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February 24, 1997

Mrs. Blanco S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2340 Shumard Oak Boulevard
Tallahassee, Florida 32399

Re: KMC Telecom, Inc. Petition for Arbitration Pursuant to 47 U.S.C. Section 252(b)
of Interconnection Rates, Terms and Conditions with Sprint United of Central
Florida, Inc.

970242-TP

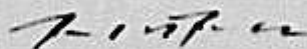
KMC Telecom Inc.
Sprint-Florida, Incorporated

Dear Mrs. Bayo:

Enclosed for filing please find an original and 15 copies of the above Petition regarding Sprint United-Centel of Florida, Inc., along with the Direct Testimony of Tricia Breckenridge. Please date stamp the extra copy of the Petition and return it in the enclosed self-addressed envelope.

Also enclosed is a computer disk formatted in WordPerfect 6.1 for Windows containing the Petition.

Sincerely,



Richard M. Rindler

Enclosures

Testimony
DOCUMENT NUMBER DATE

02083 FEB 25 5

1000 K STREET, N.W. • SUITE 300
WASHINGTON, D.C. 20007-5116

FPSC-RECORDS/REPORTING 7500 • TELEX 701131 • FACSIMILE (202)424-7645 SC-RECORDS/REPORTING

Petition
DOCUMENT NUMBER DATE

02082 FEB 25 5

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
FILE COPY

In the matter of)

KMC TELECOM, INC.)

Petition for Arbitration Pursuant to)
47 U.S.C. §252(b) of Interconnection Rates,)
Terms, and Conditions with)

Docket No. _____

SPRINT UNITED - CENTEL OF FLORIDA,)
INC. (ALSO KNOWN AS)
CENTRAL TELEPHONE COMPANY)
OF FLORIDA AND UNITED TELEPHONE)
COMPANY OF FLORIDA))

**PETITION FOR ARBITRATION OF INTERCONNECTION RATES,
TERMS AND CONDITIONS OF KMC TELECOM, INC.**

KMC Telecom, Inc. ("KMC"), by its undersigned attorneys, hereby petitions the Florida Public Service Commission (the "Commission") for arbitration of rates, terms and conditions for interconnection and related arrangements with Sprint United - Centel of Florida, Inc. (also known as Central Telephone Company of Florida and United Telephone Company of Florida) ("Sprint"), pursuant to § 252(b) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, Pub.L.No. 104-106 § 101(a), 110 Stat. 70, to be codified at 47 U.S.C. §252(b).¹ In support of this petition, KMC states as follows:

¹The Communications Act of 1934, as amended by the Telecommunications Act of 1996, is hereinafter referred to as the "1996 Act."

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INTRODUCTION

1. KMC is a Delaware corporation, with offices located at 1545 Route 206, Suite 300, Bedminster, NJ 07921, which has applied for and received certification to provide interexchange and local exchange service in a number of states.
2. KMC intends to install fiber optic communication networks in a number of states and expects to offer a wide range of high quality digital local access and private line services to communications-intensive businesses and government end users.
3. Sprint is a monopoly provider of local exchange services within the State of Florida. Sprint is a corporation having its principal place of business at 555 Lake Border Drive, Apopka, Florida 32703. Sprint provides and at all material times has provided intrastate local exchange and exchange access service in Florida subject to the regulatory authority of this Commission.
4. For purposes of §§ 251 and 252 of the 1996 Act, Sprint is and has been at all material times an "incumbent local exchange carrier" in the State of Florida as defined by Sec. 251(h) of the 1996 Act.
5. On September 13, 1996, KMC sent a letter to Sprint requesting interconnection pursuant to § 251 of the 1996 Act (the "Interconnection Request Letter"). KMC believes that Sprint received the Interconnection Request Letter on September 16, 1996. A true and correct copy of the Interconnection Request Letter is attached as Exhibit TB-1.
6. KMC, as the requesting telecommunications carrier, has negotiated in good faith in accordance with § 251(c)(1) of the 1996 Act to attempt to establish terms and conditions for a binding agreement with Sprint for interconnection, services, and network elements.

7. It is KMC's understanding that the parties have been able to reach an agreement in principle on all except one issue. An agreement reflecting the terms of the agreement in principle is in the process of being prepared and will be filed as soon as it becomes available.

8. In the course of the negotiations, KMC stated that it was willing to accept, in the State of Florida, the terms and conditions as set forth in the Partial Interconnection Agreement for LATA 458 between United Telephone Company of Florida and MFS Communications Company, Inc. ("MFS Agreement").

9. As set forth in Exhibit TB-2, Sprint initially indicated that it would not agree to use the MFS Agreement in negotiating with KMC, because it had requested the Florida Public Service Commission ("Commission") to reject that portion of the MFS Agreement relating to compensation for termination of traffic involving tandem switching.

10. On February 4, 1997, the Commission denied Sprint's motion to reject a portion of the MFS Agreement and approved the agreement including the tandem/end office reciprocal compensation arrangements.

11. Despite the Commission's denial of Sprint's petition to reject the MFS Agreement reciprocal compensation terms for local traffic termination, Sprint has refused to provide KMC with those terms as part of KMC's request to opt into the MFS Agreement.

12. KMC and Sprint have used the MFS Agreement, with modifications to reflect the differences in geography and network design, as the basis for the agreement in principle reached on all other issues.

13. Under § 252(b)(1) of the 1996 Act, Congress created a specific arbitration process for incumbent LECs and requesting telecommunication carriers to arrive at an interconnection

agreement through "compulsory arbitration" by "petition [to] a State commission to arbitrate any open issues" unresolved by negotiation under § 252(a). The provision states that either party to the interconnection negotiation may petition the State commission "[d]uring the period from the 135th to the 160th day (inclusive) after the date on which an incumbent local exchange carrier receives a request for negotiation under this section. . ." § 252(b)(1). This petition is being timely filed with the Commission.

14. Based on its understanding of the terms of the agreement in principle, the only issue on which KMC seeks arbitration before this Commission as prescribed by § 252(b) of the 1996 Act is the issue of reciprocal compensation for local traffic termination. On that issue, KMC has sought to opt into the term of the MFS Agreement and Sprint has rejected KMC's proposal to opt in.

A. Reciprocal Compensation Agreements

1. **Nature of Dispute:** The parties have not agreed on the reciprocal compensation rate for local call termination.

2. **KMC's Position:** Pursuant to Section 252(i) of this Act, KMC proposes to opt into the terms for reciprocal compensation contained in Section 5.4 of the MFS Agreement namely a reciprocal local call termination rate of \$0.0055 per minute of use. KMC attaches as Exhibit TB-3 a copy of that portion of the MFS Agreement.

3. **Sprint's Position:** Sprint has stated that a single, flat rate charge is inappropriate and that it is inappropriate for it to pay KMC for a functionality KMC does not provide.

II. Other Issues

If Sprint asserts that any other issues are disputed, or if Sprint contests or disputes any issues, then KMC requests that Sprint respond in detail identifying such issues and delineating its position as to each.

REQUEST FOR RELIEF

1. KMC requests that the Commission arbitrate the unresolved interconnection issue between KMC and Sprint.
2. KMC expressly reserves the right to offer such other evidence in this proceeding as it deems necessary to support its position.

Respectfully submitted,

Richard M. Rindler

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February 24, 1997

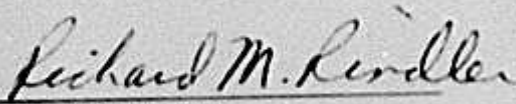
CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of February, 1997, a copy of the foregoing Petition for Arbitration of Interconnection Rates, Terms and Conditions of KMC Telecom, Inc. (along with accompanying exhibits) and Direct Testimony of Tricia Breckenridge, was served, via Federal Express, on the following:

John P. Foss, Esq.
J. Jeffrey Wahlen, Esq.
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