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TC00-107

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Alex M. Duarte
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RECEIVED

VIA OVERNIGHT DELIVERY

JUL 03 2000

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

June 30, 2000

Mr. William Bullard, Jr.
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

Re: Filing of First and Second Amendments to the Interconnection Agreement between
McLeodUSA Telecommunications Services, Inc. and U S WEST Communications, Inc.

Dear Mr. Bullard:

Pursuant to 20:10:32:21 of the Admin. Rules of South Dakota enclosed for filing is an original and ten (10) copies of the First and Second Amendments to the Interconnection Agreement between U S WEST Communications, Inc. ("U S WEST") and McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") for approval by the Commission. McLeodUSA and U S WEST entered into the Interconnection Agreement which was approved by the South Dakota Commission effective July 23, 1999 in Docket No. TC99-057. McLeodUSA and U S WEST now desire to amend the underlying Interconnection Agreement. The First Amendment will add terms, conditions and rates with regards to Unbundled Network Elements and the Second Amendment will add Reciprocal Compensation language to the original agreement.

The Amendments do not discriminate against other telecommunications carriers, and the Amendments are consistent with the FCC's guidelines for negotiation and performance. Additionally, other telecommunications carriers have the option to adopt any negotiated or arbitrated agreement approved by the Commission.

The Amendments are consistent with the public interest as identified in the state statutes of South Dakota, the Commission's rules, the federal Telecommunications Act of 1996, and rules of the Federal Communications Commission. Expedient approval of this Agreement will enable McLeodUSA to enter the local exchange market and provide customers with increased choices among local exchange services.



Proud Sponsor

Mr. William Bullard, Jr.
June 30, 2000
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McLeodUSA has authorized U S WEST to submit this Agreement on McLeodUSA's behalf.

Very truly yours,



Alex Duarte

Enclosures

cc: McLeodUSA Telecommunications Services, Inc.
Lauraine Harding
6400 C Street S.W.
Cedar Rapids, IA 52406-3177

Colleen Sevoid
Manager - Public Policy
U S WEST Communications, Inc.
125 S. Dakota Avenue, 8th Floor
Sioux Falls, SD 57194

U S WEST, Inc. Law Department
Counsel, Interconnection
1801 California Street, 49th Floor
Denver, CO 80202

**Amendment No. 1 to the Interconnection Agreement
Between
McLeodUSA Telecommunications Services, Inc.
and
U S WEST Communications, Inc.
In the State of South Dakota**

This Amendment No. 1 ("Amendment") is made and entered into by and between McLeodUSA Telecommunications Services, Inc. ("McLeod") and U S WEST Communications, Inc. ("USWC").

RECITALS

WHEREAS, McLeod and USWC entered into an Interconnection Agreement for service in the state of South Dakota that was executed by McLeod on March 30, 1999 and USWC on April 27, 1999 (the "Agreement"); and

WHEREAS, the Federal Communications Commission ("FCC") recently released a new list of unbundled network elements ("UNEs") that purportedly satisfy the "necessary" and "impair" standards of section 251(d)(2) of the Telecommunications Act of 1996. See in the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98 (rel. Nov. 5, 1999). The effective date for implementation of the Order varies, with some provisions effective on February 17, 2000 and other provisions effective on May 17, 2000; and

WHEREAS, McLeod desires to access certain pre-existing combinations of unbundled network elements in accordance with the FCC's November 5, 1999 Order and related federal regulations, and whereas, the Parties' Agreement does not contain terms and conditions addressing such combinations; and

WHEREAS, McLeod and USWC desire to amend the Agreement by adding the terms, conditions and rates contained herein.

AGREEMENT

NOW THEREFORE, in consideration of the mutual terms, covenants and conditions contained in this Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Amendment Terms.

This Amendment is made in order to add the terms, conditions and rates for Unbundled Network Elements Combinations, Customized Routing and Shared Interoffice Transport as set forth in Attachment 1 to this Amendment, attached hereto and incorporated herein.

2. Effective Date.

This Amendment shall be deemed effective upon execution.

3. Further Amendments.

Except as modified herein, the provisions of the Agreement shall remain in full force and effect. Neither the Agreement nor this Amendment may be further amended or altered except by written instrument executed by an authorized representative of both Parties.

The Parties intending to be legally bound have executed this Amendment as of the dates set forth below, in multiple counterparts, each of which is deemed an original, but all of which shall constitute one and the same instrument.

**McLeodUSA Telecommunications
Services, Inc.**

DAVID R. CONN
Authorized Signature

DAVID R CONN
Name Printed/Typed

VP
Title

6/21/00
Date

U S WEST Communications, Inc.

Patricia A Kline
Authorized Signature

Patricia Kline
Name Printed/Typed

General Manager
Title

6/22/00
Date

ATTACHMENT 1
UNBUNDLED NETWORK ELEMENTS COMBINATIONS
CUSTOMIZED ROUTING AND SHARED INTEROFFICE TRANSPORT

1.0 Unbundled Network Elements Combinations (UNE Combinations)

"UNE Combination" means a preexisting combination of legally binding and effective Section 251(c)(3) Unbundled Network Elements that have been defined to meet the necessary and impair requirements of Section 251(d)(1). UNE Combinations are provided to McLeod in its preexisting combined state, and on an "as is" basis, and at Section 252(d)(1) rates. UNE Combinations include UNE-P and Private Line Combinations when used to provide a "Significant Amount of Local Exchange Traffic."

1.1 General Terms

- 1.1.1 USWC shall provide McLeod with nondiscriminatory access to pre-existing combinations of unbundled network elements in accordance to 47 C.F.R. 51.315(b) including but not limited to the UNE-Platform (UNE-P) according to the following terms and conditions. The UNEs that USWC is obligated to provide to McLeod include without limitation those enumerated in 47 C.F.R. 51.319, as well as any additional UNEs added to the UNEs listed in 47 C.F.R. 51.319 by either the FCC or the state commission pursuant to the procedures set forth in 47 C.F.R. 51.317, and to combine UNEs consistent with applicable laws and regulations.
- 1.1.2 The Federal Communications Commission released its new list of unbundled network elements (UNEs) that purportedly satisfied the "necessary" and "impair" standards of Section 251(d)(2). See In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98 (rel. Nov. 5, 1999) (hereinafter "UNE Remand Order"). According to the ordering clauses of the UNE Remand Order, some portions of this UNE list become effective on February 17, 2000 and others on May 17, 2000. USWC will, upon request, allow McLeod to access preexisting combinations of such network elements in accordance with 47 C.F.R. 51.315(b).
- 1.1.2.1 USWC will only provide combinations of those unbundled network elements that are currently on the FCC's then effective list of UNEs or are properly added by the State Commission according to 47 C.F.R. 51.317. Therefore, if a court of competent jurisdiction, the FCC or a State Commission stays, vacates or modifies the effectiveness

of any portion of the list of UNEs or any of the unbundling requirements, then, this Amendment shall be amended to reflect such change. Where the Parties fail to agree upon such an amendment within sixty (60) days from the effective date of the change, it shall be resolved in accordance with the dispute resolution provision of this Amendment or the McLeod's Agreement."

- 1.1.2.2 USWC will not uncombine any network element, facility, feature, or service for McLeod to produce a combination of elements that were not already in a preexisting combined state.
- 1.1.2.3 USWC will not, on behalf of McLeod, combine any element in its network or any UNE Combination with McLeod's network elements, features or services to create a finished service. McLeod must perform this work for itself within its collocation arrangement.
- 1.1.2.4 USWC will not, on behalf of McLeod, create combinations of network elements, facilities, or features that it does not already have in a preexisting state.
- 1.1.2.5 UNE Combinations will not be directly connected to a USWC finished service, whether found in a tariff or otherwise, without going through a collocation. Notwithstanding the foregoing, McLeod can connect its UNE Combination to USWC's Directory Assistance and Operator Services platforms.
- 1.1.2.6 If, at any time, a court, the FCC, the State Commission, or any other body of competent jurisdiction determines that a network element previously required to be unbundled under Section 251(c)(3) of the Act no longer meets the necessary or impair standards of the Act or otherwise is taken off of the UNE list, temporarily or permanently, then the 252(d)(1) prices for elements in McLeod's Agreement or Exhibit A shall no longer apply to such network element. When this occurs, USWC shall have the right to increase the price of the network element according to any and all applicable law, rules and regulations. The element will also no longer be available to be included as part of a UNE Combination.

1.2 Description

UNE Combinations are available in five categories: (i) 1FR/1FB Plain Old Telephone Service (POTS), (ii) Local Exchange Private Line (subject to the

limitations set forth below) (iii) ISDN – either Basic Rate or Primary Rate; (iv) Digital Switched Service (DDS) and (v) PBX Trunks. If McLeod desires access to a different UNE Combination pursuant to 47 C.F.R. 51.315(b), McLeod may request access through the BFR Process set forth in McLeod's Agreement.

1.3 Terms and Conditions

- 1.3.1 USWC shall provide McLeod with nondiscriminatory access to UNE Combinations, meaning: (a) of substantially the same quality as the comparable services that USWC provides service to its own retail customers, (b) in substantially the same time and manner as the comparable service that USWC provides to its own retail customers and (c) with a minimum of service disruption.
- 1.3.2 "UNE-P-POTS": Retail and/or Resale 1FR/1FB lines that are in their preexisting combined state are available to McLeod as a UNE Combination. UNE-P POTS is comprised of the following unbundled network elements: Analog - 2 wire voice grade loop, Analog Line Side Port, Shared Transport and, if desired, Vertical Features (For complete descriptions please refer to the appropriate Unbundled Network Elements in this Amendment or McLeod's Agreement).
- 1.3.3 "UNE-P-PBX": Retail and/or resale PBX Trunks that are already in their pre-existing combined state are available to McLeod as a UNE Combination. UNE-P-PBX include the following preexisting combination of unbundled network elements: DS1 Capable Loop, Trunk Side Local Switch Port and Trunk Side Shared Transport [STANDARD OFFERING UNDER DEVELOPMENT] (For complete descriptions please refer to the appropriate Unbundled Network Elements in this Amendment or McLeod's Agreement.)
- 1.3.3.1 USWC will begin making UNE-P-PBX preexisting combinations available to McLeod upon request beginning February 17, 2000. Until June 17, 2000, USWC will accept orders for such UNE Combinations on an Individual Case Basis. After this date, USWC will provide McLeod with access to PBX Trunk combinations according to the standard intervals set forth in Section 1.5.
- 1.3.4 "UNE-P-DSS": Retail and/or resale Digital Switched Service (DSS) that are already in their pre-existing combined state are available to McLeod as a UNE Combination. UNE-P-DSS is comprised of the following unbundled network elements: [STANDARD OFFERING UNDER DEVELOPMENT] (For complete descriptions please refer to the appropriate Unbundled Network Elements in this Amendment or McLeod's Agreement).

- 1.3.4.1 USWC will begin making UNE-P-DSS preexisting combinations available to McLeod upon request beginning February 17, 2000. Until June 17, 2000, USWC will accept orders for such UNE Combinations on an Individual Case Basis. After this date, USWC will provide McLeod with access to UNE-P-DSS preexisting combinations according to the standard intervals set forth in Section 1.5.
- 1.3.5 "UNE-P-ISDN": Retail and/or resale ISDN lines that are already in their preexisting combined state are available to McLeod as a UNE Combination. There are two types of UNE-P-ISDN: basic rate (UNE-P-ISDN-BRI) and primary rate (UNE-P-ISDN-PRI). UNE-P-ISDN-BRI is comprised of the following unbundled network elements: Basic ISDN Capable Loop, Digital Line Side Port and Trunk Side Shared Transport [STANDARD OFFERING UNDER DEVELOPMENT]. In addition, vertical features not already associated with the Digital Line Side Port are handled ICB. UNE-P-ISDN-PRI is comprised of the following unbundled network elements: [STANDARD OFFERING UNDER DEVELOPMENT] (For complete descriptions please refer to the appropriate Unbundled Network Elements in this Amendment or McLeod's Agreement).
- 1.3.5.1 USWC will begin making UNE-P-ISDN preexisting combinations available to McLeod upon request beginning February 17, 2000. Until June 17, 2000, USWC will accept orders for such UNE Combinations on an Individual Case Basis. After this date, USWC will provide McLeod with access to UNE-P-ISDN preexisting combinations according to the standard intervals set forth in Section 1.5.
- 1.3.6. "Private Line Local Exchange UNE Combinations" (UNE-PL-X): Retail and/or resale private line circuits that are already in their preexisting combined state are available to McLeod as a UNE Combination. There are many types of Private Line Local Exchange UNE Combinations. USWC will provide access to the following as standard offerings: UNE-PL-DS1 private line circuits are comprised of include the following unbundled network elements: DS1 Capable Loop and DS1 Unbundled Dedicated Interoffice Transport. [REMAINING STANDARD OFFERINGS UNDER DEVELOPMENT] (For complete descriptions please refer to the appropriate Unbundled Network Elements in this Amendment or McLeod's Agreement.) Other Private Line Local Exchange UNE Combinations (DS0 and DS3 with multiplexing) are under development.
- 1.3.6.1 USWC will begin making Private Line Local Exchange UNE Combinations available to McLeod upon request beginning February 17, 2000. Until June 17, 2000, USWC

will accept orders for such UNE Combinations on an Individual Case Basis. After this date, USWC will provide McLeod with access to Private Line Local Exchange UNE Combinations according to the standard intervals set forth in Section 1.5.

1.3.6.2

McLeod cannot utilize preexisting combinations of unbundled network elements that include unbundled loop and unbundled interoffice dedicated transport to create a UNE Combination when the preexisting combination of network elements is either a special access circuit or is otherwise used primarily as a basis to avoid payment of Switched Access charges unless McLeod establishes to USWC that it is using the preexisting combination of network elements to provide a significant amount of local exchange traffic to a particular customer.

1.3.6.2.1 No private line or other unbundled loop dedicated transport combination is available for conversion into a UNE Combination if it utilizes shared use billing, commonly referred to as ratcheting.

1.3.6.2.2 To find that a private line is carrying a "Significant Amount of Local Exchange Traffic," one of the following three (3) conditions must exist:

1.3.6.2.2.1 McLeod is the exclusive provider of an end user's local exchange service and the loop transport combination originates at a customer's premises and terminates at the McLeod's collocation arrangements.

1.3.6.2.2.2 McLeod provides local exchange and exchange access service to the end user and handles at least one-third (1/3) of the end user's local traffic measured as a percent of total end user lines; and for DS1 level and above, at least fifty percent (50%) of the activated channels on the loop portion of the loop and transport combination have at least five percent (5%) local voice traffic individually, and the entire loop facility has at least ten percent (10%) local voice traffic; and the loop/transport combination originates at a customer's premises and terminates at the McLeod's collocation arrangement; and if a loop/transport combination includes multiplexing, each of the multiplexed facilities must meet the above criteria outlined in this paragraph. (For example, if DS1 loops are multiplexed onto DS3 transport, each of the individual DS1 facilities must meet the criteria

outlined in this paragraph in order for the DS1/DS3 loop/transport combination to qualify for UNE treatment).

1.3.6.2.2.3 For the conversion of services to combinations of unbundled network elements, at least fifty percent (50%) of the activated channels are used to provide originating and terminating local dial tone service and at least fifty percent (50%) of the traffic on each of these local dial tone channels is local voice traffic (measured based on the incumbent's local exchange calling area); and the entire loop facility has at least thirty-three percent (33%) local voice traffic; and if a loop/transport combination includes multiplexing, each of the multiplexed facilities must meet the above criteria. For example, if DS1 loops are multiplexed onto DS3 transport, each of the individual DS1 facilities must meet the criteria as outlined in this paragraph in order for the DS1/DS3 loop/transport combination to qualify for UNE treatment.

1.3.6.2.3 There is a legal presumption that any and all Special Access circuits purchased out of federal tariffs are not available as UNE Combinations. If McLeod can establish to USWC through documentary and, if available, other evidence that the preexisting combination of elements is carrying a "Significant Amount of Local Exchange" Traffic, then USWC will convert the Special Access circuit to a UNE Combination. If after McLeod presents its evidence to USWC, McLeod and USWC disagree as to whether the special access circuit is carrying a Significant Amount of Local Exchange Traffic, McLeod can then go to the State Commission at which time McLeod has the burden to establish to the State Commission by a preponderance of the evidence that the special access circuit is carrying a "Significant Amount of Local Exchange Traffic". If McLeod meets its burden, the Special Access circuit will be converted to a UNE Combination. All rights of appeal will be preserved by both Parties.

1.3.6.2.4 USWC has the right to verify McLeod's actual usage on a representative sample of McLeod's private line circuits to determine the percentage of local exchange usage. If USWC can establish to McLeod through documentary and, if available, other evidence that such a combination of unbundled network elements is not currently being used to carry a "Significant Amount of Local Exchange Traffic" then that combination of elements

will not be available to McLeod as a UNE Combination. If after USWC presents its evidence to McLeod, USWC and McLeod disagree as to whether the circuit is carrying a "Significant Amount of Local Exchange Traffic", USWC can then go to the Commission at which time USWC has the burden to establish to the Commission by a preponderance of the evidence that the combination does not meet the requisite requirements is carrying less than a "Significant Amount of Local Exchange Traffic". If USWC meets its burden, the combination of unbundled network elements will not be available as a UNE Combination. All rights of appeal will be preserved by both Parties.

1.3.6.2.5 In order to confirm reasonable compliance with these requirements, USWC may perform periodic audits of McLeod's records according to the following guidelines:

(a) USWC may, upon thirty (30) days written notice to a McLeod that has purchased loop/transport combinations as UNEs, conduct an audit to ascertain whether those loop/transport combinations were eligible for UNE treatment at the time of conversion and on an ongoing basis thereafter.

(b) McLeod shall make reasonable efforts to cooperate with any audit by USWC and shall collect, compile, maintain and, in connection with an audit, provide USWC with relevant records (for example, call detail records) for all traffic that has been transmitted over all loop/transport combinations subject to the audit. McLeod must maintain auditable records for at least twelve (12) months, or, in the event of an audit or dispute, until such audit or dispute is resolved, whichever is longer.

(c) An independent auditor hired and paid for by USWC shall perform any audits, provided, however, that if an audit reveals that McLeod's UNE-PL-X circuit(s) do not meet or have not met the certification requirements, then CO-PROVIDER shall reimburse USWC for the cost of the audit.

(d) An audit shall be performed using industry audit standards during normal business hours, unless there is a mutual agreement otherwise.

(e) USWC may not exercise its audit rights with respect to a particular McLeod (excluding affiliates) more

than twice in any calendar year, unless an audit finds noncompliance.

(f) Audits conducted by USWC for the purpose of determining compliance with certification criteria are "over and above" any audit rights that USWC may have pursuant to an interconnection agreement between McLeod and USWC.

- 1.3.7 McLeod may request a service change from Centrex 21, Centrex Plus or Centron service to UNE-P-POTS. The UNE-P-POTS line will contain the UNEs established in Section 1.3.2.
 - 1.3.7.1 Only vertical features may be added to the UNE-P-POTS line. Administrative controls specific to Centrex will not be converted.
- 1.3.8 McLeod may request access to and, where appropriate, development of, additional Rule 315(b) UNE Combinations pursuant to the Bona Fide Request Process in McLeod's Agreement. In its BFR request, McLeod must identify the specific preexisting combination of UNEs it believes meets Rule 315(b), identifying each individual UNE by name as described in this Amendment or McLeod's Agreement.
- 1.3.9 The following terms and conditions are available for all types of UNE-P:
 - 1.3.9.1 UNE-P will include access to long distance (interLATA and intraLATA) and 911 emergency services and, if desired, by McLeod, Operator Services and Directory Assistance.
 - 1.3.9.2 If USWC provides and McLeod accepts operator services, directory assistance, and intraLATA long distance as a part of the basic exchange line, it will be offered with standard USWC branding. McLeod is not permitted to alter the branding of these services in any manner when the services are a part of the UNE-P line without the prior written approval of USWC. However, at the request of McLeod and where technically feasible, USWC will rebrand operator services and directory assistance in McLeod's name, in accordance with terms and conditions set forth in McLeod's Agreement.
 - 1.3.9.3 McLeod may order Customized Routing in conjunction with UNE-P for alternative operator service and/or directory assistance platforms. McLeod shall be responsible to combine UNE-P with all components and requirements

associated with Customized Routing needed to utilize related functionality. For a complete description of Customized Routing, refer to Section 2.

- 1.3.9.4 USWC shall provide to McLeod, for McLeod's end users, E911/911 call routing to the appropriate Public Safety Answering Point ("PSAP"). USWC shall not be responsible for any failure of McLeod to provide accurate end-user information for listings in any databases in which USWC is required to retain and/or maintain end-user information. USWC shall provide McLeod's end user information to the ALI/DMS ("Automatic Location Identification/Database Management System"). USWC shall use its standard process to update and maintain, on the same schedule that it uses for its end users, McLeod's end user service information in the ALI/DMS used to support E911/911 services. USWC assumes no liability for the accuracy of information provided by McLeod.
- 1.3.9.5 McLeod shall designate the Primary Interexchange Carrier (PIC) assignments on behalf of its end users for interLATA and intraLATA services. McLeod shall follow all applicable laws, rules and regulations with respect to PIC changes and USWC shall disclaim any liability for McLeod's improper PIC change requests.
- 1.3.9.6 Feature and interLATA or intraLATA PIC changes or additions for UNE-P, will be processed concurrently with the UNE-P order as specified by the McLeod.
- 1.3.9.7 McLeod agrees to work in good faith with USWC, on all issues, including, if necessary, extending standard provisioning intervals, if McLeod orders and/or projects orders for more than 500 UNE-P lines in any one month.
- 1.3.10 If a retail contract or tariff agreement exists between USWC and the end user customer or reseller utilizing the preexisting combination of elements, all applicable Termination Liability Assessment (TLA) or minimum period charge whether contained within tariffs, contracts or any other applicable legal document, will apply and must be paid in full by the responsible party before the preexisting combination of elements is available for conversion into a UNE Combination. McLeod does not agree to this position. In the event that a dispute arises regarding TLA or minimum period charge within the context of this paragraph, the Parties shall attempt in good faith to resolve the matter informally. If the Parties fail to reach resolution, the Dispute Resolution provision of this Agreement shall apply.

- 1.3.11 If McLeod requests that an existing resale customer be converted into a UNE Combination, the resale rate will continue to apply until the date USWC completes conversion of the order into UNE Combination pursuant to the standard provisioning intervals set forth in Section 1.5.
- 1.3.12 McLeod shall provide USWC with an eighteen (18) month forecast of its expected UNE Combination orders within thirty (30) calendar days of requesting service pursuant to McLeod's Agreement and this Amendment. The forecast shall be updated every six months for the first year of the contract and each November McLeod shall provide a forecast for the following calendar year. Each forecast shall provide: (a) Proposed volumes by month for each type of UNE Combination (by city and/or state); (b) McLeod's anticipated number of UNE Combination service orders; and (c) the name and identifying information of McLeod's key contact personnel. The information provided pursuant to this paragraph shall be considered Proprietary Information under the Nondisclosure Section.
- 1.3.13 When end users switch from USWC to McLeod, or to McLeod from any other competitor and is obtaining service through a UNE Combination, such end users shall be permitted to retain their current telephone numbers if they so desire.
- 1.3.14 In the event USWC terminates the provisioning of any UNE Combination service to McLeod for any reason, including McLeod's non-payment of charges, McLeod shall be responsible for providing any and all necessary notice to its end users of the termination. In no case shall USWC be responsible for providing such notice to McLeod's end users. USWC shall only be required to notify McLeod of USWC's termination of the UNE Combination service on a timely basis consistent with Commission rules and notice requirements.
- 1.3.15 McLeod, or McLeod's agent, shall act as the single point of contact for its end users' service needs, including without limitation, sales, service design, order-taking, provisioning, change orders, training, maintenance, trouble reports, repair, post-sale servicing, billing, collection and inquiry. McLeod's end users contacting USWC will be instructed to contact McLeod; however, unless specifically provided otherwise, nothing in this Amendment shall be deemed to prohibit USWC from discussing its products and services with McLeod's end users who call USWC.

1.4 Rates and Charges

- 1.4.1 The rates and charges for the individual unbundled network elements that comprise UNE Combinations can be found in

McLeod's Agreement and Exhibit A for both recurring and non-recurring application.

- 1.4.1.1 Recurring monthly charges for each unbundled network element that comprise the UNE Combination shall apply when a UNE Combination is ordered. The recurring monthly charges for each UNE, including but not limited to Unbundled 2-wire Analog Loop, Analog Line Side Port and Shared Transport, are described in McLeod's Agreement and Exhibit A.
- 1.4.1.2 Nonrecurring charges for each unbundled network element that comprise the UNE Combination shall apply when a UNE Combination is ordered. These non-recurring charges are described in McLeod's Agreement and Exhibit A.
- 1.4.2 If the State Commission takes any action to adjust the rates previously ordered, USWC will make a compliance filing to incorporate the adjusted rates into Exhibit A. Upon the compliance filing by USWC, the parties will abide by the adjusted rates on a going-forward basis.
- 1.4.3 McLeod shall be responsible for billing its end user customers served over UNE Combinations for all miscellaneous charges and surcharges required by statute, regulation or otherwise required. These charges and surcharges will be consistent with the charges and surcharges for equivalent services ordered by USWC end users.
- 1.4.4 McLeod shall pay USWC the PIC change charge associated with McLeod end user changes of interLATA or intraLATA carriers. Any change in McLeod's end users' interLATA or intraLATA carrier must be requested by McLeod on behalf of its end user.
- 1.4.5 If a customer is served by McLeod through a UNE combination, USWC will not charge, assess, or collect Switched Access charges for interLATA or intraLATA calls originating or terminating from that customer's phone after conversion to a UNE Combination is complete.
- 1.4.6 USWC shall have a reasonable amount of time to implement system or other changes necessary to bill McLeod for Commission-ordered rates or charges associated with UNE Combinations.

1.5 Ordering Process

- 1.5.1 All UNE Combinations and associated products and services are ordered via an LSR. Ordering processes are contained in McLeod's Agreement and in the UNE-P and UNE Combination Resource Guide.
- 1.5.2 Prior to placing an order on behalf of each end user, McLeod shall be responsible for obtaining and have in its possession a Proof of Authorization as set forth in McLeod's Agreement.
- 1.5.3 Standard service intervals for each UNE Combination will be identified in the UNE-P and UNE Combination Resource Guide which includes the Standard Interval Guide for Interconnection and Resale Services. When the standard interval does apply, McLeod and USWC will use the standard provisioning interval for the equivalent retail service. Standard intervals do not apply when certain circumstances exist as specifically set forth in other aspects of this UNE Combination section. McLeod and USWC can separately agree to due dates other than the standard interval.
- 1.5.4 Due date intervals are established when US WEST receives a complete and accurate Local Service Request (LSR) made through the IMA or EDI interfaces or through facsimile. The date the LSR is received is considered the start of the service interval if the order is received on a business day prior to 3:00 p.m. The service interval will begin on the next business day for service requests received on a weekend day or after 3:00 p.m. on a business day. This interval may be impacted by order volumes and load control considerations.
- 1.5.5 McLeod shall provide USWC with complete and accurate end user listing information for Directory Assistance, Directory Listings, and 911 Emergency Services for all customers served by UNE Combinations.
- 1.5.6 When USWC's end user or the end user's new service provider orders the discontinuance of the end user's existing service in anticipation of moving to another service provider, USWC will render its closing bill to the end user effective with the disconnection. If USWC is not the local service provider, USWC will issue a bill to McLeod for that portion of the service provided to McLeod should McLeod's end user, a new service provider, or McLeod request service be discontinued to the end user. USWC will notify McLeod by FAX, OSS interface, or other agreed upon processes when an end user moves to another service provider. USWC will not provide McLeod with the name of the other service provider selected by the end user.

1.5.7 For UNE Combinations, McLeod shall provide USWC and USWC shall provide McLeod with points of contact for order entry, problem resolution, repair, and in the event special attention is required on service request.

1.5.8 McLeod will only submit the following types of orders to USWC for conversion to UNE-P: (a) conversions from resale, (b) conversions from retail, and (c) orders where facility check states that "soft dial tone" is in place. In these three circumstances "preexisting combinations" of elements are already in place. If McLeod submits an order that does not satisfy one of the above USWC will reject the order and such rejection will not count against USWC's performance reporting as set forth in the Service Performance Section of the Interconnection Agreement.

1.6 Billing

USWC shall provide McLeod, on a monthly basis, within 7-10 calendar days of the last day of the most recent billing period, in an agreed upon standard electronic billing format as detailed in McLeod's Agreement, billing information including (1) a summary bill, and (2) individual end user sub-account information consistent with the samples available for McLeod review.

1.7 Maintenance and Repair

1.7.1 USWC will maintain facilities and equipment that comprise the service provided to McLeod as a UNE Combination. McLeod or its end users may not rearrange, move, disconnect or attempt to repair USWC facilities or equipment, other than by connection or disconnection to any interface between USWC and the end user, without the written consent of USWC.

2.0 Customized Routing

2.1 Description

2.1.1 Customized Routing permits McLeod to designate a particular outgoing trunk that will carry certain classes of traffic originating from McLeod's customers. Customized routing enables McLeod to direct particular classes of calls to particular outgoing trunks which will permit McLeod to self-provide or select among other providers of interoffice facilities, operator services and directory assistance. Customized routing is a software function of a switch. Customized Routing may be ordered as an application with Resale or Unbundled Local Switching.

2.1.2 McLeod may elect to route its end-user customers' traffic in the same manner as USWC routes its end-user customers' calls using

existing USWC line class code(s). This option eliminates assignment and deployment charges applicable to new McLeod line class code(s) required for custom or unique McLeod routing requests.

2.2 Terms and Conditions

2.2.1 Customized Routing will be offered on a first-come, first-served basis.

2.2.2 McLeod has two options by which to route its end-user customers' calls:

(a) McLeod may elect to route all of its end-user customers' calls in the same manner as USWC routes its end-user customers' calls. This option allows McLeod to use the same line class code(s) used by USWC and thus eliminates line class code(s) and deployment charges to the McLeod.

(b) McLeod may elect to custom route its end-user customers' calls differently than USWC routes its end user traffic. McLeod may choose different routing by traffic type, by prefix, etc. In this option, there will be a charge for the establishment and deployment of a new McLeod line class code(s). If a McLeod line class code(s) was previously established and deployed at a particular end office, only a deployment charge will apply per new end office location.

2.2.3 In both option (a) and (b) above, McLeod shall provide comprehensive routing information associated with any routing request. USWC will provide line class code(s) to the McLeod for inclusion in the McLeod LSR (Local Service Request).

2.3 Rate Elements

2.3.1 Charges for development of a new McLeod line class code(s) for routing of Directory Assistance and Operator Services traffic is included in McLeod's Agreement or Exhibit A. All other custom routing arrangements shall be billed on an individual case basis for each custom routed request.

2.3.2 Charges for the installation of new line class codes for custom routing arrangements for directory assistance and operator services traffic is included in McLeod's Agreement or Exhibit A. Installation charges for all other custom routing arrangements shall be billed on an individual case basis for each switch in which the code is deployed.

2.4 Ordering Process

- 2.4.1 McLeod shall issue a Service Inquiry form detailing its routing and facility requirements prior to a pre-order meeting with USWC. Refer to the New Customer Questionnaire contained in the Interconnect & Resale Resource Guide for a copy of the Service Inquiry.
- 2.4.2 After the Service Inquiry form is completed and provided to USWC, the pre-order meeting will be jointly established to provide USWC with the comprehensive network plan, specific routing requirements and desired due dates.
- 2.4.3 USWC will provide McLeod a detailed time and cost estimate thirty (30) business days after the pre-order meeting.
- 2.4.4 If custom routing is requested, the McLeod shall submit a 50% deposit for the establishment and deployment of a new McLeod line class code(s). USWC will assign a new McLeod line class code(s) and provide it to the McLeod for inclusion in the LSR (Local Service Request) which the McLeod will subsequently issue for deployment of the line class code(s) by USWC.
- 2.4.5 If McLeod elects to route their end-users' calls in the same manner in which USWC routes its end-user customers' calls, establishment and deployment charges for new McLeod line class code(s) will not apply. USWC will assign existing USWC line class code(s) and provide to the McLeod for inclusion in the LSR (Local Service Request).
- 2.4.6 McLeod must place the associated trunk orders prior to the establishment or deployment of Line Class Codes in specific end offices.

2.5 Maintenance and Repair

Maintenance and Repair are the sole responsibility of USWC.

3.0 Shared Interoffice Transport

USWC shall provide Shared Interoffice Transport in a non-discriminatory manner according to the following terms and conditions.

3.1 Description

- 3.1.1 Shared Transport is defined as interoffice transmission facilities shared by more than one carrier, including USWC, between end

office switches, between end office switches and tandem switches, and between tandem switches.

3.2 Terms and Conditions

3.2.1 Shared Transport is only provided with Unbundled Local Switch Ports and Unbundled Network Element-Platform (UNE-P), as described in this Amendment. The existing routing tables resident in the switch will direct both USWC and McLeod traffic over USWC's interoffice message trunk network.

3.2.2 McLeod may custom route operator services or directory assistance calls to unique operator services/directory services trunks.

3.3 Rate Elements

3.3.1 Shared Transport will be billed on a minute-of-use basis in accordance with the rate described in Exhibit A.

3.4 Ordering Process

Shared Transport is ordered with Unbundled Line Port and Unbundled Local Switching via the LSR process. Shared transport is assumed to be the choice of routing when ordering a port, unless specified differently by McLeod. Ordering processes are contained in Section 1.5. Installation intervals are incorporated in the Unbundled Line Port and are listed in the Interconnect and Resale Resource Guide.

3.5 Maintenance and Repair

Maintenance and Repair are the sole responsibility of USWC.

SOUTH DAKOTA RATES
FOR UNBUNDLED NETWORK ELEMENTS COMBINATIONS

SOUTH DAKOTA			
	Recurring Rates	Nonrecurring Rates	
Shared Interoffice Transport	\$ 0.00138786	n/a	
Customized Routing	ICB	ICB	

**Amendment No. 2 to the Interconnection Agreement
Between
McLeodUSA Telecommunications Services, Inc.
and
USWC Communications, Inc.
In the State of South Dakota**

This Amendment No. 2 ("Amendment") is made and entered into by and between McLeodUSA Telecommunications Services, Inc. ("McLeod") and USWC Communications, Inc. ("USWC").

RECITALS

McLeod and USWC entered into that certain Interconnection Agreement for service in the state of South Dakota which was approved by the South Dakota Public Utilities Commission on July 23, 1999 (the "Agreement"); and

McLeod and USWC wish to amend the Agreement under the terms and conditions contained herein;

NOW THEREFORE, the Parties agree to the following:

1. Amendment Terms.

This Amendment is made in order to add Reciprocal Compensation language to the Agreement.

Accordingly, Attachment 1, Rates and Charges, to the underlying Agreement is revised to add a new sub-section 5.1.1 to Section 5, Transport and Termination, as follows:

- 5.1.1 Other provisions of this Agreement to the contrary notwithstanding, for the period beginning March 1, 2000, and ending no later than December 31, 2002, neither party shall charge the other for any rate element necessary for transporting or terminating local and internet-related calls which originate and terminate in the same local calling area.

2. Effective Date.

This Amendment shall be deemed effective upon approval by the appropriate state Commission; however, the Parties may agree to implement the provisions of this Amendment upon execution.

3. Further Amendments.

Except as modified herein, the provisions of the Agreement shall remain in full force and effect. Neither the Agreement nor this Amendment may be further amended or altered except by written instrument executed by an authorized representative of both parties.

The parties intending to be legally bound have executed this Amendment as of the dates set forth below, in multiple counterparts, each of which is deemed an original, but all of which shall constitute one and the same instrument.

McLeodUSA Telecommunications
Services, Inc.

USWC Communications, Inc.

DRG
Signature

Elizabeth J. Stamp
Signature

DAVID R. CONN
Name Printed/Typed

Elizabeth J. Stamp
Name Printed/Typed

V.P. PRESIDENT
Title

Director - Interconnect
Title

5/30/00
Date

06/05/00
Date

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of June 29, 2000 through July 05, 2000

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact
Delaine Kolbo within five business days of this filing.
Phone: 605-773-3705 Fax: 605-773-3809

CONSUMER COMPLAINTS

CT00-081 In the Matter of the Complaint filed by Peter and Dorothy Beaudette, Rapid City, South Dakota, against AmeriVision Communications, Inc. Regarding Unauthorized Billing for Services and Refusal to Cancel Account.

The complainants allege that unauthorized, non-toll charges from AmeriVision Communications began appearing on their telephone bill in August, 1999. Despite numerous requests and efforts to cancel the account and prevent further charges, AmeriVision Communications has continued to send monthly charges to the complainants. The complainants request that AmeriVision Communications stop sending unauthorized charges; they request to be reimbursed for the charges and for money spent on postage and for AmeriVision Communications to pay \$1000.00 in reparation to them for their frustration.

Staff Analyst: Charlene Lund
Staff Attorney: Karen Cremer
Dated Docketed: 07/05/00
Intervention Deadline: NA

CT00-082 In the Matter of the Complaint filed by Greg May, Sioux Falls, South Dakota, against FirsTel, Inc. Regarding Unauthorized Switching of Services.

The Complainant alleges that when his local telecommunications service was switched from U S WEST to FirsTel, FirsTel did not continue his long distance service with AT&T. AT&T continued to transfer billing information to U S WEST. Since U S West was no longer the local carrier, billings were not sent to the Complainant. The Complainant eventually received a long distance billing from AT&T at very high rates. The Complainant seeks \$1000 in compensation, additional compensation for time and effort, and removal of all long distance charges.

Staff Analyst: Leni Healy
Staff Attorney: Karen Cremer
Date Docketed: 07/05/00
Intervention Deadline: NA

TELECOMMUNICATIONS

TC00-105 In the Matter of the Application of ServiSense.com, Inc. for a Certificate of Authority to Provide Telecommunications Services, Including Local Exchange Services, in South Dakota.

omniscense.com, Inc. is seeking a Certificate of Authority to provide resold interexchange and local exchange telecommunication services in South Dakota. The applicant intends to offer services to residential and business customers utilizing switched access. Services include calling card services.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Docketed: 06/29/00
Intervention Deadline: 07/21/00

TC00-105 In the Matter of the Establishment of a Switched Transport Rate for South Dakota Network, Inc.

South Dakota Network filed a cost study revenue requirement and a tariff sheet revision for a rate reduction in Switched Transport. South Dakota Network is requesting an effective date of August 1, 2000.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Docketed: 06/29/00
Intervention Deadline: 07/21/00

TC00-107 In the Matter of the Filing for Approval of First and Second Amendments to the Interconnection Agreement between McLeodUSA Telecommunications Services, Inc. and U S WEST Communications, Inc.

A first and second amendment to an interconnection agreement between McLeodUSA and U S WEST Communications, Inc. was filed with the Commission. The First Amendment will add terms, conditions and rates with regard to Unbundled Network Elements and the Second Amendment will add Reciprocal Compensation language to the original agreement.

Any party wishing to comment on the amendments may do so by filing written comments with the Commission and the parties to the amendments no later than July 24, 2000. Parties to the amendments may file written responses to the comments no later than twenty days after the service of the original comments.

Staff Attorney: Karen Cremer
Date Docketed: 07/03/00
Comments Due: 07/24/00

TC00-108 In the Matter of the Filing for Approval of a Paging Connection Agreement between U S WEST Communications, Inc. and Arch Paging, Inc. and Mobile Communications Corporation of America.

A paging connection agreement between U S WEST Communications, Inc. and Arch Paging, Inc. and Mobile Communications Corporation of America was filed with the Commission. The agreement is a negotiated agreement covering both Type 1 and Type 2 paging connection service, which consists only of those one-way facilities and services that are provisioned by

U S WEST for the sole purpose of delivering one-way, land-to-pager traffic sent by U S WEST's end users and Transit Traffic to Paging Providers. The agreement also sets forth the terms, conditions and prices under which the parties agree to interconnect and pay reciprocal compensation for the exchange of local traffic.

Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than July 25, 2000. Parties to the agreement may file written responses to comments no later than twenty days after the service of the original comments.

Staff Attorney: Karen Cremer
Date Docketed: 07/05/00
Comments Due: 07/25/00

TC00-109 In the Matter of the Filing for Approval of a Resale Agreement between U S WEST Communications, Inc. and Comm South Companies, Inc.

An interconnection agreement between U S WEST Communications, Inc. and Comm South Companies, Inc. was filed with the Commission. The agreement is a negotiated agreement setting forth certain arrangements to provide, within the geographical areas where U S WEST is the incumbent local exchange carrier, the resale of local telecommunications services.

Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than July 25, 2000. Parties to the agreement may file written responses to comments no later than twenty days after the service of the original comments.

Staff Attorney: Karen Cremer
Date Docketed: 07/05/00
Comments Due: 07/25/00

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING FOR) ORDER APPROVING FIRST
APPROVAL OF FIRST AND SECOND) AND SECOND
AMENDMENTS TO AN INTERCONNECTION) AMENDMENTS TO
AGREEMENT BETWEEN MCLEODUSA) AGREEMENT
TELECOMMUNICATIONS SERVICES, INC.)
AND QWEST CORPORATION) TC00-107

On July 3, 2000, Qwest Corporation (Qwest), fka U S WEST Communications, Inc. filed for approval by the South Dakota Public Utilities Commission (Commission) first and second amendments to an interconnection agreement between McLeodUSA Telecommunications Services, Inc. (McLeod) and Qwest. The first amendment adds terms, conditions and rates with regard to unbundled network elements and the second amendment adds reciprocal compensation language to the original agreement.

On July 6, 2000, the Commission electronically transmitted notice of the filing of the first and second amendments to interested individuals and entities. The notice stated that any person wishing to comment on the parties' request for approval had until July 24, 2000, to do so. No comments were filed.

At its duly noticed September 26, 2000, meeting, the Commission considered whether to approve the negotiated first and second amendments to the agreement between Qwest and McLeod. Commission Staff recommended its approval.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-31, and the Federal Telecommunications Act of 1996. In accordance with 47 U.S.C. § 252(e)(2), the Commission found that the first and second amendments do not discriminate against a telecommunications carrier that is not a party to the first and second amendments and the first and second amendments are consistent with the public interest, convenience, and necessity. The Commission unanimously voted to approve the first and second amendments to the agreement. It is therefore

ORDERED, that the Commission approves the negotiated first and second amendments to the agreement as described herein.

Dated at Pierre, South Dakota, this 29th day of September, 2000.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By Allyne Kelso
Date 9/29/00

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner