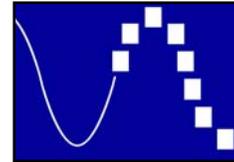


February 20, 2008



Representative Ross Hunter
Chair, House Finance Committee
333 John L. O'Brien Building
PO Box 40600
Olympia, WA 98504-0600

Dear Representative Hunter:

As the nation's leading companies developing and delivering voice innovations over the Internet, we are writing to seek changes in HB 3347 and its companion SB 6884 which advance the goals of the bill, but harmonize definitions with federal definitions of VoIP in order to ensure that Washington consumers can continue to take advantage of the benefits that Internet based communication can deliver.

Internet based voice communication technologies like 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 Washington consumers an astounding \$2.4 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.

We support the laudable goals inherent in SB 6884 and HB 3347 to preserve funding for Washington's 911 network and to ensure that those companies that are now required to provide E911 service also contribute. However, we are concerned that the definitions of VoIP contained in Section 1 part 5 is overly broad and does not conform to the FCC's definition of "Interconnected VoIP" for which it has applied E911 obligations. The FCC has applied E911 obligations to services that are marketed and sold as replacements for traditional home telephone services and defined them as "interconnected VoIP" services.

However, there are numerous other innovative VoIP services which are not replacements for home phone services, are not required by the FCC to provide E911, but might nonetheless be required to pay Washington 911 fees – slowing broadband enabled benefits from reaching Washington consumers. These innovative and often free PSTN connected one-way VoIP services, like instant messenger services and click-to-dial web sites, provide immeasurable new opportunities for businesses and consumers alike but would be hampered by passage of the bills as written.² SB 6884 and HB 3347 can be improved by utilizing the FCC's definition of Interconnected VoIP and limiting fees to only those services which are required by the FCC to provide E911. The FCC, the Congress, Florida, Arizona, Idaho, Missouri, Maine, Pennsylvania, North Carolina, and others are all using the Interconnected VoIP definition when dealing with VoIP 911.

¹ Micra report (available at http://www.micradc.com/news/publications/pdfs/Updated_MiCRA_Report_FINAL.pdf) found that VoIP competition could save consumers in Washington \$2,411,285,806 over the next 5 years.

²Examples of some innovative and often free PSTN connected VoIP services can be found at: http://www.von.org/usr_files/Gee%20Whiz%20--%20one-way%20services.pdf

In addition, the goals of the bill can be achieved and consumers benefit from newfound competition, if the bill is amended to require only a single statewide fee. Competition would be slowed, and consumer benefits delayed, if an Interconnected VoIP provider is required to hire a programmer, set up a separate billing structure, just to serve a single new customer in a county not previously served. Instead of creating a patchwork of county specific fees which could act as a barrier to Internet based services, the legislation should be amended to enable the state to collect the county's portion of a single statewide standardized fee – thus enabling new competitive services to enter the Washington market.

VoIP can play a critical role in boosting broadband demand, putting new tools in the hands of consumers and small businesses to enhance productivity, manage daily affairs, and enjoy leisure pursuits. We look forward to continuing to working with Washington leaders to forge pragmatic solutions that enable consumers, businesses, and the economy to achieve the full promise and potential that VoIP can deliver.

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, 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>