



## VoIP ≠ POTS

The Commission should declare VoIP to be an interstate service in appreciation of the technological characteristics of VoIP services as well as their market and operational realities. Even today, VoIP services are much more than just the functional equivalent of POTS (plain old telephone service) – and in the coming months and years, VoIP services promise to revolutionize communications for consumers and business customers alike. Traditional rate or entry regulation of these services would prevent this future from being realized. [Foreclosing state regulation of VoIP is a foundational first step in establishing a regulatory environment that fosters continued innovation.](#)

### VoIP SERVICES ARE ...

**Portable.** The Motorola Voice Terminal and other IP-enabled devices provide revolutionary ubiquitous access to VoIP customers wherever a broadband connection exists—at home, at work, on the road, in a hotel—via Session Initiation Protocol (SIP).

**Platform Agnostic.** Motorola equipment provides access to VoIP services through any broadband platform, *e.g.*, cable modem, DSL, wireless broadband. In general, consumers can access VoIP services directly from their computers, through PDAs, cellphones, or traditional phones with the use of adapters.

**Any Distance.** There are no local or long distance calls on VoIP services. VoIP services are marketed as any distance products with unlimited domestic local or long-distance calls for a flat monthly fee.

**Integrated Across Platforms.** Motorola has introduced products like the CN620 Mobile Office Device that can ride on enterprise wireless Local Area Network (wLAN) VoIP systems and then move seamlessly to commercial wireless CMRS networks in a way that is imperceptible to the user. This single device provides one phone number, one voice mail and the key functionality of the office desktop (enterprise telephony, email, intranet access, calendars, corporate directories) to the user at work and on the go. Motorola is designing similar products for the consumer market. Mobility and ubiquitous access across platforms are fundamental to the next generation of consumer and enterprise markets.

**Borderless.** VoIP services cannot be categorized or characterized by LATAs, interstate boundaries, or even international borders. Packet-switched communications rely upon the most efficient pathways available regardless of geography. It is often operationally complex, if not impossible, to determine whether a VoIP call originates and terminates in the same state. In addition, network architectures that support VoIP technologies, such as cable network architectures, are built on a multistate or regional platform, to serve subscribers in broad regions.

**Just Scratching the Surface.** AT&T notes that it is “just getting started with innovative features” for its CallVantage VoIP service. Video conferencing and the full integration of voice and data communications are being tested now. The future promises even more. The Electronic Frontier Foundation correctly concludes that VoIP represents “a potentially unlimited number of application designs.”



## **The FCC Should Act Now To Declare VoIP As INTERSTATE**

Motorola was among the first to call on the FCC to act on the jurisdictional aspects of VoIP in advance of considering the myriad issues raised in the comprehensive IP-Enabled Services rulemaking proceeding. See Motorola Comments, 4-7. A decision on this threshold matter would provide much needed clarity to the industry (both vendors and carriers) and encourage further investment, deployment, and development in this still fledgling market.

**This is Not Piecemeal Regulation.** State regulators and others seeking to carve out a state regulatory role over VoIP services are critical of the proposal to address the jurisdictional issue first. Yet it is the zealous efforts of a number of state commissions to regulate VoIP services (or propose the possibility of doing so) that necessitates prompt FCC action on jurisdiction. Addressing the interstate nature of VoIP first represents intelligent docket management and would permit both the Commission and relevant stakeholders to focus their attention on the appropriate federal regulatory framework for VoIP. Moreover, proponents of delaying the jurisdictional decision offer no concrete example of a single unintended consequence or ill effect from the FCC's determination that Pulver.com's VoIP service is an interstate offering.

**No Need for Further Proceedings or Delay.** Calls to refer this matter to the Separations Joint Board or to further study the issue are similarly unwarranted. FCC action to classify VoIP services as interstate would not affect the separations process or the separations freeze in any manner. Indeed, classifying VoIP as interstate obviates the need for any referral. There was no need to refer the classification of DSL services to the Separations Joint Board, nor is there a need to refer the classification of VoIP.

**Jurisdictional Ruling Should Cover All VoIP Services.** The FCC should not limit a jurisdictional ruling to a single VoIP provider, non-facilities-based providers, or a specific group of VoIP providers based upon the underlying technology used. The basic underlying technical and operational characteristics of all VoIP services are interstate and should be treated accordingly by the FCC.

**Threat of Inaction is Substantial for Both Carrier and Consumer.** Current domestic investment patterns will be curtailed and future endeavors limited or scrapped altogether if the FCC does not act expeditiously on the VoIP jurisdictional issue. The national headlines reporting that the United States is falling behind on broadband could serve as a harbinger of future, more fundamental deficiencies if VoIP services are burdened by 51 disparate state regulatory regimes. The continued risk of state regulation alone may push VoIP's technological development overseas beyond the reach of both federal and state regulators, and could also hamper the ability of U.S. consumers and companies to make robust use of these exciting services.