

**AMENDMENT TO
M2A INTERCONNECTION AGREEMENT
BY AND BETWEEN
SOUTHWESTERN BELL TELEPHONE, L.P. d/b/a SBC MISSOURI
AND
KMC DATA, LLC**

Southwestern Bell Telephone, L.P.¹ d/b/a SBC Missouri, as the Incumbent Local Exchange Carrier in Missouri, (hereafter, "ILEC") and KMC Data, LLC, as a Competitive Local Exchange Carrier ("CLEC") in Missouri (referred to as "CARRIER"), in order to amend, modify and supersede any affected provisions of their Interconnection Agreement with ILEC in Missouri ("Interconnection Agreement"), hereby execute this Reciprocal Compensation Amendment for ISP-Bound Traffic and Federal Telecommunications Act Section 251(b)(5) Traffic (Adopting FCC's Interim ISP Terminating Compensation Plan)("Amendment"). CLEC is also referred to as a "LEC."

1.0 Scope of Amendment

- 1.1 ILEC made an offer to all telecommunications carriers in the state of Missouri (the "Offer") to exchange traffic on and after June 1, 2004 under Section 251(b)(5) of the Act pursuant to the terms and conditions of the FCC's interim ISP terminating compensation plan of the FCC's Order on Remand and Report and Order, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP-Bound Traffic, FCC 01-131, CC Docket Nos. 96-98, 99-68 (rel. April 27, 2001) ("FCC ISP Compensation Order") which was remanded but not vacated in *WorldCom, Inc. v. FCC*, No. 01-1218 (D.C. Cir. 2002).
- 1.2 The purpose of this Amendment is to include in CARRIER's Interconnection Agreement the rates, terms and conditions of the FCC's interim ISP terminating compensation plan for the exchange of ISP-Bound traffic lawfully compensable under the FCC ISP Compensation Order ("ISP-Bound Traffic") and traffic lawfully compensable under Section 251(b)(5) ("Section 251(b)(5) Traffic").
- 1.3 This Amendment is intended to supercede any and all contract sections, appendices, attachments, rate schedules, or other portions of the underlying Interconnection Agreement that set forth rates, terms and conditions for the terminating compensation for ISP-Bound Traffic and Section 251(b)(5) Traffic exchanged between ILEC and CARRIER. Any inconsistencies between the provisions of this Amendment and provisions of the underlying Interconnection Agreement shall be governed by the provisions of this Amendment.

2.0 Rates, Terms and Conditions of FCC's Interim Terminating Compensation Plan for ISP-Bound Traffic and Section 251(b)(5) Traffic

- 2.1 ILEC and CARRIER hereby agree that the following rates, terms and conditions shall apply to ISP-Bound Traffic and Section 251(b)(5) Traffic exchanged between the Parties on and after the date this Amendment becomes effective pursuant to Section 4.1 of this Amendment. Notwithstanding anything contrary in this Amendment, all Metropolitan Calling Area (MCA) Traffic shall remain under a bill and keep arrangement pursuant to the Missouri Public Service Commission Order in Case No. TO-99-483.

2.2 Reciprocal Compensation Rate Schedule for ISP-Bound Traffic and Section 251(b)(5) Traffic:

- 2.2.1 The rates, terms, conditions in this section apply only to the termination of ISP-Bound Traffic and Section 251(b)(5) Traffic, and ISP-Bound Traffic is subject to the growth caps in Section 2.3, the new market restrictions in Section 2.4 and rebuttable presumption in Section 2.6. Notwithstanding anything

¹ On December 30, 2001, Southwestern Bell Telephone Company (a Missouri corporation) was merged with and into Southwestern Bell Texas, Inc. (a Texas corporation) and, pursuant to Texas law, was converted to Southwestern Bell Telephone, L.P., a Texas limited partnership. Southwestern Bell Telephone, L.P. is now doing business in Missouri as SBC Missouri.

contrary in this Amendment, the growth caps in Section 2.3, the new market restrictions in Section 2.4 and the rebuttable presumption in Section 2.6 only apply to LECs and ILEC.

2.2.2 The Parties agree to compensate each other for the transport and termination of ISP-Bound Traffic and Section 251(b)(5) Traffic on a minute of use basis, at \$.0007 per minute of use.

2.3 ISP-Bound Traffic Minutes Growth Cap

2.3.1 On a calendar year basis, as set forth below, LEC and ILEC agree to cap overall compensable Missouri ISP-Bound Traffic minutes of use in the future based upon the 1st Quarter 2001 ISP-Bound Traffic minutes for which LEC was entitled to compensation under its Missouri Interconnection Agreement(s) in existence for the 1st Quarter of 2001, on the following schedule.

Calendar Year 2001	1st Quarter 2001 compensable ISP-Bound minutes, times 4, times 1.10
Calendar Year 2002	Year 2001 compensable ISP-Bound minutes, times 1.10
Calendar Year 2003	Year 2002 compensable ISP-Bound minutes
Calendar Year 2004 and on	Year 2002 compensable ISP-Bound minutes

Notwithstanding anything contrary herein, in Calendar Year 2004, LEC and ILEC agree that ISP-Bound Traffic exchanged between LEC and ILEC during the entire period from January 1, 2004 until December 31, 2004 shall be counted towards determining whether LEC has exceeded the growth caps for Calendar Year 2004.

2.3.2 ISP-Bound Traffic minutes that exceed the applied growth cap will be Bill and Keep. "Bill and Keep" refers to an arrangement in which neither of two interconnecting Parties charges the other for terminating traffic that originates on the other network.

2.4 Bill and Keep for ISP-Bound Traffic in New Markets

2.4.1 In the event LEC and ILEC have not previously exchanged ISP-Bound Traffic in any one or more Missouri LATAs prior to April 18, 2001, Bill and Keep will be the reciprocal compensation arrangement for all ISP-Bound Traffic between LEC and ILEC for the remaining term of this Agreement in any such Missouri LATAs.

2.4.2 Wherever Bill and Keep is the traffic termination arrangement between LEC and ILEC, both Parties shall segregate the Bill and Keep traffic from other compensable local traffic either (a) by excluding the Bill and Keep minutes of use from other compensable minutes of use in the monthly billing invoices, or (b) by any other means mutually agreed upon by the Parties.

2.5 The Growth Cap and New Market Bill and Keep arrangement applies only to ISP-Bound Traffic, and does not include Optional Calling Area traffic, IntraLATA Interexchange traffic, or InterLATA Interexchange traffic.

2.6 ISP-Bound Traffic Rebuttable Presumption

In accordance with Paragraph 79 of the FCC's ISP Compensation Order, LEC and ILEC agree that there is a rebuttable presumption that any of the combined Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between LEC and ILEC exceeding a 3:1 terminating to originating ratio is presumed to be ISP-Bound Traffic subject to the compensation and growth cap terms in this Section 2.0. Either party has the right to rebut the 3:1 ISP presumption by filing an action at the appropriate Commission and identifying the actual ISP-Bound Traffic by any means mutually agreed by the Parties, or by any method approved by the Commission. If a Party seeking to rebut the presumption takes appropriate action at the Commission pursuant to section 252 of the Act and the Commission agrees that such Party has rebutted the presumption, the methodology and/or means approved by the Commission for use in determining the ratio shall be utilized by the Parties as of the date of the Commission approval and, in addition, shall be utilized to determine the appropriate true-up as described below. During the pendency of any such proceedings to rebut the presumption, LEC and ILEC will remain obligated to pay the presumptive rates (reciprocal compensation rates for traffic below a 3:1 ratio, the rates set forth in Section 2.2.2 for traffic above the ratio) subject to a true-up upon the conclusion of such proceedings. Such true-up shall be retroactive back to the date a Party first sought appropriate relief from the Commission.

3.0 Reservation of Rights

3.1 The Parties reserve the right to raise the appropriate treatment of Voice Over Internet Protocol ("VoIP") and traffic utilizing in whole or part Internet Protocol technology under the Dispute Resolution provisions of this Agreement, including but not limited, to any rights they may have as a result of the FCC's Order *In the Matter of Petition for Declaratory Ruling that AT&T's Phone-to-Phone IP Telephony Services are Exempt from Access Charges*, WC Docket No. 02-361 (Rel. April 21, 2004). The Parties acknowledge that there is an on-going disagreement between LECs and ILEC over whether or not, under the law, VoIP traffic or traffic utilizing in whole or part IP technology is subject to reciprocal compensation or switched access charges. The Parties therefore agree that neither one will argue or take the position before any regulatory commission or court that this Amendment constitutes an agreement as to whether or not reciprocal compensation or switched access charges apply to that traffic or a waiver by either party of their position or their rights as to that issue. The Parties further agree that they each have reserved the right to advocate their respective positions relating to the treatment and compensation for VoIP traffic and traffic utilizing in whole or part Internet Protocol technology before any state commission or the Federal Communications Commission ("FCC") whether in bilateral complaint dockets, arbitrations under Section 252 of the Act, state commission or FCC established rulemaking dockets, or before any judicial or legislative body.

4.0 Miscellaneous

- 4.1 If this Amendment is executed by CARRIER and such executed Amendment is received by ILEC on or before June 28, 2004, this Amendment will be effective as June 1, 2004, subject to any necessary state commission approval; provided, however, the rates will not be implemented in ILEC's billing system until after any necessary state commission approval, at which time the rates billed by the Parties beginning on June 1, 2004 will be subject to a true-up. If this Amendment is executed by CARRIER but such executed Amendment is not received by ILEC until after June 28, 2004 the FCC's interim ISP terminating compensation plan rates will not apply to Section 251(b)(5) traffic until ten (10) days after approval by the commission of this Amendment extending such rates to all Section 251(b)(5) traffic and all ISP-Bound traffic. However, the FCC's interim ISP Compensation Plan rates will apply to ISP-Bound traffic as of June 1, 2004.
- 4.2 This Amendment is coterminous with the underlying Interconnection Agreement and does not extend the term or change the termination provisions of the underlying Interconnection Agreement.
- 4.3 EXCEPT AS MODIFIED HEREIN, ALL OTHER TERMS AND CONDITIONS OF THE UNDERLYING INTERCONNECTION AGREEMENT SHALL REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.
- 4.4 Every rate, term and condition of this Amendment is legitimately related to the other rates, terms and conditions in this Amendment. Without limiting the general applicability of the foregoing, the change of law provisions of the underlying Interconnection Agreement, including but not limited to the "Intervening Law" or "Change of Law" or "Regulatory Change" section of the General Terms and Conditions of the Interconnection Agreement and as modified in this Amendment, are specifically agreed by the Parties to be legitimately related to, and inextricably intertwined with this the other rates, terms and conditions of this Amendment.
- 4.5 The Parties acknowledge and agree that the underlying Agreement is the result of CLEC's decision to opt into the M2A or parts thereof pursuant to Missouri Public Service Commission Order in Case No. TO-99-227 (dated March 6, 2001). This Amendment incorporates certain pricing revisions into the M2A. The Parties acknowledge and agree that: (i) all aspects of the underlying Agreement (except for any voluntarily negotiated changes contained in a separate Amendment to the Agreement, if any - "Agreed Changes") were made available to CLEC only as a result of CLEC's decision to opt into the M2A or parts thereof pursuant to the Commission's June 18, 2001 Order; and (ii) that this Amendment addresses revisions to pricing terms in the Agreement; and (iii) therefore, no aspect of the Agreement or this Amendment (other than any Agreed Changes, if any) qualify for portability into Illinois under 220 ILCS 5/13-801(b) ("Illinois Law") or Condition 27 of the SBC/Ameritech Merger Order issued by the Illinois Commerce Commission in Docket No. 98-0555 ("Condition 27") or any other state or federal statute, regulation, order or legal obligation (collectively "Law"), if any. The Parties further acknowledge and agree that the Agreed Changes shall only be considered portable under the Illinois Law,

Condition 27 or any other Law if they otherwise qualify for portability under such Illinois Law, Condition 27 or other Law, if any.

- 4.6 In entering into this Amendment and carrying out the provisions herein, neither Party waives, but instead expressly reserves, all of its 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, its intervening law rights (including intervening law rights asserted by either Party via written notice predating this Amendment) relating to the following actions, which the Parties have not yet fully incorporated into this Agreement 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), and the FCC's Biennial Review Proceeding; 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"). Further, neither Party will argue or take the position before any state or federal regulatory commission or court that any provisions set forth in this Agreement and this Amendment constitute an agreement or waiver relating to the appropriate routing, treatment and compensation for Voice Over Internet Protocol traffic and/or traffic utilizing in whole or part Internet Protocol technology; rather, each Party expressly reserves any rights, remedies, and arguments they may have as to such issues including but not limited, to any rights each may have as a result of the FCC's Order *In the Matter of Petition for Declaratory Ruling that AT&T's Phone-to-Phone IP Telephony Services are Exempt from Access Charges*, WC Docket No. 02-361 (rel. April 21, 2004). Notwithstanding anything to the contrary in the Agreement and this Amendment and except to the extent that SBC-13STATE has adopted the FCC ISP terminating compensation plan ("FCC Plan") in an SBC-13STATE state in which this Agreement is effective, and the Parties have incorporated rates, terms and conditions associated with the FCC Plan into this Agreement, these rights also include but are not limited to SBC-13STATE's right to exercise its option at any time to adopt on a date specified by SBC-13STATE the FCC Plan, after which date ISP-bound traffic will be subject to the FCC Plan's prescribed terminating compensation rates, and other terms and conditions, and seek conforming modifications to this Agreement. If any action by any state or federal regulatory or legislative body or court of competent jurisdiction invalidates, modifies, or stays the enforcement of laws or regulations that were the basis or rationale for any rate(s), term(s) and/or condition(s) ("Provisions") of this Amendment and/or otherwise affects the rights or obligations of either Party that are addressed by this Amendment, specifically including but not limited to those arising with respect to the Government Actions, the affected Provision(s) shall be immediately invalidated, modified or stayed consistent with the action of the regulatory or legislative body or court of competent jurisdiction upon the written request of either Party ("Written Notice"). With respect to any Written Notices hereunder, 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 to the Agreement. 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 this Agreement.

IN WITNESS WHEREOF, this Reciprocal Compensation Amendment for ISP-Bound Traffic and Federal Telecommunications Act Section 251(b)(5) Traffic (Adopting FCC Interim Terminating Compensation Plan) to the Interconnection Agreement was exchanged in triplicate on this 26th day of May, 2004, by SBC Missouri, signing by and through its duly authorized representative, and CARRIER, signing by and through its duly authorized representative.

KMC Data, LLC

By: [Signature]

Name: AKIVA Brown Johnson

(Print or Type)

Vice President & Senior Counsel

(Print or Type)

5/24/2004

Southwestern Bell Telephone, L.P. d/b/a SBC Missouri
by SBC Telecommunications, Inc., its authorized agent

By: [Signature]

Name: Mike Auinbauh

(Print or Type)

Title: For/ President – Industry Markets

Date: 5/26/04

FACILITIES-BASED OCN # Applied For ITBD

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