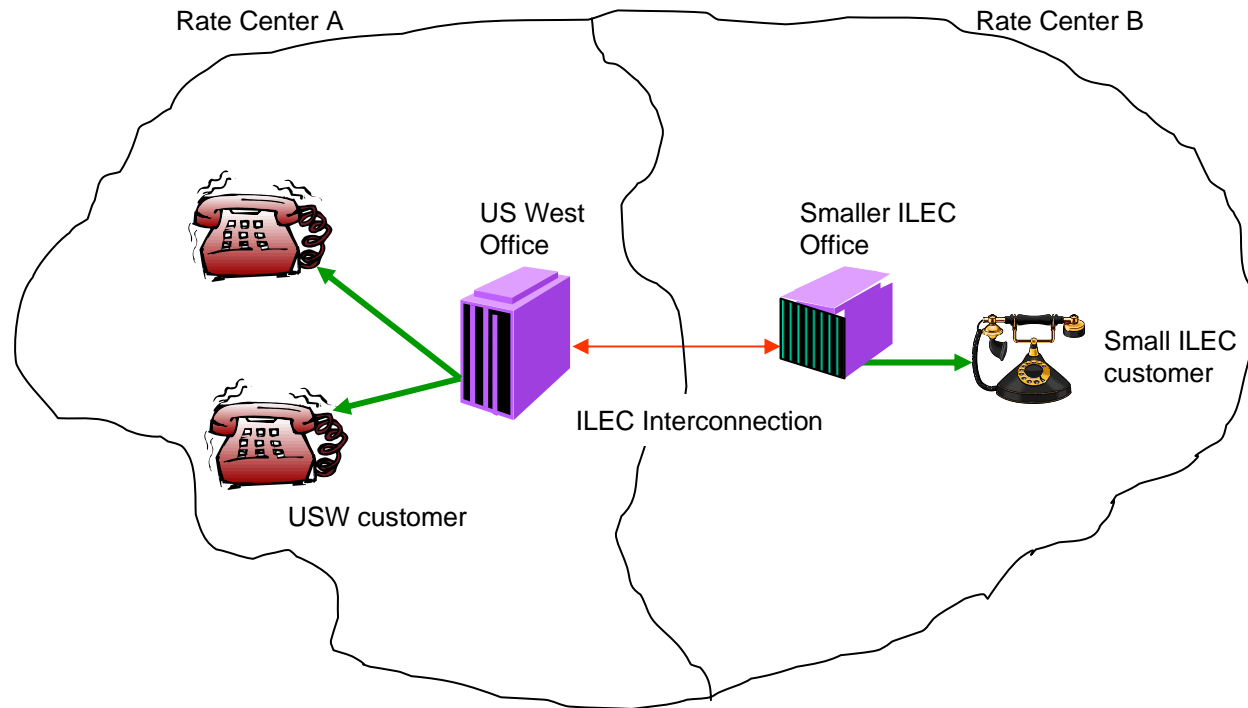


Comparison of FX and VNXX services

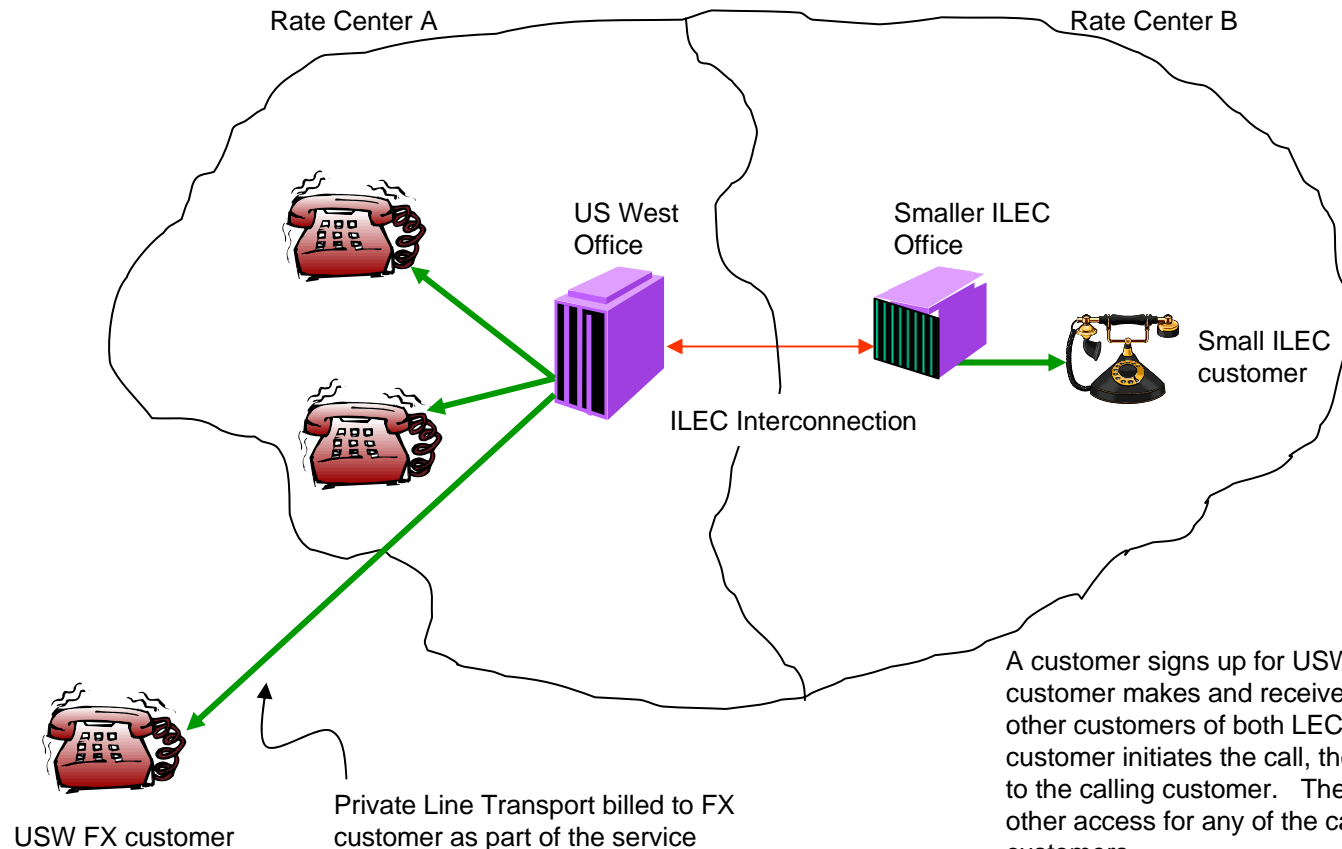
A single local calling area in **1985** comprised of two rate centers, each served by a different ILEC



If the USW customer calls the small ILEC customer, the call is rated as local to the calling customer. Neither of the LECs bills the other for access

Comparison of FX and VNXX services

A single local calling area in **1985** comprised of two rate centers, each served by a different ILEC

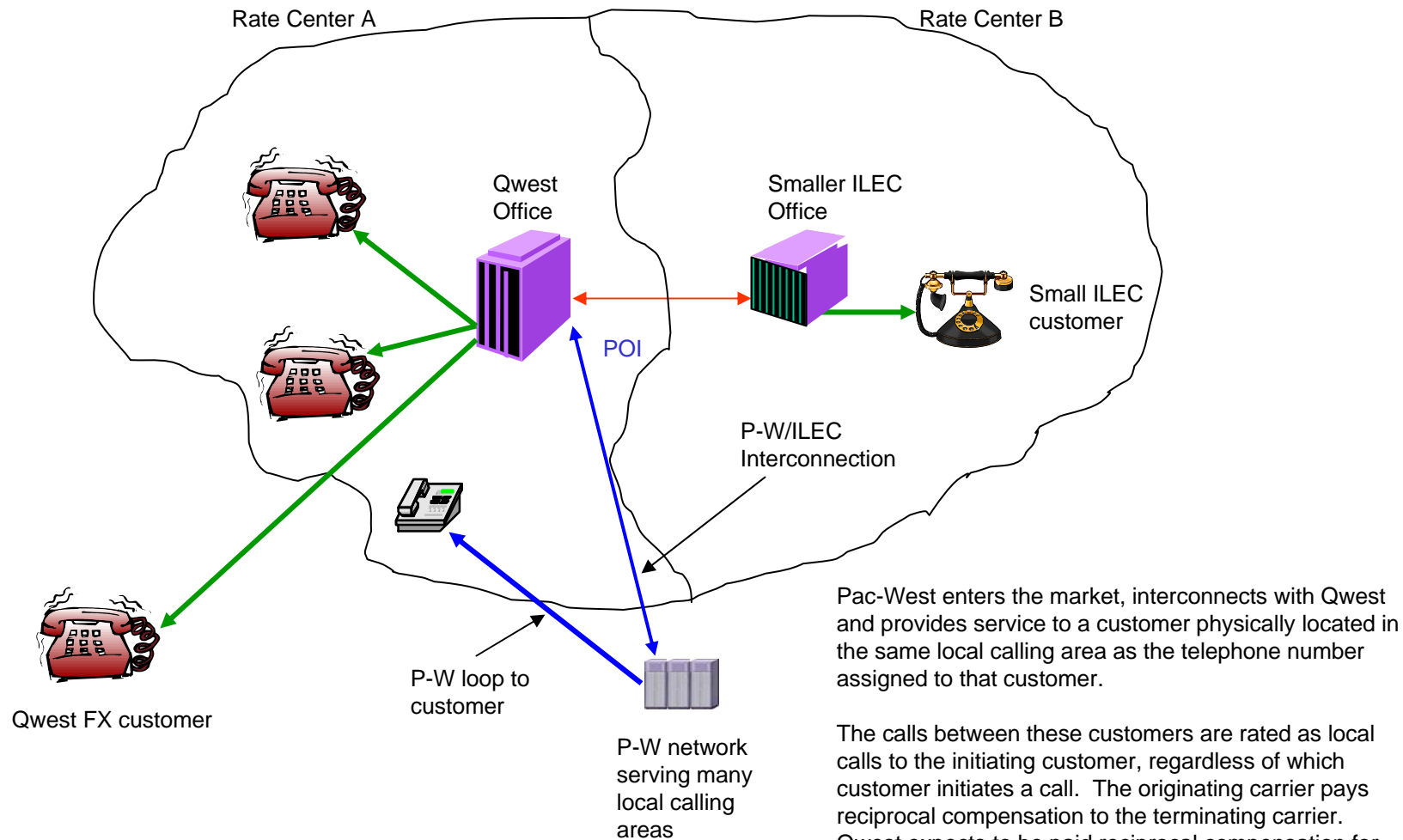


A customer signs up for USW FX service. The new customer makes and receives "locally dialed calls" to the other customers of both ILECs. Regardless of which customer initiates the call, the call is rated as a local call to the calling customer. The ILECs do not bill each other access for any of the calls between these customers.

But for the ILEC FX service, the calls between the FX customer and the other customers would be toll calls. Access charges would apply.

Comparison of FX and VNXX services

The same local calling area after **1996** served by two ILECs and Pac-West. US West is now Qwest

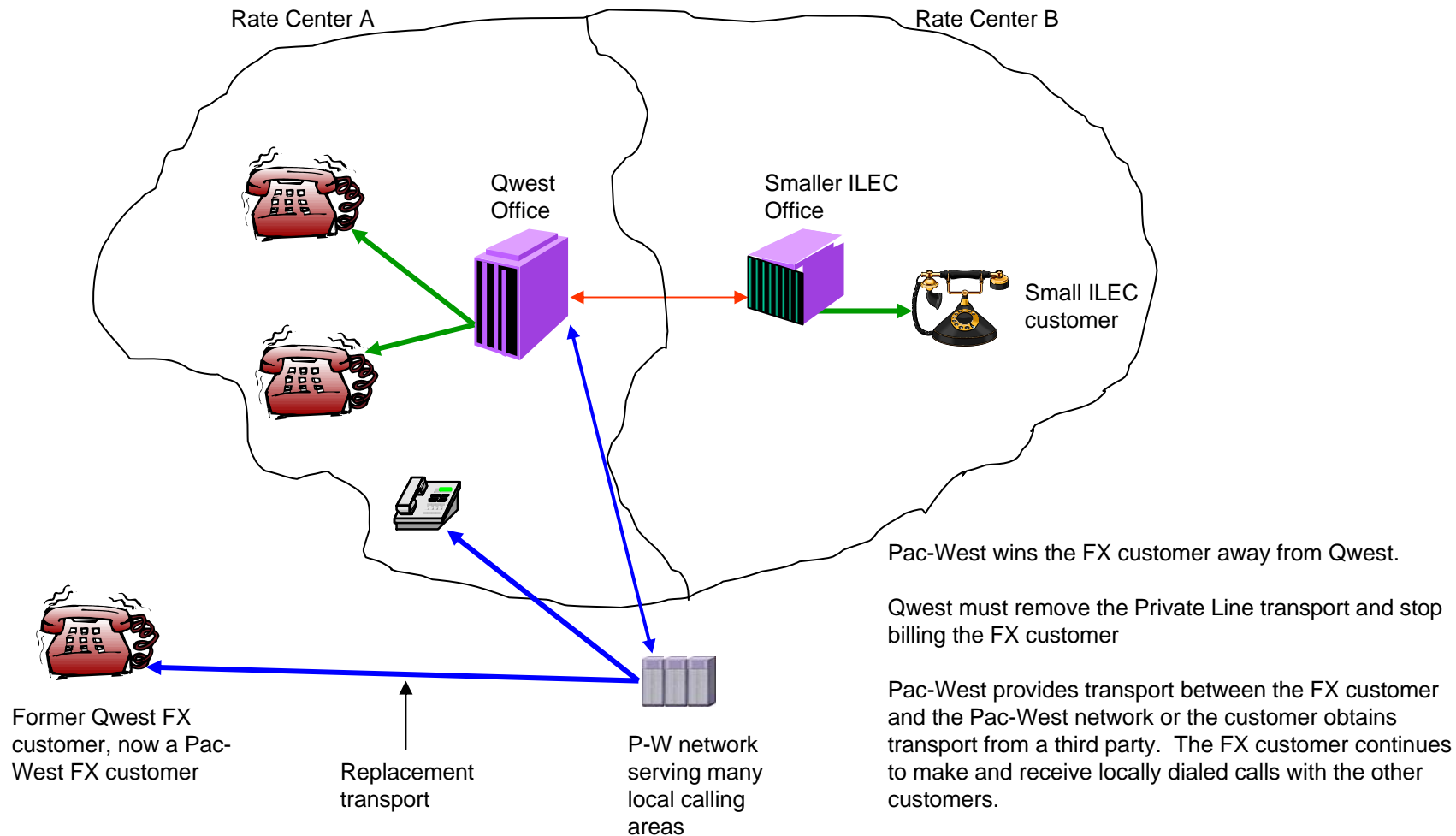


Pac-West enters the market, interconnects with Qwest and provides service to a customer physically located in the same local calling area as the telephone number assigned to that customer.

The calls between these customers are rated as local calls to the initiating customer, regardless of which customer initiates a call. The originating carrier pays reciprocal compensation to the terminating carrier. Qwest expects to be paid reciprocal compensation for locally-dialed calls delivered to its FX customer

Comparison of FX and VNXX services

The same local calling area after **1996** served by two ILECs and Pac-West. US West is now Qwest



Pac-West wins the FX customer away from Qwest.

Qwest must remove the Private Line transport and stop billing the FX customer

Pac-West provides transport between the FX customer and the Pac-West network or the customer obtains transport from a third party. The FX customer continues to make and receive locally dialed calls with the other customers.

The ILECs pretend Pac-West's service is not FX service and call it "VNXX." The ILECs dispute any reciprocal compensation payment to Pac-West for VNXX calls

Comparison of FX and VNXX services

The same local calling area in **2007** served by two ILECs and Pac-West

