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February 19, 2025

(Via email: [sen.paul.bailey@capitol.tn.gov](mailto:sen.paul.bailey@capitol.tn.gov))  
The Honorable Paul Bailey  
Chairman, Senate Commerce and Labor Committee  
Tennessee State Senate  
425 Rep. John Lewis Way N.  
Suite 736 Cordell Hull Bldg.  
Nashville, TN 37243

(Via email: [rep.clark.boyd@capitol.tn.gov](mailto:rep.clark.boyd@capitol.tn.gov))  
The Honorable Clark Boyd  
Chairman, House Subcommittee on Business and Utilities  
Tennessee State Senate  
425 Rep. John Lewis Way N.  
Suite 528 Cordell Hull Bldg.  
Nashville, TN 37243

Re: SB 556 and HB 1136

Dear Mr. Bailey and Mr. Boyd:

The Voice on the Net (VON) Coalition,<sup>1</sup> which represents the nation's leading technology companies, writes to express its strong support for the VoIP provisions in SB 556 and HB 1136, which would prohibit regulation of Voice over Internet Protocol (VoIP) and other Internet-based communications services.

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.

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<sup>1</sup> For more information see [www.von.org](http://www.von.org).

Tennessee can join the list of more than 35 states that restrict regulation of VoIP. Specifically, Section 3 of SB 556 and HB 1136 would prohibit state agencies, including the Tennessee public utility commission directly or indirectly regulating the entry, rates, terms or conditions of VoIP service. The legislation should be made into law for the following reasons:

First, 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.

Second, the FCC in 2004 preempted state regulation of VoIP.<sup>2</sup> The FCC found that VoIP is practically inseparable 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.

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.

Fourth, state regulation is unnecessary. There is no evidence that state laws prohibiting regulation of VoIP has led to increased complaints or consumer dissatisfaction with the service -- the highly competitive marketplace chooses winners and losers (not regulators). To the contrary, VoIP subscriptions continue to grow and not a single state has found it necessary to undo those laws, some of which have been in place for more than 17 years.

Finally, all phone companies providing VoIP in Tennessee will benefit equally from passage of the legislation. It is expected that most of residents and businesses in Tennessee will be using VoIP or other IP-enabled services by 2030 as broadband

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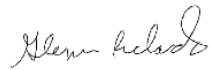
<sup>2</sup> See *Vonage Holdings Corp.*, 19 FCC Rcd 22404 (2004); see also *Minnesota Public Utilities Commission v. FCC*, 483 F.3d 570 (8<sup>th</sup> Cir. 2007) (upholding the FCC decision).

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networks become ubiquitous. The legislation will encourage those phone companies to speed the deployment of broadband – a win-win for consumers and those providers.

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

Very truly yours,



Glenn S. Richards  
Counsel for the Voice on the Net Coalition