



February 14, 2017

Dawn E. Pettengill, Chair
Mark Chelgren, Vice Chair
Administrative Rules Committee
Iowa Legislature
1007 East Grand Avenue
Des Moines, IA 50319

Re: Comments on IUB Order Adopting Rules, Docket No. RMU-2015-0002

Dear Representative Pettengill and Senator Chelgren:

The Voice on the Net Coalition (“VON”)¹ writes in support of the rules issued January 24, 2017 by the Iowa Utilities Board in the above-referenced docket. In particular, VON supports the new definitions of the terms “Internet protocol-enabled service” and “Voice over Internet protocol service” and the exclusion of those terms from the definition of “Telephone utility” or “utility.” The new rules further provide (correctly) that the IUB shall not directly or indirectly regulate the entry, rates, terms or conditions for these services; though service providers may be asked to contribute to programs that support 911 or Dual Party Relay Service.

Adoption of these rule changes would align Iowa with federal law and promote a competitive VoIP market. The rules align with federal law because they effectively preempt regulation of Internet protocol-enabled service and Voice over Internet protocol service by the IUB. The FCC has recognized a strong federal interest in ensuring that regulation does not hinder the growth of the Internet and the services provided over it, including VoIP and other IP-communications.

VoIP has prospered under the FCC’s light touch regulatory structure. According to an FCC report released in August 2016, VoIP subscriptions nationally grew at an annual rate of 13 percent between June 2012 and June 2015.² Specifically, subscriptions grew from approximately 40 million in June 2012, to 57 million in June 2015. Such growth suggests that the absence of state regulation has helped produce a competitive VoIP market, with no adverse consequences to consumers. VoIP subscribers are also broadband subscribers; thus, increasing adoption of broadband is an additional benefit of encouraging VoIP providers to serve Iowa residents and businesses.

¹ The VON Coalition works to advance regulatory policies that enable Americans to take advantage of the promise and potential of IP enabled communications. VON Coalition members are developing and delivering voice and other communications applications that may be used over the Internet. For more information, see www.von.org.

² *Voice Telephone Services: Status as of June 30, 2015*, FCC Wireline Competition Bureau at 2 (2016), available at http://transition.fcc.gov/Daily_Releases/Daily_Business/2016/db0805/DOC-340665A1.pdf.

