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(Via email)

The Honorable Norman Needleman, Co-Chair The Honorable Jonathan Steinberg, Co-Chair The Honorable Ryan Fazio, Ranking Member The Honorable Tracy Marra, Ranking Member Connecticut Joint Energy and Technology Committee Legislative Office Building, Room 3900 Hartford, CT 06106

Re: Committee Bill No. 545

## Dear Members:

The Voice on the Net (VON) Coalition,<sup>1</sup> which represents the nation's leading technology companies, writes to express its opposition to the inclusion of VoIP in Committee Bill No. 545, which would require the Public Utilities Regulatory Authority (PURA) to monitor and enforce quality of service standard for VoIP providers.

Internet communications, including VoIP, have dramatically transformed the way we communicate – allowing for the seamless convergence of voice, video and text. For more than 25 years, VON has worked with federal and state policymakers to advance regulatory policies that will encourage the development and adoption of these cutting edge services – including, most importantly, not applying traditional telephone regulations developed in an earlier century. Today, this light regulatory touch – with the Federal Communications Commission (FCC) providing the necessary oversight -- has led to nearly 70 million VoIP lines now in service throughout the United States, served by hundreds of VoIP providers.

Section 2(a) of the proposed legislation would require the PURA to monitor and enforce service quality standards that all apply to phone companies, "regardless of the transmission technology utilized, including, but not limited to, voice over Internet protocol." Section 2(a)(2) would require the PURA to adopt a reporting requirement to demonstrate compliance with the quality of service standards. In addition, Section 2(b)(1) authorizes fines of up to \$2,000 for failure to file reports **in addition** to fines for failing to meet any quality of service standard. As applied to VoIP, the application of state imposed quality of service standards or penalties are both unlawful and unnecessary for the following reasons:

<sup>&</sup>lt;sup>1</sup> For more information see <u>www.von.org</u>.

First, this legislation ignores that the FCC in 2004 broadly preempted state regulation of VoIP. <sup>2</sup> The FCC found that VoIP is practically inseverable for jurisdictional purposes because of the inherent capability to enable subscribers to utilize multiple features that perform and manage different types of communications and can access different websites or IP addresses. The FCC noted that these functionalities were designed to overcome geography, not track it. All VoIP services offered in the marketplace today include the three basic features the FCC identified. They require the use of a broadband connection. They require the use of IP-compatible equipment. And they offer consumers a suite of integrated capabilities and features.

Second, consumers are protected because VoIP providers are subject to regulation by the FCC. These regulations include protection of consumer information; required provision of 911 (also part of this legislation); providing notice before discontinuing service; and porting phone numbers if the customer chooses to move to another service provider. Most VoIP providers don't require long-term contracts and unhappy customers can easily transfer service to the dozens of other VoIP providers. Or they can file complaints with the FCC.

Third, state regulation of VoIP is impractical. VoIP providers offer a single, integrated service that includes both local and long distance calling and a host of other features that can be supported from national or regional data centers and accessed by users across state lines. Tailoring the service to meet the regulatory requirements of 50 state regulation commissions creates unreasonable inefficiencies and will prompt service providers to cease offering services in those states.

Please do not hesitate to contact me if you have any questions. We appreciate your support.

Very truly yours,

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Glenn S. Richards

Counsel for the Voice on the Net Coalition

<sup>&</sup>lt;sup>2</sup> See *Vonage Holdings Corp.*, 19 FCC Rcd 22404 (2004); see *also Minnesota Public Utilities Commission v. FCC*, 483 F.3d 570 (8<sup>th</sup> Cir. 2007) (upholding the FCC decision).