

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by BellSouth Telecommunications, Inc. for approval of second amendment to resale agreement negotiated with KMC Telecom Inc. pursuant to Sections 251 and 252 of the Telecommunications Act of 1996.

DOCKET NO. 980355-TP  
ORDER NO. PSC-98-0784-FOF-TP  
ISSUED: June 8, 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 2ND AMENDMENT TO EXISTING AGREEMENT

BY THE COMMISSION:

On March 12, 1998, BellSouth Telecommunications, Inc. (BST) and KMC Telecom Inc. (KMC) filed a request for approval of a second amendment to the existing 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.

The second amendment to the existing agreement covers a two-year period, effective 10 days after Commission approval, and thereafter, as described in the existing agreement. It 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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of itemized charges for interconnection and each service or network element included in the agreement.

Upon review of the proposed amendment to the existing agreement, we find that it complies with the Telecommunications Act of 1996; thus, we hereby approve it. BST and KMC must file any supplements or modifications to their agreement with the Commission for review under the provisions of 47 U.S.C. § 252(e). We note that approval of this amendment to the existing agreement does not constitute a determination that BST has met the requirements of Section 271 of the Telecommunications Act.

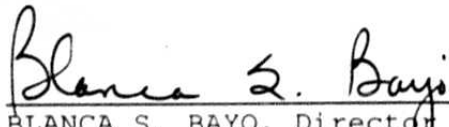
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the second amendment to the existing agreement between BellSouth Telecommunications, Inc. and KMC Telecom Inc., 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 8th day of June, 1998.

  
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BLANCA S. BAYO, Director  
Division of Records and Reporting

(S E A L)

KMP

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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).

**Amendment Two to Master Interconnection Agreement between  
KMC Telecom, Inc. and  
BellSouth Telecommunications, Inc.**

Pursuant to this Agreement (the "Amendment"), KMC Telecom, Inc. ("KMC") and BellSouth Telecommunications, Inc. ("BellSouth") hereinafter referred to collectively as the "Parties" hereby agree to amend that certain Master Interconnection Agreement between the Parties dated February 24, 1997 ("Interconnection Agreement").

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 BellSouth hereby covenant and agree as follows:

1. Section 9.1 (Local Loop Transmission Types) of the Interconnection Agreement is hereby revised to include 4 Wire DS1 Digital Grade Loops for the states of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee, effective with the execution of this Amendment as follows:

4 Wire DS1 Digital Grade Loop	Monthly Rate	Nonrecurring Rate-First	Nonrecurring Rate-Add'l
Alabama	\$64.19	\$675.00	\$315.00
Florida	\$80.00	\$540.00	\$465.00
Georgia	\$117.00	\$665.00	\$315.00
Kentucky	\$67.96	\$849.80	\$523.27
Mississippi	\$77.39	\$300.00	\$250.00
North Carolina	\$151.50	\$568.96	\$335.56
South Carolina	\$77.39	\$300.00	\$250.00
Tennessee	TBD	TBD	TBD

2. The Tennessee DS1 rates shall be determined following the BellSouth cost submission. The Parties agree to implement as interim rates, the DS1 rates ordered by the Tennessee Regulatory Authority.

3. The rates reflected in 1. and 2. above shall be interim rates and subject to true-up, either up or down, based on final prices determined either by further agreement between the Parties, or by a final order (including any appeals). All of the other provisions of the Interconnection Agreement, dated February 24, 1997, shall remain in full force and effect.

4. Either or both of the Parties is authorized to submit this Amendment to each Public Service Commission for approval subject to Section 252(e) of the Federal Telecommunications Act of 1996.


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**KMC Amendment Two**

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their respective duly authorized representatives on the date indicated below.

**KMC Telecom, Inc.**

**BellSouth Telecommunications, Inc.**

By:   
Name: Michael Sternberg  
Title: President

By:   
Name: Jerry D. Hendrix  
Title: Director-Interconnection Services-  
Pricing

Date: January 26, 1998

Date: 1/30/98