

Reciprocal Transport and Termination Agreement

between

Nextel West Corp.

and

McLeodUSA Telecommunications Services, Inc.

for

MICHIGAN

This Reciprocal Transport and Termination Agreement (the "Agreement") is entered into by and between Nextel West Corp. ("CMRS Provider") with offices at 2001 Edmund Halley Drive, Reston, VA 20191 and McLeodUSA Telecommunications Services, Inc. ("Carrier") with offices at 6400 C Street SW, Cedar Rapids, IA 52406-3177. CMRS Provider and Carrier are each individually a "Party" and are together the "Parties" to this Agreement.

WHEREAS, CMRS Provider is licensed by the Federal Communications Commission ("FCC") as a Commercial Mobile Radio Service provider. Carrier is a local exchange carrier holding a certificate of authority to provide telecommunications services in the State of Michigan.

WHEREAS, the Parties currently extend arrangements to one another allowing for the transport and termination of wireline to wireless and wireless to wireline traffic over each other's network facilities, and between each other's subscribers.

WHEREAS, Carrier and CMRS Provider agree to exchange wireline to wireless and wireless to wireline traffic for the benefit of the Parties. Services provided by Carrier to CMRS Provider under this Agreement are provided pursuant to the receiving Party's status as a CMRS Provider.

WHEREAS, the Parties wish to put in place an arrangement for the mutual exchange and reciprocal compensation of local telecommunications traffic in accord with the Act, and which is intended to supersede any previous arrangements between the Parties relating to such traffic.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CMRS Provider and Carrier hereby agree as follows:

1. Scope. This Agreement addresses the Parties' reciprocal compensation obligations as described in § 251(b)(5) of the Act. If CMRS Provider elects to replace the existing form of indirect interconnection with a two-way or one-way direct connection, the Parties agree to negotiate a separate interconnection agreement related to the provisioning and compensation for such facilities. By this Agreement, neither Party waives any other rights it may have under the Act or rules of the FCC, under state statute, or pursuant to rules of the Commission. Such rights may include CMRS Provider's right to request unbundled network elements and a review of Carrier's rural telephone company exemption provided for under § 251(f)(1)(A) of the Act and Carrier's right to seek to maintain the rural exemption.

2. Interpretation and Construction. The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, regulations or guidelines that subsequently may be prescribed by any federal or state government authority. To the extent required by any such subsequently prescribed law, rule, regulation or guideline, the Parties agree to negotiate in good faith toward an agreement to modify, in writing, any affected term and condition of this Agreement to bring them into compliance with such law, rule, regulation or guideline.

2.1 The Parties agree and understand that certain provisions in this Agreement are based on the FCC's First Report and Order, In the Matter of Implementation of the Local

Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, rel. Aug. 8, 1996 ("FCC 1st Order") and the Second Report and Order and Memorandum Opinion and Order, In the Matter of the Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, rel. Aug. 8, 1996 ("FCC 2nd Order"). To the extent that certain of the rules contained in the FCC 1st Order and the FCC 2nd Order, or any other FCC Order adopted to implement the Act are ultimately deemed by the courts to be not effective, this Agreement shall be modified to comport with the final court decisions and subsequent FCC rules adopted to comply with the court's decisions.

2.2 The Parties further agree and understand that the rates for Transport and Termination agreed to, as set forth in Exhibit A hereto, have not been determined based on a specific costing methodology or company specific cost studies and that they may have to be adjusted when an appropriate costing methodology consistent with § 252(d)(2) of the Act is established and cost information or an acceptable cost proxy model which reasonably reflects the costs of providing the Local Transport and Termination services or Transit Services becomes available.

2.3 The Parties enter into this agreement without prejudice to any position they may take with respect to similar future agreements between the Parties or with respect to positions they may have taken previously, or may take in the future in any legislative, regulatory or other public forum addressing any matters, including matters related to the rates to be charged for transport and termination of local traffic or the types of arrangements prescribed by this Agreement.

3. Definitions.

3.1 "Act" means the Communications Act of 1934 (47 U.S.C. 151 et seq.), as amended, including the Telecommunications Act of 1996, and as from time to time interpreted in the duly authorized rules and regulations of the FCC.

3.2 "CMRS" or "Commercial Mobile Radio Service" is as defined in the Act and the duly authorized rules and regulations of the FCC.

3.3 "Commission" means the Michigan Public Service Commission.

3.4 "Local Calling Area" (LCA) means a geographic area defined by the MTA within which CMRS Provider provides CMRS services where local transport and termination rates apply as set forth in the FCC 1st Order and regulations promulgated thereunder.

3.5 "Local Traffic" means the completion of wireless to wireline and wireline to wireless Traffic which originates and terminates within the LCA based on the location of the connecting cell site serving the wireless subscriber and the central office for landline end-user.

3.6 "Major Trading Area" (MTA) means a geographic area established in Rand McNally's Commercial Atlas and Marketing Guide and used by the FCC in defining CMRS license boundaries for CMRS providers for purposes of Sections 251 and 252 of the Act.

3.7 "MOU" means a minute of use.

3.8 "Non-Local Traffic" means the completion of interMTA calls based on the location of the connecting cell site serving the wireless subscriber and the central office for the landline end-user and the completion of interMTA roaming traffic, as defined in FCC 1st Order, par. 1043, to which switched access charges are applicable.

3.9 "Reciprocal Compensation Credit" for purposes of this Agreement and based on current traffic trends means a monetary credit for wireline to wireless traffic which is originated by a landline subscriber of Carrier and terminates to a subscriber of CMRS Provider within the LCA.

3.10 "Traffic" means all Local Traffic and Non-Local Traffic that originates on one Party's network, and terminates on the other Party's network.

3.11 "Transit Traffic" means any Traffic that originates from one telecommunications carrier's network, transits another carrier's network substantially unchanged, and terminates to yet another telecommunications carrier other than Carrier.

3.12 "Transit Services" means the provision of transport facilities by a carrier that provides a transport function for Traffic originating from CMRS Provider and terminating to a telecommunications carrier other than Carrier.

3.13 "Termination" or "Terminate" means the switching of Local Traffic at the terminating carrier's end-office switch, or functionally equivalent facility, and the delivery of such Traffic to the called party.

3.14 "Transport" means the transmission and any necessary tandem switching by a Party of Local Traffic from the point of interconnection between the Parties to the terminating carrier's end-office switch or functionally equivalent facility that directly serves the called party.

3.15 "Type 2A Service, local call" means calls received through the tandem switch.

3.16 "Type 2B Service, local call" means calls received through the end office switch.

4. Reciprocal Traffic Exchange. Each Party shall reciprocally Transport and Terminate on its network Traffic originating on the other Party's network. Reciprocal Traffic exchange addresses the exchange of Traffic between CMRS Provider's subscribers and Carrier's end-users and any Transit Services that may be provided by Carrier for Transit Traffic. Consistent with Carrier's current practice

with CMRS Provider, either Party's Traffic may be routed through an intermediary for interconnection with the other Party's system. Reciprocal Traffic exchange per this Agreement covers only Transport and Termination services or Transit Services provided in association with CMRS services. Other services, including any direct interconnect arrangement established between the Parties, shall be covered by a separate contract, tariff or price list. The Transport and Termination services or Transit Services provided hereunder are intended for wireless to wireline or wireline to wireless traffic. Any incidental services (e.g. directory assistance, operator services, etc.) will be billed at the standard rates for those services.

5. Local and Non-Local Traffic. This Agreement is intended to address the Transport and Termination of Traffic between the Parties to the extent applicable. Local Traffic is subject to the local Transport and Termination MOU charge set forth on Exhibit A and is not subject to switched access charges. Non-Local Traffic is subject to either Carrier's interstate or intrastate tariffed switched access charges and terms and conditions, whichever is applicable. Transit Traffic is addressed in Section 7 below.

5.1 For billing purposes, if either Party is unable to classify on an automated basis the Traffic delivered by CMRS Provider as Local Traffic or Non-Local Traffic, CMRS Provider will provide Carrier with a Percent Interstate Use (PIU) factor, which represents the estimated portion of interMTA Traffic delivered by CMRS Provider. The PIU factor will be provided and updated on a semi-annual basis to commence six (6) months after Commission approval of this Agreement.

6. Local Transport and Termination Rate. CMRS Provider and Carrier shall reciprocally and symmetrically compensate one another for Local Traffic terminated to their respective subscribers and end-user customers. The MOU rate for the Termination and Transport of such Local Traffic is set forth in Exhibit A attached hereto. Carrier will be responsible for measuring the total monthly minutes of use terminating into its network from CMRS Provider's network. Measured usage begins when CMRS Provider's mobile switching office is signaled by the Carrier's terminating end-office that the call has been answered. Measured usage ends upon recognition by the mobile switching office of disconnection by the earlier of the Carrier's customer or the disconnection signal from the terminating end office. Carrier will charge CMRS Provider for minutes of use and/or fractions thereof for calls terminating on Carrier's network. Minutes of use will be aggregated at the end of the billing cycle and rounded to the nearest whole minute. The Party collecting revenues shall be responsible for reporting and remitting all applicable taxes associated therewith.

7. Transit Services. Carrier shall not perform Transit Services for CMRS Provider.

8. Billing and Collection. Carrier shall bill CMRS Provider on a monthly basis for services provided under this Agreement in accordance with the MOU rate set forth on Exhibit A. Carrier shall include sufficient detail in its invoices to enable CMRS Provider to reasonably verify the accuracy of the usage and charges. CMRS Provider shall pay such invoices within thirty (30) days of receipt of the statement. In the event of a dispute over the amount of the invoice, CMRS Provider shall pay the

undisputed portion and shall not be required to pay the disputed portion pending an investigation and resolution of the dispute.

8.1 In the event CMRS Provider elects to measure the wireline to wireless Traffic terminated to it by Carrier, CMRS Provider will directly invoice Carrier for such Traffic applying the MOU rate contained in Exhibit A.

9. Effective Date. This Agreement shall be filed with and is subject to approval by the Michigan Public Service Commission (“Commission”). If approval of this agreement is required by the Commission, CMRS Provider and Carrier will work cooperatively to take all steps necessary and proper to expeditiously prosecute a joint application before the Commission seeking approval of this Agreement. Each Party shall be responsible for their own costs and expenses incurred in obtaining approval of this Agreement from the Commission. This Agreement shall become effective upon final approval by the Commission if approval is required, or upon execution of the Parties.

10. Term. Subject to the termination provisions contained in this Agreement, the term of this Agreement shall be one (1) year from the effective date and shall continue in effect for consecutive one (1) year terms until either Party gives the other Party at least sixty (60) calendar days written notice of termination, which termination shall be effective at the end of the notice period. Either Party may provide 60 calendar days written notice to terminate the Agreement during the initial or renewal terms without any penalty.

11. Termination Upon Default. Either Party may terminate this Agreement in whole or in part in the event of a default by the other Party, provided however, that the non-defaulting Party notifies the defaulting Party in writing of the alleged default and that the defaulting Party does not cure the alleged default within thirty (30) calendar days of receipt of written notice thereof.

12. Liability Upon Termination. Termination of this Agreement, or any part hereof, for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues in any *respect* for any act or omission occurring prior to the termination relating to an obligation which is expressly stated in this Agreement. The Parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, shall survive the termination of this Agreement.

13. General Responsibilities of Parties. Each Party is responsible to provide facilities within its respective network that are necessary for routing and terminating Traffic to and from the other Party's network. If a Party makes a change in its network that may materially affect the exchange of Traffic under this Agreement, the Party making the change shall provide at least ninety (90) days advance written notice of the nature of the change and when the change will occur.

14. Dispute Resolution.

14.1 Finality of Disputes.

14.1.1 Except as otherwise specifically provided for in this Agreement, no claim may be brought for any dispute arising from this Agreement more than six (6) months from the date the occurrence which gives rise to the dispute is discovered or reasonably should have been discovered with the exercise of due care and attention.

14.1.2 Notwithstanding anything contained in this Agreement to the contrary, a Party shall be entitled to dispute only those charges for which the Bill Due Date occurred within the six (6) months immediately preceding the date on which the other Party received notice of such Disputed Amounts.

14.2 Commencing Dispute Resolution. Dispute Resolution shall commence upon one Party's receipt of written notice of a controversy or Claim arising out of or relating to this Agreement or its breach. No Party may pursue any Claim unless such written notice has first been given to the other Party.

14.3 Billing Dispute Resolution Process. The following Dispute Resolution procedures will apply with respect to any billing dispute arising out of or relating to the Agreement.

14.3.1 If the written notice given pursuant to Section 14.2 discloses that a dispute relates to billing, then the following procedures shall be used. In order to resolve a billing dispute, the disputing Party shall furnish the other Party written notice of (i) the date of the bill in question, (ii) BAN and Invoice number of the bill in question, (iii) amount billed, (iv) amount in question and (v) the reason that the disputing party disputes the billed amount. Either Party is not prohibited from supplementing the basis for its billing dispute at any time during the process.

14.3.2 The Parties shall attempt to resolve Disputed Amounts appearing on the other Party's current billing statements thirty (30) to forty-five (45) calendar days from the Bill Due Date. If not resolved within thirty (30) calendar days, upon request, the non-disputing Party will notify the disputing Party of the status of the dispute and the expected resolution date.

14.3.3 The Parties shall attempt to resolve Disputed Amounts appearing on statements prior to the current billing statement within thirty (30) to sixty (60) calendar days. If not resolved within thirty (30) calendar days from the date notice of the Disputed Amounts was received, the non-disputing Party will notify the disputing Party of the status of the dispute and the expected resolution date.

14.3.4 If the Disputing Party is not satisfied by the resolution of the billing dispute under this Section 14.3, the Disputing Party may notify the other Party in writing that it wishes to invoke the Informal Resolution of Disputes afforded pursuant to Section 14.4 of this Agreement.

14.4 Informal Resolution of Disputes.

14.4.1 Upon receipt by one Party of notice of a dispute by the other Party pursuant to Section 14.2 or Section 14.3.4 each Party will appoint a knowledgeable, responsible representative that will have authority to finally resolve the dispute to meet and negotiate in good faith to resolve any dispute arising under this Agreement. Designation of representatives must be provided in writing to the other Party within five (5) calendar days of receipt of notice of a dispute. The location, form, frequency, duration, and conclusion of these discussions will be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative Dispute Resolution procedures such as mediation to assist in the negotiations. During the informal dispute resolution process, reasonable requests for information related to the dispute should be provided to the requesting Party within seven (7) calendar days of issuance of the request subject to any appropriate objections. Within five (5) business days of the initiation of the informal Dispute Resolution, the Party initiating the informal dispute shall present a written statement summarizing its position as to the dispute. Within five (5) business days of receipt, the other Party shall respond with a written statement summarizing its position as to the dispute. Discussions and the correspondence among the representatives for purposes of settlement are exempt from discovery and production and will not be admissible in the arbitration described below or in any lawsuit or agency action without the concurrence of both Parties. Documents identified in or provided with such communications that were not prepared for purposes of the negotiations and which may have been provided in response to a reasonable request for information during the course of Dispute Resolution are not so exempted, and, if otherwise admissible, may be admitted in evidence in the arbitration or lawsuit unless both Parties agree otherwise.

14.4.2 The Informal Dispute Resolution process shall conclude not more than fifteen (15) business days after service of a Party's written notice of controversy or claim provided pursuant to Section 14.4.1 unless the Parties mutually agree to extend this deadline for concluding the Informal Dispute Resolution process. Upon conclusion of the informal Dispute Resolution process, either Party may in its sole discretion invoke either the formal Dispute Resolution set forth in Section 14.5 or the informal or formal complaint procedures of the appropriate state or federal regulatory agency.

14.5 Formal Dispute Resolution.

14.5.1 If the Parties are unable to resolve the dispute through the informal

procedure described in Section 14.4, then either Party may invoke the formal Dispute Resolution procedures described in Section 14.5, including arbitration or other procedures as appropriate. Formal Dispute Resolution shall conclude not more than twenty (20) business days after either Party invokes the formal Dispute Resolution process unless the Parties mutually agree to extend the deadline for concluding formal Dispute Resolution.

14.5.2 Claims Not Subject to Arbitration. If the following claims are not resolved through informal Dispute Resolution, they will not be subject to arbitration and must be resolved through any remedy available to a Party pursuant to law, equity or agency mechanism.

14.5.2.1 Actions seeking a temporary restraining order or an injunction related to the purposes of this Agreement.

14.5.2.2 Actions to compel compliance with the Dispute Resolution process.

14.5.2.3 All claims arising under federal or state statute(s), including antitrust claims.

14.6 Arbitration.

14.6.1 Disputes subject to mandatory arbitration under the provisions of this Agreement will be submitted to a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association or pursuant to such other provider of arbitration services or rules as the Parties may agree. The arbitrator shall be knowledgeable of telecommunications issues. Arbitration will be held in the city where the Commission is located or at a location that is agreeable to both Parties. The arbitration hearing will be requested to commence within forty-five (45) calendar days of the demand for arbitration. The arbitrator will control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs upon a schedule determined by the arbitrator. The Parties will request that the arbitrator rule on the dispute by issuing a written opinion within thirty (30) calendar days after the close of hearings. The Federal Arbitration Act, 9 U.S.C. Secs. 1-16, not state law, shall govern the arbitrability of all disputes. The arbitrator will have no authority to award punitive damages, exemplary damages, Consequential Damages, multiple damages, or any other damages not measured by the prevailing Party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Agreement. The times specified in this Section may be extended or shortened upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Each Party will bear its own costs of these procedures, including attorneys' fees. The Parties will equally split the fees of the arbitration and the arbitrator. The

arbitrator's award shall be final and binding and shall be in writing. Judgement upon the award rendered by an arbitrator may be entered in any court having jurisdiction thereof.

14.6.2 The Parties and the arbitrator will treat the arbitration proceeding, including the hearings and conferences, discovery and other related events, as confidential

15. Assignments, Successors and Assignees. A Party may not assign or transfer this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, a Party may assign this Agreement, or any portion thereof, without consent to any entity or successor entity that controls, is controlled by or is under common control with the assigning Party. Any such assignment shall not in any way affect or limit the rights and obligations of the Parties under this Agreement. The Agreement shall be binding upon and inure to the benefit of the Parties hereto and their lawful successors and assigns.

16. Confidentiality. The Parties to this Agreement recognize they or their authorized representatives may come into possession of confidential and/or proprietary data about each other's business or networks as a result of this Agreement. Each Party agrees to treat all such data and information as strictly confidential and to use such data and information only for the purpose of performance under this Agreement. Each Party agrees not to disclose data or information about the other Party's business without first securing the written consent of the Party, unless such disclosure is required by lawful subpoena or court order.

17. Business Records. Each Party is responsible for the accuracy of its data as submitted to the other Party. Upon reasonable notice, each Party or its authorized representative shall have the right to conduct an on-premise review of the relevant data possessed by the other Party to assure compliance with the provisions of this Agreement. The review will consist of any examination and verification of data involving records, systems, procedures and other information related to the services performed by either Party as it relates to charges or payments made in connection with this Agreement. Each Party's right to access information for a verification review purpose is limited to data not in excess of twelve (12) months in age. A Party's right to request a review is limited to once every twelve (12) months. The Party requesting a verification review shall fully bear its own costs associated with conducting the review. The Party being reviewed will provide reasonable access to necessary and applicable information at no charge to the reviewing Party during normal business hours.

18. Force Majeure. Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its reasonable control, including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, power blackouts, other major environmental disturbances or unusually severe weather conditions (collectively, a "Force Majeure Event").

19. No Third Party Beneficiaries. This Agreement does not provide any person not a party, assignee or successor to this Agreement and shall not be construed to provide any such third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege.

20. Notices. Notices given by one Party to the other Party under this Agreement shall be in writing and shall be (i) delivered personally; (ii) delivered by express delivery service; (iii) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested; or (iv) delivered by facsimile; provided that a confirmation copy is sent by the method described in (i), (ii), (iii) or (iv) of this Section 19, to the following addresses of the Parties:

To “CMRS Provider”:

Bob Edgerly
Telco Management
Nextel Communications, Inc.
2001 Edmund Halley Dr.
Reston, VA 20191
Phone: (703) 264-49494
Fax: (703) 264-4246

To “Carrier”:

General Counsel
McLeodUSA Telecommunications Services, Inc.
6400 C Street SW, P.O. Box 3177
Cedar Rapids, IA 52406 - 3177
Phone: (319) 790-7744
Fax: (319) 790-7901

Any such notice given under this Agreement shall be effective upon the receipt of the Party. Any Party may specify a different address by notifying the other Party in writing of such different address in the manner provided in this Section 19.

21. Governing Law. For all claims under this Agreement that are based upon issues within the jurisdiction of the FCC or governed by federal law, the Parties agree that remedies for such claims shall be governed by the FCC and the Act. For all claims under this Agreement that are based upon issues within the jurisdiction of the Commission or governed by state law, the Parties agree that the jurisdiction for all such claims shall be with such Commission, and the remedy for such claims shall be as provided for by such Commission. In all other respects, this Agreement shall be governed by the domestic laws of the state of Michigan without reference to conflict of law provisions.

22. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof.

23. Amendments. This Agreement may not be modified or amended other than by a written instrument executed by both Parties. Any amendment, modification or supplement to this Agreement shall be filed with the Commission and approved by the Commission as may be required by applicable law.

24. Counterparts. The undersigned signatories represent they have the authority to execute this Agreement on behalf of their respective companies. This Agreement can be executed in separate parts which together will constitute a single, integrated Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this ____ day of _____, 2004.

"CMRS Provider"

"Carrier"

Nextel West Corp.

McLeodUSA Telecommunications Services, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

OCN _____

ACNA _____

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"CMRS Provider"

"Carrier"

Nextel West Corp.

McLeodUSA Telecommunications Services, Inc.

By: 

By: 

Name: Steve Sacks

Name: James E. Thompson

Title: Sr. Director - Telco Cost Mgmt

Title: GVP, General Counsel & Secretary

Date: August 11, 2004

Date: August 17, 2004

OCN 6232

ACNA NXT w SZC

EXHIBIT A

Transport and Termination Rate

The Transport and Termination for Local Traffic under the Agreement shall be based on the following schedule.

Type 2A Service, local call	\$0.005161
Type 2B Service, local call	\$0.004053