



June 8, 2012

The Honorable Steve Bradford, Chair
Utilities and Commerce Committee
California State Assembly
State Capitol Room 5136
Sacramento CA 95814

RE: SB 1161 – as amended May 29, 2012

Dear Chairman Bradford:

The Voice on the Net (VON) Coalition¹, which represents the nation's leading companies developing and delivering voice innovations over the Internet, writes to express its support for SB 1161, as amended May 29, 2012.

IP communications has prospered in a largely unregulated environment. The Federal Communications Commission in 2004 found that IP communications between computers should not be regulated at all; and it also that same year preempted state regulation of interconnected VoIP – which are services that are used more like a replacement for regular telephone service. The FCC has, however, imposed certain public safety and consumer protection requirements on interconnected VoIP providers, such as a requirement to provide 911 services, protect customer data, report outages and assist law enforcement. There is no federal entry or price regulation of interconnected or non-interconnected VoIP.

More than 20 other states have already provided certainty to the investment markets by codifying regulatory “safe harbors” for VoIP or IP-enabled communications. These states have recognized that there is no benefit to imposing legacy telephone regulations on IP communications and that investment will be lost if regulatory ambiguities are allowed to remain in place. In an otherwise competitive market with low barriers to entry and low switching costs for consumers, regulation has the potential to materially and adversely impact technological innovation, hinder the growth of open, competitive markets and place unnecessary burdens and costs on companies (and ultimately their customers) eager to invest in and deliver innovative products and features.

¹The Voice on the Net or VON Coalition consists of leading VoIP companies, on the cutting edge of developing and delivering voice innovations over the Internet. The coalition, which includes AT&T, Broadvox, BT, Cloud Communications Alliance, Google, iBasis, Microsoft, Nextiva, Skype, Vonage 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>



Please contact the undersigned if you have any questions.

Sincerely,

The VON Coalition

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Cc: Members, Assembly Utilities and Commerce Committee