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REGULATIONS (cont'd)

2.10 Application of Rates (cont'd)

2.10.3 Mileage

The mileage to be used to determine the Local Transport Facility monthly rates is calculated as the airline distance between the end office switch where the call carried by Local Transport originates or terminates and the Customer's serving wire center. The V&H coordinates method is used to determine mileage. This method is set forth in Section 2.10.2 preceding.

The Local Transport Facility mileage rates are shown in Section 5 of Section 5 in terms of per mile per access minute. To determine the rate to be billed, first compute the mileage. Should the calculation result in a fraction of a mile, always round up to the next whole mile before determining the mileage. Then multiply the mileage by the appropriate Local Transport Facility rate. The amount to be billed shall be the product of this calculation (i.e. the number of miles multiplied by the per mile rate) multiplied by the number of access minutes.

2.10.4 Surcharges and Taxes

In addition to the rates and charges applicable according to the rules and regulations of this Tariff, various surcharges and taxes may apply to the Customer's monthly billing statement; including, but not limited to, the Primary Interexchange Carrier Charge (PICC).