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FOR IMMEDIATE RELEASE:

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FCC MOVES TO ALLOW MORE OPPORTUNITIES FOR CONSUMERS THROUGH VOICE SERVICES OVER THE INTERNET

In Separate Action FCC Rules that Pulver.com's Free World Dialup Service will Remain Free of Burdensome Regulation

Washington, DC – The Federal Communications Commission (FCC) today initiated a major proceeding to examine opportunities that allow consumers greater choices created by voice services provided over the Internet. It is also designed to provide a measure of regulatory stability to the communications marketplace and to further promote the development of these Internet-based services.

The *Notice of Proposed Rulemaking (Notice)* adopted today recognizes not only that Internet services should continue to be subject to minimal regulation, but also that mechanisms to implement important social objectives, such as public safety, emergency 911, law enforcement access, consumer protections and disability access, may change as communications migrate to Internet-enabled services.

Internet enabled communications services are different from the public switched telephone network (PSTN) services on which the country has relied for its communications services for more than 100 years. The advantages of these communications services include lower cost of communications, more innovative services and features, greater economic productivity and growth, expanded network redundancy and resiliency, and enhanced consumer choice.

In connection with this proceeding, the FCC announced today that it will initiate a Communications Assistance for Law Enforcement (CALEA) rulemaking proceeding to address the technical issues associated with law-enforcement access to Internet-enabled services. That proceeding will address the scope of covered services, assign responsibility for compliance, and identify the wiretap capabilities required.

In addition to seeking comment on the appropriate regulatory treatment of Internet services, today's *Notice* asks broad questions covering a wide range of services and applications to differentiate between Internet services and traditional telephony services and to distinguish among different classes of Internet services. Specifically, the *Notice* asks which regulatory requirements – for example, those relating to E911, disability accessibility, access charges, and universal service – should be extended to different types of Internet services. The *Notice* also asks questions on the legal and regulatory framework for each type of Internet service and the relevant jurisdictional considerations for each category.

Separately, the FCC also adopted a *Declaratory Ruling* stating that pulver.com's Free World Dialup (FWD) offering should remain free of unnecessary regulation (see attached news release).

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Docket No.: WC 04-36

Action by the Commission, February 12, 2004, by Notice of Proposed Rulemaking (FCC 04-28). Chairman Powell, Commissioners Abernathy and Martin; with Commissioner Copps concurring and Commissioner Adelstein approving in part and concurring in part. Chairman Powell and Commissioners Abernathy, Copps, Martin and Adelstein issuing separate statements.

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News about the Federal Communications Commission can also be found on the Commission's web site www.fcc.gov.