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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).

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Opening Remarks of  
FCC Chairman Michael K. Powell  
At the  
FCC Forum on Voice over Internet Protocol (VoIP)  
December 1, 2003  
Washington D.C.

Let me begin by welcoming our panelists to today's public forum. On behalf of my colleagues, I want to extend the Commission's thanks to our participants for traveling to Washington and participating in this dialogue.

Today, we begin an important process which should have as its goal the empowerment of consumers and entrepreneurs. As one who believes unflinchingly in maintaining an Internet free from government regulation, I believe that IP-based services such as VOIP should evolve in a regulation-free zone.

No regulator, either federal or state, should tread into this area without an absolutely compelling justification for doing so. Innovation and capital investment depend on this premise. The entrepreneurs seated before us depend upon this premise. In my view, we should come to this forum with a sense of regulatory humility - mindful that it is entrepreneurs, not governments, who came up with the idea of making high-quality, inexpensive phone calls over the Internet.

Today, we will hear encouraging examples of the kind of real change that is sweeping the telecommunications market. Real change is never comfortable. Change produces anxiety for incumbents, for regulators, for politicians and for our citizens, who are confused by the dizzying array of new digital technologies by the new services. We must resist the impulse to respond to this change by exporting old regulatory structures into the new IP-space.

As the Internet continues to command a central position in communications and in commerce, the lurching assertions of different regulatory regimes could threaten its very viability and could severely, if inadvertently, undermine the efficient development of national economic opportunity. The time has come to confront this issue more directly, rather than having the regulatory framework for the Internet develop in a piecemeal fashion or by dangerous accident. Thus, it is imperative that we establish a rational policy environment for IP-based services to continue to evolve.

In my view, that policy environment must begin with the recognition that the Internet is inherently a global network that does not acknowledge narrow, artificial boundaries.

This is not to say that states don't have important roles in the areas of their traditional police powers. Indeed, we are fortunate to hear from two state commissioners, Carl Wood of California and Chuck Davidson of Florida today. We have also heard from a number of members of Congress, including Senators McCain, Wyden, Allen and Sununu. Each has urged that the Commission examine carefully the role of state regulation of VOIP to ensure that investment and innovation are undeterred. I appreciate their support.

To be sure, health, safety and welfare concerns may give rise to uniquely state interests and it might be proper for them to play a role in these areas. Economic regulation, however, is entirely another matter and we should approach that area of regulation with significant skepticism.

The past decade has seen some of the most amazing advances in technologies that offer a breathtaking array of new options and choices. From broadband Internet access, WiFi, Napster, Kazaa and now VOIP and Skype – each are a testament to the fact that we have turned the corner on the Digital Migration. I look forward to hearing from our panelists today and learning more about these exciting new technologies.

Indeed, because there is so much innovation happening in this space and because time was limited, it was impossible to include every unique VOIP provider in today's forum. I encourage any entity who has a stake in the outcome of this inquiry to submit presentations to the Commission. We will ensure they are considered, included in the record and made available to the public on the Commission's website.

The dialogue we begin to day is far-reaching. The record upon which we base our judgments should be equally comprehensive.

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