

INTERIM INTERCONNECTION AGREEMENT
BETWEEN
GTE MIDWEST INCORPORATED
AND
NEBRASKA TECHNOLOGY AND TELECOMMUNICATIONS, INC.

THIS INTERIM INTERCONNECTION AGREEMENT (the "Interim Agreement") is by and between GTE Midwest Incorporated ("GTE") and Nebraska Technology and Telecommunications, Inc. ("NTT"), (GTE and NTT being referred to collectively as the "Parties" and individually as a "Party"). This Interim Agreement covers services in the state of Nebraska (the "State").

RECITALS

WHEREAS, NTT has previously adopted terms (the "Adopted Terms") of the Interconnection, Resale and Unbundling Agreement between GTE and AT&T Communications of the Midwest ("Underlying Agreement") pursuant to Section 252(i) of the Telecommunications Act of 1996 (the "Act");

WHEREAS, the Underlying Agreement was approved by the Nebraska Commission pursuant to application C-1400 and became effective May 29, 1997, and the NTT adoption of the Adopted Terms was approved by the Commission's Order dated February 18, 1998 in Application No. C-1751;

WHEREAS, the Underlying Agreement, and thus the Adopted Terms, shall terminate effective May 27, 2000 (the "Termination Date");

WHEREAS, GTE and NTT are currently in good faith negotiations regarding an interconnection agreement pursuant to Section 251 and 252 of the Act to replace the Adopted Terms (the "New Interconnection Agreement");

WHEREAS, NTT did not commence negotiations in a manner to permit the time schedule set forth in section 252 of the Telecommunications Act of 1996 to be completed before the Adopted Terms expired or were terminated;

WHEREAS, there are no currently approved GTE interconnection agreements for the State that would be available for adoption pursuant to Section 252(i) on or prior to the Termination Date providing the interconnection, services and/or network elements that NTT desires;

WHEREAS, NTT has maintained that the Commission would not allow an interruption in service even though the Adopted Terms have been terminated; and

WHEREAS, in light of the foregoing, and subject to the terms and conditions set forth herein, the Parties agree that effective on the Termination Date, NTT shall have the right to operate under the Adopted Terms pursuant to this Interim Agreement.

INTERIM AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, provisions and covenants herein contained, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

Effective upon the Termination Date, NTT shall have the right to operate under the Adopted Terms pursuant to this Interim Agreement, subject to the following terms and conditions:

This Interim Agreement shall not extend, amend, replace or otherwise modify the Adopted Terms, which shall terminate on the Termination Date. Rather, this Interim Agreement is a separate interim arrangement that permits NTT to operate under the Adopted Terms pending the Parties' completion of good faith negotiations regarding the New Interconnection Agreement.

For administrative ease and the reasons set forth above, the Parties have agreed to abide by the Adopted Terms while this Interim Agreement remains in effect, except to the extent inconsistent with any terms and conditions contained herein (if any provision in the Adopted Terms conflicts with this Interim Agreement, this Interim Agreement shall control). Notwithstanding this, by entering this Interim Agreement, the Parties do not waive, and hereby expressly reserve, their rights to challenge the legality of the Adopted Terms.¹ All obligations which expressly survive the termination of the Adopted Terms shall also survive the termination of this Interim Agreement.

(c) By entering this Interim Agreement, GTE offers the arbitrated rates and terms included in the Adopted Terms ("Arbitrated Terms") solely for the reasons specified above. GTE does not waive, and hereby expressly reserves, its rights to assert or continue to assert that: (1) certain of the Arbitrated Terms are unlawful, illegal and improper, including, without limitation, the positions stated in any pending or future GTE court challenge regarding certain of the Arbitrated Terms; (2) the Arbitrated Terms do not afford GTE the opportunity to recover its actual costs, as mandated by the Act and applicable law; (3) the Arbitrated Terms should not become effective until such time as the Commission has established an explicit, specific, predictable, sufficient and competitively neutral universal service mechanism that provides GTE the opportunity to recover its actual costs; and (4) certain provisions of the FCC's First, Second, and Third Report and Order in FCC Docket No. 96-98 and other FCC orders or rules (collectively, the "FCC Orders") are unlawful, illegal and improper. GTE further expressly reserves its past, present and future rights to challenge and seek review of any and all Arbitrated Terms or any permanent rates, charges or terms established in any proceeding, in any court or commission of competent jurisdiction or other available forum.

(d) GTE and NTT agree that if the Arbitrated Terms are adjusted or otherwise modified, in whole or in part, by any proceeding, then this Interim Agreement shall be deemed to have been automatically amended, and such amendment shall be effective upon the date of the applicable Order. Such adjusted or modified rates and charges will be applied prospectively pending the issuance of a final, binding and non-appealable order in the subject proceeding. At such time as the applicable Order becomes final, binding and non-appealable, the adjusted or modified rates and charges established therein shall be applied retroactively to the effective date of this Interim Agreement. The Parties will true-up any resulting over or under billing. Such true-up

¹ GTE's reservation of rights and positions regarding the Adopted Terms set forth in the Adoption Letter, dated March 19, 1998, and the Underlying Agreement, are reiterated as if fully set forth herein. In addition, the Parties further expressly reserve their rights pursuant to the Adopted Terms in the event that such Terms are impacted due to changes in legal requirements.

payments, if any, shall also include interest computed at the prime rate of the Bank of America, N.A. in effect at the date of said final, binding and non-appealable Order. Any underpayment shall be paid by NTT to GTE, and any overpayment shall be refunded by GTE to NTT, within forty-five (45) business days after the date on which such Order becomes final, binding and non-appealable. The Parties agree that the provisions of this paragraph (d) shall survive the termination, rescission, modification or expiration of this Interim Agreement without limit as to time, and that, in the event the Commission establishes permanent rates in such proceeding after this Interim Agreement terminates or expires, nothing contained herein shall prohibit a true-up of the effected rates and charges retroactive to the effective date of this Interim Agreement as contemplated by this paragraph (d). NTT acknowledges that GTE may seek to enforce the provisions in this paragraph before a commission or court of competent jurisdiction.

(e) GTE and NTT further agree that the Arbitrated Terms and any subsequent permanent terms, rates or charges are further subject to change and/or modification resulting from future orders or decisions of any commission, court or other governmental authority having competent jurisdiction that address, without limitation, the following: (1) GTE's unrecovered costs (e.g., actual costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's interim universal service support charge)); (2) the establishment of a competitively neutral universal service system; (3) any and all actions seeking to invalidate, stay, vacate or otherwise modify any FCC Order in effect as of the effective date, or during the term, of this Interim Agreement which impact the Arbitrated Terms or any subsequent permanent terms, rates and charges, including, without limitation, the current appeal of the FCC pricing rules pending before the Eighth Circuit Court of Appeals and any appeal of the FCC's new UNE rules; or (4) any other relevant appeal or litigation. The Parties agree that if the Arbitrated Terms or any subsequent permanent terms, rates or charges are deemed to be unlawful or otherwise modified pursuant to such an order or decision, or are otherwise stayed, enjoined or impacted, or the methodology from which they were derived, are held to be unlawful or otherwise invalid, in whole or in part, by such an order or decision, then this Interim Agreement shall be deemed to have been automatically amended, by modification of terms, rates or charges, or, as appropriate, by the substitution of the terms, rates and charges GTE supported in the arbitration of the Arbitrated Terms for such terms, rates and charges, and such amendments or substitutions shall be effective upon the date of the applicable Order. Such modified or substituted terms, rates and charges will be applied prospectively pending the issuance of a final, binding and non-appealable Order in the subject proceeding. At such time as the applicable Order becomes final, binding and non-appealable, the modified or substituted terms, rates and charges established therein shall be applied retroactively to the effective date of this Interim Agreement. The Parties will true-up any resulting over or under billing. Such true-up payments, if any, shall also include interest computed at the prime rate of the Bank of America, N.A. in effect at the date of said final, binding and non-appealable Order. Any underpayment shall be paid by NTT to GTE, and any overpayment shall be refunded by GTE to NTT, within forty-five (45) business days after the date on which such Order becomes final, binding and non-appealable. The Parties agree that the provisions of

this paragraph (e) shall survive the termination, rescission, modification or expiration of the Interim Agreement without limit as to time. NTT acknowledges that GTE may seek to enforce the provisions in this paragraph (e) before a commission or court of competent jurisdiction.

(f) The Parties have not agreed as to how ESP/ISP Traffic (i.e., any traffic bound to any enhanced service provider or Internet service provider) should be exchanged between the Parties and whether and to what extent compensation is due either party for exchange of such traffic. GTE's position is that the FCC cannot divest itself of rate setting jurisdiction over such traffic, that such traffic is interstate and subject to Part 69 principles, that if compensation is required a specific interstate rate element should be established for such traffic and that such rate element should be based on the trunk to trunk switching associated with the transmission of such traffic. NTT's position is that ESP/ISP traffic should be treated as local for the purposes of inter-carrier compensation and should be compensated on the same basis as voice traffic between end users. The FCC has issued a NPRM on the prospective treatment of compensation for ESP/ISP Traffic. Without waiving any of its rights to assert and pursue its position on issues related to ESP/ISP Traffic, each Party agrees that pending the completion of the New Interconnection Agreement or until the FCC enters a final, binding, and nonappealable order ("Final FCC Order"), whichever shall occur sooner, no compensation shall be owed for ESP/ISP Traffic exchanged between the Parties and neither Party shall bill the other for such traffic. Should the Final FCC Order determine that for the purpose of compensation ESP/ISP Traffic is local, the Parties shall negotiate a rate governing such compensation, and shall compensate each other for such traffic retroactive to the effective date of the Final FCC Order. Such retroactive compensation shall also include interest computed at the prime rate of the Bank of America, N.A. in effect at the date of the Final FCC Order. This agreement not to compensate for ESP/ISP Traffic, in the interim, shall in no manner whatsoever establish any precedent, waiver, course of dealing or in any way evidence either Party's position or intent with regard to exchange and/or compensation of ESP/ISP Traffic for purposes of the New Interconnection Agreement or otherwise, each Party reserving all its rights thereafter with respect to these issues.

2. Unless sooner terminated by either Party, this Interim Agreement shall remain in effect until September 15, 2000. Either Party shall have the right to terminate this Interim Agreement at any time upon written notice to the other Party.

3. This Interim Agreement constitutes the entire agreement of the Parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Interim Agreement other than those specifically set forth herein.

IN WITNESS WHEREOF, each Party has executed this Interim Agreement and it shall be effective upon the date of execution by both Parties.²

GTE MIDWEST INCORPORATED

NEBRASKA TECHNOLOGY AND
TELECOMMUNICATIONS, INC.

By:

_____ By:

Name:

_____ Name:

Title:

_____ Title:

Date:

_____ Date:

² GTE has agreed to allow this Interim Agreement to become effective upon execution in order to permit NTT to remain in operation prior to approval by the Commission. In light of this, NTT hereby agrees that its obligations pursuant to this Interim Agreement shall remain in effect notwithstanding the Commission's possible rejection thereof.