



The VON Coalition

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VoIP Leaders Ask Congress to Hang-Up on Idea of Applying 1898 War Tax to Internet Communication

In response to a proposal in January by the Joint Tax Committee to expand the Federal Telephone Excise Tax to the Internet and VoIP, today Senator George Allen announced plans to introduce new legislation seeking to prevent the application of the 3% Federal Telephone Excise Tax to Internet access.

The following statement can be attributed to Staci Pies, President of the VON Coalition.

“Senator Allen recognizes that this century-old tax has no place in the Internet age and the VON Coalition applauds his leadership in trying to prevent the expansion of the federal excise tax to new technologies and services. Applying the tax, originally imposed to fund the Spanish-American War, to new innovations like VoIP will only stifle innovation and stall consumer opportunity. To enable the vast new consumer and economic benefits that VoIP can deliver, innovation in new Internet communications technologies should be promoted instead of saddled with a horse and buggy-era tax. We think Senator Allen’s legislation is a great first step and look forward to working with him and others in Congress to ensure that the excise tax is not applied to VoIP and hope it can one day be relegated only to the history books.”

About the VON Coalition:

The Voice on the Net or VON Coalition consists of leading VoIP companies, on the cutting edge of developing and delivering voice innovations over Internet. The coalition, which includes Acceris, AccessLine, AT&T, BMX, BT Americas, CallSmart, Conveda, Covad, Earthlink, IceNet, iBasis, Intel, Intrado, Level 3, MCI, Microsoft, MobilePro, Multi-Link, New Global Telecom, PointOne, Pulver.com, Skype, T-Mobile USA, Teleglobe, Texas Instruments, USA Datanet, VocalData, and Voiceglo, believes that Americans are fundamentally better off with a generally hands off regulatory approach to Internet and Internet based services like VoIP. Since its inception, the VON Coalition has consistently advocated that federal and state regulators maintain current policies of refraining from extending legacy regulations to Internet services, including VoIP. More information about the VON Coalition can be obtained at the following website: <http://www.von.org>