

EXHIBIT F

Ethan Sprague

Subject: FW: next steps on Pacwest ISP dispute

-----Original Message-----

From: Hult, Dan E [mailto:Dan.Hult@qwest.com]**Sent:** Tuesday, March 29, 2005 11:53 AM**To:** Ethan Sprague**Subject:** RE: next steps on Pacwest ISP dispute

I disagree with your relevancy interpretation and will not engage in leading you to any assumptions - you have our position from all the previous discussion and this exchange is serving no purpose at this point. I think we should close by saying we agree to disagree in this area.

-----Original Message-----

From: Ethan Sprague [mailto:esprague@pacwest.com]**Sent:** Tuesday, March 29, 2005 1:47 PM**To:** Hult, Dan E**Subject:** RE: next steps on Pacwest ISP dispute

It is relevant regardless of the direction of the traffic. Can I assume that your answer to my question is "yes"?

-----Original Message-----

From: Hult, Dan E [mailto:Dan.Hult@qwest.com]**Sent:** Tuesday, March 29, 2005 11:43 AM**To:** Ethan Sprague**Subject:** RE: next steps on Pacwest ISP dispute

Ethan

I guess I have 1 question in response: Does PacWest terminate any traffic to Qwest ?? If not, I do not understand how your question is relevant to the exchange of traffic between Qwest and PacWest.

Dan

-----Original Message-----

From: Ethan Sprague [mailto:esprague@pacwest.com]**Sent:** Tuesday, March 29, 2005 11:46 AM**To:** Hult, Dan E**Subject:** RE: next steps on Pacwest ISP dispute

Does Qwest have customers who are not physically located in the same exchange to which their NPA-NXX is assigned?

-----Original Message-----

From: Hult, Dan E [mailto:Dan.Hult@qwest.com]**Sent:** Tuesday, March 29, 2005 8:35 AM**To:** Ethan Sprague**Subject:** RE: next steps on Pacwest ISP dispute

Ethan:

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Qwest is not able to provide specific telephone numbers of specific customers, since this would be a violation of Qwest's CPNI obligations and may also be a violation of its contractual relationships with certain customers. Qwest does agree that the intercarrier compensation principles must be applied equally for all carriers. However, what is being dealt with in this dispute is whether PacWest is entitled to compensation for forcing Qwest to exchange VNXX traffic with PacWest. Qwest remains of the position that the ICA neither encompasses nor envisions the exchange of VNXX traffic and therefore no compensation is appropriate when PacWest, in contravention of the ICA, forces Qwest to exchange this type of traffic with PacWest.

Dan

-----Original Message-----

From: Ethan Sprague [mailto:esprague@pacwest.com]
Sent: Monday, March 21, 2005 12:19 PM
To: Hult, Dan E
Subject: RE: next steps on Pacwest ISP dispute

So is Qwest declining to identify the physical location of its customers?

-----Original Message-----

From: Hult, Dan E [mailto:Dan.Hult@qwest.com]
Sent: Monday, March 21, 2005 9:25 AM
To: Ethan Sprague
Subject: RE: next steps on Pacwest ISP dispute

We are not changing our position related to this type of traffic. We are also not "simply" calling the Qwest service different for the sake of a dispute. The services are markedly different as laid out in the information we provided. Qwest stands on its stated positions.

-----Original Message-----

From: Ethan Sprague [mailto:esprague@pacwest.com]
Sent: Monday, March 21, 2005 11:12 AM
To: Hult, Dan E
Subject: RE: next steps on Pacwest ISP dispute

My view is that if Qwest suddenly is going to change its position (from billing based on a comparison of the NPA-NXXs) and now rely on the "customer physical location" for billing it should at least be willing to identify situations where its customer's location for billing purposes is not the same as is identified by the originating NPA-NXX. Simply calling your service something different makes no difference to the intercarrier compensation principle which we argue must be applied equally between carriers.

-----Original Message-----

From: Hult, Dan E [mailto:Dan.Hult@qwest.com]
Sent: Monday, March 21, 2005 9:04 AM
To: Ethan Sprague
Cc: Downey, Linda; Newman, Barb
Subject: RE: next steps on Pacwest ISP dispute

The issue here is the assignment by PacWest of NPA-

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NXX numbers that do not correspond to the LCA's, not a list of NPA-NXX's that Qwest has with a limited offering on a different service. Qwest views your reference to FX service as not related to the VNXX argument. To assist you in understanding the Qwest position on VNXX vs. FX, please see the attached.

-----Original Message-----

From: Ethan Sprague
[mailto:esprague@pacwest.com]
Sent: Thursday, March 17, 2005 2:27 PM
To: Hult, Dan E
Subject: RE: next steps on Pacwest ISP dispute

Thanks for the response. Will Qwest provide PacWest a list of NPA-NXXs assigned to Qwest customers which purchase VNXX like services such as FX or Market Expansion Lines or Centrex, by state.

Thanks

Ethan Sprague

From: Hult, Dan E [Dan.Hult@qwest.com]
Sent: Thursday, March 17, 2005 11:54 AM
To: Ethan Sprague
Subject: RE: next steps on Pacwest ISP dispute

Ethan

Listed below in green (right below your last blue questions) is our reponse to your last set of questions - Sorry for the delay - I was on vacation for a week and needed to then get a couple of questions answered internally

Let me know if you have any further questions

Dan

-----Original Message-----

From: Ethan Sprague [mailto:esprague@pacwest.com]
Sent: Tuesday, March 01, 2005 10:26 AM
To: Hult, Dan E
Cc: Ethan Sprague
Subject: RE: next steps on Pacwest ISP dispute

Dan, I've never received a response - do you intend to respond? If not I think we should agree that we have followed the negotiation provisions of the ICAs and that this issue is ripe for the next steps of dispute resolution (e.g. litigation).

-----Original Message-----

From: Ethan Sprague
Sent: Friday, January 21, 2005 2:33 PM
To: 'Hult, Dan E'
Subject: RE: next steps on Pacwest ISP dispute

Well it is clear we disagree, see response below.

-----Original Message-----

From: Hult, Dan E [mailto:Dan.Hult@qwest.com]
Sent: Wednesday, January 12, 2005 8:01 AM
To: Ethan Sprague
Subject: RE: next steps on Pacwest ISP dispute

Ethan - Listed below is the Qwest response in red:

We received your partial payment of \$587K on the Arbitrator's order - thanks. However I have a few questions related to the outstanding amounts.

First, from your correspondence I understand that Qwest is laying another dispute on top of the first. The second dispute has to do with whether a

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portion of the presumed ISP traffic that Pac-West billed Qwest (and for which the arbitrator ruled compensation was due under the ISP amendment) is in fact covered by the ISP Amendment. Qwest appears to believe that certain presumed ISP bound traffic is carved out of the ISP Amendment and FCC jurisdiction based on that traffic's routing characteristics. It occurs to me that the best and most efficient way to resolve this related dispute, which only comes about because of the Arbitrator's initial ruling, is to engage him again to decide this second related matter of what ISP traffic the ISP Amendment covers. Pac-West proposes the parties contact him to ascertain his availability.

Qwest response: Qwest does not view the VNXX issue as a dispute that is "overlaid" or somehow a "second" dispute related to the recent arbitration order. As we stated previously, VNXX traffic by nature, is not covered under the ICA and the facts surrounding VNXX traffic is a separate and stand alone issue, not related to any facts that were presented in the arbitration case. While it does impact the payment of reciprocal compensation, it does not in any way relate, nor was discussed in the arbitrator's decision on the ISP caps that were in dispute. Given that position, the appropriate method to address the VNXX issue would be for PacWest to initiate a separate dispute under the ICA dispute resolution terms, if it so chooses. As this issue does not relate to the dispute presented to or ruled upon by the arbitrator, Qwest does not accept the PacWest suggestion to return to the same arbitrator in the recent unrelated ISP cap decision.

[Ethan Sprague] You have never raised this issue until after the Arbitrator's award. That's why it wasn't an issue in the case - Qwest had never disputed invoices based on allegedly VNXX-ISP traffic, and in fact I don't believe the contracts don't make any mention of VNXX. This is simply an attempt by Qwest to relitigate what the Arbitrator found: Qwest owes compensation for ISP bound traffic under the contracts.

[Qwest Response]: It is Qwest's position that the interconnection agreements never encompassed nor envisioned the exchange of VNXX traffic. As you stated above, the agreements never mention this type of traffic, but they do specifically define the types of traffic to be exchanged. VNXX does not match any of these traffic types and therefore is not appropriate for exchange under this agreement. Qwest has begun disputing all reciprocal compensation charges from all CLECs that Qwest has found to be forcing the exchange of VNXX traffic. PacWest was one of the entities Qwest began disputing for VNXX, and the issue is not relevant to the arbitrator's decision. VNXX was not an issue in the arbitration, it is a separate dispute, as I related previously. Qwest is not relitigating the arbitrator's decision, it is raising a separate dispute regarding reciprocal compensation monies.

Qwest points to two recent decisions related to the VNXX issue that support the Qwest position that reciprocal compensation for VNXX traffic is not due under the interconnection agreements, as Qwest never agreed to exchange this traffic with PacWest under the ICA. The Oregon PUC issued OPUC's order (No. 04-704) in docket UM1058, and the United States District Court for the District Court of Oregon in civil case 04-6047-AA, issued its order under summary judgement clearly stating that the exchange of VNXX traffic is inappropriate under the terms of the local interconnection agreements and compensation is inappropriate.[Ethan Sprague] I think Qwest said it best in its Application for Rehearing of OPUC Order 03-329, summarizing *what Qwest believes* the OPUC found: "There, the Commission held that the FCC preempted the Commission's authority to address any issues concerning compensation for traffic ultimately bound for the Internet,

including whether to assess access charges on "virtual" NXX (VNXX) calls placed to internet service providers (ISPs)." Qwest's application for rehearing on this point was denied in Order 03-552. Nothing in Order No. 04-704 changed the OPUC's conclusion that it does not have jurisdiction over compensation for VNXX ISP bound traffic. In fact that order suggested that any aggrieved party should raise the issue in a complaint. Qwest failed to amend its complaint in the DTT case to include compensation on VNXX, even though it did address whether VNXX should be excluded from the RUF percentage - an admission that the contract covers VNXX traffic (I especially enjoyed the irony of footnote 29).

As for the District Court decision (which I am not sure is relevant, but if it is) Qwest overlooks 1) that it became effective after the Arbitrator's award (Qwest must comply with the award and then file a complaint/change of law in Oregon if it thinks the circumstances in that case are similar to this one) and 2) Qwest's withholding is allegedly based on our switch location not the delivery point to the ISP as the District Court found ..."delivery of an ISP bound call to the ISP is termination of the call." This is a position we disagree with but think Qwest's withholding is overly broad even taking Qwest's position at face value. Pac-West has direct facilities to at least 6 end-offices in Oregon. Why are you withholding in LCAs where I have facilities?

In summary, Qwest's allegations and supporting evidence only serve to reinforce the fact that Qwest is making this belated claim to circumvent the Arbitrator's award. It sounds more like Qwest believes there was a change of law in Oregon. Qwest has had multiple opportunities to bring this issue up and has never disputed an invoice from Pac-West based on VNXX traffic until after the Arbitrator's award.

By way of clarification is it Qwest's position that the states have jurisdiction over VNXX ISP bound traffic or that the FCC plan never included/covered VNXX-ISP traffic in the ISP order?

[Qwest Response]: As discussed above, it is Qwest's position that it never agreed to the exchange of VNXX traffic with PacWest, or any other CLEC. Simply because the traffic is bound for an ISP does not change VNXX traffic to ISP Bound Traffic. As I am sure you are aware, the FCC, both in the original ISP Order and in the ISP Remand Order, discuss the configuration where an ISP is located in the same local calling area as the originating caller. They do not extend the analysis to a VNXX scenario, thus it is simply outside the scope of the ISP Remand Order. The Oregon cases cited merely serve to reinforce the claim that VNXX Traffic is looked at differently than local traffic, and if a call is ISP Bound, it does not change the nature of it being VNXX traffic.

With respect to your concern that Qwest is withholding monies for traffic that is not VNXX traffic, I can relay that it is not Qwest's intent to do so. The withholding was based on a good faith examination of traffic exchanged with PacWest. If PacWest can show that calls from Qwest end users to PacWest that Qwest has disputed as VNXX actually terminated in the same local calling area as the originating caller, I would be happy to work with you and adjust the disputes accordingly. As discussed above, this is a completely separate issue, as believes it is fully complying with the arbitrator's ruling, but the agreement never encompassed the exchanged of VNXX traffic, so of course no compensation would be due if PacWest forces Qwest to exchange this traffic. In addition, nothing in this process waives any rights Qwest may have to pursue further remedies, including but not limited to an order from the OPUC requiring PacWest to reconfigure its

network to cease the exchange of VNXX Traffic.

Secondly, Qwest said it was going to prospectively pay Pac-West's invoices, with the exception of the traffic described above. As you'll see from the attached email, Qwest hasn't done so (at least for our December invoices). Can you please confirm whether you've had a change of heart, or can we should expect some further payment?

Qwest response: Qwest is processing the December payment for AZ and WA for approx. \$61K and will include the appropriate dispute identification for that portion withheld for VNXX and non-Qwest originated traffic. See the response below for OR. Barb Newman began processing those payments on 1/7/05.

Third, we have not received any payment for local traffic in Oregon, even after the Core order. I cannot tell from your spreadsheet whether that has to do with something related to "the new market restrictions" or your methodology for identifying alleged "VNXX" traffic. Are you aware that Pac-West has a POI in Portland? I would assume even Qwest would agree that compensation is due on calls that allegedly originating from rate centers which are local to the POI location? Or is it Qwest's position that a switch is required in each local calling area for traffic to be considered terminated within that local calling area?

Qwest response: Qwest has not issued any payments in OR as Qwest records show that all the traffic billed by PacWest is related to VNXX traffic. Qwest is aware that PacWest has a POI in OR and a switch in Seattle. As PacWest terminates no traffic to Qwest in OR, Qwest believes that PacWest does not have any end users physically located in any OR communities. Again, these calls are being transported out of the local calling area and therefore, these calls are not local calls but VNXX traffic and not subject to compensation under the local ICA.

Lastly, the attached spreadsheet calculates the interest Qwest owes on the amount it has agreed to pay through October usage for WA and AZ (\$9,399.88). Can we expect Qwest to pay the late payment charges called out in the contract for the traffic it has agreed to pay? I'd appreciate if you could clarify Qwest's position on these issues and would be happy to schedule a call to discuss. Thanks

Qwest response: Qwest would like to point out that PacWest did not bill Qwest, nor include any Late Payment Charges in the information it provided in its claim, so it finds it somewhat lacking that PacWest now demands interest. Nevertheless, so as not to prolong any more issues associated with the arbitration order, Qwest will provide a late payment charge in the amount you identified (\$9,399.88) in its next billing cycle.

Qwest believes that all the issues that are directly related to the arbitration order are now sufficiently addressed, all payments will be completed shortly, and considers the issues related to the arbitration order closed.

Please let me know if you have any questions

Dan Hult
Director-Carrier Relations
Qwest Wholesale Markets

6/6/2005

<<FW: Qwest Pac West Nov and Dec Inv. - Dec Pymts for AZ and WA only>> <<Pay Amount Documentation.xls>>

-----Original Message-----

From: Ethan Sprague [mailto:esprague@pacwest.com]

Sent: Thursday, January 06, 2005 6:10 PM

To: Hult, Dan E

Subject: next steps on ISP dispute

We received your partial payment of \$587K on the Arbitrator's order - thanks. However I have a few questions related to the outstanding amounts. First, from your correspondence I understand that Qwest is laying another dispute on top of the first. The second dispute has to do with whether a portion of the presumed ISP traffic that Pac-West billed Qwest (and for which the arbitrator ruled compensation was due under the ISP amendment) is in fact covered by the ISP Amendment. Qwest appears to believe that certain presumed ISP bound traffic is carved out of the ISP Amendment and FCC jurisdiction based on that traffic's routing characteristics. It occurs to me that the best and most efficient way to resolve this related dispute, which only comes about because of the Arbitrator's initial ruling, is to engage him again to decide this second related matter of what ISP traffic the ISP Amendment covers. Pac-West proposes the parties contact him to ascertain his availability. Secondly, Qwest said it was going to prospectively pay Pac-West's invoices, with the exception of the traffic described above. As you'll see from the attached email, Qwest hasn't done so (at least for our December invoices). Can you please confirm whether you've had a change of heart, or can we should expect some further payment? Third, we have not received any payment for local traffic in Oregon, even after the Core order. I cannot tell from your spreadsheet whether that has to do with something related to "the new market restrictions" or your methodology for identifying alleged "VNXX" traffic. Are you aware that Pac-West has a POI in Portland? I would assume even Qwest would agree that compensation is due on calls that allegedly originating from rate centers which are local to the POI location? Or is it Qwest's position that a switch is required in each local calling area for traffic to be considered terminated within that local calling area?

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6/6/2005

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