



May 2, 2011

Honorable Michael Thibodeau, Senate Chair
Honorable Stacey Fitts, House Chair
Joint Standing Committee on Utilities and Energy
100 State House Station
Augusta, ME 04333

Re: **SP 408, LD 1311, An Act to Specify That Providers of Voice over Internet Protocol Services and Internet Protocol Enabled Services Do Not Constitute Telephone Utilities**

Dear Senator Thibodeau and Representative Fitts:

The Voice on the Net (VON) Coalition, which represents the nation's leading companies developing and delivering voice innovations over the Internet, respectfully submits these comments concerning SP 408 and LD 1311, An Act to Specify That Providers of Voice over Internet Protocol Services and Internet Protocol Enabled Services Do Not Constitute Telephone Utilities. Specifically, in order to ensure that consumers can take full advantage of the power and potential that Internet communications can deliver, VON supports ensuring that there be no state regulation of interconnected Voice over Internet Protocol ("VoIP") service or other IP-enabled services and confirmation that VoIP is not a telephone service or VoIP providers telephone utilities.

VoIP 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 Maine consumers millions of dollars annually – putting real money back into consumers' pockets when they really need it. Further, by harnessing VoIP as a broadband driver (since VoIP calls are carried over broadband connections), increased broadband adoption in Maine will create jobs as the country works its way out of these difficult economic times.

To help ensure that Maine consumers can benefit from these transformative Internet services, Sec. 4, 35-A MRSA §2102, sub-§5Section 40-15-304(b) would prohibit any state agency, including the Public Utilities Commission, from regulating the entry, rates or terms of service of interconnected VoIP providers. Further, the statutory definition of Telephone Service would exclude interconnected VoIP, and the definition of Telephone Utility would not include entities that provide service by using interconnected VoIP. See Sec. 2. 35-A MRSA §102, sub-§18-A and Sec. 3. 35-A MRSA §102, sub-§19. By adopting these provisions, Maine would join federal policymakers and more than 17 states that have recognized that to unleash the vast benefits that VoIP can deliver, the service should not be subject to a potential patchwork of conflicting state regulatory models. These provisions are particularly important for consumers living in rural Maine who may not yet enjoy the benefits of broadband and voice competition.

Rather than adopting state-specific rules for VoIP, government leaders in states like California, Florida, Georgia, Maryland, Massachusetts, New Jersey, Rhode Island and Virginia have all taken steps to prevent state regulation of VoIP in order to boost broadband deployment, make phone service more affordable, and harness VoIP's vast



May 2, 2011
Page 2

potential for important public policy goals. We encourage you to follow suit and adopt SP 408/LD 1311.

Please contact the undersigned if you have any questions.

Sincerely,

The VON Coalition

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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 the Internet. The coalition, which includes AT&T, Broadvox, BT, Google, iBasis, Microsoft, Skype, T-Mobile USA, Vonage 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>.