for the routing and completion of KMC's traffic. Access to such databases, and the appropriate interfaces, shall be made available to KMC via a Network Element Bona Fide Request.

15.0 REFERRAL ANNOUNCEMENT

When a Customer changes its service provider from Sprint to KMC, or from KMC to Sprint, and does not retain its original telephone number, the Party formerly providing service to such Customer shall provide a referral announcement ("Referral Announcement") on the abandoned telephone number which provides details on the Customer's new number. Referral Announcements shall be provided reciprocally, free of charge to either the other Party or the Customer, for a period of not less than ninety (90) days after the date the Customer changes his or her telephone number.

16.0 DIRECTORY LISTINGS AND DIRECTORY DISTRIBUTION

16.1 Sprint shall assist KMC with obtaining separate agreements with the publishers of directories that will cover the following terms and conditions:

16.2 Sprint will arrange to include and update the primary listings of each KMC customer in the residential or business white pages directories, as appropriate, in the identical and transparent manner in which Sprint provides those functions for its own Customer telephone numbers. Sprint will provide KMC with the appropriate database format in order for KMC to submit the necessary information in a compatible format. A primary listing is defined as either the KMC assigned number for a customer or the customer's number for which number portability is provided, but not both numbers. Sprint will accord KMC's

directory listing information the same level of confidentiality which Sprint accords its own directory listing information, and Sprint shall ensure that access to KMC's Customer proprietary confidential directory listing information will be limited solely to those Sprint employees who are directly involved in the preparation of listings.

16.3 In area (i.e., within Sprint's Telephone Exchange serving territory) directory delivery, database maintenance and basic White Page listings will be provided at no charge. These terms will be detailed in the subsequent agreement between KMC and Sprint's directory publishing affiliate. Out-of-area directory delivery and enhanced listings (i.e., bolding, indentation, foreign exchange listings, second listings, etc.) will be per Sprint's currently tariffed or non-discriminatory contract rates applied to Sprint's own end users.

16.4 Sprint will not provide/sell KMC's listings to any third parties without KMC's prior written approval. Upon consent, Sprint and KMC will work cooperatively to address any payments for sales of any bulk directory lists to third parties, where such lists include KMC customer listings and any compensation due Sprint for administrative functions associated with furnishing listings to third parties.

16.5 At KMC's request, KMC's logo and critical contact information shall appear on a common LEC Information Page appearing in the "Informational Page" section of Sprint's telephone directory. KMC's critical contact information includes end user contact information, repair services and other pertinent telephone numbers relative to KMC. (KMC shall be responsible for all expenses for logo prep work, if any.) An adequate amount of space shall be allotted for KMC's logo and critical contact information. KMC's information shall conform to all applicable regulatory requirements. KMC will not incur any additional charges for inclusion of this information on the common LEC Information Page. Additional Information Pages will be made available at a negotiated non-discriminatory price.

17.0 DIRECTORY ASSISTANCE (DA)

17.1 Sprint will arrange to include and update the primary listings of each KMC customer in its directory assistance database, in the identical and transparent manner in which Sprint provides those functions for its own Customer telephone numbers. Sprint will provide KMC the appropriate database format in order to for KMC to submit the necessary information, in a compatible format. A primary listing is defined as either the KMC assigned number for a customer or the customer's number for which number portability is provided, but not both numbers. Sprint will accord KMC's Customer listing information the same level of confidentiality which Sprint accords its own Customer listing information, and Sprint shall ensure that access to KMC's Customer proprietary confidential listing information will be limited solely to those Sprint employees who are directly involved in the preparation of listings.

17.2 At KMC's request, Sprint will (where available) provide to KMC operators, or to an KMC-designated operator bureau, on-line access to Sprint's Directory Assistance Service, where such access is identical to the type of access Sprint's own directory assistance operators utilize in order to provide directory assistance services to Sprint end users. Sprint will provide this capability under the most favored non-discriminatory tariff or contract rates and terms as identified in Schedule 1.0.

17.3 At KMC's request, Sprint will provide to KMC unbranded directory assistance service which is comparable in every way to the directory assistance service Sprint makes available to its own end users. Sprint will charge KMC for such unbranded directory assistance capability under the most favored non-discriminatory Tariff or contract rates and terms as identified in Schedule 1.0.

17.4 At KMC's request, Sprint will (where available) provide to KMC directory assistance service under KMC's brand which is comparable in every way to the directory assistance service Sprint makes available to its own end users. Sprint will charge KMC for such branded directory assistance capability under the most favored non-discriminatory Tariff or contract rates and terms as identified in Schedule 1.0.

17.5 At KMC's request, Sprint will (where available) license to KMC or a KMC designated operator bureau Sprint's directory assistance database for use in providing competitive directory assistance services. Sprint will provide this capability under the most favored nondiscriminatory Tariff or contract rates and terms as identified in Schedule 1.0.

17.6 At KMC's request Sprint will (where available) in conjunction with 17.3 or 17.4, above, provide caller-optional directory assistance call completion service, where technically feasible, which is comparable in every way to the directory assistance call completion service Sprint makes available to its own end users. Sprint will charge KMC for this capability under the most favored non-discriminatory Tariff or contract rates and terms as identified in Schedule 1.0 per use of caller-optional directory assistance call completion. Sprint will provide KMC, in an electronic format, when technically feasible, in an accurate and timely manner, the detailed billing records associated with the call that will enable KMC to rebill the end user for this function.

18.0 RESALE OF SPRINT LOCAL EXCHANGE SERVICES

18.1 Availability of Services

Sprint shall make available to KMC its telecommunications services for resale by KMC, as ordered by the FCC in Docket No. 96-98. Services shall include, but are not limited to flat rate business service, basic rate ISDN, primary rate ISDN, analog and digital PBX-trunk type services, Direct In-ward dialing services, Centrex services, and enhanced features and capabilities such as call forwarding, call waiting, and CLASS and LASS capabilities. Unless otherwise mutually agreed, the services available for resale will be subject to further negotiations, FCC and/or Commission Proceedings and/or Orders and/or Arbitrations.

18.2 Resale Agreement Amendment

KMC and Sprint agree to execute an amendment to this Agreement. Unless otherwise mutually agreed, the terms, conditions, rates, and clauses contained within this Agreement will also apply to the Resale Agreement.

18.3 Availability of Wholesale Prices

All of the Sprint-provided telecommunication services available for resale will be discounted at the rates identified in Schedule A.

GENERAL PROVISIONS

19.0 GENERAL RESPONSIBILITIES OF THE PARTIES.

19.1 Sprint and KMC shall use its best efforts to comply with the Implementation Schedule.

19.2 The Parties shall exchange technical descriptions and forecasts of their Interconnection and traffic requirements in sufficient detail necessary to establish the Interconnections required to assure traffic completion to and from all Customers in their respective designated service areas. KMC, for the purpose of ubiquitous connectivity, network diversity and alternate routing, shall connect to at least one Tandem Office Switch for the receipt/completion of traffic to any subtending Sprint End Office Switches.

19.3 Six months from the effective date of this Agreement, and each rolling six months thereafter, each Party shall provide the other Party with a rolling, six (6) calendar month, non-binding forecast of its traffic and volume requirements for the services and Network Elements provided under this Agreement in the form and in such detail as agreed by the Parties. Notwithstanding Section 28.6.1, the Parties agree that each forecast provided under this Section 19.3 shall be deemed "Proprietary Information" under Section 28.6.

19.4 Any Party that is required pursuant to this Agreement to provide a forecast (the "Forecast Provider") or the Party that is entitled pursuant to this Agreement to receive a forecast (the "Forecast Recipient") with respect to traffic and volume requirements for the services and Network Elements provided under this Agreement may request in addition to non-binding forecasts required by Section 19.3 that the other enter into negotiations to establish a forecast (a "Binding Forecast") that commits such Forecast Provider to purchase, and such Forecast Recipient to provide, a specified volume to be utilized as set forth in such Binding Forecast. The Forecast Provider and Forecast Recipient shall negotiate the terms of such Binding Forecast in good faith and shall include in such Binding Forecast provisions regarding price, quantity, liability for failure to perform under a Binding Forecast and any other terms desired by such Forecast Provider and Forecast Recipient. Notwithstanding Section 28.6.1, the Parties agree that each forecast provided under this Section 19.4 shall be deemed "Proprietary Information" under Section 28.6.

19.5 Each Party is individually responsible to provide facilities within its network which are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in the standard format compatible with Sprint's network and to terminate the traffic it receives in that standard format to the proper address on its network. Such facility shall be designed based upon the description and forecasts provided under Sections 19.2 and 19.3 above. The Parties are each solely responsible for participation in and compliance with national network plans, including The National Network Security Plan and The Emergency Preparedness Plan.

19.6 Neither Party shall use any service related to or using any of the Services provided in this Agreement in any manner that interferes with other persons in the use of their service, prevents other persons from using their service, or otherwise impairs the quality of service to other carriers or to either Party's Customers, and either Party may discontinue or refuse service if the other Party violates this provision. Upon such violation, either Party shall provide the other Party notice, if practicable, at the earliest practicable time.

19.7 Each Party is solely responsible for the services it provides to its Customers and to other Telecommunications Carriers.

19.8 The Parties shall work cooperatively to minimize fraud associated with third number billed calls, calling card calls, and any other services related to this Agreement.

19.9 Each Party is responsible for administering NXX codes assigned to it, and for ensuring such codes are listed in the Local Exchange Routing Guide ("LERG") and associated industry databases. This includes NXX codes assigned to a Party pursuant to Section 11.4 of this Agreement.

19.10 Each Party is responsible for obtaining Local Exchange Routing Guide ("LERG") listings of CLLI codes assigned to its switches.

19.11 Each Party shall use the LERG published by Bellcore or its successor for obtaining routing information and shall provide all required information to Bellcore for maintaining the LERG in a timely manner.

19.12 Each Party shall program and update its own Central Office Switches and End Office switches and network systems to recognize and route traffic to and from the other Party's assigned NXX codes. Except as mutually agreed or as otherwise expressly defined in this Agreement, neither Party shall impose any fees or charges on the other Party for such activities. Each Party shall provide written notice to the other Party, pursuant to Section 28.12, when the switch update activity has been completed.

19.13 At all times during the term of this Agreement, each Party shall keep and maintain in force at each Party's expense all insurance required by law (e.g. workers' compensation insurance) as well as general liability insurance for personal injury or death to any one person, property damage resulting from any one incident, automobile liability with coverage for bodily injury for property damage. Upon request

from the other Party, each Party shall provide to the other Party evidence of such insurance (which may be provided through a program of self insurance).

19.14 Rate Centers will be identical for each Party until such time as KMC is permitted by an appropriate regulatory body to create its own Rate Centers within an area.

19.15 Industry standardized (those adopted by the Ordering and Billing Forum) electronic interfaces, in accordance with Exhibit E, for the exchange of ordering information must be adopted and made available using any industry standard order formats and methods that are developed (e.g. EDI). Electronic interfaces should be established to provide access to the Sprint order processing database.

20.0 TERM AND TERMINATION.

20.1 The Effective Date of this Agreement shall begin on June 4, 1997 and will terminate on September 18, 1998. Absent the receipt by one Party of written notice from the other Party at least sixty (60) days prior to the expiration of the Term to the effect that such Party does not intend to extend the Term of this Agreement, this Agreement shall automatically renew and remain in full force and effect on and after the expiration of the Term until terminated by either Party pursuant to Section 20.3.

20.2 Either Party may terminate this Agreement in the event that the other Party (i) fails to pay any amount when due hereunder (excluding Disputed Amounts pursuant to Section 28.1 f) and fails to cure such nonpayment within sixty (60) days after receipt of written notice thereof; or (ii) fails to perform any other material obligation required to be performed by it pursuant to this Agreement and fails to cure such material nonperformance within forty-five (45) days after written notice thereof.

20.3 If pursuant to Section 20.1 this Agreement continues in full force and effect after the expiration of the Term, either Party may terminate this Agreement (90) days after delivering written notice to the other Party of its intention to terminate this Agreement. Neither Party shall have any liability to the other Party for termination of this Agreement pursuant to this Section 20.3 other than to pay to the other Party any amounts owed under this Agreement.

20.4 Upon termination or expiration of this Agreement in accordance with this Section 20.0:

- (a) each Party shall comply immediately with its obligations set forth in Section 28.6.3;
- (b) each Party shall continue to perform its obligations and provide the services as described herein until such time as a successor agreement between the Parties is entered into; provided, however, that the Parties shall renegotiate the rates, fees and charges contained herein; and
- (c) each Party shall promptly pay all amounts (including any late payment charges) owed under this Agreement.

20.5 No remedy set forth in this Agreement is intended to be exclusive and each and every remedy shall be cumulative and in addition to any other rights or remedies now or hereafter existing under applicable law or otherwise.

21.0 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES.

EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NO PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, FUNCTIONS AND PRODUCTS IT PROVIDES UNDER OR CONTEMPLATED BY THIS AGREEMENT AND THE PARTIES DISCLAIM THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

22.0 CANCELLATION CHARGES.

Except as provided in Sections 8.4 and 19.4 and pursuant to a Network Element Bona Fide Request, or as otherwise provided in any applicable tariff or contract referenced herein, no cancellation charges shall apply.

23.0 NON-SEVERABILITY.

23.1 The services, arrangements, interconnection, Network Elements, terms and conditions of this Agreement were mutually negotiated by the Parties as a total arrangement and are intended to be non-severable, subject only to Section 29.14 of this Agreement.

23.2 Nothing in this Agreement shall be construed as requiring or permitting either Party to contravene any requirement of federal or state law, or any regulations or orders adopted pursuant to such law.

24.0 INDEMNIFICATION.

24.1 Each Party shall be responsible only for service(s) and facility(ies) which are provided by that Party, its authorized agents, subcontractors, or others retained by such parties, and neither Party shall bear any responsibility for the services and facilities provided by the other Party, its agents, subcontractors, or others retained by such parties.

24.2 Except as otherwise provided in Sections 24.3, 24.4 and 25.2, and to the extent not prohibited by law and not otherwise controlled by Tariff, each Party (the "Indemnifying Party") shall defend and indemnify the other Party (the "Indemnified Party") and hold such Indemnified Party harmless against any Loss to a third party arising out of the negligence or willful misconduct by such Indemnifying Party, its agents, its Customers, contractors, or others retained by such parties, in connection with its provision of services or functions under this Agreement.

24.3 In the case of any Loss alleged or made by a Customer of either Party, the Party ("Indemnifying Party") whose Customer alleged or made such Loss shall defend and indemnify the other Party (the "Indemnified Party") and hold such Indemnified Party harmless against any or all of such Loss alleged by each and every Customer.

24.4 Each Party ("Indemnified Party") shall be indemnified, defended and held harmless by the other Party ("Indemnifying Party") against any Loss arising from such Indemnifying Party's use of services offered under this Agreement, involving:

(1) Claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Indemnifying Party's own communications or the communications of such Indemnifying Party's Customers; or

(2) Claims for patent, trademark, copyright infringement or other infringement of intellectual property rights, arising from the Indemnifying Party's acts combining or using the service furnished by the Indemnified Party in connection with facilities or equipment furnished by the Indemnifying Party or its Customers, agents, subcontractors or others retained by such parties.

24.5 The Indemnifying Party agrees to defend any suit brought against the Indemnified Party for any Loss identified in this Section 24.0. The Indemnified Party agrees to notify the Indemnifying Party promptly in writing of any written claims, lawsuits, or demand for which such Indemnifying Party is or may be responsible and of which the Indemnified Party has knowledge and to cooperate in every reasonable way to facilitate defense or settlement of claims. The Indemnifying Party shall have the exclusive right to control and conduct the defense and settlement of any such actions or claims-subject to consultation with the Indemnified Party. The Indemnifying Party shall not be liable for any settlement by the Indemnified Party

unless such Indemnifying Party has approved such settlement in advance and agrees to be bound by the agreement incorporating such settlement.

25.0 LIMITATION OF LIABILITY.

25.1 Neither Party shall be liable for any act or omission of another telecommunications company when the lines or services of that company are used in establishing connections to and/or from points reached by a Party's lines.

25.2 Each Party agrees to limit the other Party liability to the customers of the first Party to the greatest extent permissible by law. KMC agrees to include in its local exchange service tariff a limitation of liability for damages to its customers that covers Sprint as a provider of a portion of KMC's end user services to the same extent as KMC limits its own liability to its customers. Sprint agrees to include in its local exchange service tariff a limitation of liability for damages to its customers that covers KMC as a provider of a portion of Sprint's end user services to the same extent as Sprint limits its own liability to its customers.

25.3 Except as otherwise set forth in this Agreement, neither Party shall be responsible to the other for any indirect, special, consequential or punitive damages, including (without limitation) damages for loss of anticipated profits, revenue or other economic loss in connection with or arising from anything said, omitted or done hereunder (collectively "Consequential Damages"), whether arising in contract or tort, provided that the foregoing shall not limit a Party's obligation under Indemnification, to indemnify, defend, and hold the other Party harmless against amounts payable to third parties.

Notwithstanding the foregoing, in no event shall one Party's liability to the other Party for a service outage exceed an amount equal to the proportionate charge for the service(s) or unbundled element(s) provided for the period during which the service was affected.

26.0 REGULATORY APPROVAL.

26.1 The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC. The Parties covenant and agree that this Agreement is satisfactory to them as an agreement under Section 251 of the Act. Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under Section 252 of the Act without modification. The Parties, however, reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement. In the event the Commission rejects any portion of this Agreement, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the rejected portion.

26.2 This Agreement shall at all times be subject to changes or modifications with respect to the rates, terms, or conditions contained herein as may be ordered by the Commission or the FCC in the exercise of their respective jurisdictions, whether said changes or modifications result from a rulemaking proceeding, a generic investigation or an arbitration proceeding which applies to Sprint or in which the Commission makes a generic determination. This Agreement shall be modified, however, only to the extent necessary to apply said changes where Sprint specific data has been made available to the Parties and considered by the Commission. Any rates, terms conditions thus developed shall be substituted in place of those previously in effect and shall be deemed to have been effective under this Agreement as of the effective date of the order by the Commission or the FCC, regardless of whether such action was commenced before or after the effective date of the Agreement. If any such modification renders the Agreement inoperable or creates any ambiguity or requirement for further amendment to the Agreement, the Parties will negotiate in good faith to agree upon necessary amendments to the Agreement.

27.0 QUALITY OF SERVICE STANDARDS

27.1 Sprint shall provide KMC provisioning, repair and maintenance support at Parity with what Sprint provides for itself and/or its customers. Sprint shall accept orders from KMC during the hours of operation of the appropriate ordering center.

27.2 Sprint shall provide KMC maintenance and repair services on wholesale and/or unbundled facilities in a manner that is timely, consistent and at Parity with unbundled service provided to Sprint's end users and/or other carriers.

27.3 Within 120 days of the effective date of this Agreement, Sprint and KMC will jointly develop a method to monitor, in a manner consistent with Exhibit D, on Performance Standards, which is incorporated herein, the following key measurements:

a) the number each of unbundled loop, number portability (RCF) and Traffic Exchange trunk installations in the month completed by the KMC desired due date or missed due to end user or KMC actions, divided by the number of KMC's installations for unbundled loop, number portability (RCF) and Traffic Exchange trunks for the month;

b) the number of justified customer-generated trouble reports on unbundled loops, number portability (RCF) and Traffic Exchange trunks entered during the given month divided by the total number of KMC circuits, and

c) the average interval, expressed in hours to the nearest tenth, from receipt of the unbundled loop, RCF or Traffic Exchange trunk trouble report until the time that the trouble report is cleared with the end user customer.

27.4 For the key measurements listed in Section 27.3, Sprint will have the following target objectives:

- a) percentage of end user desired due date met: 98 %;
- b) failure frequency: 1.5%;
- c) failure interval: 2 hours.

27.5 Sprint will provide to KMC the key statistical measurements listed in Section 27.3 on a monthly basis and will also provide to KMC on a monthly basis the same measurements (i.e., percentage completed by customer desired due date, failure frequency and mean time to repair) for its end user and other customers for similar services.

27.6 Sprint will incorporate the key measurements listed in Section 27.3 into its "Tracking Exceptional Customer Satisfaction" program or its successor.

27.7 Sprint and KMC shall negotiate a mechanism whereby Sprint will improve performance when it is in breach of the target objectives listed in Section 27.3. Sprint shall indemnify KMC for any forfeitures or civil penalties or other regulator-imposed fines caused by Sprint's failure to meet Commission imposed service standards or agreed to service standards.

28.0 MISCELLANEOUS

28.1 Authorization.

28.1.1 Sprint is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and has full power and authority to execute and deliver this Agreement and to perform the obligations hereunder.

28.1.2 KMC is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

28.2 Compliance. Each Party shall comply with all applicable federal, state, and local laws, rules, and regulations applicable to its performance under this Agreement.

28.3 Compliance with the Communications Law Enforcement Act of 1994 ("CALEA"). Each Party represents and warrants that any equipment, facilities or services provided to the other Party under this Agreement comply with CALEA. Each Party shall indemnify and hold the other Party harmless from any and all penalties imposed upon the other Party for such noncompliance and shall at the non-compliant Party's sole cost and expense, modify or replace any equipment, facilities or services provided to the other Party under this Agreement to ensure that such equipment, facilities and services fully comply with CALEA.

28.4 Independent Contractor. Each Party shall perform services hereunder as an independent contractor and nothing herein shall be construed as creating any other relationship between the Parties. Each Party and each Party's contractor shall be solely responsible for the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to their employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.

28.5 Force Majeure. Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of God, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, strikes, equipment failure, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers (collectively, a "Force Majeure Event").

28.6 Confidentiality.

28.6.1 Any information such as specifications, drawings, sketches, business information, forecasts, models, samples, data, computer programs and other software and documentation of one Party (a "Disclosing Party") that is furnished or made available or otherwise disclosed to the other Party or any of its employees, contractors, agents or Affiliates (its "Representatives" and with a Party, a "Receiving Party") pursuant to this Agreement ("Proprietary Information") shall be deemed the property of the Disclosing Party. Proprietary Information, if written, shall be marked "Confidential" or "Proprietary" or by other similar notice, and, if oral or visual, shall be confirmed in writing as confidential by the Disclosing Party to the Receiving Party within ten (10) days after disclosure. Unless Proprietary Information was previously known by the Receiving Party free of any obligation to keep it confidential, or has been or is subsequently made public by an act not attributable to the Receiving Party, or is explicitly agreed in writing not to be regarded as confidential, it (a) shall be held in confidence by each Receiving Party; (b) shall be disclosed to only those Representatives who have a need for it in connection with the provision of services required to fulfill this Agreement and shall be used only for such purposes; and (c) may be used for other purposes only upon such terms and conditions as may be mutually agreed to in advance of use in writing by the Parties. Notwithstanding the foregoing sentence, a Receiving Party shall be entitled to disclose or provide Proprietary Information as required by any governmental authority or applicable law only in accordance with Section 28.6.2.

28.6.2 If any Receiving Party is required by any governmental authority or by applicable law to disclose any Proprietary Information, then such Receiving Party shall provide the Disclosing Party with written notice of such requirement as soon as possible and prior to such disclosure. The Disclosing

Party may then either seek appropriate protective relief from all or part of such requirement or, if it fails to successfully do so, it shall be deemed to have waived the Receiving Party's compliance with Section 28.6 with respect to all or part of such requirement. The Receiving Party shall use all commercially reasonable efforts to cooperate with the Disclosing Party in attempting to obtain any protective relief which such Disclosing Party chooses to obtain.

28.6.3 In the event of the expiration or termination of this Agreement for any reason whatsoever, each Party shall return to the other Party or destroy all Proprietary Information and other documents, work papers and other material (including all copies thereof) obtained from the other Party in connection with this Agreement and shall use all reasonable efforts, including instructing its employees and others who have had access to such information, to keep confidential and not to use any such information, unless such information is now, or is hereafter disclosed, through no act, omission or fault of such Party, in any manner making it available to the general public.

28.7 **Governing Law.** For all claims under this Agreement that are based upon issues within the jurisdiction (primary or otherwise) of the FCC, the exclusive jurisdiction and remedy for all such claims shall as provided for by the FCC and the Act. For all claims under this Agreement that are based upon issues within the jurisdiction (primary or otherwise) of the Commission, the exclusive jurisdiction for all such claims shall be with such Commission, and the exclusive remedy for such claims shall be as provided for by such Commission. In all other respects, this Agreement shall be governed by the domestic laws of the State of Florida without reference to conflict of law provisions.

28.8 Taxes.

28.8.1 With respect to any purchase of services, facilities or other arrangements, if any Tax is required or permitted by applicable law to be collected from the purchasing party by the providing party, then (i) the providing party shall timely bill the purchasing party for such Tax, (ii) the purchasing party shall timely remit such Tax to the providing party and (iii) the providing party shall timely remit such collected Tax to the applicable taxing authority.

28.8.2 Taxes imposed on Customers. With respect to any purchase of services, facilities or arrangements that are resold to a third party, if any Tax is imposed by applicable law on the customer in connection with any such purchase, then, the purchasing Party (i) shall be required to impose and/or collect such Tax from the customer and (ii) shall timely remit such Tax to the applicable taxing authority. When the purchasing Party resells the services, facilities or arrangements provided for herein, the purchasing Party shall provide the providing Party a written exemption notice in accordance with Sections 28.8.5 and 25.8.9. In the absence of a tax exemption notice, the providing Party will bill the purchasing Party all customer taxes that apply to such services, facilities or arrangements.

28.8.3 Taxes imposed on the providing party. With respect to any purchase of services, facilities or arrangements, if any Tax is imposed by applicable law on the receipts of the providing party (Receipts Tax), which law permits the providing party to exclude certain receipts received from sales for resale to a public utility, distributor, telephone company, local exchange carrier, telecommunications company or other communications company (Telecommunications company), such exclusion being based solely on the fact that the purchasing party is also subject to a tax based upon receipts, then the purchasing party shall (i) provide the providing party with notice in writing in accordance with Section 28.8.9 below of its intent to pay the Receipts Tax, (ii) shall timely pay the receipts tax to the applicable tax authority, and (iii) shall indemnify the providing party with respect to payment thereof.

28.8.4 Liability for uncollected tax, interest and penalty. If the providing party has not received an exemption certificate and fails to collect any Tax as required by subsection 28.8.1, then, as between the providing party and the purchasing party, (i) the purchasing party shall remain liable for such uncollected Tax and (ii) the providing party shall be liable for any penalty and interest assessed with respect to such uncollected Tax by such taxing authority. However, if the purchasing party fails to timely pay any

taxes properly billed, then, as between the providing party and the purchasing party, the purchasing party will be solely responsible for payment of the taxes, penalty and interest.

If the purchasing party fails to impose and/or collect any Tax from customers as required by subsection 28.8.2, then, as between the providing party and the purchasing party, the purchasing party shall remain liable for such uncollected Tax and any interest and penalty assessed thereon with respect to the uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing party has agreed to pay or impose on and/or collect from customers, the purchasing party agrees to indemnify and hold harmless the providing party on an after-tax basis for any costs incurred by the providing party as a result of actions taken by the applicable taxing authority to recover the Tax from the providing Party due to the failure of the purchasing party to timely pay or collect and timely remit such Tax to such authority.

28.8.5 Tax exemptions and exemption certificates. If applicable law clearly exempts a purchase from a Tax and if such law also provides an exemption procedure, such as an exemption-certificate requirement, then, if the purchasing party complies with such procedure, the providing party shall not collect such Tax during the Effective Period of such exemption. If applicable law clearly exempts a purchase from a Tax and does not also provide an exemption procedure, then purchasing party will provide the providing party a letter, signed by an officer, requesting such exemption and citing the provision in the law which allows exemption. Purchasing party will agree to indemnify and hold harmless the providing party on an after-tax basis for tax, penalty and interest which may be due if the exemption is later denied by the taxing authority.

28.8.6 This agreement does not cover any tax which may be imposed on either party's corporate existence, status or income.

28.8.7 Whenever possible, all Taxes shall be billed as a separately stated item.

28.8.8 In the event either party is audited by a taxing authority, the other party agrees to cooperate fully with the party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.

28.8.9 Notices for purposes of this Section: All notices, affidavits, exemption-certificates or other communications required or permitted to be given by either party to the other, for purposes of this Section, shall be made in writing and shall be delivered in person or sent by certified mail, return receipt requested, or registered mail, or a courier service providing proof of service, and sent to the following:

To KMC: President
KMC Telecom, Inc.
1545 Route 206 Suite 300
Bedminster, New Jersey 07921

With a copy to: Rich Rindler
Swidler & Berlin
3000 K Street, N.W.
Suite 300
Washington, D.C. 20007-5116

To Sprint: Sprint Southern Operations
Tax Department (Mail Code 5240)
P.O. Box 165000
Altamonte, Florida 32716-5000

With a copy to: Mike Anderson
Sprint
National Account Manager-Local Markets

2330 Shawnee Mission Parkway
Mailstop: KSFRWA0301
Westwood, Kansas 66205

Either party may from time to time designate another address or other addresses by giving notice in accordance with the terms of this Section. Any notice or other communication shall be deemed to be given when received.

28.8.10 Definitions

a) **Effective Period:** Effective period shall mean the period from the time that a proper exemption certificate for each type of Tax is received and approved by the Corporate Tax Department of the providing party until the expiration date of the exemption certificate as set by the applicable law.

b) **Tax:** Tax shall mean any and all federal, state, local, municipality, public utility commission, public service commission or other governmental agency tax, fee, surcharge or other tax-like charge as required or permitted by applicable law to be collected from the purchasing party by the providing party.

28.9 Assignment

This Agreement shall be binding upon every Sprint subsidiary and Sprint affiliate (except that this Agreement shall specifically not be binding upon Vista Telephone until such time as Sprint acquires at least a 50% equity stake in Vista) of either Party that is engaged in providing telephone exchange and exchange access services in any territory within which Sprint is an Incumbent Local Exchange Carrier as of the date of this Agreement (the "Sprint Territory"), and shall continue to be binding upon all such entities regardless of any subsequent change in their ownership. Except as provided in this paragraph, neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party; provided that each Party may assign this Agreement to a corporate Affiliate or an entity under its common control or an entity acquiring all or substantially all of its assets or equity by providing prior written notice to the other Party of such assignment or transfer. Any attempted assignment or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

28.10 Non-Waiver

Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege.

28.11 Disputed Amounts

28.11.1 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall within sixty (60) days of its receipt of the invoice containing such disputed amount give notice to the Billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The Non-Paying Party shall pay when due (i) all undisputed amounts to the Billing Party and (ii) all Disputed Amounts into an interest bearing escrow account with a third party escrow agent mutually agreed upon by the Parties.

28.11.2 If the Parties are unable to resolve the issues related to the Disputed Amounts in the normal course of business within sixty (60) days after delivery to the Billing Party of notice of the Disputed Amounts, each of the Parties shall appoint a designated representative who has authority to settle the dispute and who is at a higher level of management than the persons with direct responsibility for

administration of this Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the dispute and negotiate in good faith in an effort to resolve such dispute. The specific format for such discussions will be left to the discretion of the designated representatives, however all reasonable requests for relevant information made by one Party to the other Party shall be honored.

28.11.3 If the Parties are unable to resolve issues related to the Disputed Amounts within forty-five (45) days after the Parties' appointment of designated representatives pursuant to Section 28.11.2, then either Party may file a complaint with the Commission to resolve such issues or proceed with any other remedy pursuant to law or equity. The Commission may direct release of any or all funds (including any accrued interest) in the escrow account, plus applicable late fees, to be paid to either Party.

28.11.4 The Parties agree that all negotiations pursuant to this Section 28.11 shall remain confidential and shall be charged under applicable law or Tariff.

28.12 Notices. Notices given by one Party to the other Party under this Agreement shall be in writing and shall be (a) delivered personally, (b) delivered by express delivery service, (c) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested or (d) delivered by telecopy to the following addresses of the Parties:

To KMC:

President
KMC Telecom, Inc.
1545 Route 206 Suite 300
Bedminster, New Jersey 07921

To Sprint:

Mr. Jerry Johns
Vice President - Law and External Affairs
United Telephone Company of Florida
Box 165000
Altamonte Springs, Florida 32716-5000

with a copy to: To KMC:

Rich Rindler
Swidler & Berlin
3000 K Street, N.W.
Suite 300
Washington, D.C. 20007-5116

Mike Anderson
Sprint
National Account Manager - Local Markets
2330 Shawnee Mission Parkway
Mailstop: KSFRWA0301
Westwood, KS 66205

or to such other address as either Party shall designate by proper notice. Notices will be deemed given as of the earlier of (i) the date of actual receipt, (ii) the next business day when notice is sent via express mail or personal delivery, (iii) three (3) days after mailing in the case of first class or certified U.S. mail or (iv) on the date set forth on the confirmation in the case of telecopy.

28.13 Publicity and Use of Trademarks or Service Marks. Neither Party nor its subcontractors or agents shall use the other Party's trademarks, service marks, logos or other proprietary trade dress in any advertising, press releases, publicity matters or other promotional materials without such Party's prior written consent. Both Parties shall mutually agree to any and all press releases or similar announcement, promotions, advertising, that discloses the existence of this agreement. Nothing herein this Agreement shall preclude either party filing this Agreement with the state commission.

28.14 Option to Elect Other Terms. If Sprint enters into an agreement (the "Other Agreement") approved by the Commission pursuant to Section 252 of the Act which provides for the provision of arrangements covered in this Agreement to another requesting Telecommunications Carrier, including its affiliate, Sprint shall make available to KMC such arrangements upon the same rates, terms and conditions as those provided in the Other Agreement. At its sole option, KMC may avail itself of either (i) the Other Agreement in its entirety or (ii) the prices, terms and conditions of the Other Agreement that directly relate to any of the following duties as a whole:

- (1) Interconnection - Sections 4.0 and 5.0 of this Agreement; or
- (2) E911/911 - Section 7.0 of this Agreement; or
- (3) BLV/BLVI - Section 7.0 of this Agreement; or
- (4) Information Services Traffic - Section 7.0 of this Agreement; or
- (5) Unbundled Access - Section 8.0 of this Agreement; or
- (6) Collocation - Section 10.0 of this Agreement; or
- (7) Number Portability - Section 11.0 of this Agreement; or
- (8) Access to Rights of Way - Section 13.0 of this Agreement; or
- (9) Directory Listings and Directory Distribution - Section 16.0 of this Agreement; or
- (10) Directory Assistance Service - Section 17.0 of this Agreement; or
- (11) Resale - Section 18.0 of this Agreement; or
- (12) Exchange Access - Section 6.0 of this Agreement

28.14.1 Notwithstanding KMC's option to elect other terms pursuant to Section 28.14 above, the parties expressly stipulate that in no event shall the terms contained in Section I of Schedule 1.0 of the Interconnection Agreement between MFS Communications Company, Inc. and Sprint (t/a a United Telephone Company of Florida, dated as of September 19, 1996, be made available to KMC.

28.15 Joint Work Product. This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

28.16 No Third Party Beneficiaries; Disclaimer of Agency. This Agreement is for the sole benefit of the Parties and their permitted successors and assigns, and nothing herein express or implied shall create or be construed to create any third-party beneficiary rights hereunder. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly

provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

28.17 No License. No license under patents, copyrights or any other intellectual property right (other than the limited license to use consistent with the terms, conditions and restrictions of this Agreement) is granted by either Party or shall be implied or arise by estoppel with respect to any transactions contemplated under this Agreement.

28.18 Technology Upgrades. Nothing in this Agreement shall limit Sprint's ability to upgrade its network through the incorporation of new equipment, new software or otherwise. Sprint shall provide KMC written notice at least ninety (90) days prior to the incorporation of any such upgrades in Sprint's network which will materially impact KMC's service. KMC shall be solely responsible for the cost and effort of accommodating such changes in its own network.

28.19 Survival. The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement, including without limitation, Sections 20.4, 21.0, 22.0, 24.0, 25.0, 27.0, 28.3, 28.6, 29.11, 29.13 and 29.17.

28.20 Scope of Agreement. This Agreement is intended to describe and enable specific interconnection and access to unbundled Network Elements and compensation arrangements between the Parties. This Agreement does not obligate either Party to provide arrangements not specifically provided herein.

28.21 Entire Agreement. The terms contained in this Agreement and any Schedules, Exhibits, tariffs and other documents or instruments referred to herein, which are incorporated into this Agreement by this reference, constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Neither Party shall be bound by any preprinted terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications. This Agreement may only be modified by a writing signed by an officer of each Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this day of June 4, 1997.

KMC Telecom, Inc.

By: 

Printed: Michael Steenberg

Title: President


SPRINT-FLORIDA, INCORPORATED
United Telephone Company Of Florida


By: 

Printed: Perry Johns

Title: VP Law & External Relations

C. P. J.
AMB
APPROVED

SCHEDULE 1.0
PRICING SCHEDULE

- I. Reciprocal Compensation *Transport* 
Composite Rate = ~~\$0.0055~~ per minute (end office rate of ~~\$0.004~~ and tandem rate of ~~\$0.0015~~) *.000255 per mo*
- II. Transit Function
Rate = \$0.0015
- III. BLV/BLVI Traffic
Rate = \$0.95 per Busy Line Verification
\$0.45 per Busy Line Verification Interrupt
(in addition to \$0.95 for Busy Line Verification)
- IV. Interim Number Portability Through Direct Inward Dial
Terms to be negotiated subject to cost-based and competitively-neutral cost-recovery
- V. 911/E911 Services
Where the capability is used the following applicable rates will apply:
- | | | |
|-------------|-------------------------|-------------|
| Voice Grade | - Channel Mile Fixed | \$30.00 MRC |
| | - Channel Mile Per Mile | \$2.40 MRC |
| | - DS0 Port Charge | \$19.50 MRC |
| DS-1 | - Channel Mile Fixed | \$39.50 MRC |
| | - Channel Mile Per Mile | \$17.00 MRC |
| | - DS0 Port Charge | \$19.50 MRC |
- VI. Directory Assistance Rates (where capabilities are available)
1. On-line access to Sprint's Directory Assistance Service for an KMC-designated Operator Bureau. Rate = Non-discriminatory Tariff or contract rates and terms.
 2. Unbranded Directory Assistance. Rate = Current total rate of \$0.25 per call. This capability may require KMC to be responsible for provisioning separate trunk group.
 3. KMC Branded Directory Assistance. Rate = Currently total rate of \$0.25 per call. This capability may require KMC to be responsible for provisioning separate trunk group.

SCHEDULE 1.0
PRICING SCHEDULE (continued)

4. License to KMC or an KMC-designated Operator Bureau Sprint's directory database.
Rate = Nondiscriminatory Tariff or contract rates and terms.
 5. Caller-optional call completion capability. Rate = Non-discriminatory Tariff or contract rates and terms.
- VII. Sprint Local Services Resale Discounts For the State of Florida
- | | |
|---|--------|
| All Other Discount - CATEGORY I | 19.40% |
| Operator Assistance/DA Discount - CATEGORY II | 12.10% |

EXHIBIT A

NETWORK ELEMENT BONA FIDE REQUEST

1. Each Party shall promptly consider and analyze access to a new unbundled Network Element with the submission of a Network Element Bona Fide Request hereunder. The Network Element Bona Fide Request process set forth herein does not apply to those services requested pursuant to Report & Order and Notice of Proposed Rulemaking 91-141 (ref. Oct. 19, 1992) ¶ 259 and n.603.
2. A Network Element Bona Fide Request shall be submitted in writing and shall include a technical description of each requested Network Element.
3. The requesting Party may cancel a Network Element Bona Fide Request at any time, but shall pay the other Party's reasonable and demonstrable costs of processing and/or implementing the Network Element Bona Fide Request up to the date of cancellation.
4. Within ten (10) business days of its receipt, the receiving Party shall acknowledge receipt of the Network Element Bona Fide Request.
5. Except under extraordinary circumstances, within thirty (30) days of its receipt of a Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a preliminary analysis of such Network Element Bona Fide Request. The preliminary analysis shall confirm that the receiving Party will offer access to the Network Element or will provide a detailed explanation that access to the Network Element is not technically feasible and/or that the request does not qualify as a Network Element that is required to be provided under the Act.
6. Upon receipt of the preliminary analysis, the requesting Party shall notify the receiving Party of its intent to proceed or not to proceed within 30 days.
7. The receiving Party shall promptly proceed with the Network Element Bona Fide Request upon receipt of written authorization from the requesting Party. When it receives such authorization, the receiving Party shall promptly develop the requested services, determine their availability, calculate the applicable prices and establish installation intervals.
8. As soon as feasible, but not more than ninety (90) days after its receipt of authorization to proceed with developing the Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a Network Element Bona Fide Request quote which will include, at a minimum, a description of each Network Element, the availability, the applicable rates (developed in accordance with Commission or FCC-approved pricing methodologies) and the installation intervals.
9. Within thirty (30) days of its receipt of the Network Element Bona Fide Request quote, the requesting Party must either confirm its order for the Network Element Bona Fide Request pursuant to the Network Element Bona Fide Request quote or seek arbitration by the Commission pursuant to Section 252 of the Act.
10. If a Party to a Network Element Bona Fide Request believes that the other Party is not requesting, negotiating or processing the Network Element Bona Fide Request in good faith, or disputes a determination, or price or cost quote, such Party may seek mediation or arbitration by the Commission pursuant to Section 252 of the Act.

EXHIBIT B

MEET-POINT BILLING PROVISIONS

1. Sprint shall provide KMC with the Switched Access Detail Usage Data (category 1101XX records) on an on-going basis on magnetic tape or via electronic file transfer using EMR format, no later than 10 days after the end of the calendar month billing period.
2. KMC provide Sprint with the Switched Access Summary Usage Data (category 1150XX records) on magnetic tape or via electronic file transfer using the EMR format, no later than 10 days after the KMC bill is rendered.
3. In accordance with MECAB guidelines, each Party shall coordinate and exchange the billing account reference ("BAR") and billing account cross reference ("BACR") numbers for the MB Service. Each Party shall notify the other if the level of billing or other BAR/BACK elements change, resulting in a new BAR/BACK number.
4. If Switched Access Detail Usage Data is not submitted to KMC by Sprint in a timely fashion or if it is not in proper format as previously defined, and if as a result KMC is delayed in billing the DXCs, late payment charges will be payable by Sprint to KMC as prescribed in KMC's access Tariff.
5. If Switched Access Summary Usage Data is not submitted to Sprint by KMC in a timely fashion or if it is not in proper format as previously defined, and if as a result Sprint is delayed in billing the DXCs, late payment charges will be payable to Sprint as prescribed in Sprint's access Tariff. Excluded from this provision will be any Switched Access Detail Usage Data records not provided by Sprint in a timely fashion.
6. In the event KMC determines to offer Exchange Services in another LATA in which Sprint operates an access tandem, Sprint shall, except in instances of capacity limitations, permit and enable KMC to sub-tend the Sprint access tandem switch(es) nearest to the KMC Rating Point(s) associated with the NPA-NXX(s) to/from which the Switched Access Services are homed. In instances of capacity limitation at a given access tandem switch, KMC shall be allowed to sub-tend the next-nearest Sprint access tandem switch in which sufficient capacity is available. The MB percentages for each new Rating Point/access tandem pair shall be calculated according to one of the three methods identified in the MECAB document and consistent with Exhibit C.
7. KMC shall inform Sprint of the tandem(s) it wishes to sub-tend in the new LATA and the parties shall jointly determine the calculation of the billing percentages which should apply for such arrangement consistent with Exhibit C. KMC will deliver notice to Sprint of all new routes. Sprint and KMC shall confirm each new route and associated billing in a Letter of Understanding, and shall file these percentages in NECA Tariff No. 4, within a reasonable time following receipt of KMC's notice by Sprint.

EXHIBIT C

MEET-POINT BILLING RATE ELEMENTS

Interstate Access - Terminating to or Originating from KMC End user Customers

<u>Rate Element</u>	<u>Billing Company</u>
Carrier Common Line	KMC
Local Switching	KMC
Interconnection Charge	KMC
Local Transport Termination	50% of Sprint rate & 50% of KMC rate
Local Transport Facility	*
Tandem Switching	Sprint
Entrance Facility	Sprint

Intrastate Access - Terminating to or Originating from KMC End User Customers

<u>Rate Element</u>	<u>Billing Company</u>
Carrier Common Line	KMC
Local Switching	KMC
Interconnection Charge	KMC
Local Transport Termination	50% of Sprint rate & 50% of KMC rate
Local Transport Facility	*
Tandem Switching	Sprint
Entrance Facility	Sprint

* Parties bill the DCCs its own Tariff rate multiplied by the billing percentage identified for it in a given MB pair, in this Exhibit C, multiplied by the total facility miles.

Exhibit D

Performance Standards

Section 1. General

1.1 Sprint shall satisfy all service standards, intervals, measurements, specifications, performance requirements, technical requirements, and performance standards (Performance Standards) that are specified in this agreement or are required by law or regulation. In addition, Sprint's performance under this Agreement shall be provided to KMC will be, at a minimum, at Parity with the performance Sprint provides itself for like service(s).

1.2 Sprint and KMC agree that generally remedies at law alone are adequate to compensate KMC for any failures to meet the Performance Standard requirements specified in this Agreement, or for failures to provide Customer Usage Data in accordance with this Agreement. However, KMC shall have the right to seek injunctive relief and other equitable remedies to require Sprint (i) to cause the service ordered by KMC to meet the Performance Standards specified by the Agreement, (ii) install or provision service ordered by KMC within the Due Dates specified in this Agreement, to provide repair service for unbundled elements at Parity as Sprint provides such service to itself and end users, and (iii) to provide Customer Usage Data in accordance with this Agreement.

1.3 Sprint and KMC agree that all financial remedies available to end-user and access customers for same or like services will be offered to KMC. At such time that state or federal commission-approved credits/ financial remedies are put in place between Sprint and any of its KMC customers, Sprint would renegotiate this arrangement where such arrangements exist.

Section 2. Parity and Quality Measurements

2.1 Sprint will develop self-reporting capabilities comparing Sprint results with KMC results for the following measures of service parity within 6 months of the effective date of a commission approved interconnection and resale agreement between Sprint and KMC:

Percentage of Commitment Times Met - Service Order

Percentage of Commitment Times Met - Trouble Report

Trouble Reports per 100 Access Lines (Resale only)

Percent Repeated Trouble Reports

In the event KMC chooses to utilize the Sprint operator service platform the following measures will be implemented within 6 months of the date of first use by KMC:

Average Toll Answer Time

Average Directory Assistance Answer Time

All above measures will be implemented in a manner that is consistent with the current measures Sprint makes of its own performance.

2.2 Sprint will develop and implement the following measures no later than July 1, 1998:

Pre-Ordering / Ordering / Provisioning

Prompt Transmission of Customer Service Record (CSR) Information

Prompt transmission of Firm Order Confirmation (FOC)

PIC Changes Completed Within 24 Hours

Interconnection

Trunk Orders on or Before the Committed Due Date

Firm Order Confirmation (FOC) time delivery

Rights of Way (ROW) Conduit and Pole Attachment Availability

Maintenance and Repair

Average Clearing Time - Out of Service

2.3 Sprint will develop and implement the following measures within 1 year of the effective date of a commission approved interconnection and resale agreement between Sprint and KMC:

Pre-Ordering / Ordering / Provisioning

Disconnect Order Completion Interval

Billing

Advance Notice of Late Billing Associated with the Wholesale Bill

Delivery of Mechanized Customer Service Record (CSR) for Wholesale Bill Verification

Charges Billed in Current Wholesale Bill Period for Flat Rated Services

Charges Billed Within 90 days for Usage Charges

Financial Accuracy of local OCC Bills

Customer Usage Data - File Transfer

Customer Usage Data - Timeliness

Customer Usage Data - Accuracy

Maintenance and Repair

Percent Reporting Trouble Within 5 Days of the Date Installed

Exhibit E

Interim Standards for Access to Systems

Ordering

Sprint will follow the industry standards defined by the Ordering and Billing Forum (OBF) for the ordering of Local Service using an Electronic Data Interchange (EDI) electronic interface for the Local Service Request Form (LSR). Sprint will use its best efforts to implement the components of the LSR that went to final closure in the October 1996 OBF session by July 1, 1997. Any issues that go to initial or final closure in the February 1997 session will be reviewed to determine which, if any, can be included in the July 1, 1997 deliverable. Sprint will jointly develop with the KMC an implementation agreement which will include defining a method of transport, using Connect:Direct (CDN) technology. Any open issues after the February 1997 OBF session will be reviewed on a case-by-case basis to develop interim solutions until system changes can be made.

Pre-Ordering

Sprint will follow industry standards defined by the OBF or other standard setting body for the pre-ordering validation requested by KMC as they are defined. Sprint is actively working towards implementing changes to the operational support systems that will facilitate the implementation of electronic interfaces once standards are defined. These changes include the following infrastructure projects:

- Consolidation and standardization of telephone number assignment systems
- Consolidation and standardization of addresses
- Mechanization of services and features availability

Sprint will share the projected implementation dates of these infrastructure projects as they become available and is willing to provide monthly status reports and project reviews as necessary. Sprint will commit to a project completion date and a specific technology for implementation of electronic interfaces for pre-ordering validation at the time industry standards go to initial closure. The electronic interface will be implemented within twelve months of the industry standards being defined.

Sprint currently does not provide exact appointment times to our end users and is not in a position to offer it to KMC. System and process modifications are being reviewed to determine the scope of implementing this functionality. A timeline, including the electronic interface, will be provided when the system analysis is complete.

Sprint will work with KMC in the interim to develop work arounds so that KMC can get the pre-ordering validation information as quickly as possible.

Usage Exchange

Sprint currently exchanges usage records with CLECs in Exchange Message Record (EMR) format using msg upset. Beginning 7/1/97, we will be able to forward that usage via CDN or Network Data Mover (NDM) technology. The OBF is currently looking at new requirements which will be implemented once the issues go to Initial Closure. Sprint will work with KMC to develop other options if necessary.

Billing Information

Sprint, in the interim, will bill local resale services in the Customer Record and Billing (CRB) system with a transition into the Customer Access Support System (CASS), which is a CABS like system, in 1997 as system modifications are made. Unbundled Network Elements and Interconnection services are planned to be billed in CASS in 1997, however, some interim solution may be required until functional and contractual requirements are fully defined and billing system and network software modifications are implemented. These interim solutions may include using CRB or a personal computer based software solution. The CRB system is capable of providing the end user bill in industry standard EDI format. The CASS bill is in industry standard OBF Billing Output Specifications (BOS) format and can be transmitted via Connect:Direct based on customer specifications. Sprint also provides an on-line bill viewer option with the CASS bills. Sprint will work with KMC to develop other options if necessary.

Fault Management

Sprint will follow industry standards defined by the Electronic Communication Implementation Committee (ECIC), a committee of the Telecommunication Industry Forum (TCIF), for the exchange of fault management information requested by KMC when they are defined. Sprint is actively working on replacing the Automated Repair Bureau system (ARBS) with a more sophisticated "object-oriented" system called Receive Repair System (RRS) that will facilitate the implementation of electronic communications once standards are defined.

Sprint will commit to a project completion date for implementation of electronic communications for the exchange of fault management information at the time industry standards go to initial closure. The electronic interface will be implemented within twelve months of the industry standards being defined. Currently, the ECIC standards call for the use of an electronic bonding gateway using T1, 227 and T1, 228 standards.

Sprint will work with KMC in the interim to develop work arounds so that KMC can get the fault management information as quickly as possible.

provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

28.17 No Licenses. No license under patents, copyrights or any other intellectual property right (other than the limited license to use consistent with the terms, conditions and restrictions of this Agreement) is granted by either Party or shall be implied or arise by estoppel with respect to any transactions contemplated under this Agreement.

28.18 Technology Upgrades. Nothing in this Agreement shall limit Sprint's ability to upgrade its network through the incorporation of new equipment, new software or otherwise. Sprint shall provide KMC written notice at least ninety (90) days prior to the incorporation of any such upgrades in Sprint's network which will materially impact KMC's service. KMC shall be solely responsible for the cost and effort of accommodating such changes in its own network.

28.19 Survival. The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement, including without limitation, Sections 20.A, 21.A, 22.A, 24.A, 25.A, 27.A, 28.1, 28.6, 29.11, 29.13 and 29.17.

28.20 Scope of Agreement. This Agreement is intended to describe and enable specific interconnection and access to unbundled Network Elements and compensation arrangements between the Parties. This Agreement does not obligate either Party to provide arrangements not specifically provided herein.

28.21 Entire Agreement. The terms contained in this Agreement and any Schedules, Exhibits, tariffs and other documents or instruments referred to herein, which are incorporated into this Agreement by this reference, constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Neither Party shall be bound by any proposed terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications. This Agreement may only be modified by a writing signed by an officer of each Party.

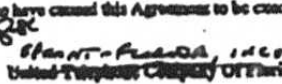
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this day of June 6, 1997.

KMC Telecomm, Inc.

By: 

Printed: Michael Skerberg

Title: President


Sprint - Florida, Incorporated
United Telephone Company of Florida

By: 

Printed: Jerry H. Johns

Title: VP - Long Term External Relations

CURRY
AS
APPROVED

SCHEDULE 1A
PRICING SCHEDULE

I. Reciprocal Compensation *Transport*

Composite Rate - 68.00¢ per minute (and effective rate of 60.00¢ and maximum rate of 60.00¢) *.060235 per min*

II. Trunk Function

Rate = \$0.0015

III. BLV/BLVI Traffic

Rate = \$0.95 per Busy Line Verification
\$0.45 per Busy Line Verification Interrupt
(in addition to \$0.95 for Busy Line Verification)

IV. Extension Number Portability Through Direct Inward Dial

Terms to be negotiated subject to cost-based and competitively-neutral cost-recovery

V. 911/ES11 Services

Where the capability is used the following applicable rates will apply:

Voice Grade	- Channel Mile Fixed	\$30.00 MRC
	- Channel Mile Per Mile	\$2.40 MRC
	- DSO Port Charge	\$19.50 MRC
DS-1	- Channel Mile Fixed	\$39.50 MRC
	- Channel Mile Per Mile	\$17.00 MRC
	- DSO Port Charge	\$19.50 MRC

VI. Directory Assistance Rates (where capabilities are available)

1. On-line access to Sprint's Directory Assistance Service for an E911-designated Operator Browser. Rate = Non-discriminatory Tariff or contract rates and terms.
2. Unbranded Directory Assistance. Rate = Current total rate of \$0.25 per call. This capability may require E911 to be responsible for provisioning separate trunk group.
3. E911 Branded Directory Assistance. Rate = Current total rate of \$0.25 per call. This capability may require E911 to be responsible for provisioning separate trunk group.