AMENDMENT TO INTERCONNECTION AGREEMENT FOR ELIMINATION OF UNE-P AND IMPLEMENTATION OF BATCH HOT CUT PROCESS AND DISCOUNTS
between
Qwest Corporation and McLeodUSA Telecommunications Services, Inc.
for the State of Nebraska

This Agreement is entered into by and between Qwest Corporation ("Qwest"), a Colorado corporation, and McLeodUSA Telecommunications Services, Inc. ("CLEC"), an Iowa corporation, effective as of the Effective Date, defined below. Qwest and CLEC shall be known jointly as the "Parties".

RECITALS

WHEREAS, the Parties entered into an Interconnection Agreement, for service in the State of Nebraska, that was approved by the Nebraska Public Service Commission on April 14, 1999, as referenced in Docket No. C-2023 ("Agreement"); and

WHEREAS, the Parties may during the Term of this Amendment enter into new Interconnection Agreement(s) and/or amend existing Interconnection Agreement(s); and

WHEREAS, CLEC previously purchased on an unbundled basis from Qwest certain combinations of network elements, ancillary functions, and additional features, including without limitation the local Loop, port, switching, and shared transport combination commonly known as Unbundled Network Element Platform ("UNE-P"); and

WHEREAS such UNE-P arrangements were previously obtained by CLEC under the terms and conditions of certain Interconnection Agreements including without limitation in certain states Qwest's Statement of Generally Available Terms; and

WHEREAS both CLEC and Qwest acknowledge certain regulatory uncertainty in light of the DC Circuit Court's decision in United States Telecom Association v. FCC, 359 F.3d 554 (March 2, 2004), with respect to the future existence, scope, and nature of Qwest's obligation to provide such UNE-P arrangements under the Communications Act (the "Act"); and

WHEREAS to address such uncertainty and to create a stable arrangement for the continued availability to CLEC from Qwest of services technically and functionally equivalent to the June 14, 2004 UNE-P arrangements the parties have contemporaneously entered into a Master Service Agreement for the provision of Qwest Platform Plus™ service (the "QPP™ MSA"); and

WHEREAS, the Parties have agreed to the following terms and conditions which during the Term of this Amendment are intended to supplement in part and supercede in part the terms and conditions of their existing Interconnection Agreement and any new Interconnection Agreements they may enter into.

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:

Section 1.0 – Definitions

"Batch Hot Cut" refers to a hot cut performed pursuant to the Batch Hot Cut Process described in Attachment A.

"Individual Hot Cut" refers to a hot cut that is not performed pursuant to a batch process.

Section 2.0 – General Terms and Conditions

2.1 Effective Date. This Amendment shall become effective upon the latest execution date by the Parties ("Effective Date").

2.2 Term. The term of this Amendment shall begin on the Effective Date and shall remain in effect through July 31, 2008. At any time within 6 months prior to expiration of the Amendment either Party may provide notice of renegotiation. Upon mutual agreement, the term of the Amendment may be extended upon the same terms and conditions for no more than one (1) six month extension period. If the QPP MSA is terminated (for reasons other than material breach by CLEC with respect to a particular state, this Amendment shall, by its own terms and notwithstanding any requirement that subsequent modifications or amendments be in writing signed by both Parties, automatically be terminated in that state, and CLEC shall be free thereafter to pursue any available means to purchase UNE-P or equivalent services from Qwest.

2.3 Scope of Amendment. The provisions of this Amendment are intended to amend and supercede those provisions of CLEC's existing and all future Interconnection or other Agreements only as they relate to the offering of Unbundled mass market Switching or Unbundled enterprise Switching and Unbundled Shared Transport in combination with other network elements as part of the Unbundled Network Element Platform, and Batch Hot Cuts, as defined below (collectively, the "Services"). The Services and related terms and conditions described in this Agreement are applicable only in Qwest's incumbent LEC service territory in the states of Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming.

2.4 Existing Rules. The provisions in this Amendment are intended to be in compliance with and based on the existing state of the law, rules, regulations and interpretations thereof, including but not limited to Federal rules, regulations, and laws, as of June 17, 2004 (the "Existing Rules"). Nothing in this Agreement shall be deemed an admission by Qwest or CLEC concerning the interpretation or effect of the Existing Rules or an admission by Qwest or CLEC that the Existing Rules should not be changed, vacated, dismissed, stayed or modified. Nothing in this Amendment shall preclude or estop Qwest or CLEC from taking any position in any forum concerning the proper interpretation or effect of the Existing Rules or concerning whether the Existing Rules should be changed, vacated, dismissed, stayed or modified.

2.5 Change of Law. If a change in law, rule, or regulation materially impairs a party's ability to perform or obtain a benefit under this Amendment, both parties agree to negotiate in good faith such changes as may be necessary to address such material impairment.

2.6 Regulatory Approval. In the event the FCC, a state commission or any other governmental authority or agency rejects or modifies any material provision in this Amendment, either party may immediately upon written notice to the other Party terminate this Amendment and the QPP MSA.

2.7 Entire Agreement. This Amendment (including all Attachments) constitutes the full and entire understanding and agreement between the Parties with regard to the subjects of this Amendment and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, including but not limited to, any term sheet or memorandum of understanding entered into by the Parties, to the extent they relate in any way to the subjects of this Amendment.

Section 3.0 – Batch Hot Cut Terms and Conditions

3.1 Individual Hot Cuts. All hot cuts, except for those hot cuts performed pursuant to a batch process, will be provided by Qwest to CLEC at the rates, terms and conditions set forth in CLEC's Interconnection Agreement.

3.2 Batch Hot Cut Process. Upon deployment of the Batch Hot Cut Status Tool and amendment of Appointment Scheduler to accommodate Batch Hot Cut orders, Qwest shall provide Batch Hot Cuts to CLEC upon the rates, terms and conditions set forth in this Agreement. The Parties agree to follow the Batch Hot Cut Process described in Attachment A. CLEC agrees to use commercially reasonable efforts to use the Batch Hot Cut Process under this Agreement even in states in which the Individual Hot Cut rate is lower than the Batch Hot Cut Rate.

3.3 Batch Hot Cut Rates: The base Batch Hot Cut price is $27.50 per line unless the incentive thresholds below are met. If the number of CLEC's QPP™ lines as of October 31, 2005 equals or exceeds 90% of the sum of CLEC's QPP™ and UNE-P lines as of October, 31, 2004, the Batch Hot Cut rate for CLEC will be reduced to $23 per line for Batch Hot Cuts performed during the time period from January 1, 2006 through December 31, 2006. If the number of CLEC's QPP™ lines as of October 31, 2006 equals or exceeds 90% of the sum of CLEC's QPP™ and UNE-P lines as of October, 31, 2005, the Batch Hot Cut rate for CLEC will be reduced to $18.50 per line for Batch Hot Cuts performed during the time period from January 1, 2007 through end of the term of this Amendment. For purposes of this section, the number of QPP™ lines and the sum of QPP™ and UNE-P lines shall be calculated on a regionwide basis that includes all states in which this Amendment is in effect.

3.4 Batch Hot Cut Rate Adjustment: If after the Effective Date, for a state in which the Individual Hot Cut rate is higher than the Batch Hot Cut Rates under this Amendment (inclusive of the discounts set forth in Section 3.3) as of the Effective Date, the rate for Individual Hot Cuts in such state is subsequently lowered below the Batch Hot Cut Rates contained in this Amendment (inclusive of the discounts set forth in Section 3.3), then the Batch Hot Cut rates under this Amendment (including the discounted rates set forth in Section 3.3) that are higher than the newly-lowered state rate for Individual Hot Cuts will be automatically adjusted downward prospectively (with such new rates being implemented for CLEC region-wide for all fourteen states) by an amount equal to the difference in the newly-lowered state Individual Hot Cut rate and each higher Batch Hot Cut Rate under this Amendment multiplied by the percentage of Qwest local service lines in that state compared to the total number of Qwest in-region local service lines.

> Example 1: The individual hot cut rate in Arizona is lowered from the current TELRIC rate to $30.00 per line. Because $30.00 is higher than the Batch Hot Cut Rates under this Amendment, there would be no adjustment.

Example 2: The individual hot cut rate in Montana is lowered on January 1, 2006 from the current TELRIC rate to $20.00 per line. The $27.50 and $23.00 Batch Hot Cut Rates (but not the $18.50 rate) shall be reduced effective January 1, 2006 as follows.

New lowered Batch Hot Cut Rate = $27.50 - (($27.50 - $20.00) x (Number of Qwest local service lines in Montana / Total number of Qwest local service lines in Qwest's fourteen state territory))

New lowered Batch Hot Cut Rate = $23.00 - (($23.00 - $20.00) x (Number of Qwest local service lines in Montana / Total number of Qwest local service lines in Qwest's fourteen state territory))

3.5 Batch Hot Cut Tools. Qwest is in the process of developing a Batch Hot Cut Scheduling Tool and a Batch Hot Cut Status Tool. CLEC understands that these Tools will not be available until IMA 16.0 is released and CLEC will not be able to submit requests for Batch Hot Cuts until IMA 16.0 is released. Qwest shall use best reasonable commercial efforts to release IMA 16.0 by December 31, 2004. The Batch Hot Cut Scheduling Tool will be enhanced in a future IMA release if and to the extent the enhancement is supported by the CLEC community. If approved, the enhancement will include the ability to reserve due dates for IDLC in cumulative batches of no more than 40 IDLC Loops per state per day. Qwest and CLEC agree to support as a high priority the enhancement for IDLC inclusion in the Batch Hot Cut Scheduling Tool and will work this through the systems prioritizations procedures in the Qwest Wholesale Change Management Process. Qwest and CLEC will rank this enhancement change request within the top twenty-five percent (25%) of all change requests to be prioritized through the Qwest Wholesale Change Management Process when this change request is prioritized. The Parties agree to the following service assurance approach for these Tools:

3.5.1 Batch Hot Cut Scheduling Tool Availability. To the extent that there is a systems failure that exceeds forty-eight (48) hours and creates an inability to request a Batch Hot Cut, Qwest will work in good faith with CLEC to develop a negotiated settlement with respect to the cost difference between the Qwest QPP™ monthly recurring charge (MRC) and the Unbundled Loop MRC times the number of days that CLEC was unable to order a Batch Hot Cut. Settlement discussions would be initiated upon the written request of CLEC.

3.5.2 Batch Hot Cut Status Tool System Refresh Timeliness. After the deployment of the Batch Hot Cut Status Tool, Qwest and CLEC will work cooperatively to review the system logic and processes in an effort to determine an appropriate measurement approach. The parties agree to take the least-cost approach to capture this performance experience.

3.6 The Batch Hot Cut pricing provisions in this Amendment are subject to the following conditions:

A. Integrated Digital Loop Carrier ("IDLC") is not a part of the standard Batch Hot Cut process. However, the pricing for Batch Hot Cuts will apply to IDLC Loops. IDLC Loops will be batched together in quantities of no more than 40 IDLC Loops per state, per day.

B. Line Splitting to Loop Splitting conversions can be included the Batch Hot Cut process at the same pricing for Batch Hot Cuts stated above. For purposes of this Section, a Line Splitting to Loop Splitting conversion means a conversion from Qwest as the switch

provider to a CLEC switch provider where the data or DLEC provider and the Loop remain the same.

C. Batch Hot Cut limits are in effect as established in the Batch Hot Cut Process described in Attachment A.

Section 4.0 – Removal of UNE-P, Enterprise and Mass Market Switching and Shared Transport from Interconnection Agreement(s)

4.1 Agreement Not to Order. During the term of this Agreement Qwest shall not offer or provide to CLEC, and CLEC shall not order or purchase from Qwest, unbundled mass market switching, unbundled enterprise switching or unbundled shared transport, in combination with other network elements as part of the Unbundled Network Element Platform ("UNE-P"), out of its existing Interconnection Agreement(s) with Qwest, a Qwest SGAT or any other Interconnection Agreement governed by 47 U.S.C. §§251 and 252 that CLEC or one of its affiliates may in the future enter into with Qwest and CLEC waives any right under applicable law in connection therewith. Notwithstanding the foregoing, nothing in this Section shall prevent Qwest from offering or providing QPP™ services to CLEC, or CLEC from ordering or purchasing QPP™ services from Qwest. The agreement not to order UNE-P services embodied in this Section shall remain in effect for the Term of this Amendment, and for the avoidance of doubt, shall no longer be binding on CLEC or otherwise enforceable in a particular state if the QPP MSA is terminated as to that state (other than for reason of material breach by CLEC).

Section 5.0 Other Terms and Conditions of Interconnection Agreements

5.1 Other Interconnection Terms. This Amendment is not intended to alter, adjust or extend existing interconnection arrangements between Qwest and CLEC except as expressly set forth herein and all such other interconnection arrangements and related terms and conditions shall remain in full force and effect.

5.2 CLEC may use Qwest's Directory Assistance Services or operator services and may arrange to provide access to its own, or to a third party's, directory assistance or operator services platform. Qwest Branded Operator Services and Directory Assistance may be purchased by CLEC pursuant to the terms of the applicable ICA, SGAT, or tariff. CLEC Branded Operator Services and Directory Assistance will also be available from Qwest using Originating Line Number Screening ("OLNS"). Qwest will provide CLEC nondiscriminatory access to Qwest's Directory Assistance Listings.

5.3 Line splitting will be available for Loops provided pursuant to the ICA, such that CLEC may provide DSL service using the high-frequency portion of such a Loop and a CLEC-provided splitter, or CLEC may contract with a third-party CLEC to provide such DSL service to an CLEC End User Customer over the high frequency portion of the Loop. The Loop pre-qualification, ordering, provisioning, repair, maintenance and other support functions and services to support CLECs use of line splitting in connection with Loops shall be provided as set forth in the ICA.

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.

Signature

James E. Thompson
Name Printed/Typed

General Counsel and Secretary
Title

1/31/05
Date

Qwest Corporation

Signature

L. T. Christensen
Name Printed/Typed

Director – Interconnection Agreements
Title

2/1/05
Date

Attachment A: Batch Hot Cut Process

The Batch Hot Cut (BHC) installation option permits CLEC to migrate existing defined analog services to a two or four (2/4) wire analog Unbundled Loop in those instances where existing facilities currently serving the end-user customer can be reused without requiring a field technician dispatch. Except as defined below, existing analog services provisioned over Integrated Digital Loop Carrier (IDLC) or originating out of a Remote Switching Unit (RSU) and terminating on an exchange (EX) cable are not eligible for the BHC because the dispatch of a field technician would be required. In addition, the coordination provisioning options for Unbundled Loops are not available when using the BHC process.

A. The BHC process is available to migrate to unbundled Loops from the following services whether they be in Qwest retail, Qwest resale, Qwest UNE-P, or Qwest Platform Plus™ (QPP™) formats: Residential POTS, Business POTS, Centrex 21, Centrex Plus/Centron, Analog DID, and public access lines.

1. The BHC process is also available to convert a line split Loop as defined in Section 9.21 of Qwest's SGAT using one of the aforementioned types of UNE-P or QPP™ lines to a Loop splitting arrangement. This option will be made available upon the development of systems upgrade to accommodate such a request. Qwest will use best reasonable commercial efforts to deploy this capability by December 31, 2004 coincident with IMA release 16.0.

2. A modified BHC process can be used to transition Loops currently provisioned over IDLC. In that circumstance, the IDLC batch must be made up exclusively of lines currently provisioned over IDLC, and identified and designated as such by CLEC using one of Qwest's Loop qualification tools. In those circumstances, the IDLC batch will consist of no more than 40 Loops per state per day. Qwest's scheduling tool will be enhanced in a future IMA release if and to the extent the enhancement is supported by the CLEC community. If approved, the enhancement will include the ability to reserve due dates for IDLC in cumulative batches of no more than 40 IDLC Loops per state per day. Qwest and CLEC agree to support as a high priority the enhancement for IDLC inclusion in the scheduling tool and will work this through the systems prioritizations procedures in the Qwest Wholesale Change Management Process. Qwest and CLEC will rank this enhancement change request within the top twenty-five percent (25%) of all change requests to be prioritized through the Qwest Wholesale Change Management Process when this change request is prioritized.

B. Except as set forth above for IDLC batches, the BHC must be for a minimum of twenty-five (25) Unbundled Loops per CLEC per Central Office and a maximum of one hundred (100) Unbundled Loops among all CLECs per Central Office, per day. There is also a fourteen (14) state region-wide maximum for all CLECs of two thousand five hundred (2,500) Loops per day for all of Qwest's Central Offices.

C. The BHC option is available during standard unbundled Loop business days, which are defined in the Provisioning and Installation Procedural PCAT. The Due Date for the BHC process is set by a standard seven (7) business day installation interval.

Qwest will complete provisioning of the Loops associated with a particular batch between 3:00 a.m. and 11:00 a.m. local time on the Due Date.

D. Before CLEC submits any orders for unbundled Loops using the BHC process, CLEC and Qwest agree to schedule a meeting in order to create a CLEC specific migration plan, if such plan is required. The migration plan shall include CO by CO prioritization, volumes by CO, overall timeframe of migration to be agreed upon between CLEC and Qwest. The jointly developed CLEC migration plan will be assigned a priority based upon its creation date, in the event multiple CLECs contend for batch hot cuts in similar geographies and exceed volume thresholds as defined in Section B above. Upon mutual agreement, the priority assigned to all or part of the jointly developed CLEC migration plan may change. In this event, Qwest will coordinate with all parties to create an overall migration plan that considers everyone's priorities and expectations.

1. If CLEC and Qwest are unable to reach a consensus on the migration plan, any affected party shall have the right to appeal the migration plan to the State Commission, and to seek expedited relief.

2. Once the migration plan is completed, the migration date for CLEC's requests included in the BHC is established by CLEC through the use of the appointment scheduling tool. All requests submitted in the appointment scheduling tool will be processed on a first come, first served basis until the Central Office maximum volume of one hundred (100) Unbundled Loop migrations per day is reached or the two thousand five hundred (2,500) region-wide per day maximum BHC volume is reached. However, if CLEC is found to have submitted orders that materially alter the agreed upon migration plan, and such order submission precludes another CLEC from submitting orders set forth in its migration plan, CLEC's requests can be limited within the scheduling tool in order to allow space for other CLEC orders.

a. Requests beyond the Central Office or the region-wide maximum volume will be scheduled for the next available Due Date.

b. If CLEC is unable to reach the minimum volume of twenty-five (25) Unbundled Loop migrations required for a BHC per Central Office, CLEC may reschedule its BHC request to a Due Date when the minimum volume can be met (subject to the migration plans of other CLECs). If CLEC is unable to meet the minimum volume requirement, CLEC may select an alternate Due Date utilizing any of the other six (6) installation options for each individual request.

3. CLEC shall request BHC installation by designating a "B" on its LSR in the CHC field.

4. The Provisioning interval for the BHC is seven (7) business days.

a. CLEC agrees to have dial tone present on its CFA by 12:00 a.m. (midnight) local time on the first business day following order submittal.

b. Qwest will complete pre-wire of the lines included in the batch (other than IDLC batches) on either the second or third business day of

the Provisioning interval unless Qwest finds no dial tone or if the dial tone is defective (e.g., reversal or wired to the wrong CLEC office equipment) on the pre-wire date. During this time frame if a jeopardy exists, Qwest will notify CLEC of the jeopardy via the BHC Status Tool. During this time frame if a jeopardy exists, CLEC will commit to correct the no dial tone condition and have dial tone available to Qwest by 3:00 a.m. local time on the order Due Date. If CFA changes are required, CLEC will submit a supplement to the LSR by 12:00 p.m. (noon) local time on the fourth business day of the standard interval. If CLEC dial tone is not available or is defective on the Due Date, Qwest will place CLEC's order in jeopardy status and require CLEC to supplement the LSR to establish a new Due Date using either a new batch or using a different installation option.

1. If the jeopardy causes the number of lines in the batch to drop below twenty (20) lines, Qwest reserves the right to reject the entire batch and to place all lines associated with the BHC order into jeopardy status.

2. All related lines to the order placed into jeopardy (e.g. related lines in a business or in a hunt group) shall also be placed into jeopardy status.

c. On both the pre-wire date (as noted above) as well as the lift and lay date (the Due Date), Qwest will test for CLEC dial tone and ANI the line to ensure that CLEC's dial tone is working properly. On the Due Date, if the correct telephone number is working on CLEC's facilities, Qwest will monitor the line and perform the lift and lay. The lift and lay removes CLEC's End User Customer line from the Qwest End Office Switch and migrates the End User Customer's line to CLEC's Switch. Once CLEC has received notification via the BHC status tool, that a line has been migrated, CLEC will have two (2) hours to request that the Unbundled Loop be restored back to its original state. The restoration shall begin immediately upon request by CLEC. No response from CLEC indicates acceptance of the order completion, and Qwest will proceed to disconnect the original service. If CLEC requests removal from the batch, CLEC must issue a new or supplemental LSR to reinitiate the provisioning process for the line(s) in question.

d. Qwest will provision the lines in the batch in the order that makes the most economic sense for Qwest. CLEC will not be able to dictate the order in which the lines will be provisioned, except that multiple lines for a single customer in a single location (including hunt groups) ordered on the same LSR will be provisioned together.

E. The Batch Status Tool will provide CLEC with the current status of its BHC requests for any given central office on an individual line-by-line basis. The Batch Status Tool will return a display that will list status changes on BHC orders occurring for that day. The display will provide the affected telephone numbers, order numbers, related order numbers, CFA, and PON number associated with the BHC requested. Subsequent changes to the status of any order will be noted in the Batch Status Tool.

The Batch Status Tool will provide, on the day of the cut, the start time and the completion time on a line-by-line basis. If CLEC is interested in capturing the exact moment the conversion work is completed, CLEC's current switch should have the capability to capture ("trap") the conversion and issue and request to have the subscription submitted for number porting.

1. Currently, Qwest's BHC Status Tool and amendments to Appointment Scheduler to account for the BHC process are scheduled for deployment on October 18, 2004. Such tools will not be available before that date. The BHC process will not be available as a provisioning option until these tools are deployed.

2. If there is a delay in deployment of these tools, CLEC will be notified using the existing Change Management processes.

3. Once deployed, CLEC must use the Batch Status Tool and Appointment Scheduler to utilize the BHC process.

4. The Batch Hot Cut process defined here will not be in effect until the Batch Status Tool and Appointment Scheduler are developed, tested, and deployed.

5. The IDLC modified batch process will be excluded from the batch scheduling tool until the time when systems modifications and enhancements, in a future IMA release, are in place. However, IDLC conversions will be handled on an exception basis using the manual methods until the time when these modifications and enhancements are in place.