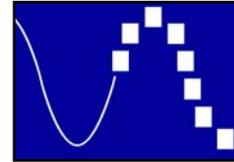


January 19, 2006



The VON Coalition

President George W. Bush
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

As members of The Voice on the Net (VON) Coalition, we represent the nation's leading VoIP companies, on the cutting edge of developing and delivering voice innovations over the Internet. We are writing you today to encourage the Administration to continue to help unleash the full promise and potential of Internet communications.

As we begin 2006, the Administration has an unparalleled opportunity to seize upon the potential of emerging voice technologies to launch a new era of broadband-enabled investment and consumer benefits. On the horizon are a set of transformative improvements in the way we communicate that harness the power of the Internet to deliver new voices, choices, and services. As a result, businesses and consumers across the country are flocking to broadband in order to take advantage of these breakthrough technologies.

In order to help meet your commendable goal of making affordable broadband access available to all Americans by 2007, the VON Coalition believes that the Administration should remove barriers to innovation that are very likely to stifle VoIP-driven broadband investment. With the right policy framework, VoIP can play a critical role in boosting broadband demand by making talking more affordable, businesses more productive, communications more accessible, broadband more valuable, and Americans more safe and secure.

To harness VoIP's full potential, the Administration should continue to be a catalyst for pragmatic policy choices by embracing six key policy enablers:

- First, policymakers should continue their successful hands-off approach to Internet communications regulation. This hands-off policy approach has made the U.S. a world leader in the development of VoIP and has provided an influential policy model that has been emulated by countries around the world. Policymakers should refrain from reflexively applying yesterday's rules to tomorrow's technologies, which could inhibit the growth of VoIP and other new IP-enabled technologies, and therefore slow the overall growth of broadband. Thus, VoIP policies must recognize that this technology can be much more than a mere substitute for traditional telephone service. As such, it requires new and forward-thinking regulatory approaches.
- Second, consumers should be allowed to use any device, application, or service on the Internet that they choose. These basic Internet freedoms positively shaped the development of the Internet and should be carried forward to the broadband future. Indeed, the openness of the Internet has been its defining hallmark, and such openness

is critical to unlocking the vast future potential of Internet communications. At the same time, consumers should not be prevented from lawfully using the bandwidth for which they pay.

- Third, policymakers should avoid imposing the broken access charge scheme onto new broadband enabled services. Instead, the FCC should move quickly to reform the current intercarrier compensation regime. The Administration's innovation agenda correctly states that "precluding new access fees on broadband services helps reduce the cost of both the Internet and high-speed data services." Simply put, if you want something to grow, don't tax it. Prior to comprehensive intercarrier compensation reform being adopted, policymakers should avoid piecemeal regulation that could predetermine the outcome of comprehensive reform, or would require extensive short-term investment for something unnecessary in the long-term. In any event, the reform implemented by policymakers should be accomplished on a prospective basis, rather than imposing backwards looking costs on providers.
- Fourth, the Administration has within its reach a significant VoIP E9-1-1 accomplishment it can embrace today and foster for tomorrow. In the wake of FCC action, the VoIP industry has already made impressive progress in advancing 911 and E9-1-1 solutions –in fact, the VoIP industry has made faster progress than any other form of voice service. As a result of this unprecedented effort, Americans who dial 911 using interconnected VoIP services can now have assurance that they will reach emergency services. Policymakers should build on these accomplishments by acting to remove remaining barriers and enabling even more comprehensive solutions. The Administration should support initiatives that further accelerate E9-1-1 solutions such as providing direct access to the 911 network, providing equivalent liability protection for 911 call-takers and providers, and accelerating the transition to a next generation IP-enabled emergency network capable of a host of breakthrough advances.
- Fifth, policymakers should ensure that every American has the opportunity to benefit from the unique capabilities of broadband-enabled VoIP – wherever they live. In a year when advancing universal phone service and universal broadband access will be top telecommunications priorities, facilitating universal VoIP access can help accelerate both goals. We agree with FCC Chairman Martin's recent statement that it "is critical that consumers have unfettered access to the Internet and all the services it provides." To that end, we recommend revising the restriction that the FCC currently has in place that effectively prevents many rural Americans and others from adopting VoIP, while at the same time advancing E9-1-1 solutions. Indeed, current VoIP sales restrictions could block approximately 98 million Americans, mostly in rural areas, from the many benefits of VoIP, slow E9-1-1 solutions, and impede success of your universal broadband goal. The federal government need not create a regulatory-induced digital voice divide between those who may benefit from digital voice and those who may not. Rather, policymakers should look to ways to spur investment in broadband networks and IP services and applications to bring the promise of additional choices to consumers.
- Sixth, the Administration should further maximize its effectiveness by leveraging the unique capabilities of VoIP. Federal agencies are already utilizing VoIP at unprecedented rates and taking advantage of VoIP's enhanced flexibility, lower costs, nomadic capabilities, and breakthrough features in order to communicate more effectively, flexibly,

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and productively. U.S. astronauts on the International Space Station, military commanders in Iraq and Afghanistan, workers in the Commerce Department in Washington, sailors aboard our nation's 12 active air craft carriers, and many others are using VoIP to transform the way the federal government communicates and ensures Americans are more safe and secure. But the best is yet to come. This year, the federal government has the opportunity to further leverage the unique advantages of VoIP as the General Services Administration awards a new 10-year, \$20 billion contract enabling converged voice, video, and data networks to help speed the government's own VoIP transformation. Broader VoIP migration can help pay for the administration's policy priorities. In fact, one study suggests that governments could save as much as \$3-\$10 billion a year by deploying VoIP more broadly – a number roughly on par with the revenues gained from the DTV transition.

By embracing these six basic policy principles, the Administration can continue to unleash the vast economic and consumer benefits that the Internet and broadband are capable of delivering.

The VON Coalition believes that the potential for an immense new wave of VoIP-led technological innovation is at your doorstep. This innovation will enable consumers to do things never before thought possible, help businesses to transform the way they work, and spur the economy as an engine for higher paying information age jobs. However, automatically applying legacy regulations designed for a 100-year-old telephone network to innovative VoIP technologies will stifle innovation, stall important consumer benefits, and reduce the demand for broadband across our nation.

Over the next three years, your Administration has the opportunity to set a course that can spread a new communications revolution throughout America and around the globe. The VON Coalition looks forward to working with you to achieve this bright future.

Sincerely,

The VON Coalition

cc: Senator Ted Stevens, Chairman, Senate Commerce Committee
Congressman Joe Barton, Chairman, House Commerce Committee
Secretary Carlos Gutierrez, Department of Commerce
Chairman Kevin Martin, Federal Communications Commission