

ORIGINAL



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June 17, 2003

Ms. Blanca S. Bayó, Director  
Division of the Commission Clerk and  
Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

RECEIVED FPSC  
JUN 17 PM 4:32  
COMMISSION CLERK

Re: Docket No. 030457-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of Sprint are the original and fifteen (15) copies of Sprint-Florida, Incorporated's Answer in response to the Complaint filed by NewSouth Communications Corporation ("NewSouth") in Docket No. 030457-TP.

Copies are being served on the parties in this docket pursuant to the attached Certificate of Service.

Please acknowledge receipt of this filing by stamping and initialing a copy of this letter and returning same to the courier. If you have any questions, please do not hesitate to call me at 850/599-1560.

Sincerely,

Susan S. Masterton

Enclosure

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- SEC   1
- OTH \_\_\_\_\_

Done 7/28/03

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DOCUMENT NUMBER 030457-TP  
05378 JUN 17 8  
FPSC-COMMISSION CLERK

**CERTIFICATE OF SERVICE  
DOCKET NO. 030457-TP**

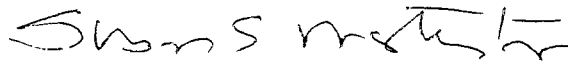
I HEREBY CERTIFY that a true and correct copy of the foregoing was served by Hand delivery\* or Overnight Mail this 17<sup>h</sup> day of June, 2003 to the following:

Larry D. Harris, Esq.\*  
Florida Public Service Commission  
Division of Legal Services  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0870  
[lharris@psc.state.fl.us](mailto:lharris@psc.state.fl.us)

Mintz Law Firm  
Michael H. Pryor/Angela F. Collins  
701 Pennsylvania Ave., NW  
Suite 900  
Washington, DC 20004-2608  
Phone: 202-434-7365  
Fax: 202-434-7400  
Email: [mhpryor@mintz.com](mailto:mhpryor@mintz.com)/[afcollins@mintz.com](mailto:afcollins@mintz.com)

Moyle Law Firm\*  
Jon Moyle, Jr.  
The Perkins House  
118 North Gadsden Street  
Tallahassee, FL 32301  
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Email: [jmoylejr@moylelaw.com](mailto:jmoylejr@moylelaw.com)

NewSouth Communications Corp.  
Keiki Hendrix/Jake Jennings  
Two North Main Center  
Greenville, SC 29601-2719  
Phone: (864) 672-5976  
Fax: (864) 672-5313  
Email: [Khendrix@newsouth.com](mailto:Khendrix@newsouth.com)/[jejennings@newsouth.com](mailto:jejennings@newsouth.com)



Susan S. Masterton

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

Enforcement of interconnection agreement ) Docket No. 030457-TP  
Between NewSouth Communications Corp. )  
and Sprint-Florida, Inc. ) Filed: June 17, 2003  
\_\_\_\_\_ )

**ANSWER OF SPRINT-FLORIDA, INCORPORATED**

Sprint-Florida, Incorporated (“Sprint”), pursuant to Rule 28-106.203, Florida Administrative Code, hereby files its Answer in response to the Complaint filed by NewSouth Communications Corp. (“NewSouth”) in this docket.

**ANSWER**

1. Sprint admits that Sprint entered into an Interconnection Agreement with UniversalCom, Inc. (“UCI”) on January 27, 1998, that was approved by the Commission on June 8, 1998 in Order No. PSC-98-0779-FOF-TP and and amended on July 7, 1998 by Order No. 98-0779A-FOF-TP. (“UCI Agreement”) In addition, Sprint entered into an agreement with NewSouth on September 1, 1999 that was approved by the Commission on January 7, 2000 in Order No. PSC-00-0061-FOF-TP (“NewSouth Agreement”). Sprint is without specific knowledge concerning the terms of the merger between UCI and NewSouth. In all other respects, Paragraph 1 is denied.
2. The terms of the Agreement speak for themselves. Sprint admits that due to a billing error, Sprint inadvertently continued to bill UCI the agreement rate, rather than the ISP Remand Order rate. Sprint discovered the error and in April 2003 communicated the error in a letter from John Clayton, Director of Wholesale Services for Sprint, to

Jake Jennings of New South. On the June 8, 2003 invoice, Sprint issued a credit to UCI (NewSouth) for the amount that was overpaid by UCI (NewSouth). (See Attachment A) In all other respects, Paragraph 2 is denied.

3. The terms of the Agreement speak for themselves. Sprint believes that this dispute is amenable to mediation and that mediation could expedite resolution of the Complaint. Sprint is willing to engage in such mediation and intends to pursue this option with NewSouth. In all other respects, Paragraph 3 is denied.
4. Paragraph 4 does not require a response from Sprint.
5. Since Paragraph 5 is an incorporation of Paragraphs 1-4, Sprint's responses to each Paragraph as set forth above are applicable to Paragraph 5.
6. Sprint is without knowledge to admit or deny Paragraph 6.
7. Sprint is without knowledge to admit or deny Paragraph 7.
8. Sprint is without specific knowledge concerning the terms of the merger between UCI and NewSouth. In all other respects, Paragraph 8 is denied.
9. Sprint is without knowledge to admit or deny Paragraph 9.
10. Sprint admits Paragraph 10.
11. Paragraph 11 does not require a response from Sprint.
12. The correct name and mailing address for the Respondents to this Complaint are as follows:

Respondent is:

Sprint-Florida, Incorporated  
555 Lake Border Drive  
Apopka, FL 32703

Respondent is represented by:

Susan S. Masterton, Esquire  
1313 Blair Stone Road  
P.O. Box 2214  
Tallahassee, FL 32316-2214  
850-599-1560 (Telephone)  
850-878-0777 (Fax)  
[susan.masterton@mail.sprint.com](mailto:susan.masterton@mail.sprint.com)

Service should be made to Sprint's counsel at the above address.

13. Since Paragraph 13 is an incorporation of Paragraphs 1-12, Sprint's responses to each Paragraph as set forth above are applicable to Paragraph 13.
14. The referenced statutes, rules and orders speak for themselves. In all other respects, Paragraph 14 is denied.
15. The referenced statutory provisions speak for themselves. Sprint, as a price-regulated ILEC, is exempt from sections 364.03 and 364.05, F.S, and, therefore, such statutory provisions cannot be the basis for the Commission's resolution of this dispute. In all other respects, Paragraph 15 is denied.
16. The referenced provision of federal law speaks for itself. In all other respects, Paragraph 16 is denied.
17. Paragraph 17 contains conclusions of law that do not require admission or denial by Sprint. However, Sprint denies that the Commission has jurisdiction over every aspect of the intercarrier compensation regime established by the FCC in the ISP Remand Order<sup>1</sup> in the context of its interpretation and enforcement of the parties' interconnection agreement. To the extent Paragraph 17 contains any factual allegations, such allegations are denied.
18. The terms of the Agreement speak for themselves.

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<sup>1</sup> *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Intercarrier Compensation for ISP-bound Traffic*, 16 FCC Rcd 9151 (2001) ("ISP Remand Order").

19. Sprint admits that the parties have attempted to resolve their dispute without success as described in Paragraph 19 and that the Agreement provides for the Commission to resolve disputes that the parties cannot themselves resolve. In all other respects, Paragraph 19 is denied.
20. Paragraph 20 consists of a legal conclusion to which no admission or denial by Sprint is required. To the extent Paragraph 20 contains any factual allegations, such allegations are denied.
21. Since Paragraph 21 is an incorporation of Paragraphs 1-20, Sprint's responses to each Paragraph as set forth above are applicable to Paragraph 21.
22. Sprint admits that it billed UCI (NewSouth) for termination of UCI traffic under the terms of the UCI Agreement. In addition, Sprint billed NewSouth for termination of NewSouth traffic under the terms of the NewSouth Agreement. Similarly, NewSouth continued to bill Sprint separately under the UCI Agreement and the NewSouth Agreement. Sprint is without knowledge to admit or deny the remaining allegations of Paragraph 22.
23. The terms of the Agreement speak for themselves. The UCI Agreement terminated on December 31, 1999; however, the parties continue to operate under the terms of that Agreement pursuant to Section 3.3 of Part A of the Agreement. In all other respects, Paragraph 23 is denied.
24. The terms of the Agreement speak for themselves. Sprint admits that prior to the ISP Remand Order Sprint paid reciprocal compensation without attempting to distinguish between voice and ISP-bound traffic. In all other respects, Paragraph 24 is denied.

25. The terms of the Agreement speak for themselves. In all other respects, Paragraph 25 is denied.
26. Paragraph 26 is denied.
27. Sprint admits that it has disputed invoices for reciprocal compensation submitted to Sprint by UCI (NewSouth) and that it has sent dispute claim forms regarding these invoices, as described in Paragraph 27. In all other respects, Paragraph 27 is denied.
28. Sprint admits that it has asserted that UCI has improperly billed Sprint under the terms of the ISP Remand Order and that it has submitted dispute claim forms as set forth in Paragraph 28. In all other respects, Paragraph 28 is denied.
29. Sprint admits that it has submitted dispute claim forms as described in Paragraph 29.
30. Paragraph 30 is denied.
31. As previously stated in the response to Paragraph 2, Sprint admits that due to a billing error, Sprint inadvertently continued to bill UCI the agreement rate, rather than the ISP Remand Order rate. Sprint discovered the error and in April 2003 communicated the error in a letter from John Clayton, Director of Wholesale Services for Sprint, to Jake Jennings of New South. On the June 8, 2003 invoice, Sprint issued a credit to UCI (NewSouth) for the amount that was overpaid by UCI (NewSouth). (See Attachment A) In all other respects, Paragraph 31 is denied.
32. The terms of the ISP Remand Order speak for themselves. Sprint admits that it sent a letter to UCI on January 24, 2002 offering to exchange traffic at the rates set forth in ISP Remand Order. In all other respects, paragraph 32 is denied.
33. Paragraph 33 contains legal conclusions that do not require an admission or denial by Sprint. However, Sprint disagrees with NewSouth's interpretation of the provisions of

the ISP Remand Order. To the extent Paragraph 33 contains any factual allegations, such allegations are denied.

34. Sprint admits that at the time this Complaint was filed it had not initiated the process to amend the Agreement. Pursuant to the change in law provisions in Section 2.2, Part A of the Agreement, a change in law is effective on the date of the order effecting the change. On June 3, 2003, Sprint sent UCI an amendment documenting Sprint's implementation of the ISP Remand Order. (See Attachment B) In all other respects, Paragraph 34 is denied.

35. Paragraph 35 is denied.

36. The terms of the ISP Remand Order speak for themselves. In all other respects, Paragraph 36 is denied.

37. Sprint admits that, as described in Paragraph 37, it sent a letter to the address provided in the UCI Agreement setting forth Sprint's offer to implement the rates in the ISP Remand Order and the necessary action UCI must take to accept or reject the offer.

38. Sprint admits that its letter offering to implement the ISP Remand Order described the process for accepting or rejecting the order and the consequences of either choice.

39. The terms of the Agreement speak for themselves. Sprint admits that at this time NewSouth has not executed any amendments to the UCI agreement and that no amendments of this agreement have been approved by the Commission. However, as stated in the response to Paragraph 34, Sprint has provided NewSouth with an amendment documenting Sprint's implementation of the ISP Remand Order. In all other respects, Paragraph 39 is denied.



40. Sprint admits that it has received several items of correspondence from NewSouth relating to NewSouth's rejection of Sprint's offer. Sprint denies that NewSouth's rejection of Sprint's offer applied to UCI. As NewSouth admits in Footnote 17 of its Complaint, Sprint and NewSouth have continued to operate under the separate terms of the UCI and NewSouth agreements. NewSouth in no way indicated that its initial rejection of Sprint's offer under the NewSouth Agreement was intended to apply to the UCI Agreement. (See Attachment C) Sprint admits that NewSouth effectively rejected Sprint's offer for UCI on February 14, 2003. Sprint is in the process of correcting its payments to UCI (NewSouth) to reflect this rejection. Sprint is without knowledge concerning NewSouth's state of awareness or its motivations. In all other respects, Paragraph 40 is denied.
41. As stated in response to Paragraph 40, Sprint is in the process of correcting its payments to reflect the February 14, 2003, rejection. In all other respects, Paragraph 41 is denied.
42. As described in the response to Paragraph 2, Sprint corrected its billings to UCI and provided the appropriate credit. In all other respects, Paragraph 42 is denied.
43. The terms of the Agreement speak for themselves. In all other respects, Paragraph 43 is denied.
44. Sprint admits that it sent dispute claim forms as set forth in Paragraph 44. In all other respects, Paragraph 44 is denied.
45. Sprint admits that it sent dispute claim forms as set forth in Paragraph 45. In all other respects, Paragraph 45 is denied.

46. Sprint is without knowledge concerning whether NewSouth received dispute claim forms for the September and October 2002 invoices. However, Sprint sent such claim forms on November 27, 2002 and provided copies at NewSouth's request on May 22, 2003. In all other respects, Paragraph 46 is denied.
47. Paragraph 47 is denied. In addition to Sprint's right to dispute NewSouth's billings under the UCI Agreement in response to this Complaint, pursuant to Section 5 of Part A of the UCI Agreement, Sprint has initiated an audit of the reciprocal compensation billing under the UCI Agreement. The UCI Agreement provides that "adjustments and credits shall be made and any corrective action should commence within 30 days from the requesting party's receipt of the final audit report..."
48. The terms of the Agreement speak for themselves.
49. Paragraph 49 is denied. Despite repeated requests from Sprint, NewSouth continues to send the invoices to an outdated and incorrect address, thereby delaying Sprint's receipt of the UCI bills.
50. Sprint admits that it made the payment in September 2002 as set forth in Paragraph 50. In addition, Sprint asserts that it has paid undisputed amounts due under the UCI Agreement. In all other respects, Paragraph 50 is denied.
51. Paragraph 51 is denied.
52. Since Paragraph 52 is an incorporation of Paragraphs 1-51, Sprint's responses to each Paragraph as set forth above are applicable to Paragraph 52.
53. The terms of the Agreement speak for themselves. In all other respect, Paragraph 53 is denied.
54. Paragraph 54 is denied.

55. Since Paragraph 55 is an incorporation of Paragraphs 1-54, Sprint's responses to each Paragraph as set forth above are applicable to Paragraph 55.
56. The terms of the Agreement speak for themselves. In all other respects, Paragraph 56 is denied.
57. Paragraph 57 is denied.
58. Since Paragraph 58 is an incorporation of Paragraphs 1-57, Sprint's responses to each Paragraph as set forth above are applicable to Paragraph 58.
59. The terms of the Agreement speak for themselves. In all other respects, Paragraph 59 is denied.

#### **AFFIRMATIVE DEFENSES**

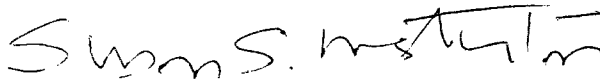
Sprint asserts the following affirmative defenses to NewSouth's Complaint:

1. Sprint asserts the Affirmative Defense of estoppel. Subsequent to the merger, NewSouth continued to operate, bill and pay Sprint separately under the UCI Agreement and the NewSouth Agreement. Sprint relied on this representation in sending separate letters offering to implement the ISP Remand Order intercarrier compensation regime for the UCI Agreement and the NewSouth Agreement respectively. NewSouth is estopped from claiming that its rejection of the NewSouth offer was also intended to apply to UCI since no such representation was made to Sprint at the time of the rejection. (See Attachment C)
2. Sprint asserts the Affirmative Defense of payment. Sprint has paid the undisputed amounts due to NewSouth under the UCI agreement.

3. Sprint asserts the Affirmative Defense of lack of jurisdiction. While Sprint recognizes that the Commission has jurisdiction to interpret the terms of the parties' agreement as it relates to implementation of the ISP Remand Order, the Commission does not have jurisdiction to interpret or enforce the Order outside the context of an agreement, unless such authority has been specifically delegated by the FCC.

WHEREFORE, in light of the above, Sprint respectfully requests that the Commission deny the relief sought by NewSouth, enter judgment in favor of Sprint, and grant any other relief deemed appropriate by the Commission.

RESPECTFULLY SUBMITTED this 17<sup>th</sup> day of June 2003.



---

Susan S. Masterton  
P.O. Box 2214  
Tallahassee, FL 32316-2214  
850-599-1560  
850-878-0777 (fax)

ATTORNEY FOR SPRINT



May 22, 2003

Dear Ms. Gardner,

Sprint's Local Telecommunications Division (LTD) is hereby notifying Universal Communications of an upcoming billing credit adjustment resulting from an internal review of billed rates for reciprocal compensation. Sprint recently discovered that rate elements for reciprocal compensation were billed incorrectly of the period of February 2002 through February 2003 (usage period). Sprint will be applying this credit adjustment to the next available invoice date. The credit adjustment is \$104,003.59.

If you have any questions regarding this notice or the forthcoming billing credit adjustment, please feel free to contact Mitch Danforth at (913) 315-8009.

Sincerely,

A handwritten signature in cursive script that reads "Mitch Danforth".

Mitch Danforth  
Carrier Accounts

cc. Jake E. Jennings



John W. Clayton  
Director  
Wholesale Services – CLEC  
& Wireless

Local Telecommunications Division  
6480 Sprint Parkway  
Overland Park, KS 66251  
Mailstop KSOPHM0310-3A453  
Voice 913 315 7839  
Fax 913 315 0628  
john.clayton@mail.sprint.com

June 3, 2003

Jake Jennings  
NewSouth Communications  
New South Center  
Two N. Main Street  
Greenville, SC 29601

Amy L. Gardner  
NewSouth Communications Corp.  
New South Center  
Two N. Main Center  
Greenville, SC 29601

RE: Reciprocal Compensation Amendment

Dear Mr. Jennings and Ms. Gardner:

You recently suggested that the parties should execute an amendment to implement the FCC rates. Sprint is willing to execute an amendment to reflect the reciprocal compensation arrangement between the parties. Enclosed are amendments to the New South agreement and the UCI agreement to document the reciprocal compensation arrangement reflecting Sprint's offer to exchange traffic pursuant to the interim compensation regime set forth in the FCC's *Order on Remand and Report and Order*, FCC 01-131, CC Dockets No. 96-98 and 99-68, adopted April 18, 2001. Sections 2.3 of the New South Agreement and 2.2 of the UCI Agreement require that any amendment executed as the result of a change in law is effective on the effective date of the amended rules. In this instance, the effective date is the effective date for the FCC interim compensation regime Sprint specified in its offer letter.

You may return the signed amendments to me and Sprint will file the amendments with the Florida Public Service Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "John Clayton".

John Clayton  
Director – Wholesale Services – CLEC & Wireless

cc: Michael Pryor  
Mintz Levin Cohn Ferris Glovsky and Popeo  
701 Pennsylvania Ave., NW  
Washington, DC 20004

Enclosures

AMENDMENT NO. ONE TO  
INTERCONNECTION AND RESALE AGREEMENT  
BETWEEN  
NEW SOUTH COMMUNICATIONS CORPORATION  
AND  
SPRINT – FLORIDA, INCORPORATED

This Amendment dated June 3, 2003, by and between Sprint – Florida, Incorporated ("Sprint") and NewSouth Communications Corporation ("CLEC" or "New South"). (Sprint and CLEC may be referred to individually as a "Party" and collectively as the "Parties").

**BACKGROUND:**

Sprint entered into an interconnection and resale agreement with New South September 1, 1999 (the "NewSouth Agreement").

On February 1, 2002, Sprint, elected to offer the interim compensation rates established by the Federal Communications Commission ("FCC") in its *Order on Remand and Report and Order*, FCC 01-131, CC Dockets No. 96-98 and 99-68, adopted April 18, 2001 (the "ISP Order"). Sprint notified NewSouth of its election in a letter dated January 24, 2002.

On February 8, 2002, Sprint received official notice under the NewSouth Agreement that NewSouth rejects Sprint's offer under the NewSouth Agreement.

The Parties wish to amend the NewSouth Agreement to document the application of the interim compensation regime and the rates contained in the ISP Order.

In consideration of the promises and agreements contained in this Amendment, the Parties agree as follows:

**DEFINITIONS**

1. Except as otherwise indicated defined terms in this Amendment have the same meaning as in the Agreement. The following definitions are added or substituted to the Agreement:
  - 1.1 "ISP-Bound Traffic," for the purposes of this Agreement, is traffic that is delivered to an Internet service provider, as defined by the FCC in ISP Compensation Order. Neither Party waives its rights to participate and fully present its respective positions in any proceeding dealing with the compensation for ISP-Bound Traffic.

- 1.2 "Local Traffic," for the purposes of this Agreement, is traffic (excluding CMRS traffic) that is originated and terminated within Sprint's local calling area, or mandatory expanded area service (EAS) area, as defined by State commissions or, if not defined by State commissions, then as defined in existing Sprint tariffs. For this purpose, Local Traffic does not include any ISP-Bound Traffic.

## RECIPROCAL COMPENSATION

1. The reciprocal compensation arrangement in the NewSouth Agreement is hereby amended effective February 8, 2002 so that Local Traffic and ISP-Bound Traffic are exchanged in accordance with the interim compensation regime contained in the ISP Order.
2. Traffic delivered to a Party that exceeds a 3:1 ratio of terminating to originating traffic is presumed to be ISP-Bound Traffic. This presumption may be rebutted by either Party with the Commission consistent with the provisions of the "ISP Order."
3. Effective February 8, 2002, the rates to be charged for the exchange of ISP-Bound Traffic are the rates established by the FCC as set forth below and shall be applied consistent with the provisions of Part F of the NewSouth Agreement:
  - 3.1 \$0.001 per minute of use from 12/15/01 – 6/14/03; and
  - 3.2 to the extent the parties continue to operate under the terms and conditions of the New South Agreement, \$0.0007 per minute of use after 6/14/03 until 12/14/05, or until further FCC action whichever is later.
4. Compensation for ISP-Bound Traffic will be capped pursuant to paragraph 78 of the ISP Order. The growth cap will be applied as follows:
  - 4.1 To determine the base-line for compensation purposes calculate the number of ISP-bound minutes for which NewSouth was entitled to compensation under the NewSouth Agreement during the first quarter of 2001, multiply times four and multiply that number by 1.10.
  - 4.2 In 2002, Sprint will compensate NewSouth for ISP-Bound Traffic up to a ceiling of the number of ISP-bound minutes calculated in the preceding section, plus an additional ten percent growth factor.
  - 4.3 In 2003, and for each successive year to the extent the parties continue to operate under this Agreement or until the FCC issues



an order modifying the interim compensation regime, Sprint will compensate CLEC for ISP-Bound Traffic up to the number of ISP-bound minutes for which NewSouth was compensated during 2002.

**GENERAL**

1. Other than as set forth above, the NewSouth Agreement remains unchanged and in full force and effect. In the event of a conflict between the terms of the Agreement and this Amendment, this Amendment will control.
2. This Amendment No. One executed by authorized representatives of Sprint and CLEC is made a part of and incorporates the terms and conditions of the Agreement.

IN WITNESS WHEREOF, Sprint and CLEC has caused this Amendment No. One to be executed by its duly authorized representatives.

**“Sprint”**

**“CLEC”**

By: \_\_\_\_\_  
Name  
(typed): \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

AMENDMENT NO. ONE TO  
INTERCONNECTION AND RESALE AGREEMENT  
BETWEEN  
NEW SOUTH COMMUNICATIONS CORPORATION FORMERLY KNOWN AS  
UNIVERSAL COM, INCORPORATED  
AND  
SPRINT – FLORIDA, INCORPORATED

This Amendment dated June 3, 2003, by and between Sprint – Florida, Incorporated (“Sprint”) and NewSouth Communications Corporation formerly known as Universal Com, Incorporated (“CLEC” or “NewSouth”). (Sprint and CLEC may be referred to individually as a “Party” and collectively as the “Parties”).

**BACKGROUND:**

Sprint entered into an interconnection and resale agreement with Universal Com, Incorporated (“UCI” now known as NewSouth) January 27, 1998 (the “UCI Agreement”).

On February 1, 2002, Sprint, elected to offer the interim compensation rates established by the Federal Communications Commission (“FCC”) in its *Order on Remand and Report and Order*, FCC 01-131, CC Dockets No. 96-98 and 99-68, adopted April 18, 2001 (the “ISP Order”). Sprint notified UCI, pursuant to the notification provision of the UCI Agreement, of its election in a letter dated January 24, 2002.

On March 11, 2003, Sprint received official notice under the UCI Agreement that Universal Com, Incorporated merged with NewSouth Communications Corporation and effectively changed the official notice provision in the UCI Agreement. On March 11, 2003 Sprint also received official notice under the UCI Agreement that NewSouth rejects Sprint’s offer under the UCI Agreement.

The Parties wish to amend the UCI Agreement to document the application of the interim compensation regime and the rates contained in the ISP Order.

In consideration of the promises and agreements contained in this Amendment, the Parties agree as follows:

**DEFINITIONS**

1. Except as otherwise indicated defined terms in this Amendment have the same meaning as in the Agreement. The following definitions are added or substituted to the Agreement:

- 1.1 "ISP-Bound Traffic," for the purposes of this Agreement, is traffic that is delivered to an Internet service provider, as defined by the FCC in ISP Compensation Order. Neither Party waives its rights to participate and fully present its respective positions in any proceeding dealing with the compensation for ISP-Bound Traffic.
- 1.2 "Local Traffic," for the purposes of this Agreement, is traffic (excluding CMRS traffic) that is originated and terminated within Sprint's local calling area, or mandatory expanded area service (EAS) area, as defined by the Commission or, if not defined by the Commission, then as defined in existing Sprint tariffs. For this purpose, Local Traffic does not include any ISP-Bound Traffic.

### **RECIPROCAL COMPENSATION**

1. The reciprocal compensation arrangement in the UCI Agreement is hereby amended effective February 1, 2001 so that all Local Traffic and ISP-Bound Traffic are exchanged at \$0.001 per minute of use in accordance with the ISP Order.
2. The reciprocal compensation arrangement in the UCI Agreement is hereby amended effective March 11, 2003 so that Local Traffic and ISP-Bound Traffic are exchanged in accordance with the interim compensation regime contained in the ISP Order.
3. Effective March 11, 2003, the rates to be charged for the exchange of Local Traffic are set forth in the UCI Agreement.
4. Traffic delivered to a Party that exceeds a 3:1 ratio of terminating to originating traffic is presumed to be ISP-Bound Traffic. This presumption may be rebutted by either Party with the Commission consistent with the provisions of the "ISP Order."
5. Effective March 11, 2003, the rates to be charged for the exchange of ISP-Bound Traffic are the rates established by the FCC as set forth below and shall be applied consistent with the provisions of Part F of the UCI Agreement:
  - 5.1 \$0.001 per minute of use from 12/15/01 – 6/14/03; and
  - 5.2 to the extent the parties continue to operate under the terms and conditions of the UCI Agreement, \$0.0007 per minute of use after 6/14/03 until 12/14/05, or until further FCC action whichever is later.
6. Compensation for ISP-Bound Traffic will be capped pursuant to paragraph 78 of the ISP Order. The growth cap will be applied as follows .

- 6.1 To determine the base-line for compensation purposes calculate the number of ISP-bound minutes for which CLEC was entitled to compensation under the UCI Agreement during the first quarter of 2001, multiply times four and multiply that number by 1.10.
- 6.2 In 2002, Sprint will compensate CLEC for ISP-Bound Traffic up to a ceiling of the number of ISP-bound minutes calculated in the preceding section, plus an additional ten percent growth factor.
- 6.3 In 2003, and for each successive year to the extent the parties continue to operate under this Agreement or until the FCC issues an order modifying the interim compensation regime, Sprint will compensate CLEC for ISP-Bound Traffic up to the number of ISP-bound minutes for which CLEC was compensated during 2002.

**GENERAL**

- 1. Other than as set forth above, the UCI Agreement remains unchanged and in full force and effect. In the event of a conflict between the terms of the Agreement and this Amendment, this Amendment will control.
- 2. This Amendment No. One executed by authorized representatives of Sprint and CLEC is made a part of and incorporates the terms and conditions of the Agreement.

IN WITNESS WHEREOF, Sprint and CLEC has caused this Amendment No. One to be executed by its duly authorized representatives.

**“Sprint”**

**“CLEC”**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name  
(typed): \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



February 8, 2002

VIA Facsimile 913-315-0627 and US Mail

Mr. William E. Cheek  
President Wholesale Markets  
Mr. John Clayton  
Director - Local Markets  
Sprint  
Mailstop KSOPHM0310-3A453  
6480 Sprint Parkway  
Overland Park, KS 66251

Dear Mr. Cheek,  
Dear Mr. Clayton;

NewSouth Communications Corp. hereby rejects Sprint's offer regarding reciprocal compensation contained in your letter dated January 24, 2002.

Be advised that NewSouth will continue to adhere to the terms & conditions contained in the current interconnection agreement between the two parties.

Sincerely,

Jake E. Jennings  
Vice President of Regulatory Affairs  
Direct: 864-672-5877  
Fax: 864-672-5105  
Email: [jjennings@newsouth.com](mailto:jjennings@newsouth.com)