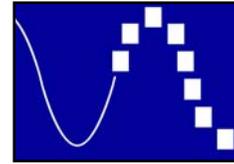


February 21, 2008



Delegate Dereck E. Davis
Chair, Economic Matters Committee (ECM)
Room 231, House Office Building
6 Bladen Street
Annapolis, MD 21401-1912

Dear Chairman Davis:

As the nation's leading companies developing and delivering voice innovations over the Internet, we are writing in opposition to H.B. 1062 which while well intentioned – could undermine federal E9-1-1 rules and put consumer safety at risk.

Dialing 9-1-1 can be the most important call a person ever makes. That is why Interconnected VoIP providers have made providing 9-1-1 emergency service in an Internet world a paramount priority. They have gone to extraordinary lengths to make astonishing progress under a very ambitious timetable. The VoIP industry is proud to report that Interconnected VoIP services now provide at least basic 9-1-1 to all their subscribers and E9-1-1 to more than 97 percent of their subscribers -- the fastest and broadest onetime implementation of E9-1-1 in the history of public safety. And America is safer for it. As a result of this unprecedented effort, Americans who dial 9-1-1 using interconnected VoIP services can now rest assured they can reach help in an emergency.

However, this well meaning legislation could undermine important E9-1-1 progress. H.B. 1062 is unnecessary, conflicts with federal rules, and undermines the proactive efforts of VoIP providers to ensure the most accurate location information for every E9-1-1 call. The legislation is counterproductive in three ways:

First, the bill would require Interconnected VoIP providers to warn consumers about the limitations of their service when the FCC's VoIP E9-1-1 order already requires Interconnected VoIP provider to warn consumers of the limitations of its E9-1-1 service, to keep a record of the customer's affirmative acknowledgement, and to distribute warning stickers to subscribers. Given the tremendous track record, additional requirements for warnings are unnecessary and counterproductive. The Maryland legislature has never taken similar steps for other services that often have more limited E9-1-1 capabilities than does Interconnected VoIP. We are proud that Interconnected VoIP users are the most informed about their E9-1-1 service, that these services now have the highest percentage of users with E9-1-1 than any other voice service in the country (including wireline), and that it is the only service that goes above and beyond other services to warn customers of any limitations. Further steps are unnecessary.

Second, the bill requires each customer to update the physical address of the VoIP service each month when doing so undermines ongoing efforts to encourage immediate updates. The VoIP industry recognizes that having up to date location information can save lives. That is why the providers have gone to extraordinary lengths, deployed innovative solutions to allow consumers to update information if and when the customer moves the service. In some cases, for example, companies have deployed automated technologies that seek customer input on their new location before being able to make a call.

However, H.B. 1062 would undermine the extraordinary efforts that the VoIP industry has taken to encourage immediate customer updates, by requiring monthly updates. By requiring monthly updates, the bill could have the counterproductive effect of leading customers to believe that they should wait for the monthly update rather than updating it immediately – potentially putting customers at risk. In addition, the legislation requires consumers to update their location on a monthly basis for fixed VoIP services that cannot be utilized in more than one location – creating additional customer confusion about their service.

Third, the FCC has ruled that it has exclusive federal jurisdiction over Interconnected VoIP services and has set up national E9-1-1 requirements for Interconnected VoIP. When Minnesota sought to set its own 9-1-1 requirements for VoIP, the FCC stepped in to preempt the state's ability to do so. Last year, the 8th Circuit Court of Appeals affirmed the FCC's Vonage Jurisdictional Order which preempted Minnesota's separate 9-1-1 requirements and other state regulation of VoIP services. For these same reasons, last year Maryland's House and Senate approved, and the Governor signed legislation preventing Maryland's Public Service Commission from regulating VoIP service.¹ However despite the goal of a national and consistent framework, H.B. 1062 would conflict with the FCC's ongoing proceeding examining ways to further improve location capabilities for Interconnected VoIP services for E9-1-1 purposes when technologically and operationally feasible.² By locking Maryland consumers into a manual monthly process by statute when the FCC is exploring automatic and immediate solutions, puts the language in H.B. 1062 at odds with potential new federal mandates.

While H.B. 1062 seeks to address several laudable goals, these goals are already being appropriately addressed at the federal level. However, adopting the measure is counterproductive, could hinder future life saving advances, stifle VoIP innovation while also violating federal rules. For these reasons, we oppose enactment of H.B. 1062.

VoIP can play a critical role in making talking more affordable, businesses more productive, jobs more plentiful, the Internet more valuable, and Americans more safe and secure. We look forward to continuing to working with Maryland 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>

¹ See Chapter 580 at http://mlis.state.md.us/2007RS/chapters_noln/Ch_580_sb0864E.pdf

² FCC docket PS Docket No. 07-114