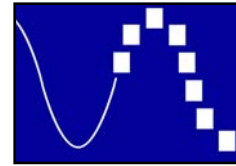


April 15, 2008

**TRA Public Consultation on VoIP Services
(PCO/TA/ 0006)**



The VON Coalition
The VON Coalition Europe

The VON Coalition¹ and the VON Coalition Europe² welcome the opportunity to jointly share their view in the current public consultation on VoIP services (PCO/TA/ 0006) as an important opportunity to advance policies that will enable consumers and businesses in Oman to enjoy the full promise and potential of Internet communications.

The Coalitions strongly support efforts to open Oman's market to VoIP services, want to thank TRA for opening this consultation, and appreciate the opportunity to comment.

Background:

Around the globe Internet voice communications are transforming the way consumers and businesses communicate. With the right legal and regulatory framework, VoIP-led innovation has immense potential to extend the power of Internet communications to new corners. Consumers throughout Oman will be able to use VoIP to do things never thought possible, businesses may increase efficiency and productivity and transform the way they operate, and broadband enabled communications can help economies to become engines for innovation and spur the creation of higher-paying information age jobs.

In contrast to traditional telephone service, Internet based voice communication is an application just like e-mail, streaming audio, streaming video, and web browsing. The benefits of Internet voice communication include cost savings for consumers, reduced operational costs for providers, advanced features unavailable with traditional circuit-switched telephony, increased competition, increased infrastructure investment, accelerated broadband deployment, lower cost communications for rural and government users, increased access for persons with disabilities, and increased worker productivity. Today's VoIP services aren't simply a means to having a conversation; they're portals to a world of information that enriches the communications experience and adds new dimensions to the idea of 'conversation'.

With limited governmental action, VoIP can and will continue to create new opportunities for businesses and consumers across the globe. Opening markets to VoIP services in Oman is critical for spurring new competition and opportunity – allowing consumers and businesses to communicate more affordably, more productively, and in entirely new ways not possible with legacy communication systems.

¹ 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, CommPartners, 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 consumers more safe and secure. <http://www.von.org>

² The Voice on the Net (VON) Coalition Europe was launched in December 2007 by six leading Internet communications and technology companies – iBasis, Intel, Google, Microsoft, Rebtel, Skype and Voxbone – to create an authoritative voice for the Internet-enabled communications industry in Europe.

And the best is yet ahead. The next wave of VoIP driven benefits can facilitate transformative improvements in the way people communicate. Soon a voice component can be added to any type of device, application or service that uses a microprocessor or touches the Internet. Already making a call can be just a click away. By disconnecting voice from the underlying infrastructure, voice innovation can now take place at Internet speed, allowing breakthrough advances in the way we communicate, incorporate video, and data.

TRA Consultation questions:

1. Do you think that the TRA should open the market to VoIP service providers? Should they be licensed under a new type of Class 2 Licence or if not, what other licensing system should apply?

The VON Coalitions strongly support opening Oman's market to VoIP services and allowing Oman's 70,000 Internet subscribers to take advantage of new forms of Internet voice communication. Opening Oman's market to VoIP should be guided by the following principles:

- Internet-enabled communications are an entirely new genre of communications products and services. They are not Class I types of services nor are they "Telecommunication Services." They represent a broad range of different types of technologies that sometimes substitute for traditional wireline communications but often are something entirely different. VoIP applications can often be accessed from a web site or downloaded as software like other Internet based applications. Voice can now be integrated into a variety of software applications and web sites. The service provider may sometimes make the software available for download globally and may not even have the ability to know that the service has been downloaded or is being used from Oman. These downloadable services often serve as an adjunct to other forms of communication and not as a substitute for traditional wireline communication. For these reasons, Internet applications and software like VoIP should not be subject to the licensing provision of Telecommunications Services under Article (20) of the Telecommunication Act issued under Royal Decree December 30, 2002. Instead of being categorized as a Telecommunication Service, VoIP applications are better defined as providers of "Service on the Internet" as defined in Article I of the Telecom Regulatory Act.
- The automatic extension of legacy telephone regulation to Internet-based communications will decrease end-user choice, reduce competition and slow the innovative use of voice features in a variety of new products and applications.
- Unilateral action by broadband providers to stall, stifle, or stop VoIP applications can hamper the Internet's inherent advantages to provide users and business with new opportunity. Consumers should be allowed to use any device, application, or service on the Internet that they choose. 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 contract and pay.
- Internet-based voice services must strive to promote important social goals, such as access to emergency services, privacy and data security, but

regulatory mandates in this area should be kept to a minimum at this early stage and these services should be left with as much flexibility as possible in determining how to promote these goals.

- Any regulatory mandates must be focused on those services in which consumers are most likely to need or expect the protections imposed by regulation and must recognise the limitations in the technology available for implementation.
- There should be no conditions or restrictions on VoIP services that are used inside a corporation, for the sole use of that corporation.

The TRA should not require a license for VoIP services that are not provided by a Class 1 licensee or bundled with ISP service for which a Class 2 license is already required. In particular, 'network-independent' applications – communications applications and services that use the open Internet but are not tied to a particular telecom provider or ISP – should be viewed as a distinct category within the regulatory framework. Oman policy should seek to champion network-independent communications applications based on the same legal underpinnings as "Service on the Internet" as defined in Article 1 of the Telecom Regulatory Act. The aim should be to liberalize the provision of these applications and services as far as possible.

However, the VON Coalitions have significant concerns that several of TRA's proposals – particularly possible in-person registration requirements and always delivering a meaningful CLI – could stall, stifle or stop VoIP services and prevent consumers and businesses in Oman from benefiting from these new innovative communication technologies. Many VoIP services that can call the PSTN, do not necessarily have a phone number associated with the service. Requiring CLI in all cases or requiring an in-person registration is tantamount to blocking these innovative communication services entirely.

2. Please comment on the practicality of the requirement for a properly checked registration of subscribers?

TRA should not mandate registration in the same way registration is done for traditional providers – by checking an identity card or passport. In other countries, online registration and the use of a credit card or other payment method can serve as an appropriate mechanism for verifying the customer's identity for fee based services. The VoIP provider has as much interest and incentive to verify the user for payment purposes as the TRA has for other purposes. When using a credit card or other payment method, banks utilize a sophisticated global network for verifying the customer's identity, ensuring payment, and preventing fraud.

Network independent services offered globally over the Internet should not be required to build Oman specific technology, or to perform in-person registration. Requiring an in-person registration for free and web based services would likely have the effect of preventing Oman consumers from taking advantage of these exciting new services. Click to call services, which for example may offer a one time conversation, would likely be unusable if a person needed to register prior to clicking on a web link.

3. Should VoIP service providers be allowed to offer all types of calls? Should this include outgoing international calls delivered over the Internet to PSTN gateways in foreign countries?

Yes. VoIP providers should be able to offer all types of calls. In this way, businesses can combine features and functionalities to meet the needs of consumers and businesses in Oman.

Yes. VoIP providers should be allowed to include outgoing international calls to PSTN gateways in foreign countries. Such a move can help link Oman businesses with new business opportunities around the globe, travelers to call home when visiting Oman, and consumers to more easily stay in touch with far flung family members.

4. Should VoIP service providers be allowed to have arrangements with gateways in foreign countries that provide a foreign number to the Oman subscriber? Should it be possible for calls to be brought into Oman over the Internet under this arrangement? How would the requirements of law enforcement be applied in this case?

Yes. VoIP providers should be allowed to have arrangements with gateways in foreign countries that provide foreign numbers to Oman subscribers. Such services can help Oman consumers and businesses communicate in ways that best meet their needs. These VoIP providers generally currently work closely with law enforcement and no new requirements are necessary at this nascent stage. As other countries have done with VoIP and other Internet applications, TRA should wait to assess whether any problems exist before deciding whether and how best to meet its law enforcement needs.

5. Should VoIP service providers be entitled to operator interconnection rights, including receiving call termination payments, or should they be restricted to using normal subscriber access?

VoIP service providers should have the option of seeking operator interconnection rights, including the ability to symmetrical call termination payments, and should be allowed to enter into commercial arrangements to do so.

6. Do you agree that all VoIP subscribers who make outgoing calls to the PSTN should have a meaningful number presented as the CLI?

No. Requiring a meaningful CLI in all cases would have the effect of preventing Oman businesses and consumers of taking advantage of some of the most innovative communication options. There are many innovative and valuable VoIP services that don't have a telephone number associated with them, and thus no meaningful CLI to present. For example, there are exciting new one-way VoIP services that allow consumers to integrate voice with web sites, blogs, social networking sites, mapping services, and instant messaging software that do not have originating telephone number associated with them. Oman businesses and consumers should be allowed to take advantage of these beneficial services, which are now being integrated into more and more web sites. Preventing access to these services could have the effect of preventing access to a growing segment of the Internet.

In addition, there may be an erroneous assumption about the relationship between numbers and people. The identity of a phone number does not necessarily relate to a person. While some services such as commerce are conducted with an assumption of identity. Tying the number to a specific person and utilizing the number for identity purposes could cause increased identity theft.

Additionally, telephone numbers may be issued in groups such as corporations or call centers that can create another relationship. In some cases, the use of a Uniform Resource Identifier like an email address can be used to connect Internet users to telephone users – without the need for an associated originating telephone number. TRA's goal should be to enable connectivity not isolate the ability to connect based on historical addressing.

7. Should VoIP service providers be allocated numbers from the geographic range or a new non-geographic range? Would the use of a non-geographic range be preferable as a means to indicate that the location of the caller is uncertain?

Numbers, including geographic numbers, should be eligible to be allocated to service providers and be used by end users outside of the traditional telephone zones or other boundaries, including on a trans-national basis within the EU. VON supports the view that geographical numbers are most suitable to open up VoIP services to the mass consumers as consumers are highly familiar with those types of numbers and end user tariffs are transparent (or at least not less transparent than other types of numbers). Creating a separate telephone number range instead of allowing the use of existing numbers could have the effect of slowing VoIP adoption and preventing Oman businesses and consumers from utilizing services that act as a replacement for an existing service – thus thwarting the benefits of competition. Other countries have come to realize that use of geographic numbers, even when those numbers are used with services that could be taken by an Oman family while on vacation in another country and still be reached – can have enormous benefits.

8. What is the best approach to the provision of access to the emergency services? Which of the options identified is best? Can you suggest any better solutions?

The VON Coalitions recognizes that there are important social policy obligations like emergency access that can be achieved for types of phone services that substitute for the traditional telephone in a home. In many countries, policymakers are also coming to recognize that Internet-enabled communications often offer inherent advantages in an emergency. However, application of emergency access rules to web sites, click-to-dial services, 1-way PSTN-out interconnected voice services, and other VoIP services that are not a replacement for traditional home/business phone services could actually harm public safety, stifle innovations critical to people with disabilities, stall competition, and limit access to innovative and evolving communication options where there is no expectation of placing an emergency call.

Emergency calling obligations should not be imposed on non-replacement telephony services simply because they allow calls to PSTN telephone numbers. There is no consumer expectation that these types of non-replacement services will permit emergency calling, and thus no risk that a consumer would rely on this service to make an emergency call, or use the service to replace their existing emergency service capable telephone service.

9. Please make any additional comments that you wish on this topic and on any related issue.

The VON Coalitions believes TRA should adopt a specific Internet Policy statement to ensure consumers and businesses can use any device, application, or service on the Internet that they choose using the bandwidth for which they pay. Specifically, TRA should immediately reverse its March 7, 2007 ban on VoIP use at cyber cafés and elsewhere by amending Article 9 of resolution No. 166/2007 to allow VoIP services. In addition, in opening its market, TRA should be careful not to implement any licensing restrictions or other restrictions that have the effect of continuing to block consumer and business access to VoIP services in Oman.

As the International Telecommunications Union said in its “Future of Voice” report³:

*“Attempts to block or suppress a truly disruptive technology like VoIP are both myopic and futile. Productivity gains and socio-economic progress from adopting technologies like VoIP can be large and countries that attempt to suppress VoIP risk losing their economic competitiveness.”*⁴

It is no coincidence that VoIP is lightly regulated, if at all, in countries where PSTNs are either privately owned (although subject to public regulation) or are privatised and subject to market competition, but remains subject to restrictions in countries where it poses revenue threats to government-owned or supported PSTNs.

The loss of dynamic efficiency entailed by protecting incumbent PSTNs from the VoIP threat can place a burden on a country’s socio-economic development. In particular, given a propensity to adopt mobile telephony as a leapfrogging communication technology, developing countries stand to gain significantly more by promoting converged mobile VoIP (and other broadband) services.”

Around the globe, forward-thinking countries that have sought to maximize the benefits of VoIP through liberalization and the opening of markets and are now enjoying vast benefits. Oman has an opportunity to open its market to VoIP and open its door to new technological opportunities. By opening its market to VoIP, consumers throughout Oman will be able to use VoIP to do things never thought possible, businesses may increase efficiency and productivity and transform the way they operate, and broadband enabled communications can help economies to become engines for innovation and the creation of higher-paying Information Age jobs. The VON Coalitions appreciate this opportunity to comment, and urges regulators in Oman to immediately open up its market to the vast benefits that VoIP can deliver.

³ Future of Voice, ITU, Regulatory Trends: New Enabling Environment, January 12, 2007.

⁴ ITU Footnote reads: “It is perhaps no coincidence that the countries that rank higher on the Global Competitiveness Index (“CGI”) are developed economies that have embraced enabling Internet-based technologies like VoIP. The GCI is composed of nine “pillars”, at least one of which — technological readiness — is likely to be a direct correlate of VoIP use and others — infrastructure, business sophistication, and innovation — are likely to be at least indirect influences. See World Economic Forum (2006).”