



February 14, 2017

Dawn E. Pettengill, Chair
Mark Chelgren, Vice Chair
Administrative Rules Committee
Iowa Legislature
1007 East Grand Avenue
Des Moines, IA 50319

Re: Comments on IUB Order Adopting Rules, Docket No. RMU-2015-0002

Dear Representative Pettengill and Senator Chelgren:

The Voice on the Net Coalition (“VON”)¹ writes in support of the rules issued January 24, 2017 by the Iowa Utilities Board in the above-referenced docket. In particular, VON supports the new definitions of the terms “Internet protocol-enabled service” and “Voice over Internet protocol service” and the exclusion of those terms from the definition of “Telephone utility” or “utility.” The new rules further provide (correctly) that the IUB shall not directly or indirectly regulate the entry, rates, terms or conditions for these services; though service providers may be asked to contribute to programs that support 911 or Dual Party Relay Service.

Adoption of these rule changes would align Iowa with federal law and promote a competitive VoIP market. The rules align with federal law because they effectively preempt regulation of Internet protocol-enabled service and Voice over Internet protocol service by the IUB. The FCC has recognized a strong federal interest in ensuring that regulation does not hinder the growth of the Internet and the services provided over it, including VoIP and other IP-communications.

VoIP has prospered under the FCC’s light touch regulatory structure. According to an FCC report released in August 2016, VoIP subscriptions nationally grew at an annual rate of 13 percent between June 2012 and June 2015.² Specifically, subscriptions grew from approximately 40 million in June 2012, to 57 million in June 2015. Such growth suggests that the absence of state regulation has helped produce a competitive VoIP market, with no adverse consequences to consumers. VoIP subscribers are also broadband subscribers; thus, increasing adoption of broadband is an additional benefit of encouraging VoIP providers to serve Iowa residents and businesses.

¹ The VON Coalition works to advance regulatory policies that enable Americans to take advantage of the promise and potential of IP enabled communications. VON Coalition members are developing and delivering voice and other communications applications that may be used over the Internet. For more information, see www.von.org.

² *Voice Telephone Services: Status as of June 30, 2015*, FCC Wireline Competition Bureau at 2 (2016), available at http://transition.fcc.gov/Daily_Releases/Daily_Business/2016/db0805/DOC-340665A1.pdf.

At least 31 states and the District of Columbia have already codified regulatory “safe harbors” for VoIP or IP-enabled communications.³ These states have recognized that there is no benefit to imposing legacy telephone regulations on VoIP, and that investment will be lost and competition restrained if regulatory ambiguities are allowed to remain in place. No state has repealed such laws once enacted. The Legislature should consider the actions of these states and affirm the rules creating a safe harbor of its own for the benefit of Iowa residents and businesses.

Thank you for the opportunity to provide these comments and to participate in this proceeding. Please contact me if you have any questions.

Respectfully submitted,

/s/
Glenn S. Richards
Executive Director

cc: Jack Ewing, Legal Counsel, Legislative Services Agency
Senator Mark Costello
Senator Wally E Horn
Senator Pam Jochum
Senator Jack Whitver
Representative Megan Jones
Representative Rick Olson
Representative Art Staed
Representative Guy Vander Linden
Lon Anderson

³ Alabama, Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Maine, Massachusetts, Maryland, Michigan, Mississippi, Missouri, Nevada, New Hampshire, New Jersey, North Dakota, Ohio, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Virginia, West Virginia, Wisconsin and Wyoming.