

AT&T Michigan Draft for Discussion Purposes
Virtual NXX Workgroup
MPSC Case No. U-14683

Description:

Virtual NXX¹ is the assignment of a telephone number to a customer that is not physically located in the exchange to which the NXX is assigned. Virtual NXX arrangements permit end users in one local calling area to make “local” calls (without incurring toll charges) to end users located in another local calling area either within the same LATA or in another LATA. Virtual NXX is typically used for delivery of one-way inbound traffic of which is most commonly dial-up ISP-bound traffic.

Issues:

- What is the appropriate compensation mechanism for Virtual NXX traffic?
- Is it subject to originating switched access charges, to 251(b)(5) reciprocal compensation or ISP-bound compensation?
- Open industry dockets at the federal level:
 - Pending reform of the intercarrier compensation system in the FCC docket, “FCC Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92.”
 - Pending intercarrier compensation on internet protocol enabled traffic in the FCC docket, “In the Matter of IP-enabled services, WC Docket No. 04-36.”

¹ Section 304 (9) of the Michigan Telecommunications Act (1991 PA 179 as amended by 1995 PA 216, 2000 PA 295 and 2005 PA 235) states: A call made to a local calling area adjacent to the caller's local calling area shall be considered a local call and shall be billed as a local call. Effective December 31, 2007, a call made to a called party who is not located within the geographic area of the caller's local calling area or an adjacent local calling area as defined by the commission's order in case numbers U-12515 and U-12528, dated February 5, 2001, is not a local call if the tariff of the provider originating the call does not classify the call as a local call. The commission shall convene a workgroup of interested parties for the purpose of resolving issues surrounding virtual NXX. Virtual NXX is the assignment of a telephone number to customers who are not physically located in the exchange to which the nxx is assigned. The workgroup shall consider the utilization of virtual NXX services to transport interexchange traffic and the associated inter-carrier compensation. Prior to July 1, 2006, the commission shall submit a report to the governor and the house and senate standing committees with oversight of telecommunication issues on the progress of workgroup discussions. The report shall include a commission policy statement relating to the provision of virtual NXX services, and recommendations for legislation, if any.

Virtual NXX Example

In this example, the CLEC provides service to a dial-up ISP physically located in the Detroit local calling area and assigns the ISP a telephone number from the Port Huron local calling area. This arrangement permits end users in the Port Huron local calling area to make "local" calls (without incurring toll charges) to the ISP physically located in the Detroit local calling area.

