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VoIP Leaders Ask FCC to Help Unleash Full Promise of New Technologies
Group Outlines Emerging Benefits and Asks FCC Not To Apply Legacy Phone Regulations.

Washington, D.C. – The nation's leading VoIP companies, on the cutting edge of developing and delivering voice innovations, today suggested to the FCC that it should advance regulatory policies that enable Americans to enjoy the full promise and potential of VoIP. The group of companies who make up the Voice on the Net or VON Coalition, asked the FCC in a filing to refrain from applying traditional telephone regulations that could stall consumer benefits.

Peter Pitsch, Communications Policy Director for Intel Corporation said "We are informing the FCC that with the right public policies, VoIP can help deliver new innovations and more affordable ways to communicate. VoIP also can be a force for increased competition, a platform for innovation, a driver of broadband deployment, and an enabler of economic growth."

The FCC's rulemaking asks whether VoIP and other Internet enabled communications services should continue to be unregulated Internet services or if heavy handed telephone regulations should apply. In general, the VON Coalition believes policymakers should refrain from applying traditional telecom regulation that could stifle VoIP benefits, while industry and government find new solutions and ways to address important concerns without imposing legacy regulation on VoIP.

"We don't believe that VoIP is another flavor of telephone service. It's a new frontier in communications for individuals and businesses alike, and it requires forward-thinking regulatory approaches" said Dave Svanda, a former Michigan regulator and president of the national association of state regulators. "If we subject this new technology to legacy telecom regulation, consumers and business users will miss out on the new services, increased choices and better prices that VoIP can deliver." "The hands off approach to Internet regulation has been an enormous success making the U.S. a leader in the development of VoIP and providing an influential policy model that has been emulated by many other countries. If we were to abandon this approach, we could jeopardize our leadership position and stall its benefits."

The VON Coalition asked the FCC to classify VoIP and other IP-enabled services as unregulated information services subject exclusively to federal jurisdiction. The Coalition also acknowledges that there are important social policy issues where the FCC and state regulators have a legitimate role. But the companies believe these issues can be more effectively addressed without imposing heavy handed legacy telephone regulations to innovative Internet voice communications. For example, the VON Coalition supports efforts to address critical issues like the availability of 911 emergency services and disability access through voluntary and other efforts that that don't require imposing heavy regulation that could stifle voice innovations.

With respect to Universal Service, the Coalition favors reforming the Universal Service Fund to ensure its sustainability through a system of fair contributions from all providers through either a telephone number-based or connection based contribution system. Likewise, as a way to ensure fair compensation for carriers, the group favors an overhaul of the outmoded inter-carrier compensation regime which is now a hodgepodge of implicit subsidies..

The Coalition outlined specific benefits that VoIP is and can continue to deliver including dramatic cost savings for consumers, reduced operational costs for providers, innovative new features for users, increased competition for communities, greater infrastructure investment, accelerated broadband deployment, improvements in emergency services, lower cost communications for rural America and government users, increased access for persons with disabilities, and increased productivity for our economy.

Dave Svanda said, "The potential for a vast new wave of VoIP-led technological innovation is here." "But in order to unlock the vast new productivity, economic growth, and consumer benefits that lie ahead, policymakers need to help overcome a set of emerging policy challenges and nurture future innovation." "To achieve these many benefits, the FCC need only maintain their successful hands off approach to regulating all forms of Internet communications."

About the VON Coalition:

The 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, BMX, Callipso, CallSmart, Convedia, Covad, IceNet, iBasis, Intel, Intrado, MCI, Microsoft, PointOne, Pulver.com, Skype, TeleGlobe, Texas Instruments, VocalData, and Voiceglo.com, believe that American's are fundamentally better off with a generally hands off regulatory approach to Internet and Internet based services like VoIP. Since its inception, the VON Coalition has consistently advocated that federal and state regulators maintain current policies of refraining from extending legacy regulations to Internet services, including VoIP. More information about the VON Coalition can be obtained at the following website: <http://www.von.org>.

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