CWA on the Issues

Voice over Internet Protocol (VoIP)

Voice over Internet Protocol (VoIP) is a technology that sends voice telephony calls over the Internet. VoIP and other emerging technologies offer exciting new possibilities to expand the way Americans communicate. Traditional cable, telephone, computer, and niche market companies are selling VoIP services.

Analysts expect VoIP will capture as much as one-third of the voice market in five years, and eventually replace the public switched network. In the transition, which will take many years, VoIP subscribers who call non-VoIP subscribers will have their calls transferred at some point from the Internet to the traditional public switched network.

Typically, a VoIP customer must have a broadband connection (DSL or cable modem), which is attached to a special router provided by the VoIP company. The caller uses a regular telephone to place calls. (A small number of VoIP subscribers use "computer to computer" VoIP that never touches the public switched network. Pulver's Free World Dial-Up is an example of this service. The FCC has ruled that Pulver's computer to computer VoIP service is an interstate information service, not subject to traditional telephone regulation.)

There is much debate over whether VoIP is an unregulated information service or a regulated telecommunications service. Unregulated information services (such as e-mail) are not subject to many social obligations that the states and the FCC impose on telecommunications services. The FCC has initiated a rulemaking on VoIP services.

While the definitional issues raised by the VoIP services are complex, CWA believes that regulators must establish rules to ensure that all providers of voice telephony services, regardless of the technology, contribute in an equitable manner to meet the traditional social obligations of telecommunications carriers. These include, but are not limited to, the following:

1. **Universal service.** As a service that is functionally equivalent to plain old telephone service, VoIP providers must contribute to the universal service fund to ensure affordable access to telecommunications services to all Americans. The public switched network remains the backbone of this country's communications system and VoIP providers must contribute in an equitable manner to the maintenance of the network through intercarrier compensation (access charges).

2. **Access for people with disabilities.** The Telecommunications Act of 1996 requires "providers of telecommunications service" to ensure that the service is accessible to individuals with disabilities, if readily achievable. These provisions must apply equally to VoIP carriers. VoIP carriers must contribute to the telecommunications relay services (TRS) fund to support telecommunications service for people with hearing and speech disabilities.

3. **Public safety requirements.** Communications providers, regardless of the technology, must provide E911 service to customers. Regulators must ensure that VoIP carriers provide back-up power of sufficient duration to ensure network reliability in the event of a power outage. (Cable VoIP does not have back-up power in the network.)

4. **Consumer protections.** All providers of voice telephony must provide basic consumer protections, including privacy, advanced notification of change or termination of service, accuracy and clarity in billing, prohibitions on slamming, third party verification of changes in service, access to 411 information service, protections against discrimination, ability to file complaints with regulatory bodies, quality service, and just and reasonable rates.

While Internet traffic is global, state regulators have a role in regulation of VoIP to protect the public interest. Consistent with state regulation of other voice carriers, VoIP carriers must contribute to state universal service funds and intrastate access, and must meet state disability access, E911, and other public safety obligations. In particular, states must ensure that consumer protections apply equally to all providers of voice communications, regardless of the technology.

As telecommunications evolves into end-to-end broadband networks integrating voice, video, and data, we must develop a regulatory framework to ensure that, at a minimum, all carriers of voice service contribute to the traditional social obligations of telecommunications carriers.

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