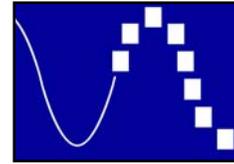


February 26, 2010



The VON Coalition

Representative Tanya Pullin
Chair, Military Affairs and Public Safety Committee
702 Capitol Avenue
Annex Room 332C
Frankfort, KY 40601

Dear Representative Pullin:

As the nation's leading companies developing and delivering voice innovations over the Internet, we are writing to recommend a change in H.B. 462 that would harmonize the definition of Voice over Internet Protocol (VoIP) with the federal definition to ensure that Kentucky consumers can continue to take advantage of the benefits that Internet based communication can deliver.

Internet based voice communication technologies like VoIP can be a force for increased competition, a platform for innovation, a driver for broadband deployment, and a vehicle for continued economic growth. In fact, with the right policies VoIP competition can save Kentucky consumers billions of dollars over the next 5 years – putting real money back into consumers' pockets at a time when families really need it.

Our concern with H.B. 462 is that the definition of VoIP contained in new subsection 30 of KRS 65.7621, is overly broad and does not conform to the FCC's definition of "Interconnected VoIP." In particular, the FCC has applied E911 obligations to services that are marketed and sold as alternatives for traditional home telephone services and defined them as "interconnected VoIP" services.¹

However, there are numerous other innovative IP based communications services which are not alternatives for home phone services, are not required by the FCC to provide E911, but might nonetheless be required to pay Kentucky 911 fees – slowing broadband enabled benefits from reaching Kentucky consumers. These innovative and often free PSTN connected one-way VoIP services, like instant messenger services and click-to-dial web sites, provide immeasurable new opportunities for businesses and consumers alike but would be hampered by passage of the bill as written, which would impose increased costs and could deter new and innovative service offerings in the Kentucky market. H.B. 462 can be improved by utilizing the FCC's definition of Interconnected VoIP and limiting fees to only those services which are required by the FCC to provide E911.

¹ The FCC defines interconnected VoIP as a service that: (1) Enables real-time, two-way voice communications; (2) Requires a broadband connection from the user's location; (3) Requires Internet protocol-compatible customer premises equipment (CPE); and (4) Permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network. See 47 C.F.R. Section 9.3.

February 26, 2010

Please feel free to contact me if you have any questions.

Sincerely,

/s/

Glenn S. Richards
Executive Director
202-663-8215 (phone)
glenn.richards@pillsburylaw.com (email)

CC: Members of Military Affairs and Public Safety Committee

About the VON Coalition:

The Voice on the Net or VON Coalition consists of leading VoIP companies, on the cutting edge of developing and delivering voice innovations over the Internet. The coalition, which includes AT&T, Cisco, Google, iBasis, Microsoft, New Global Telecom, Skype, T-Mobile USA, Vonage and Yahoo!, works to advance regulatory policies that enable Americans to take advantage of the full promise and potential of VoIP. The Coalition believes that with the right public policies, Internet based voice advances can make talking more affordable, businesses more productive, jobs more plentiful, the Internet more valuable, and Americans more safe and secure. Since its inception, the VON Coalition has promoted pragmatic policy choices for unleashing VoIP's potential. <http://www.von.org>