

I agree with Mark. The legislative intent issue still needs to be addressed. The only way to reconcile the two-year moratorium with the call for a work group is to conclude that the Commission still has discretion to approve tariffs that continue VNXX service as local service, in accordance with the cases he has listed.

Robert B. Nelson
Fraser Trebilcock Davis & Dunlap, PC
517-377-0854

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>>> "Mark Iannuzzi" <mark.iannuzzi@telnetww.com> 12/12/05 02:40PM >>>
all.

as promised, attached are the links to the MPSC's rulings on VNXX dating back to 1999, including the link to a court of appeals case.

as another item for our list of issues, i suggest that we determine what language in the MTA means. that is, if not for a last minute sanity check on this amendment to provide a 2 year moratorium, the unabridged amendment would today be the law. accordingly, what does it mean that the call is not local when... such that if the legislature does nothing, what does this language mean to carriers and consumers.

mark

VNXX Workgroup Team,

In the absence of receiving an electronic version of our notes from Fridays meeting - I thought it might be helpful to share a copy of what I shared over the phone and captured from the input of those attending. I am looking forward to the commissions notes and website, and hope these will suffice until the MPSC notes arrive.

Remember, those of you wishing for more neutral wording of the issues are to be prepared to offer your suggested revisions at tomorrow's meeting. :-)

Thanks and see you all then,

Todd G.

Todd A Gardner
Director of Network Development
The Iserv Company - *"We'll get you there"*
5222 33rd Street SE, Grand Rapids, MI 49512
Voice & Fax: (616) 493-3727
Mobile: (517) 896-2183

Consolidated Definitions and Issues

Prelim VNXX Workgroup – Discuss Friday 12/9/2005

Definitions:

1. Basically all appeared to agree with definition provided in MTA 304(9), however TelNet's Definition seemed most clear and concise.

Issues:

1. Determination - Should determination of intra vs. inter exchange be determined without regard to geographic endpoints? (*Verizon*)
2. Compensation:
 - a. Appropriate compensation method for VNXX? (*AT&T*)
 - i. Intra-exchange (Local)
 - ii. Inter-exchange (*MECA*)
 1. Long-distance (sent-paid) (*Verizon*)
 - a. Keep in mind Originating and Terminating providers both would be owed compensation – and who would be the IXC?
 2. Called party pays (i.e.: 800) (*Verizon*)
 - iii. Exclude VNXX from Reciprocal Comp (*MECA*)
 - iv. Bill & Keep (Inter and Intra)
 - b. Subject to which of the following: (*AT&T*)
 - i. Originating switched access charges
 - ii. 251(b)(5) reciprocal compensation
 - iii. ISP Bound Compensation
 - iv. Bill & Keep (Inter and Intra)
 - c. Pending Federal Regulation (*AT&T*)
 - i. Reform of intercarrier compensation system (CC Docket # 01-92)
 - ii. Intercarrier compensation on Internet protocol traffic (WC Docket # 04-36)
 - d. Has anything changed since the previous 9 rulings by the MPSC on this topic? (*ISPs*)
 - e. Who is the retail service provider for VNXX traffic?
3. Discrimination – taking away CLECs ability to create differentiating services is anti-competitive, especially since ILECs are free to deploy VNXX themselves, but choose not to. (*TelNet*)
4. Unexpected Toll Charges
 - a. Calling Party will not likely know which “local” numbers are toll.
 - b. Who will notify consumers of which local calls could result in toll (websites, phone books)
5. Define “Physically Located” – P.O. Box, cell phone in closet, brick & mortar, employees? (*TelNet*)
6. Define “Called Party” – Person, equipment, PSTN only or total call? (i.e. PSTN to VoIP)
7. VNXX Verification:
 - a. Notification – By what means would carriers advise of VNXX condition? (*TelNet*)
 - b. Administrative Burden – Settlement disputes cause significant burden. (*TelNet*)
 - c. LNP – Complicates determining single VNXX numbers. (*TelNet*)
 - d. Accounting – method of tracking VNXX calls not in place. (*ISPs*)
8. Undermines Emerging Technology
 - a. Restricts VoIP and Cellular. (*TelNet*)
 - b. Reverses concept of “one number” that follows me everywhere. (*TelNet*)
9. Underserved Area Penalized – Rural Areas most likely to use VNXX, less likely to be served. (*TelNet*)
10. Data over POTS Heavily Impacted – POS, ATMs, alarm systems, dial-up Internet. (*TelNet*)
11. Evidence of Harm? – ILECs record profits (SBC, Verizon, CenturyTel), CLECs under siege (*TelNet*)
12. Free Ride – Truth or Fiction – Is there an extra cost to the originator of the call? (*TelNet*) (*ISPs*)
13. Avoid Unnecessary Duplication - Interconnection Architecture designed to avoid the CLEC replacing ILEC network. (*TelNet*)
14. Does the MPSC have jurisdiction over the tariffs? –
 - a. Will the ILECs be allowed to discriminate at will by determining for themselves (in their Tariffs) which VNXX are toll or not. Need for even-handedness. (*ISPs*)
15. Is VNXX preempted by the Federal Government?

16. Does VNXX delay broadband?
17. How Pervasive is VNXX today?
 - a. VNXX commonly employed by ILECs for VM (*TelNet*)
 - b. SBCs use of Ensemble and Omnipresence for ISPs (Host/Remote Access) (*TelNet*)
 - c. ILEC Owned CLECs most all provide VNXX service to ISPs (*Iserv*)
 - i. Verizon's MCI Properties
 - ii. CenturyTel's KMC Properties
 - d. ILEC provided Foreign Exchange service is by definition VNXX (*MidMich*)
 - e. Remote Call-Forwarding out of Local Area is by definition VNXX (*Iserv*)
 - f. "Time" and weather typically VNXX.
 - g. TALK sites specific examples of SBC offering VNXX in Detroit/Royal Oak and the impact it has on CLECs (Who are not complaining).
18. Is VNXX contrary to the competitive purposes of the MTA?

Diagrams:

1. SBC/AT&T good, except does not acknowledge DEOTs
2. Verizon's simple & Clear
3. Telnet's more detail, requires some telecom understanding

Proposals:

1. MECA – exclude VNXX from Reciprocal Compensation, VNXX provider responsible for transport beyond local calling area, Commission modify its VNXX policy to come in line with MECA's interpretation of the Legislature's intent.
2. TelNet – MPSC already examined this issue 9 times previous, keep as is. FCC making changes soon do not create artificial Michigan Only fix neither by law or commission order.