

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application for)
Approval of Amendments to an)
Interconnection Agreement By and Between)
Southwestern Bell Telephone, L.P., d/b/a) Case No. _____
AT&T Missouri and McLeodUSA)
Telecommunications Services, Inc.)

**APPLICATION FOR APPROVAL OF AMENDMENTS TO INTERCONNECTION
AGREEMENT WITH RESPECT TO INTERVENING LAW, INTERCARRIER
COMPENSATION, INTERCONNECTION AND TRUNKING PROVISIONS**

AT&T Missouri,¹ pursuant to Commission Rule 3.513 (4 CSR 240-3.513(6)(C)), respectfully submits the attached amendments to the present interconnection agreement between AT&T Missouri and McLeodUSA Telecommunications Services, Inc. (“McLeodUSA”), and further requests that the Commission approve both. The amendments consist of (1) an “Amendment to Interconnection Agreement” revoking the parties’ current “Amendment Superseding Certain Compensation, Interconnection and Trunking Provisions” and (2) a “Further Amendment Superseding Certain Intervening Law, Compensation, Interconnection and Trunking Provisions.” In support of this Application, AT&T Missouri states that:

1. AT&T Missouri is a Texas limited partnership² duly authorized to conduct business in Missouri,³ with its principal Missouri office at One AT&T Center, Room 3520, St. Louis, Missouri 63101. AT&T Missouri is authorized to do business in Missouri and its fictitious name is

¹ Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri (“AT&T Missouri”).

² In accordance with 4 CSR 240-2.060(1)(G), a copy of the Southwestern Bell Telephone, L.P. partnership agreement was filed with the Commission on October 15, 2003. See, In the Matter of the Application of Southwestern Bell Telephone, L.P., d/b/a SBC Missouri, for Review and Reversal of North American Number Plan Administrator’s Decision to Withhold Numbering Resources, Case No. TO-2004-0170.

³ In accordance with 4 CSR 240-2.060(1)(G), a copy of the certificate from the Missouri Secretary of State certifying that Southwestern Bell Telephone, L.P. is a foreign limited partnership duly authorized to transact business in the State of Missouri was filed with the Commission on January 7, 2002. See, In the Matter of the Application of Southwestern Bell Telephone Company to Transfer Property and Ownership of Stock Pursuant to Section 392.300, RSMo., Case No. TO-2002-185.

duly registered with the Missouri Secretary of State.⁴ AT&T Missouri is a "local exchange telecommunications company" and a "public utility," and is duly authorized to provide "telecommunications service" within the State of Missouri, as each of those phrases is defined in Section 386.020, RSMo. 2000.⁵

2. All correspondence, pleadings, orders, decisions, and communications regarding this proceeding should be sent to:

Paul G. Lane
Leo J. Bub
Robert J. Gryzmala
Mimi B. MacDonald
Attorneys for Southwestern Bell Telephone, L.P.,
d/b/a AT&T Missouri
One AT&T Center, Suite 3516
St. Louis, Missouri 63101

3. AT&T Missouri does not have any pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment, or decision has occurred within three (3) years of the date of this Application.

4. AT&T Missouri does not have any annual report or assessment fees that are overdue.

5. The Commission initially approved the present interconnection agreement ("ICA") between AT&T Missouri and McLeodUSA on August 29, 2005 in Case No. VT-2006-0022. The ICA was the result of McLeodUSA's having "opted into" (pursuant to 47 U.S.C. §252(i)) the agreement earlier reached between AT&T Missouri and MCI metro Access Transmission Services,

⁴ In accordance with 4 CSR 240-2.060(1)(G), a copy of the registration of the fictitious name "AT&T Missouri" was filed with the Commission on December 2, 2005. See, In the Matter of the Application of Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri for Review and Reversal of the North American Number Plan Administrator's Decision to Withhold Numbering Resources, Case No. TO-2006-0247.


⁵ By its Order Recognizing Name Change, Approving Tariff and Closing Case, in Case No. IN-2006-0232 (effective December 29, 2005), the Commission ordered that the fictitious name "AT&T Missouri" be recognized. Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri previously conducted business as Southwestern Bell Telephone, L.P., d/b/a SBC Missouri, the name reflected on the attached amendments. Both amendments were executed prior to the effective date of the Commission's order.

LLC, and approved by the Commission on August 8, 2005, in Case No. TK-2006-0050. The purpose of the amendments submitted herewith are, first, to revoke the parties' current "Amendment Superseding Certain Compensation, Interconnection and Trunking Provisions" in their previously approved ICA (which has been achieved by the attached "Amendment to Interconnection Agreement") and, second, to substitute a new "Further Amendment Superseding Certain Intervening Law, Compensation, Interconnection and Trunking Provisions" in its stead. To AT&T Missouri's knowledge, this type of interconnection agreement amendment has not previously been approved by the Commission. Consequently, AT&T Missouri submits the amendments pursuant to 4 CSR 240-3.513(6)(C).

AT&T Missouri respectfully requests that the Commission approve both amendments negotiated between AT&T Missouri and McLeodUSA and submitted herewith.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE, L.P.
D/B/A AT&T MISSOURI

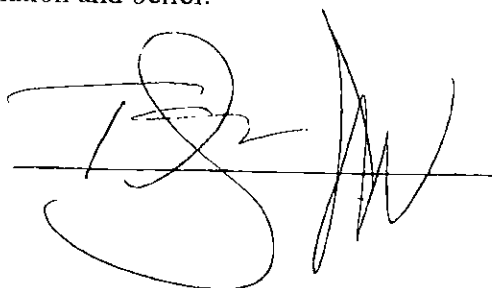
BY 

PAUL G. LANE	#27011
LEO J. BUB	#34326
ROBERT J. GRYZMALA	#32454
MIMI B. MACDONALD	#37606

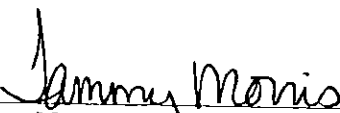
Attorneys for AT&T Missouri
One AT&T Center, Room 3516
St. Louis, Missouri 63101
314-235-6060 (Telephone)/314-247-0014(Fax)
robert.gryzmala@att.com

VERIFICATION

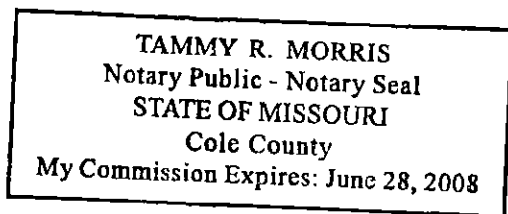
I Timothy M. Judge, a duly authorized representative of AT&T Missouri hereby verify and affirm that I have read the foregoing Application and that the statements contained therein are true and correct to the best of my information and belief.

A handwritten signature in black ink, appearing to read 'T.M. Judge', written over a horizontal line.

Subscribed and sworn to before me this 6th day of April, 2006.


Notary Public

My Commission Expires: June 28, 2008



CERTIFICATE OF SERVICE

Copies of this document were served on each of the following by e-mail on April 6, 2006.


Robert J. Grymalala

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
gencounsel@psc.mo.gov

Public Counsel
Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102
opcservice@ded.mo.gov

James E. Thompson
McLeodUSA Telecommunications Services, Inc.
6400 C Street
PO Box 3711
Cedar Rapids, IA 52406-3177
James.thompson@mcleodusa.com

**AMENDMENT TO
INTERCONNECTION AGREEMENT
BY AND BETWEEN
SOUTHWESTERN BELL TELEPHONE, L.P. D/B/A SBC MISSOURI
AND
MCLEODUSA TELECOMMUNICATIONS SERVICES, INC.**

On August 29, 2005, McLeodUSA Telecommunications Services, Inc. ("Carrier") exercised its right pursuant to 47 U.S.C. § 252 (i) to adopt the Interconnection Agreement, as amended, between Southwestern Bell Telephone, L.P. d/b/a SBC Missouri ("SBC Missouri") and MCImetro Access Transmission Services, LLC. Upon approval by the Missouri Public Services Commission, the agreement so requested by McLeodUSA Telecommunications Services, Inc., became the Interconnection Agreement (the "Agreement") pursuant to 47 U.S.C. §§ 251 and 252 between SBC Missouri and McLeodUSA Telecommunications Services, Inc. Pursuant to this Amendment, the Agreement is hereby amended as follows:

- (1) The Amendment Superseding Certain Compensation, Interconnection and Trunking Provisions, currently incorporated into the Agreement, and all references to this amendment set forth in the Agreement, are hereby removed from the Agreement in their entirety.
- (2) On August 19, 2005, McLeodUSA Telecommunications Services, Inc. and SBC Missouri, among others, executed a Further Amendment Superseding Certain Intervening Law, Compensation Interconnection and Trunking Provisions (the "MTSI/SBC Further Superseding Amendment"). The Parties hereby incorporate into the Agreement the MTSI/SBC Further Superseding Amendment. In incorporating the MTSI/SBC Further Amendment into the Agreement, it is the Parties' intent that the MTSI/SBC Further Amendment shall apply according to its terms, without modification.
- (3) This Amendment shall not modify or extend the Effective Date or Term of the underlying Agreement, but rather, shall be coterminous with such Agreement.
- (4) EXCEPT AS MODIFIED HEREIN, ALL OTHER TERMS AND CONDITIONS OF THE UNDERLYING AGREEMENT SHALL REMAIN UNCHANGED.
- (5) This Amendment shall be filed with and is subject to approval by the Missouri Public Services Commission and shall become effective ten (10) days following approval by such Commission.

IN WITNESS WHEREOF, this Amendment to the Agreement was exchanged in triplicate on this 13th day of DEC, 2005, by SBC Missouri, signing by and through its duly authorized representative, and CLEC, signing by and through its duly authorized representative.

McLeodUSA Telecommunications Services, Inc.

Southwestern Bell Telephone, L.P. d/b/a ^{SBC} Missouri
by ~~AT&T~~ Operations, Inc., its authorized agent

By: James E. Thompson

By: Mike Auinbauh

Name: James E. Thompson
(Print or Type)

Name: Mike Auinbauh
(Print or Type)

Title: Group VP & General Counsel
(Print or Type)

Title: AVP - Local Interconnection Marketing

Date: 11/29/05

Date: DEC 13 2005

FACILITIES-BASED OCN # _____

ACNA _____

***Further Amendment
Superseding Certain Intervening Law, Compensation,
Interconnection and Trunking Provisions***

This Further Amendment Superseding Certain Intervening Law, Reciprocal Compensation, Interconnection and Trunking Terms ("Further Amendment") is applicable to this and any future Interconnection Agreement(s) between SBC Operations, Inc. on behalf of and as agent for Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, The Ohio Bell Telephone Company d/b/a SBC Ohio, Wisconsin Bell, Inc. d/b/a SBC Wisconsin, Nevada Bell Telephone Company d/b/a SBC Nevada, Pacific Bell Telephone Company d/b/a SBC California, The Southern New England Telephone Company d/b/a SBC Connecticut, and Southwestern Bell Telephone, L.P. d/b/a SBC Missouri, SBC Oklahoma, SBC Texas, SBC Arkansas, and SBC Kansas and any of its future affiliates or subsidiaries which are the Incumbent Local Exchange Carrier (hereinafter each individually being a "SBC ILEC," and collectively being the "SBC ILECs") and McLeodUSA Telecommunications Services, Inc., and any and all affiliates, subsidiaries, successors and assigns which are a Certified Local Exchange Carrier in California, Nevada, Texas, Missouri, Oklahoma, Kansas, Arkansas, Illinois, Wisconsin, Michigan, Indiana, Ohio, or Connecticut through June 30, 2007 (hereinafter, "McLeodUSA"), whether such Agreement is negotiated, arbitrated, or arrived at through the exercise of Section 252 (i) "Most Favored Nation" (MFN) rights. ILECs and McLeodUSA may be referred to individually as "Party" or collectively as the "Parties".

WHEREAS, SBC ILECs and McLeodUSA entered into interconnection agreements pursuant to Sections 251 and 252 of the Communications Act of 1934, as amended (the "Act") that were approved by the applicable state commissions (the "ICAs"); and

WHEREAS, for the states of California, Nevada, Texas, Missouri, Oklahoma, Kansas, Arkansas, Illinois, Wisconsin, Michigan, Indiana, Ohio and Connecticut, the Parties entered into an Amendment to McLeodUSA Contracts Superseding Certain Reciprocal Compensation, Interconnection and Trunking Terms ("Superseding Amendment") which expired on December 31, 2004; and

WHEREAS, the Parties have previously extended the term of Superseding Amendment in the above enumerated states through December 31, 2005; and

WHEREAS, The Parties again desire to extend the term of the Superseding Amendment in above enumerated states for the Term defined below, subject to the following modifications; and

WHEREAS, the Term of this Amendment ("Term") shall commence on January 1, 2006 ("Effective Date") and shall continue until June 30, 2007. Thereafter, this

Amendment will remain in full force and effect unless terminated by either Party by providing at least thirty (30) days' written notice to the other Party specifying the date it wishes to terminate this Amendment ("Termination Date.")

NOW, THEREFORE, for and in consideration of the premises, mutual promises and covenants contained in this Further Amendment, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1.0 Scope of Agreement and Lock In:

1.1 The foregoing Recitals are hereby incorporated into and made a part of this Further Amendment.

1.2 Notwithstanding anything to the contrary in this Further Amendment, except for the waivers of intervening law in Section 2.2 and McLeodUSA's waiver of 252(i) MFN rights in Section 1.6 which are unaffected by this Section, neither Party waives, but instead expressly reserves, all of their rights, remedies and arguments with respect to any orders, decisions, legislation or proceedings and any remands thereof and any other federal or state regulatory, legislative or judicial action(s), including, without limitation, their intervening law rights (including intervening law rights asserted via written notice as to the Separate Agreement) relating to the following actions, which the Parties have not yet fully incorporated into this Amendment, the underlying ICAs or any future interconnection agreements or which may be the subject of further government review: *Verizon v. FCC, et. al*, 535 U.S. 467 (2002); *USTA v. FCC*, 290 F.3d 415 (D.C. Cir. 2002) and following remand and appeal, *USTA v. FCC*, 359 F.3d 554 (D.C. Cir. 2004); the FCC's Triennial Review Order, CC Docket Nos. 01-338, 96-98, and 98-147 (FCC 03-36) including, without limitation, the FCC's MDU Reconsideration Order (FCC 04-191) (rel. Aug. 9, 2004) and the FCC's Order on Reconsideration (FCC 04-248) (rel. Oct. 18, 2004), and the FCC's Biennial Review Proceeding; the FCC's Order on Remand (FCC 04-290), WC Docket No. 04-312 and CC Docket No. 01-338 (rel. Feb. 4, 2005) ("TRO Remand Order"); the FCC's Supplemental Order Clarification (FCC 00-183) (rel. June 2, 2000), in CC Docket 96-98; and the FCC's Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, 16 FCC Rcd 9151 (2001), (rel. April 27, 2001) ("ISP Compensation Order"), which was remanded in *WorldCom, Inc. v. FCC*, 288 F.3d 429 (D.C. Cir. 2002), and as to the FCC's Notice of Proposed Rulemaking as to Intercarrier Compensation, CC Docket 01-92 (Order No. 01-132) (rel. April 27, 2001) (collectively "Government Actions").

1.3 The Parties agree that this Further Amendment will act to supersede, amend and modify the applicable provisions currently contained in the ICAs. This Further Amendment shall also be incorporated into and become a part of, by exhibit, attachment or otherwise, and shall supersede, amend, and modify the applicable provisions of, any future interconnection agreement(s) between the Parties for the Term, whether negotiated, arbitrated, or arrived at through the exercise of Section 252(i) MFN rights.

1.4 Any inconsistencies between the provisions of this Further Amendment and other provisions of the current ICAs or future interconnection agreement(s) described above for the Term, will be governed by the provisions of this Further Amendment, unless this Further Amendment is specifically and expressly superseded by a future amendment between the Parties.

1.5 If the underlying ICAs or any future interconnection agreement(s) expire sooner than the Termination Date, the Parties agree that the Further Amendment shall not extend or otherwise alter the term and termination rights of the underlying ICAs or any future interconnection agreement(s), but instead, the Further Amendment will be incorporated into any successor interconnection agreement(s) between the Parties through the Termination Date. Also, the Parties recognize that an MFN interconnection agreement often receives quicker state public utility commission (“PUC”) approval than the negotiated Further Amendment which will be affixed to that interconnection agreement. To the extent that the date of state PUC approval of the underlying MFN interconnection agreement precedes the date of state PUC approval of the Further Amendment, the Parties agree that the rates, terms and conditions of the Further Amendment will, upon state PUC approval of the Further Amendment, apply retroactively to the date of such state PUC approval of the underlying interconnection agreement, or the Termination Date, whichever is later so that the rates, terms and conditions contained herein will apply uninterrupted for the Term. In no event shall this retroactivity apply prior to the effective date this Further Amendment is signed by McLeodUSA.

1.6 McLeodUSA hereby waives its section 252(i) MFN rights for any reciprocal compensation, points of interconnection (“POIs”) or trunking requirements that are subject to this Further Amendment; provided, however, that if such other rates, terms, and conditions have been voluntarily agreed to by SBC ILEC across the thirteen-state region as a whole, McLeodUSA may exercise its rights under section 252(i) to obtain the rates, terms, and conditions in their entirety governing reciprocal compensation, POIs or trunking requirements to which SBC ILEC have agreed. This waiver includes, but is not limited to, any lease, transfer, sale or other conveyance by McLeodUSA of all or a substantial portion of its assets, in which case McLeodUSA shall obtain the purchaser's agreement to be bound by the terms and conditions set forth herein, but only as to that portion of purchaser's operations resulting from the purchase of McLeodUSA.

2.0 Intervening Law/Change of Law:

2.1 The Parties acknowledge and agree that on May 24, 2002, the D.C. Circuit issued its decision in *United States Telecom Association, et. al v. FCC*, 290 F.3d 415 (D.C. Cir. 2002) (“*USTA decision*”), in which the Court granted the petitions for review

of the Federal Communications Commission's ("FCC") Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (FCC 99-238) ("the UNE Remand Order") and the FCC's Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98 (FCC 99-355) (rel. Dec. 9, 1999) ("the Line Sharing Order"), and vacated and remanded the Line Sharing and UNE Remand Orders in accordance with the decision. In addition, the FCC adopted its Triennial Review Order on February 20, 2003, on remand from the *USTA* decision and pursuant to the FCC's Notice of Proposed Rulemaking, *Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket No. 01-338 (FCC 01-361) (rel. Dec. 20, 2001) and on December 15, 2004 adopted its TRO Remand Order, WC Docket No. 04-312 and CC Docket No. 01-338 (rel. Feb. 4, 2005). Moreover, on January 25, 1999, the United States Supreme Court issued its opinion in *AT&T Corp. v. Iowa Utilities Bd.*, 525 U.S. 366 (1999) (and on remand, *Iowa Utilities Board v. FCC*, 219 F.3d 744 (8th Cir. 2000)) and *Ameritech v. FCC*, No. 98-1381, 1999 WL 116994, 1999 Lexis 3671 (1999) and on appeal to and remand by the United States Supreme Court, *Verizon v. FCC, et. al.*, 535 U.S. 467 (2002) (all collectively referred to as the "Orders"). In entering into this Further Amendment, and except as otherwise set forth in Section 2.2 below, neither Party waives, but instead expressly reserves, all of its rights, remedies and arguments with respect to the Orders and any other federal or state regulatory, legislative or judicial action(s), including but not limited to any legal or equitable rights of review and remedies (including agency reconsideration and court review), and its rights under this Intervening Law paragraph and as to any intervening law rights that either Party has in the current ICAs or any future interconnection agreement(s). Except as otherwise set forth in Section 2.2 below, if any reconsideration, agency order, appeal, court order or opinion, stay, injunction or other action by any state or federal regulatory or legislative body or court of competent jurisdiction stays, modifies, or otherwise affects any of the rates, terms and/or conditions ("Provisions") in this Further Amendment or the current ICAs or any future interconnection agreement(s), specifically including, but not limited to, those arising with respect to the Orders, the affected Provision(s) will be immediately invalidated, modified or stayed as required to effectuate the subject order, but only after the subject order becomes effective, upon the written request of either Party ("Written Notice"). In such event, the Parties shall have sixty (60) days from the Written Notice to attempt to negotiate and arrive at an agreement on the appropriate conforming modifications. If the Parties are unable to agree upon the conforming modifications required within sixty (60) days from the Written Notice, any disputes between the Parties concerning the interpretation of the actions required or the provisions affected by such order shall be resolved pursuant to the dispute resolution process provided for in the current ICAs or any future interconnection agreement(s). In the event that any intervening law rights in the current ICAs or any future interconnection agreement(s) conflict with this Intervening Law paragraph and Section 2.2, for the Term, this Intervening Law paragraph and Sections 2.2 following shall supersede and control as to any such conflict(s) as to all rates, terms and conditions in the current ICAs and any future interconnection agreement(s) for such time period.

2.2 Notwithstanding anything herein, during the Term the Parties waive any rights they may have under the Intervening/Change of Law provisions in this Further

Amendment, the Parties' current ICAs or any future interconnection agreement(s) to which this Further Amendment is added, or any other amendments thereto with respect to any reciprocal compensation or Total Compensable Local Traffic (as defined herein) , POIs or trunking requirements that are subject to this Further Amendment including, without limitation, waiving any rights to change the compensation in this Further Amendment in the event that SBC ILEC invokes the FCC terminating compensation plan pursuant to the FCC ISP Reciprocal Compensation Order in any particular state(s); provided however, that if a final, legally binding FCC order related to intercarrier compensation becomes effective after the Effective Date of this Further Amendment including, without limitation, an FCC Order that is issued upon the conclusion of the FCC's Notice of Proposed Rulemaking on the topic of Intercarrier Compensation, *In the Matter of Developing a Unified Intercarrier Compensation Regime*, CC Docket 01 92, established in Notice of Proposed Rulemaking Order No. 01-132 (April 27, 2001) (referred hereto as an "FCC Order:"), the affected provisions of this Further Amendment relating to rates for reciprocal compensation, rates for Total Compensable Local Traffic (as defined herein), POIs or trunking requirements shall be invalidated, modified, or stayed, consistent with such FCC Order, with such invalidation, modification, or stay becoming effective only upon the date of the written request of either Party once the FCC Order has become effective (the "Written Request"). In such event, upon receipt of the Written Request, the Parties shall expend diligent efforts to arrive at an agreement regarding the appropriate conforming modifications to the ICAs, future interconnection agreement(s) and Further Amendment (including any separate amendments to such agreements). If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or provisions affected by such FCC Order shall be resolved pursuant to the dispute resolution process provided for in the ICAs or future interconnection agreement(s) provided, however, that the rates, terms and conditions ultimately ordered by a state commission in an arbitration or negotiated by the Parties shall be retroactive to the effective date of the Written Request following such FCC Order. Except with respect to the exceptions relating to rates for reciprocal compensation, rates for Total Compensable Local Traffic (as defined herein), POIs and trunking requirements provisions set forth in this Section 2.2, during the Term, each Party shall have full intervening law rights under Section 2.1 of this Further Amendment and any intervening law rights in the underlying Agreement, and may invoke such intervening law/change in law rights as to any provisions in the ICA or future interconnections agreement(s) (including any separate amendments) impacted by any regulatory, legislative or judicial action as well as the intervening law rights relating to an FCC Order set forth in this Section 2.2.

3.0 Reservations of Rights:

3.1 The Parties continue to disagree as to whether ISP calls constitute local traffic subject to reciprocal compensation obligations. By entering into this Further Amendment, neither party waives its right to advocate its view with respect to this issue.

The Parties agree that nothing in this Further Amendment shall be construed as an admission that ISP traffic is, or is not, local in nature. The Parties further agree that any payment to McLeodUSA under the terms of this Further Amendment shall not be construed as agreement or acquiescence by the SBC ILECs that calls to ISPs constitute local traffic subject to reciprocal compensation obligations. Notwithstanding the foregoing, the Parties agree that SBC ILECs shall make payments for calls to ISPs to McLeodUSA pursuant to Sections 4, 5, and 6 herein during the term of this Further Amendment.

3.2 The Parties continue to disagree as to where POIs should be established and under what rates, terms, and conditions McLeodUSA may lease facilities from SBC ILEC to establish such POIs. By entering into this Further Amendment, neither Party waives its right to advocate its view with respect to these issues. The Parties further agree that nothing in this Further Amendment shall be construed as an admission with respect to the proper establishment of POIs and the treatment of facilities used to establish such POIs under applicable federal and state law. The Parties further agree that the establishment of POIs pursuant to the rates, terms, and conditions specified in this Further Amendment shall not be construed as agreement or acquiescence by either Party as to the proper establishment of POIs and the treatment of facilities used to establish such POIs. Notwithstanding the foregoing, the Parties agree that McLeodUSA and SBC ILEC shall establish POIs pursuant to the rates, terms, and conditions called for in Section 4 herein during the term of this Further Amendment.

3.3 The Parties reserve the right to raise the appropriate treatment of Voice Over Internet Protocol ("VOIP") traffic under the Dispute Resolution provisions of the ICAs or any future interconnection agreement(s) between the Parties through December 31, 2005. The Parties further agree that this Further Amendment shall not be construed against either Party as a "meeting of the minds" that VOIP traffic is or is not local traffic subject to reciprocal compensation. By entering into the Further Amendment, both Parties reserve the right to advocate their respective positions before state or federal commissions whether in bilateral complaint dockets, arbitrations under Sec. 252 of the Act, commission established rulemaking dockets, or in any legal challenges stemming from such proceedings.

3.4 By entering into this Further Amendment, neither Party waives the right to advocate its views with respect to the use of, and compensation for, tandem switching and common transport facilities in connection with the carriage of Virtual Foreign Exchange traffic. The Parties further agree that nothing in this Further Amendment shall be construed as an admission with respect to the proper treatment of Virtual Foreign Exchange traffic. The Parties agree that the handling of Virtual Foreign Exchange traffic pursuant to the rates, terms, and conditions specified in this Further Amendment shall not be construed as agreement or acquiescence by either Party as to the proper treatment of such traffic. Notwithstanding the foregoing, the Parties agree that all compensation between the Parties for the exchange of Virtual Foreign Exchange traffic shall be governed by the rates, terms, and conditions called for in Section 5.1 herein during the term of this Further Amendment.

4.0 Network Architecture Requirements:

4.1 McLeodUSA will establish a physical point of interconnection (POI) in each mandatory local calling area in which it has assigned telephone numbers (NPA/NXXs) in the Local Exchange Routing Guide (LERG). Each Party shall be financially responsible for one hundred percent (100%) of the facilities, trunks, and equipment on its side of the POI.

(a) In California and Illinois, the Parties agree that this section is satisfied if McLeodUSA (at its sole option) establishes a POI either:

(i) at each access or local tandem in which tandem serving area McLeodUSA has established a working telephone number local to a rate center in that tandem serving area, and each end office where McLeodUSA maintains a physical collocation arrangement (but only for those trunk groups associated with that end office); or

(ii) within 15.75 miles of the Vertical and Horizontal coordinate of each rate center where McLeodUSA has established a working telephone number local to that rate center.

(b) In Connecticut, Indiana, Michigan, Nevada, Ohio, and Wisconsin, the Parties agree that this section is satisfied if, McLeodUSA (at its sole option), establishes a POI either:

(i) at each access or local tandem in which tandem serving area McLeodUSA has established a working telephone number local to a rate center in that tandem serving area, and each end office where McLeodUSA maintains a physical collocation arrangement (but only for those trunk groups associated with that end office); or

(ii) within each mandatory local calling area where McLeodUSA has established a working telephone number local to a rate center in that calling area.

(c) The Parties agree that the waivers contained in Section 2.2 with respect to changes in law do not apply to state commission-required changes in the geographic scope or definition of local calling areas. Where the local calling scope has changed, either party may exercise the right to renegotiate the number and location of POIs required under this Further Amendment. This provision shall not be interpreted to affect how the Parties agree to exchange, and compensate one another for, Virtual Foreign Exchange traffic (as defined herein) pursuant to Sections 4, 5, and 6 during the term of this Amendment.

(d) McLeodUSA may, at its sole option, establish a POI by obtaining dedicated Special Access services or facilities from SBC ILECs (without the need for McLeodUSA equipment, facilities, or collocation at the SBC ILECs' offices), or services

or facilities from a third party, by establishing collocation, by establishing a fiber meet, or by provisioning such services or facilities for itself.

4.2 Where McLeodUSA leases facilities from SBC ILECs to establish a POI, McLeodUSA shall be required to begin paying SBC ILEC for such facilities once the facilities are jointly tested and accepted at a trunk level.

4.3 McLeodUSA agrees to abide by SBC ILECs' trunk engineering/administration guidelines as stated in the ICAs, including the following:

4.3.1 When interconnecting at SBC ILECs' digital End Offices, the Parties have a preference for use of B8ZS ESF two-way trunks for all traffic between their networks. Where available, such trunk equipment will be used for these Local Interconnection Trunk Groups. Where AMI trunks are used, either Party may request upgrade to B8ZS ESF when such equipment is available.

4.3.2 The Parties shall establish direct End Office primary high usage Local Interconnection trunk groups when end office traffic (actual or forecasted) requires twenty-four (24) or more trunks over three consecutive months for the exchange of IntraLATA Toll and Local traffic. These trunk groups will be two-way and will utilize Signaling System 7 ("SS7") signaling or MF protocol where required.

4.3.3 The Parties recognize that embedded one-way trunks may exist for Local/IntraLATA toll traffic via end point meet facilities. The Parties agree the existing architecture may remain in place and be augmented for growth as needed. The Parties may subsequently agree to a transition plan to migrate the embedded one-way trunks to two-way trunks via a method described in Appendix NIM. The Parties will coordinate any such migration, trunk group prioritization, and implementation schedule. SBC ILECs agree to develop a cutover plan and project manage the cutovers with McLeodUSA participation and agreement.

4.4 Subject to Section 4.6, in order to qualify for receipt of reciprocal compensation in a given tandem serving area as provided in this amendment, McLeodUSA will achieve and maintain a network architecture within that tandem serving area such that Direct End Office Trunking ("DEOT") does not fall below 70% for two consecutive months. Subject to Section 4.6, if McLeodUSA has not established a POI required by Section 4.0, McLeodUSA shall not be entitled to reciprocal compensation for calls from that local calling area.

4.5 For new interconnections, McLeodUSA will achieve the DEOT criteria identified in Section 4.4 no later than six (6) months (or such other period as may be agreed to by the Parties) after the parties first exchange traffic for each new interconnection arrangement.

4.6 Under no circumstances shall McLeodUSA have any liability or otherwise be penalized under this Further Amendment for non-compliance with the applicable POI and

DEOT criteria specified herein during the transition period identified in Section 4.5. Furthermore, McLeodUSA will have no liability and will face no penalty for non-compliance with the POI and DEOT criteria specified herein at any time thereafter if such non-compliance results from SBC ILEC's inability to provide staffing, collocation space, trunking, or facilities necessary to satisfy the transition or from SBC ILEC's failure to perform required network administration activities (including provisioning, activation, and translations), regardless of whether SBC ILEC's inability or failure to perform is related to a Force Majeure event as that term is described in the underlying ICAs.

4.6.1 Establishing a New POI in an Existing Local Calling Area (or other applicable serving area in California, Nevada, Connecticut, and Ameritech territory) where McLeodUSA provides service as of the date of execution of this Further Amendment. McLeodUSA will notify SBC ILEC of McLeodUSA's intention to establish a new POI in an existing local calling area (or other applicable serving area in California, Nevada, Connecticut, and Ameritech territory) no later than 90 days prior to the end of the transition period by letter to the SBC ILEC Account Manager and project manager for McLeodUSA. McLeodUSA and SBC ILEC will meet within 10 business days of such notice to plan the transition to any new POI. This notice and subsequent meeting are intended to give both parties adequate time to plan, issue orders, and implement the orders in the transition period under Section 4.5. Nothing in this paragraph specifically or this Further Amendment generally shall prevent McLeodUSA from ordering, or excuse SBC ILECs from provisioning, trunks with respect to an existing POI for new growth or augments during the time that a new POI is being established.

4.6.2 Establishing a POI in a New Local Calling Area (or other applicable serving area in California, Nevada, Connecticut, and Ameritech territory) where McLeodUSA does not provide service as of the date of execution of this Amendment. McLeodUSA will notify its SBC ILEC Account Manager no later than 90 days prior to the LERG effective date for the new NPA-NXXs it wishes to activate. Joint planning meetings for the new POI will be held within 10 business days of SBC ILEC's receipt of such notification. The outcome of the joint planning meeting will be orders for facilities and trunks for the new POI to complete the establishment of the POI as promptly as possible, and in any event, by the LERG effective date for the new NPA-NXX. The POI must be established in the applicable Local Calling Area (or other applicable serving area in California, Nevada, Connecticut, and Ameritech territory) prior to the exchange of live traffic.

4.7 At any time as a result of either Party's own capacity management assessment, the Parties may begin the provisioning process. The intervals used for the provisioning process will be the same as those used for SBC ILECs' Switched Access service.

4.8 The movement of existing trunks to new POIs, either on a rollover basis or a disconnect and add basis, will not be counted against any limitations otherwise placed on McLeodUSA's ability to order and receive trunks in any given market.

4.9 In a blocking situation, McLeodUSA may escalate to its SBC ILEC Account Manager in order to request a shorter interval. The SBC ILEC Account Manager will obtain the details of the request and will work directly with the SBC ILEC LSC and network organizations in order to determine if McLeodUSA's requested interval, or a reduced interval, can be met.

5.0 Compensable Traffic:

5.1 If McLeodUSA designates different rating and routing points such that traffic that originates in one rate center terminates to a routing point designated by McLeodUSA in a rate center that is not local to the calling party even though the called NXX is local to the calling party, such traffic ("Virtual Foreign Exchange" traffic) shall be rated in reference to the rate centers associated with the NXX prefixes of the calling and called parties' numbers, and treated as Local traffic for purposes of compensation.

5.2 Local, Virtual Foreign Exchange, Mandatory Local and Optional EAS traffic eligible for reciprocal compensation will be combined with traffic terminated to Internet Service Providers (ISPs) to determine the Total Compensable Local Traffic.

5.2.1 In determining the Total Compensable Local Traffic, InterLATA toll and IXC-carried intraLATA toll are excluded, and will be subject to Meet Point Billing as outlined in the interconnection agreement and applicable tariffs.

5.2.2 The rates for the termination of intraLATA toll and Originating 8YY traffic are governed by the parties' switched access tariffs.

5.2.3 In determining the Total Compensable Local Traffic, SBC ILECs-transited minutes of use (MOUs) will be excluded from these calculations.

5.2.4 The rates for SBC ILECs-transited MOUs will be governed by the interconnection agreement.

5.3 Subject to applicable confidentiality guidelines, SBC ILECs and McLeodUSA will cooperate to identify toll and transiting traffic; originators of such toll and transiting traffic; and information useful for settlement purposes with such toll and transit traffic originators.

5.3.1 SBC ILECs and McLeodUSA agree to explore additional options for management and accounting of toll and transit traffic, including, but not limited to the exchange of additional signaling/call-related information in addition to Calling Party Number.

5.3.2 The Parties agree to explore additional options for management and accounting of the jurisdictional nature of traffic exchanged between their networks.

6.0 Rate Structure and Rate Levels:

During the period from January 1, 2006 up through and including June 30, 2007, Total Compensable Local Traffic as defined herein will be exchanged in all states at the rate of \$.0005 per minute of use. This rate shall be payable to the party on whose network the call is terminating, and shall apply symmetrically for traffic originated by one party and terminated on the other party's network.

7.0 Additional Terms and Conditions:

7.1 This Further Amendment contains provisions that have been negotiated as part of an entire Further Amendment and integrated with each other in such a manner that each provision is material to every other provision.

7.2 The Parties agree that each and every rate, term and condition of this Further Amendment is legitimately related to, and conditioned on, and in consideration for, every other rate, term and condition in the underlying ICAs or interconnection agreement. The Parties agree that they would not have agreed to this Further Amendment except for the fact that it was entered into on a 13-State basis and included the totality of rates, terms and conditions listed herein.

7.3 Except as specifically modified by this Further Amendment with respect to their mutual obligations herein and subject to Section 2.0, neither Party relinquishes, and each Party instead fully reserves, any and all legal rights that it had, has and may have to assert any position with respect to any of the matters set forth herein before any state or federal administrative, legislative, judicial or other legal body.

7.4 This Further Amendment 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.

7.5 The terms contained in this Further Amendment constitute the agreement with regard to the superseding, modification, and amendment of the ICAs and incorporation into future interconnection agreement(s) through June 30, 2007, and shall be interpreted solely in accordance with their own terms.

7.6 The headings of certain sections of this Further Amendment are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Further Amendment.

7.7 This Further Amendment may be executed in any number of counterparts, each of which shall be deemed an original; but such counterparts shall together constitute one and the same instrument.

7.8 SBC Telecommunications, Inc. hereby represents and warrants that it is authorized to act as agent for, and to bind in all respects as set forth herein, the individual SBC ILECs.

8.0 Intentionally Omitted.

McLeodUSA Telecommunications Services, Inc.

Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, The Ohio Bell Telephone Company d/b/a SBC Ohio, Wisconsin Bell Inc. d/b/a SBC Wisconsin, Nevada Bell Telephone Company d/b/a SBC Nevada, Pacific Bell Telephone Company d/b/a SC California, The Southern New England Telephone Company d/b/a SBC Connecticut, and Southwestern Bell Telephone, L.P. d/b/a SBC Missouri, SBC Oklahoma, SBC Texas, SBC Arkansas, and SBC Kansas by AT&T Operations, Inc., its authorized agent

Signature: James E. Thompson

Name: James E. Thompson

Title: Group V.P. + General Counsel

Date: 11/29/05

AECN/OCN: MO - 10R/7407/7271

Signature: Mike Auinbauh

Name: Mike Auinbauh

Title: AVP-Local Interconnection Marketing

Date: DEC 13 2005