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BellSouth Telecommunications, Inc. 850 224 7798  
Suite 400 Fax 850 224-5073  
150 South Monroe Street  
Tallahassee, Florida 32301-1556

A M Lombardo  
Regulatory Vice President

October 21, 1998

Mrs. Blanca S. Bayo  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

981382-TP

Re: Approval of an Amendment to the Interconnection Agreement Negotiated by BellSouth Telecommunications, Inc. ("BellSouth") and KMC Telecom, Inc. pursuant to Sections 251, 252 and 271 of the Telecommunications Act of 1996

Dear Mrs. Bayo:

Pursuant to section 252(e) of the Telecommunications Act of 1996, BellSouth and KMC Telecom, Inc. are submitting to the Florida Public Service Commission an amendment to their negotiated agreement for the interconnection of their networks, the unbundling of specific network elements offered by BellSouth and the resale of BellSouth's telecommunications services to KMC Telecom, Inc. The Commission approved the initial agreement between the companies in Order No. PSC-98-0211-FOF-TP issued February 4, 1998 in Docket 971473-TL.

Pursuant to section 252(e) of the Act, the Commission is charged with approving or rejecting the negotiated agreement between BellSouth and KMC Telecom, Inc. within 90 days of its submission. The Act provides that the Commission may only reject such an agreement if it finds that the agreement or any portion of the agreement discriminates against a telecommunications carrier not a party to the agreement or the implementation of the agreement or any portion of the agreement is not consistent with the public interest, convenience and necessity. Both parties aver that neither of these reasons exist as to the agreement they have negotiated and therefore, are very hopeful that the Commission shall approve their agreement.

Very truly yours,

  
A. M. Lombardo (2R)  
Regulatory Vice President

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**Amendment III 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) and Attachment C-15 of the Interconnection Agreement is hereby revised to include DS0 Service at the specified rates for the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, South Carolina, and Tennessee, effective with the execution of this Amendment as follows:

	4-Wire 56 or Kbps Digital Grade Loop	Non Recurring Charges						
		Connect		Manual Svc Order		Disconnect		Order Coord Specific Time Convs
		First	Add'l	First	Add'l	First	Add'l	
AL	45.00	245.00	105.00	22.00	22.00	NA	NA	NA
FL	31.90	275.00	105.00	22.00	22.00	NA	NA	NA
GA	29.92	348.55	241.20	18.94	8.42	NA	NA	34.22
KY	45.00	260.00	105.00	22.00	22.00	NA	NA	NA
LA	35.58	333.28	230.50	NA	NA	87.99	44.24	32.77
MS	45.00	255.00	110.00	22.00	22.00	NA	NA	NA
SC	50.00	280.00	115.00	22.00	22.00	NA	NA	NA
TN	45.00	240.00	110.00	22.00	22.00	NA	NA	NA

2. DS0 Cross Connect for cross connect to KMC virtual collocation facilities will be provided to KMC in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, South Carolina, and Tennessee at the following rates:

DS0 Cross Connect	2-Wire	\$0.30 Recurring Charge (per cross connect)
DS0 Cross Connect	4-Wire	\$0.50 Recurring Charge (per cross connect)
DS0 Cross Connect	2-Wire	\$19.20 Non Recurring Charge (first and add'l)
DS0 Cross Connect	4-Wire	\$19.20 Non Recurring Charge (first and add'l)

KMC Amendment III

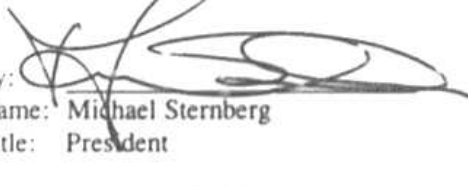
3. The rates reflected in 1. and 2. above shall be interim rates and subject to true-up, either up or down, based on final prices determined either by further agreement between the Parties, or by a final order (including any appeals). All of the other provisions of the Interconnection Agreement, dated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

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: 6/8/98

Date: 6/3/98