



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

Statement of Commissioner Jonathan S. Adelstein,
Voice Over IP Forum
December 1, 2003

Good Morning. First off, I'd like to thank the Chairman for his leadership in putting VoIP front and center on our agenda, where it belongs. He and our staff did a tremendous job organizing today's event, and we have a lot to learn from it.

VoIP technology offers huge promise for revolutionizing our nation's telecommunications infrastructure. We need to move quickly to understand this new phenomenon and its policy implications. The Wall Street Journal calls VoIP the "new gold rush" in telecom. You might say we're in a transformation – Ma Bell will soon become Ma Virtual Ringtone.

We face a number of issues in dealing with this phenomenon. Our goal is to avoid regulatory arbitrage that artificially promotes one technology over another, while avoiding any moves that will choke off this new technology in its crib. We need to encourage new, more efficient technologies, and VoIP deserves our full encouragement for all the benefits it can offer consumers.

First, we must understand the concerns raised by DOJ and FBI that classifying Vonage's VoIP as an information service severely undercuts CALEA. They say that call content and caller identification could evade lawful electronic surveillance, and that VoIP jeopardizes the ability of federal, state, and local governments to protect public safety and national security against domestic and foreign threats. Public safety is not negotiable. I look forward to hearing the progress being made on this front.

Similarly, emergency services are not negotiable. We must understand how VoIP affects the provision of E-911 and other emergency services. It may open up new emergency response and medical monitoring services that don't exist today. But we must be sure it doesn't undermine the important work the industry and the Commission are doing to enhance emergency services for the benefit of consumers and our national security.

It's also crucial to understand how VoIP affects the Universal Service Fund. We must protect the underpinnings of universal service. Congress clearly stated that all Americans, whether urban or rural, should have access to high quality services at reasonable rates. If VoIP providers are not required to contribute, it creates an opportunity for regulatory arbitrage and further undermines the already troubled funding mechanism. So if VoIP is the future, then the steps we take must protect universal access to the best services available.

We also need to determine how underlying carriers are compensated for carrying third parties' traffic. Some VoIP providers pay no access fees even though in many instances they are using local phone lines to route their traffic. We cannot afford to let the rise of VoIP to undercut the very networks that carry it.

There are many more issues, including the traditional protection against discrimination in telephony services, as well as full access by persons with disabilities.

As these issues show, fundamental public interest considerations are at stake. Navigating these issues is especially challenging because we hear such conflicting opinions about how to move. I hear the arguments that allowing this technology to move forward free of any regulatory constraints would encourage its development, availability and use. On the other hand, such "hands off" treatment could mean we are undercutting the safety of

consumers, law enforcement and national security, and the integrity of the underlying network and the universal service funding mechanism.

We must draw a careful balance in assessing the public interest. We need to look at the entire picture of various VoIP services and service provision and act accordingly. Given how far this technology has developed already, and recognizing that it's aimed at the core voice telecommunications service, we can't afford to just sit back and watch.

It's time for us to take the lead in getting the regulatory structure right from the start. We should provide clarity and guidance for all who are entering or thinking to enter this space, as well as for consumers interested in using VoIP services. We need to anticipate where the technology is headed and make sure we account for the public interest.

I commend the Chairman for holding this forum on such a timely basis. It will provide us with a good opportunity to look at this issue from a number of different perspectives. And I thank our excellent panelists for taking part.

As an eternal optimist, I believe we can – and, indeed must – work through the tough questions here. I look forward to working with each of you to find the path that best serves the public interest. I'm confident that we're all up to that challenge.