



ITAA on VoIP

Voice over Internet Protocol is an exciting technology with the potential to have a sweeping impact on voice and data networks and to drive demand for broadband services.

Part of that impact involves eliminating distance as a significant pricing factor and dramatically lowering the cost of maintaining networks and placing calls; part involves collapsing the distinctions between various types of services and rewriting the business models of the companies that provide them; and part is creating a value added layer of applications that leverages the natural synergies of converged voice and data. While initial concern about VoIP networks has focused on whether this technology will displace the phone company by providing low cost or no cost local and long distance dialing, the more vibrant and sustainable business of VoIP networking may lie in the productivity gains achieved by both enterprises and individuals. Corporate and government network managers will use the technology to achieve both cost and productivity savings as well as to offer newly affordable value added services.

Consumers will use enhanced personal communications to simplify and organize their busy lives. The challenges to providing a widely deployed and adopted, fully substitutable voice service are significant and costly, pushing that possibility into the future. Whether VoIP becomes a major rung in the ladder of progress or a minor footnote in the annals of the Internet will depend on ensuring a patient policy environment for the next several years.

This will allow some difficult questions regarding public safety issues to be worked out in a balanced manner, for standards to be developed and widely adopted, for jurisdictional and taxation issues to be addressed. This in turn will accelerate the investments by industry needed to push IP/broadband networks closer to home and create the platform for the next generation of personal communication services for enterprises and consumers that will drive further broadband adoption.

ITAA VoIP PRINCIPLES

- VoIP innovation should be promoted through regulatory certainty. The Federal Communications Commission (FCC) should avoid making case-by-case classifications, which could lead to the imposition of unnecessary regulation.
- The FCC should forebear from applying legacy carrier access charge and universal service fund contribution requirements to all VoIP services pending a comprehensive reform of the inter-carrier compensation and universal service funding regimes.
- While the FCC may determine that VoIP providers are subject to certain social obligations - such as cooperating with law enforcement, providing access to emergency services, and ensuring access by the disabled - industry should be given a reasonable opportunity to develop technical solutions that will enable VoIP providers to fulfill these obligations.
- The FCC should retain existing rules necessary to prevent the abuse of market power, facilitate interconnection, and ensure access to network elements necessary to provide competitive telecommunications services.