

EXHIBIT 2

AFFILIATED TRANSACTIONS

Management Fees with the Parent Company:

- Corporate services provided by the parent company on behalf of all affiliate entities, i.e. Executive management, marketing, call center, insurance, cash management, AP disbursement, etc. These services are booked to the appropriate Part 32 accounts. The company has developed an allocation manual that follows Part 64 and is called the MSAM (Management Services Agreement Manual).

Transactions between the ILEC and Long Distance Company:

- ILEC charges the Long Distance company billing and collection fees which are included as Miscellaneous Revenues on the ILEC books.