



BOULT ■ CUMMINGS®
CONNERS ■ BERRY PLC

RECEIVED

2005 JAN 25 PM 12: 27

Henry Walker
(615) 252-2363
Fax (615) 252-6363
Email hwalker@boultcummings.com

January 25, 2005

T.R.A. DOCKET ROOM

Jean Stone, Pre-Arbitration Officer
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

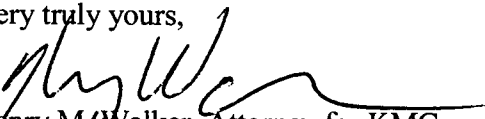
Re: *In re: Petition of KMC Telecom III, LLC, KMC Telecom V, Inc. and KMC Data, LLC for Arbitration of an Interconnection Agreement with United Telephone-Southeast, Inc.*
Docket Number: 04-00136

Dear Pre-Arbitration Officer Stone :

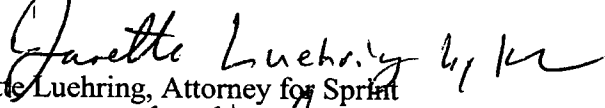
Sprint and KMC have continued to negotiate the open issues since the filing of the arbitration petition. The only open issues, as of the date of this letter, are: (1) UNE issues that will be affected by the new FCC unbundling order and rules, (2) selection of the Point of Interconnection, (3) Virtual NXX, (4) shared entrance facilities, and (5) Collocation Augments. The parties have exchanged language for issues two through five and are continuing to negotiate those items. On issue one, Sprint provided redlines to the agreement to incorporate the Interim Order (In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, FCC 04-179, rel. August 20, 2004, "Interim Order") into the unbundled network element (UNE) section of the agreement, however the parties have agreed to incorporate the new unbundling rules. The FCC adopted new rules at its open meeting on December 15, 2004, (FCC 04-290). The FCC has not yet released its order. We are waiting for the new FCC order on UNEs to negotiate the related terms and conditions. The parties will provide a list of issues, if any, for the UNE section of the interconnection agreement after the order is issued and the parties have an opportunity to review the order and draft language reflecting the order.

The parties agree to waive the statutory time frames for arbitrations set forth in 47 U.S.C. 252 and neither party will raise the failure to complete the arbitration within those statutory timeframes as the basis for an appeal.

Very truly yours,


Henry M. Walker, Attorney for KMC


Marva Brown Johnson, Attorney for KMC


Janette Luehring, Attorney for Sprint


Edward Phillips, Attorney for Sprint

HMW/djc
Attachment

1021099 v1
105027-001
1/25/2005

LAW OFFICES
1600 DIVISION STREET - SUITE 700 - P.O. BOX 340025 - NASHVILLE - TN - 37203
TELEPHONE 615 244 2582 FACSIMILE 615 252 6380 www.boultcummings.com

KMC/Sprint Arbitration Issues Matrix

Agreement: Part E

Item No.	Issue	Status	KMC Proposed	Sprint Proposed
1	TBD	Issue on hold Waiting for the FCC to issue its order on the new unbundling rules		

KMC/Sprint Arbitration Issues Matrix

Agreement: Part F

Item No.	Issue	Status	KMC Proposed	Sprint Proposed
2	F 9 Section 1 2 1 Selection of POI	Open	1 2 1 Physical Point of Interconnection KMC must establish a minimum of one (1) Physical POI at any Technically Feasible point within in each LATA in which KMC interconnects with Sprint The POI may be at any Technically Feasible point including, but not limited to, any electronic or manual cross-connect points, Collocations, entrance facilities, and mid-span meets KMC will be responsible for provisioning, engineering, maintenance, and cost of facilities its network on its side of the POI Sprint will be responsible for provisioning, engineering, maintenance, and cost of facilities on its side of the POI If and when the Parties choose to interconnect at a mid-span meet, KMC and Sprint will jointly provision the facilities that connect the two (2) networks When KMC leases facilities provided by Sprint for interconnection between the KMC point of presence and the POI, Sprint will provide these facilities at TELRIC rates	1 2 1 Physical Point of Interconnection KMC must establish a minimum of one (1) Physical POI at any Technically Feasible point on Sprint's network within in each LATA in which KMC interconnects with Sprint The POI may be at any Technically Feasible point including, but not limited to, any electronic or manual cross-connect points, Collocations, entrance facilities, and mid-span meets KMC will be responsible for engineering and maintaining its network on its side of the POI Sprint will be responsible for engineering and maintaining its network on its side of the POI If and when the Parties choose to interconnect at a mid-span meet, KMC and Sprint will jointly provision the facilities that connect the two (2) networks Sprint reserves the right to establish its own Physical POI if CLEC elects to file, and the Commission approves, CLEC's cost studies for transport
3	F 11 Section 1 2 5 Virtual POI	Open	No specific language proposed	1 2 5 CLEC must compensate Sprint for the transport of ISP bound traffic when transport of such traffic is required outside Sprint's Local Calling Area where the call originates to deliver the traffic to the POI Such transport will be at TELRIC based transport rates

KMC/Sprint Arbitration Issues Matrix

Agreement: Part K - Collocation

Item No.	Issue	Status	KMC Proposed	Sprint Proposed
4	K 48 Section 13.3 Shared Use	Open	13.3 Shared Use KMC may utilize the spare capacity on an existing interconnector's entrance facility for the purpose of providing an entrance facility to KMC's collocation arrangement within the same Premises. Sprint shall allow the splice, as long as the fiber is non-working dark fiber.	No specific language proposed.
5	K 20 Section 5.1.2 Augments	Open	5.1.2 Application Augment Fee In the event KMC desires to modify or decommission the use of the Collocation Space in a manner that requires additional engineering or preparation work by Sprint, KMC will complete a subsequent Application detailing all information regarding the modification to the Collocation Space together with payment of the appropriate Application Augment Fee. Such modifications to the Premises may include but are not limited to, floor loading changes, changes necessary to meet HVAC requirements, changes to power plant requirements, and equipment additions. The Application Augment Fee shall be dependent upon the level of assessment needed for the augment. Where the augment does not require assessment for provisioning or construction work but requires administrative costs by Sprint, an Administrative Only Application Fee as set forth in Table Two. This Administrative Only Application Fee will be applicable in instances such as Transfer of Ownership of the Collocation Space.	5.1.2 Application Augment Fee In the event KMC desires to modify or decommission the use of the Collocation Space in a manner that requires additional engineering or preparation work by Sprint, KMC will complete a subsequent Application detailing all information regarding the modification to the Collocation Space together with payment of the appropriate Application Augment Fee. Such modifications to the Premises may include, but are not limited to, floor loading changes, changes necessary to meet HVAC requirements, changes to power plant requirements and equipment additions.
			5.1.2.1 Simple augments will be completed within twenty (20) calendar days after receipt of the BFFO for an	
			5.1.2.1.1 Extension of Existing AC Circuit Capacity within Arrangement Where Sufficient Circuit	

KMC/Sprint Arbitration Issues Matrix

Item No.	Issue	Status	KMC Proposed	Sprint Proposed
			Capacity is Available 5 1 2 1 2 Fuse Change and/or Increase or Decrease -48V DC Power from Existing ILEC BDFB 5 1 2 2 Minor Augments will be completed within forty-five (45) calendar days after receipt of the BFFO for J5 1 2 2 1 168 DS1s Terminations at the ILEC Demarcation Frame (Databasing Only, Panels, Relay Racks and Overhead Racking Exist) 5 1 2 2 2 96 DS3s Terminations at the ILEC Demarcation Frame (Databasing Only, Panels, Relay Racks and Overhead Racking Exist) 5 1 2 2 3 Maximum of 2000 Service Ready DS0 Terminations at the ILEC Demarcation Frame (Databasing Only, Panels, Relay Racks and Overhead Racking Exist) 5 1 2 3 Intermediate Augments will be completed within sixty (60) calendar days after receipt of the BFFO for 5 1 2 3 1 168 DS1s (Databasing and Installation of Termination Panels, Relay Racks or Additional Structure as Required) 5 1 2 3 2 96 DS3s (Databasing and Installation of Termination Panels, Relay Racks or Additional Structure as Required) 5 1 2 3 3 99 Fiber Terminations (Databasing and Installation of Termination Panels, Relay Racks or Additional Structure as Required)	

KMC/Sprint Arbitration Issues Matrix

Item No.	Issue	Status	KMC Proposed	Sprint Proposed
			5 1 2 3 4 Install Cable Racking or Other Support Structures as Required to Support Co-Carrier Cross Connects (Adequate Floor or Ceiling Structural Capacity Exists and Support/Protection Structure for Fiber Patch Cord is Excluded) 5 1 2 4 Major Augments – Physical Collocation will be completed within ninety (90) calendar days after BFFO and includes all requests for additional physical collocation space (caged or cageless) Major Augments – Virtual Collocation will be completed within seventy-five (75) calendar days after BFFO and includes all requests for additional virtual collocation space	