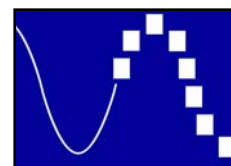


February 4, 2008



The VON Coalition

Chairman Vincent C. Gray  
Council of the District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue, N.W. Suite 504  
Washington, D.C. 20004

Dear Chairman Gray,

As the nation's leading companies developing and delivering voice innovations over the Internet, we are writing in **support of B17-0332** to help foster VoIP driven benefits and improve the way D.C. residents communicate.

Voice over Internet Protocol (VoIP) technologies can be a force for increased competition, a platform for innovation, a driver for broadband deployment, and a vehicle for continued economic growth. In fact, with the right policies VoIP competition can save District of Columbia consumers an astounding \$250 million over the next 5 years<sup>1</sup> – putting real money back into consumers' pockets through the power of competition at a time when families could really use it.

And the best is yet ahead. Some of the most exciting Internet developments for consumers come from services that move beyond basic voice to put consumers in charge of their own communications and open the door for an entirely new genre of communications products, services, and applications. By integrating voice with the Internet, voice is now becoming just another application riding on data networks. It is being integrated into web sites, social networking communities, instant messaging software, blogs, mapping programs, voice recognition applications, and is likely to be used tomorrow in ways we can't even imagine today.

To help ensure that District consumers can benefit from these transformative Internet services, B17-0332 would help bring needed clarity to District law. The bill prohibits the regulation of VoIP and other Internet protocol-enabled products and services, while preserving important consumer protections.

Policymakers at all levels – in Congress, at the Federal Communication Commission (FCC), in states, and in the courts -- have come to recognize that to unleash the vast benefits that VoIP can deliver, policymakers must avoid applying a potential patchwork of multiple and inevitably conflicting regulatory models. States too are recognizing that VoIP can be harnessed for enormous public gain. As a result, government leaders in states like California, Florida, Virginia, Maryland, New Jersey, and Georgia have all taken steps to prevent state regulation of VoIP in order to boost broadband deployment and harness VoIP's vast potential for important public policy goals. We encourage you to follow suit and pass B17-0332 accordingly.

This legislation is especially important for consumers living in the District of Columbia who have yet to enjoy the benefits of broadband and voice competition. VoIP is a critical technology for pushing broadband deeper into communities. VoIP service is used more predominately by less

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<sup>1</sup> Micra report (available online at [http://www.micradc.com/news/publications/pdfs/Updated\\_MiCRA\\_Report\\_FINAL.pdf](http://www.micradc.com/news/publications/pdfs/Updated_MiCRA_Report_FINAL.pdf)) found that VoIP competition can save consumers in the District of Columbia \$250,558,698 over the next 5 years.

affluent consumers who often benefit more from a steep cut in their phone bills. A study by the American Consumer Institute shows 22% of households earning \$25,000 have made a VoIP call from their home – more than double the usage rate of households in the \$50,000 to \$74,000 a year bracket<sup>2</sup>. VoIP users are also much more likely to be African American, Hispanic, or Asian than the users of other communications services.<sup>3</sup> As Faye Williams, national chairwoman of the National Congress of Black Women has said, *“new providers of VoIP and other services could help bridge the digital divide by bringing their new services into underserved areas ... and that is key for minority small businesses, for underfunded schools, and for the upward mobility of thousands of middle- and lower- income communities.”*<sup>4</sup>

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Enabling this consistent and predictable policy framework and thus fostering VoIP innovation can help lead to breakthrough new benefits for those who can benefit most. We look forward to working with District leaders to forge pragmatic solutions that enable consumers, businesses, and the economy to achieve the full promise and potential that VoIP can deliver.

Sincerely,

### The VON Coalition

**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 AT&T, BT Americas, CallSmart, Cisco, Covad, EarthLink, Google, iBasis, i3 Voice and Data, Intel, Microsoft, New Global Telecom, PointOne, Pulver.com, Skype, T-Mobile USA, USA Datanet, and Yahoo! works to advance regulatory policies that enable Americans to take advantage of the full promise and potential of VoIP. The Coalition believes that with the right public policies, Internet based voice advances can make talking more affordable, businesses more productive, jobs more plentiful, the Internet more valuable, and Americans more safe and secure. Since its inception, the VON Coalition has promoted pragmatic policy choices for unleashing VoIP's potential. <http://www.von.org>

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<sup>2</sup> The American Consumer Institute, Consumer Pulse Survey collected January 2006 shows that while the lowest income users were more likely to have made a VoIP call from their home: 22% have made a call from their home for those earning less than \$25,000 a year; 5% for \$25,000 to \$49,000; 10% for \$50,000 to \$74,000; and 12% for those earning above \$75,000 per year.

<sup>3</sup> The American Consumer Institute, Consumer Pulse Survey collected January 2006 found that 18% of African Americans, Hispanics, and Asians, were likely to have tried VoIP from home, versus only 10% for Caucasians.

<sup>4</sup> Bridging the divide, By E. Faye Williams, Baltimore Sun, September 27, 2006