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## **NEW INDUSTRY COALITION SEEKS POLICIES TO ALLOW PROMISE OF VOIP** Group Warns That Regulatory Mistakes Could Stall Technology Benefits

**Washington, D.C.** – The nation’s leading VoIP companies, on the cutting edge of developing and delivering voice innovations, today launched a new initiative to advance regulatory policies that enable Americans to enjoy the full promise and potential of VoIP. This new group of companies said it will resist the erection of regulatory barriers that could stall VoIP while actively advancing a policy framework that allows VoIP to deliver its many benefits.

“VoIP is not another flavor of telephone service. It’s a new frontier in communications for individuals and businesses alike, and it requires forward-thinking regulatory approaches” said Peter Pitsch, Communications Policy Director for Intel Corporation. “If we subject this new technology to legacy telecom regulation, consumers and business users will miss out on the new services, increased choices and better prices that VoIP can deliver.” “U.S. policies have been an enormous success making the U.S. a leader in the development of VoIP and providing an influential policy model that has been emulated by many other countries. If we were to abandon this approach, we could jeopardize our leadership.”

Sam Shiffman, executive vice president at PointOne said that with the right public policies, VoIP can help deliver new innovations and more affordable ways to communicate. It also can be a force for increased competition, a platform for innovation, a driver of broadband deployment, and an enabler of economic growth.

### **Regulatory Light Touch Fits All VoIP Services**

The group of companies, coming together under the banner of the Voice on the Net or VON Coalition, expressed concern that ongoing policy reviews could lead to new regulatory barriers that would slow VoIP adoption and delay the extraordinary benefits of VoIP. In particular, the Coalition believes policymakers must refrain from applying traditional telecom regulation that could stifle VoIP benefits. The Coalition’s statement of principles acknowledges that there are important social policy issues where the FCC and state regulators have a legitimate role. But the companies believe these concerns can be addressed without imposing legacy regulation on VoIP. The coalition intends to develop and highlight new policy solutions.

The VON Coalition supports efforts to address a number of critical issues like the availability of 911 emergency services and law enforcement surveillance, but believes that these and other legitimate concerns can be addressed without imposing heavy regulation on VoIP. The Coalition also favors taking a new look at the Universal Service Fund to ensure its sustainability through a system of fair contributions from all providers of telephone number-based communications services. Likewise, the group favors an overhaul of the outmoded inter-carrier compensation regime, which is now a hodgepodge of implicit subsidies, as a way to ensure fair compensation for carriers.

“In particular, regulators should avoid imposing above-cost access fees to any type of Internet application, including any form of VoIP,” said Tom Evslin, Chairman and CEO, ITXC. “Applying excessive access fees to an innovative new service will drive up costs to consumers, stall innovation, and slow VoIP adoption – but without any economic justification.”

Evslin said that regulatory mistakes are the greatest potential roadblock for extending the benefits of VoIP to more Americans. He said technical challenges such as integrating 911 service with VoIP technology are already being addressed voluntarily by the industry in cooperation with public safety and security officials.

“VoIP is a transformative technology,” said Marilyn Cade, director, law and government affairs, at AT&T. “A light touch by regulators will enable VoIP to transform communications and will bring enhanced productivity to businesses and more choices to consumers.”

### **Outreach Planned to Federal and State Regulators**

Rick Whitt MCI’s director of federal law and policy said the Coalition will help educate, inform and promote responsible policies that don’t stifle innovations with heavy handed regulation that delays the benefits that VoIP can deliver.

“We are going to engage in direct outreach to policymakers at the state and federal level; work with public safety and security officials on new policy solutions; and participate in proceedings and debates throughout the country,” Whitt noted.

“Together, we are on the cutting edge of developing and delivering a new generation of voice innovations. We expect to participate actively in the current FCC and state processes –meeting with and informing policymakers in order to advance policies that will foster the development and deployment of VoIP,” Dave Svanda, a former Michigan telecom regulator and a coalition spokesperson said.

“The FCC’s new regulatory proceeding signals the start of a critical phase that could determine how and when consumers benefit from the lower prices, new services, and advanced communication features that VoIP can deliver,” said John Boidock a Texas Instruments vice president. “The VoIP community must speak with a unified voice, behind a common set of principles, to make sure that unfounded fears do not prevent consumers from enjoying the benefits of VoIP services.”

A list of the Coalition members follows:

**AT&T.** For more than 125 years, AT&T (NYSE "T") has been known for unparalleled quality and reliability in communications. Backed by the research and development capabilities of AT&T Labs, the company is a global leader in local, long distance, Internet and transaction-based voice and data services.

**Callipso** provides enhanced IP services to telecommunications carriers, enterprises and the prepaid card market. It is based in Los Angeles, CA.

**Convedia Corporation** is based in Vancouver, Canada. It is a supplier of next-generation IP media services.

**IceNet** of Dallas, TX, provides VoIP infrastructure to VoIP Application Service Providers and Broadband Providers for enhanced local, long distance, toll-free and DID services.

**iBasis**, based in Burlington, MA provides wholesale international telecommunications services, and has carried more than 6 billion minutes of international voice traffic.

**Intel** is the world's largest chip maker. Based in Santa Clara, CA, it also manufactures computer, networking and communications products.

**Intrado**, based in Longmont, CO., provides emergency service solutions, including 911 infrastructure, to the public safety and telecommunications industries.

**ITXC Corp** of Princeton, NJ is a leading carrier of international telecommunications traffic and a leader in VoIP international calling.

**MCI**, with headquarters in Ashburn, VA, is a leading provider of global communications services and operates an expansive IP backbone.

**PointOne** is a VoIP network provider and offers IP communications services to the provider community. It is based in Austin, TX.

**Texas Instruments** of Dallas, TX is a leader in digital signal processing and analog technologies to meet signal processing requirements and support the development of IP telephony.