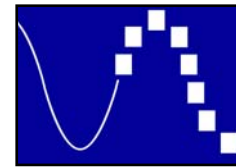


May 1, 2008

Senator George Maziarz
Chairman Senate Energy and Telecommunications Committee
Room 811, Legislative Office Building
Albany, NY 12247



The VON Coalition

Dear Chairman Maziarz:

As the nation's leading companies developing and delivering voice innovations over the Internet, we are writing in **support of S.B. 7664** to help foster VoIP driven benefits and improve the way New Yorkers 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 New York consumers an astounding \$7.3 billion over the next 5 years¹ – putting real money back into consumers' pockets through the power of competition at a time when families really need it. And by harnessing VoIP as a broadband driver, just a 7% increase in broadband adoption could create nearly 150,000 more New York jobs per year.² Indeed, as the nation faces economic challenges, VoIP is now projected to be the number one job creator of any industry in the country.³

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 New York consumers can benefit from these transformative Internet services, S.B. 7664 would help bring needed clarity to New York law. The bill prohibits the regulation of VoIP 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

¹ Micra report (available online at http://www.micradc.com/news/publications/pdfs/Updated_MiCRA_Report_FINAL.pdf) found that VoIP competition can save consumers in New York \$7,312,605,066 over the next 5 years.

² Just a 7% increase in broadband adoption could result in an additional 147,884 New York jobs per year created.
See

http://www.connectednation.com/documents/2008_02_21_TheEconomicImpactofStimulatingBroadbandNationally_AConnectedNationReport_001.pdf.

³ The industry leading the way in terms of employment growth over the next few years will be Voice Over Internet Protocol providers (VoIP), according to economic research firm IBISWorld, with average annualized jobs growth of around 19.4% through 2012. *See* <http://www.ibisworld.com/pressrelease/pressrelease.aspx?prid=116>.

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 S.B. 7664 accordingly.

This legislation is especially important for consumers living in rural New York who have yet to enjoy the benefits of broadband and voice competition. Adopting the legislation could help rural consumers to benefit from voice competition, rural telecom companies to extend broadband more affordably, remote businesses to transform the way they do business, rural communities to connect to a new world of remote job opportunities, and rural economies to become an engine for higher paying information age jobs. Rather than outsourcing jobs overseas, some progressive companies are now even using VoIP to "home-source" jobs to rural communities.

Enabling this consistent and predictable policy framework and thus fostering VoIP innovation can help lead to breakthrough new benefits. We look forward to working with New York leaders to forge pragmatic solutions that enable consumers, businesses, and the economy to achieve the full promise and potential that VoIP can deliver. Thank you for sponsoring the bill.

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, CommPartners, 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>