

## **Verizon's Response to 12/20/05 VNXX workgroup issues list**

1) What factors determine whether a call is a local or non-local call?

Verizon Response: If the geographic locations of the calling and called end users are not within the local calling area of the ILEC, the call should be considered non-local.

a) How should the term "physically located" be defined?

Verizon Response: Physically located should be determined by the address at which the end user's equipment is located that originates or terminates the electrical connection of a call.

b) How should the term "called party" be defined?

Verizon Response: Called party is the end user which answers an incoming call from an originating party or calling party. The end user can be a human or electrical equipment with call sensing capability that "goes off hook" and completes the electrical connection of the phone call.

2) How widespread is the use of VNXX in Michigan?

Verizon Response: While only the providers of VNXX service can provide such an estimate, Verizon does note that the numbering resources (whole NPA's and one thousand blocks) assigned to CLEC's in MI is greater than the numbering resources assigned to SBC, Verizon, and all other ILECs in MI.

3) Can VNXX calls be tracked?

Yes. The Provider of VNXX service can perform periodic traffic studies to estimate the amount of VNXX traffic terminated, so that their reciprocal compensation, transitional ISP compensation, and access charge bills may be adjusted accordingly. Through such traffic studies, LEC specific factors can be developed representing an estimate of the volume of VNXX traffic that each LEC terminates.

- a) notification;
- b) administrative burdens;
- c) LNP issues/complications, and
- d) accounting method for tracking VNXX calls

Verizon Response: We can't get into the details of A-D without knowing what the VNXX rules are/will be.

4) Would there be an affect on emerging technologies if VNXX is eliminated? For example such as on:

a) VOIP;

Verizon Response: It is unclear whether state PUC telecomm rules and regulations apply to VoIP providers.

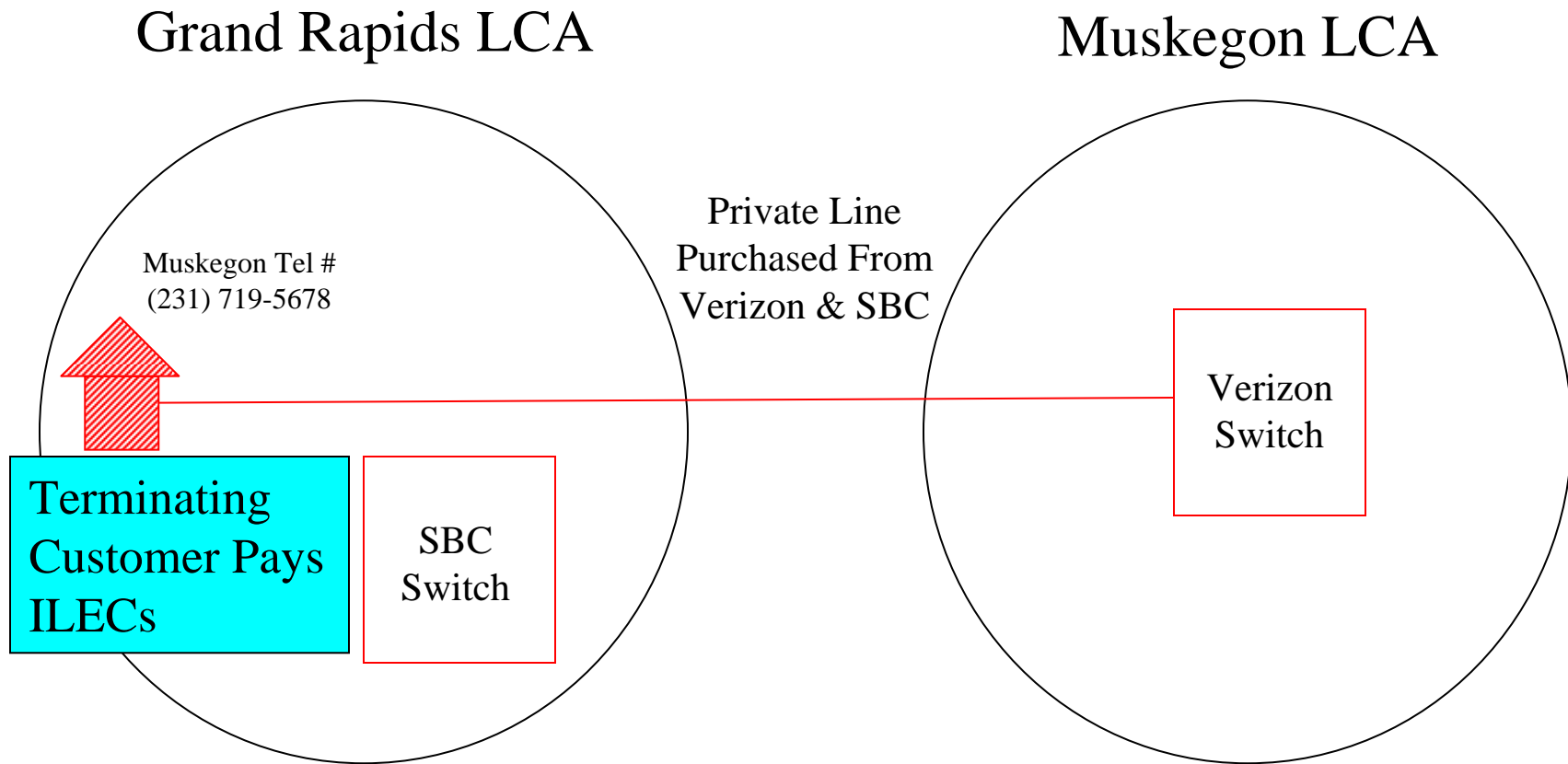
b) Cellular;

Verizon Response: No.

c) Ability of a customer to take a phone number with them everywhere

Figure 1

# Traditional FX Arrangement



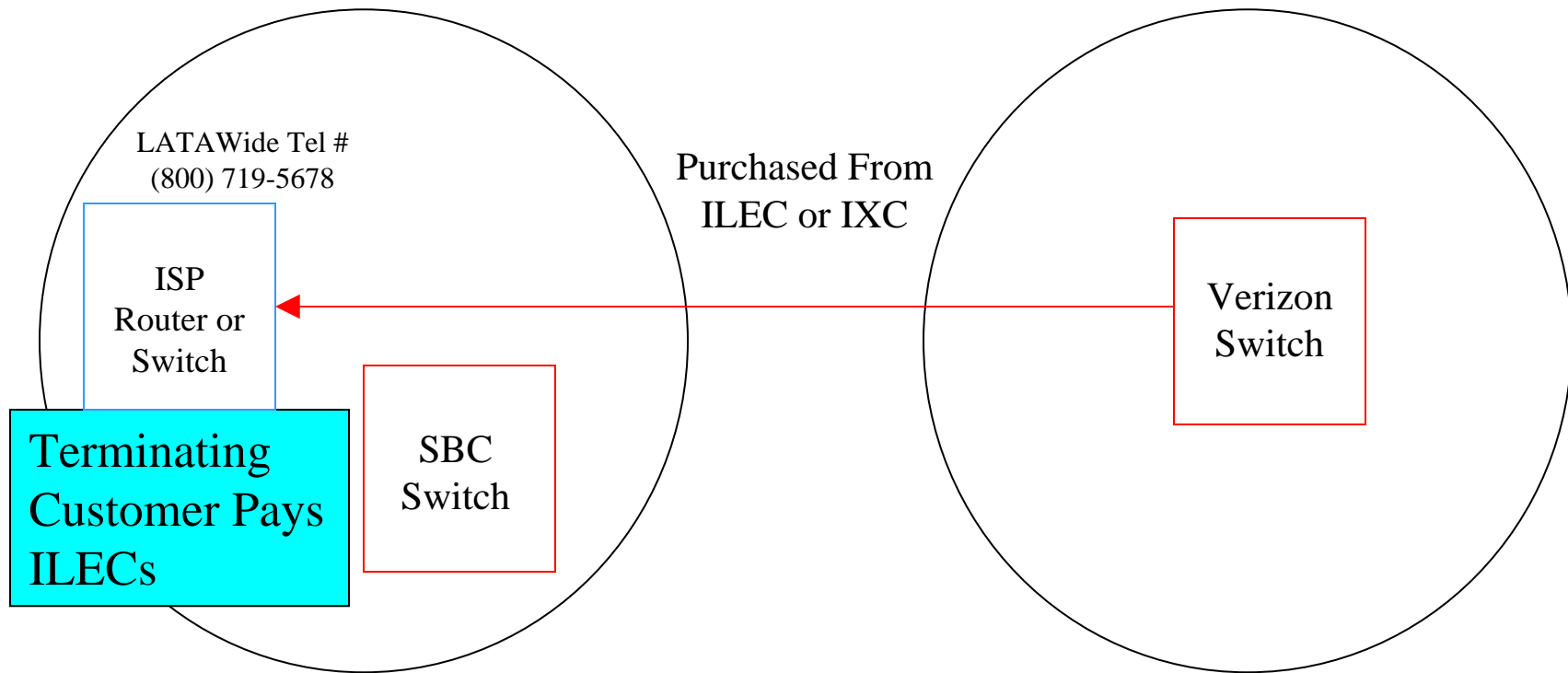
January 4, 2006

Figure 2

# LATA Wide 800 Arrangement

Grand Rapids LCA

Muskegon LCA



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Figure 3

# PRI to ISP Arrangement

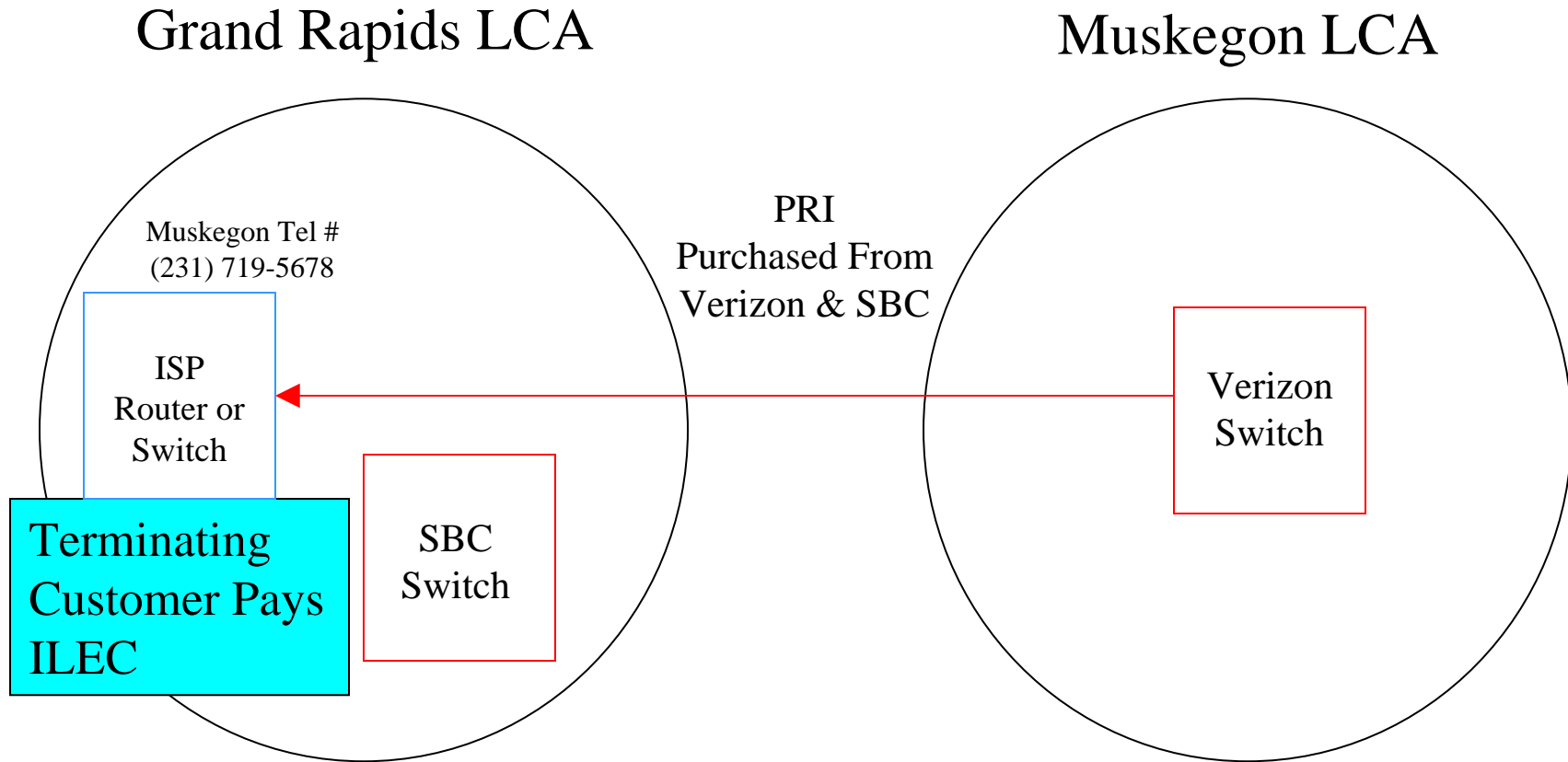


Figure 4

# Virtual NXX Direct Transit Arrangement

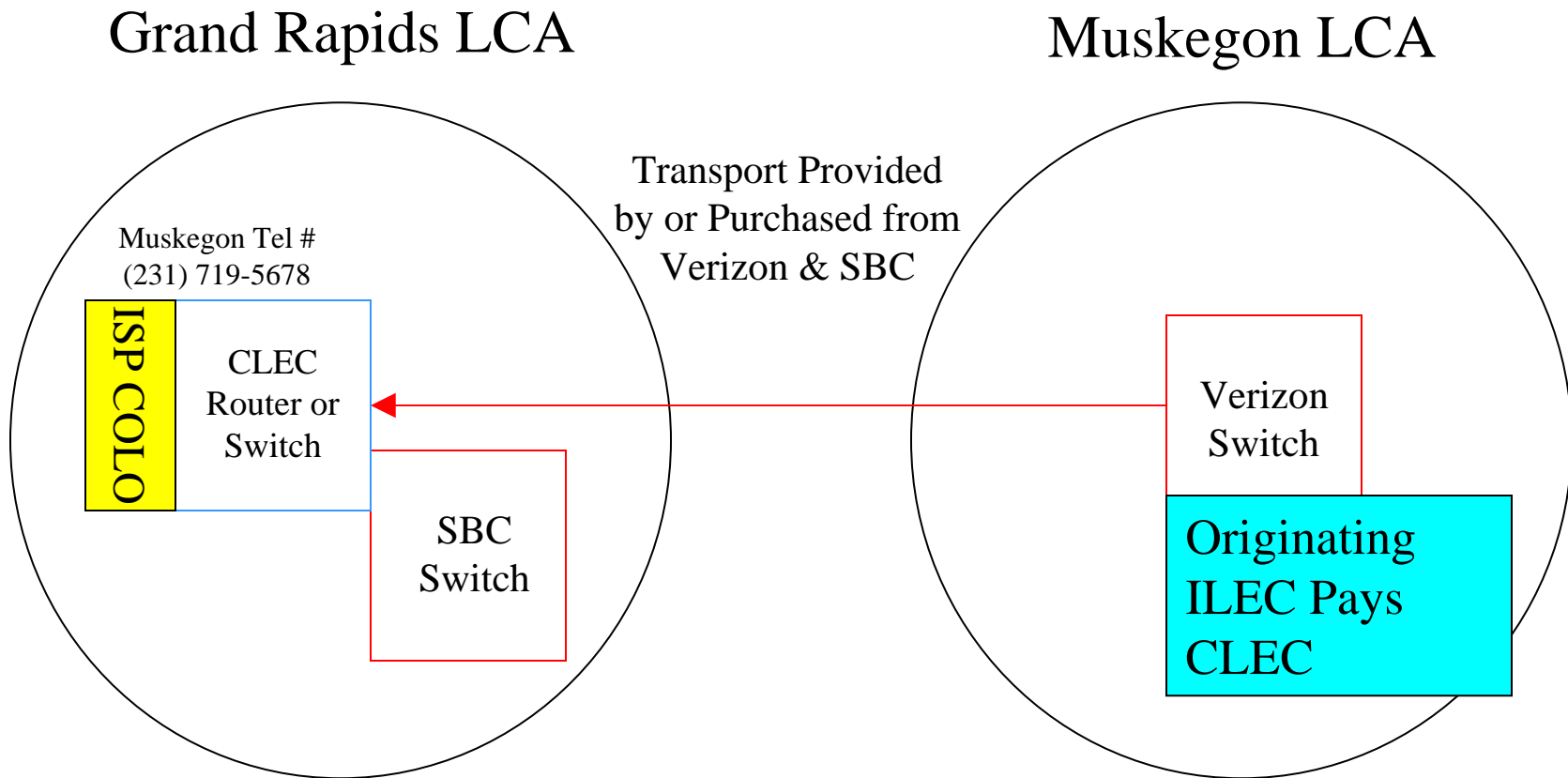
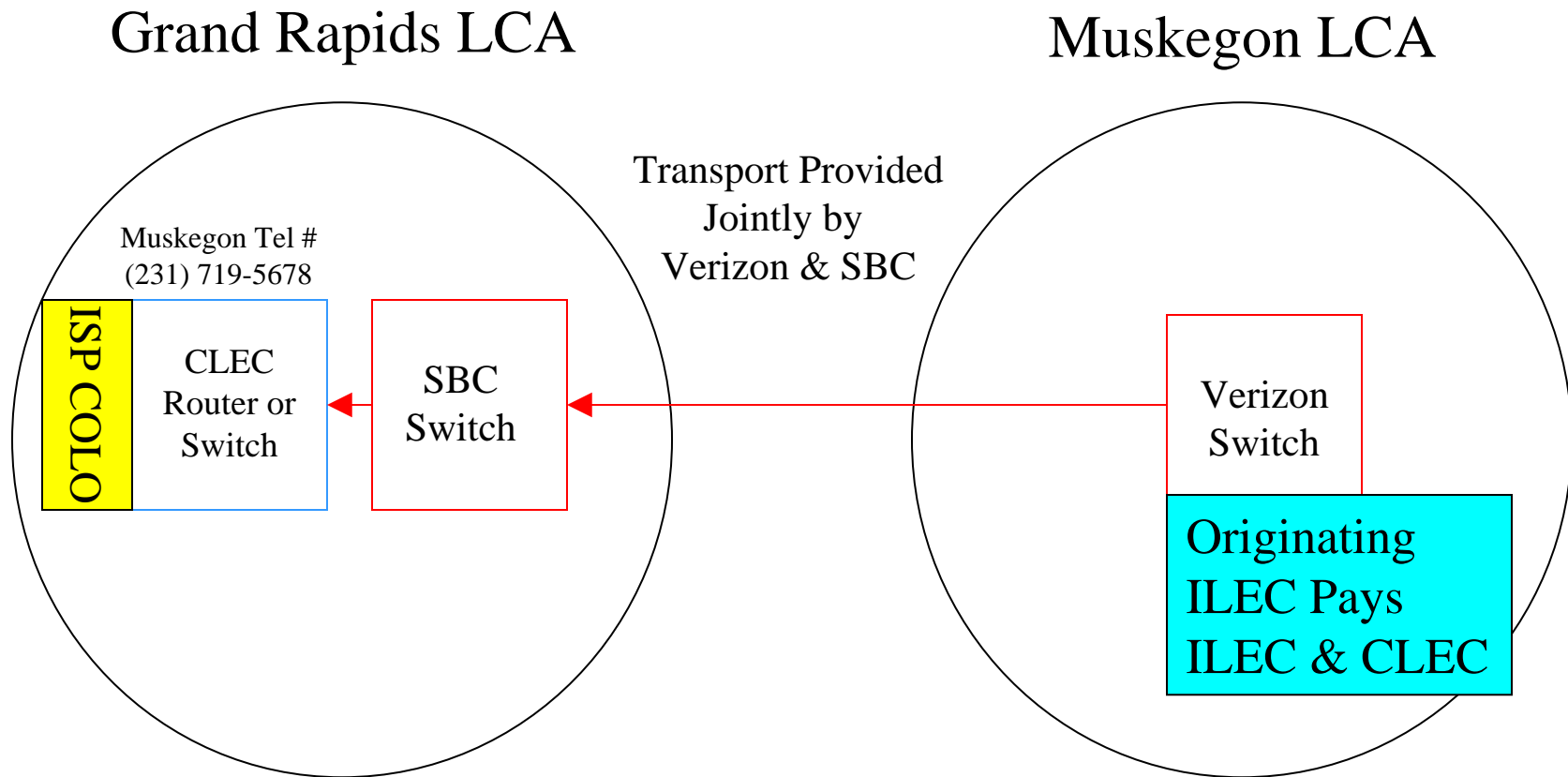


Figure 5

# Virtual NXX Tandem Transit Arrangement



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Verizon Response: Under current LNP guidelines, service provider portability is all that is allowed, Geographic portability is not allowed.

d) Broadband

Verizon Response: The inappropriate application of inter-carrier compensation to VNXX traffic under a Calling Party Pays model keeps dialup Internet service at artificially low prices. As such, the demand for broadband service would increase if VNXX was eliminated in MI, or if more appropriate inter-carrier compensation models, such as for 800 service, were applied.