

EXHIBIT D



Qwest
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Ethan Sprague
Director – Regulatory Affairs
Pac-West Telecomm Inc.
1776 W. March Lane, Ste 250
Stockton, CA 95207

**Re: Payment for 2004 Reciprocal Compensation In Accordance with
Arbitrator's Award**

Dear Ethan:

Qwest has completed its review of the 2004 invoices billed by PacWest related to reciprocal compensation and as a result of the arbitration award in AAA Case #77Y181-00385-02 (JAG Case No. 221368) released December 2, 2004.

Qwest records show that PacWest has billed Qwest \$1,312,944 for the states of Arizona, Oregon and Washington for usage through October 2004. Of that amount, Qwest has previously paid \$84,740. After a thorough review of the invoices and of the Qwest usage records, Qwest has determined that the minutes billed by PacWest include two categories of non-compensable traffic: 1) traffic that is non-Qwest originated (i.e., "transit traffic"); and 2) traffic that is categorized as "virtual NXX" or "VNXX" traffic. Qwest is not responsible for termination charges related to the Category 1 non-Qwest originated traffic, as those charges under the interconnection agreement ("ICA") must be billed to the originating carrier. Category 2 VNXX traffic involves calls that are originated in one local calling area and are terminated in another local calling area. The ICA only contemplates the exchange of local calls that originate and terminate in the same local calling area and therefore allows for compensation related to the exchange of those local calls. By definition and practice, VNXX traffic is not local, and therefore also not subject to compensation under the ICA. In addition, VNXX traffic does not fall within the definitions of Exchange Access or Jointly Provided Switched Access, as defined in the ICA. Thus, since there is no provision in the ICA permitting the exchange of this traffic, as discussed above, it does not allow the compensation for termination of this traffic.

Therefore, excluding from PacWest's invoices the amount Qwest previously paid, as well as charges associated with the non-Qwest originated and VNXX traffic, Qwest will pay PacWest \$587,575 by wire transfer, for usage through October 2004. Qwest will make future payments in accordance with the foregoing framework.

In order to process the payment, Qwest needs the following bank information to complete the payment via wire:

- Payee Name (company)
- Payee Telephone number
- Payee Physical address
- Payee Tax ID number
- Bank Account name
- ABA/Routing number
- Bank Name
- Account number
- City and State of Bank

As soon as the above bank information is received, Qwest will begin processing the payment.

Please feel free to contact me if you have any questions

Dan Hult