

March 4, 2005

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Dear Chairman Powell:

We are writing to encourage the FCC to help unleash the full promise and potential of Internet communications by adopting the Level 3 petition.

We are on the verge of a vast new wave of VoIP-led technological innovations that has the potential to fundamentally revolutionize the way we communicate. This transformation will enable consumers to do things never before thought possible, businesses to transform the way they do business, and the economy to become an engine for higher paying information age jobs. Yet, there are those that desire to automatically apply legacy regulations designed for a 100-year-old telephone network to new VoIP technologies which will stifle innovation and stall these important consumer benefits, including demand for broadband.

That is why at the dawn of a new era in voice communications, we believe the FCC should continue its pro-growth, pro-innovation policies that for 20 years have ensured that Internet communications are not saddled with the broken access charge regime.

Pursuant to the Commission's compensation rules, VoIP providers have not been subject to access charges imposed on traditional long distance phone companies by local carriers, but instead have paid cost-based rates for termination of their customer's communications. However as the VoIP industry begins its ascent, some incumbent LECs are taking matters into their own hands and attempting to change the Commission's rules by imposing access charges on VoIP providers. The Commission needs to reaffirm that the Commission's rules regarding carrier access charges do not apply to VoIP services by granting the Level 3 Petition. Doing so will keep the successful pro-growth, pro-innovation policy in place while the FCC works to finalize and implement comprehensive intercarrier compensation reform.

Applying the broken access charges regime to VoIP service is unnecessary because incumbent phone companies are already fully compensated for their costs when Internet phone calls are terminated on their networks. When a phone company terminates VoIP services on its network, along with its subscriber fees the phone company receives reciprocal compensation or some other cost-based rate which fully compensates incumbent phone companies for the cost of terminating the traffic.

If the Commission changes course and subjects tomorrow's technologies to yesterday's broken systems, consumers and business users will miss out on the new services, increased choices and lower prices that VoIP can deliver. There is no need for such a rate-raising, growth-sapping, innovation-reducing policy change. Instead, the FCC should bring needed clarity by

taking the simple step of reaffirming its longstanding VoIP policies through granting the Level 3 petition.

Sincerely,

Voice on the Net (VON) Coalition

Information Technology Association of America

Internet Innovation Alliance

EDUCAUSE

cc: Commissioner Kathleen Abernathy
Commissioner Jonathan Adelstein
Commissioner Michael Copps
Commissioner Kevin Martin