

## FOR IMMEDIATE RELEASE

### NMRC PANEL CALLS FOR “HANDS OFF” APPROACH TO IP NETWORKS AND SERVICES

WASHINGTON, D.C. June 8, 2004 – Experts in Internet Protocol (IP) technology and policy issues today called on regulators to develop a regulation free Internet platform that drives consumer choice. A New Millennium Research Council (NMRC) breakfast panel titled, *HASTENING THE TRANSITION TO IP NETWORKS: Implications for Consumers, Industry, and Regulator*, provided attendees with the view that the IP world is a highly competitive marketplace with growing choices for consumers, application and network providers. They cautioned regulators about imposing 19<sup>th</sup> Century regulation on new technology.

Speakers agreed that new rules are appropriate for new technologies. The diverse assembly of speakers, representing cable companies, voice-over-Internet Protocol (VoIP) providers, local telephone companies, and industry associations, also concurred that what is needed is an environment where increased private investment can flourish.

Brooke Schulz, Vice President-Corporate Communications for Vonage Corp., said that voice-over-Internet Protocol (VoIP) was a small industry that relies on broadband connections to provide its service. “The critical infrastructure of the next millennium will be broadband,” said Ms. Schulz. Vonage has grown to about 170,000 lines, she said, and VoIP has allowed “people to control their communications services and not the other way around.”

Kathryn C. Brown, Senior Vice President for Public Policy Development & International Government Relations for Verizon Communications, recommended that, “policy decisions should be based on current marketplace conditions in the new competitive, interconnected world and recognize the importance of scale and the need for flexibility in building new networks that connect rural and urban communities.”

Rick Cimerman, Senior Director-State Telecommunications Policy for the National Cable & Telecommunications Association, said, “Only a minimally regulatory framework can create the right incentives and a favorable climate in which service providers can invest, innovate, and deploy VoIP services.”

Jonathan Sallet, of Quintessence LLC, an independent consultant, urged policy makers to look at IP regulation in new ways and by asking questions from different perspectives. He recommended that, “On speech issues, favor the speaker. Try leaving engineering decisions to engineers. Sometimes the government is the expert (e.g., 911 or homeland security), Economic decisions are the private sector’s – absent competitive abuse.” In terms of whether to consider particular networks “open” or “closed” in the IP world, Mr. Sallet said that engineering of VoIP itself appears to be an open, accessible process, the government’s role as expert is important but limited, and that no evidence of market power (e.g., the ability of one or two companies to unilaterally control price or output) existed at the moment.

“New service providers are flooding the VoIP market,” said David Reed, Executive Vice President and Chief Strategy Officer for CableLabs, Inc. He said Yahoo! lists 42 providers of various types under the search term “Internet Telephony Service Providers.” Mr. Reed also cited the growth of the broadband market, now reaching a critical mass of 30.7 million broadband subscribers and growing, low barriers to entry due to economics and regulatory environment, and consumer acceptance because of low costs and interesting features despite occasional voice quality issues and other limitations.

Speaker presentations are available online at [www.newmillenniumresearch.org](http://www.newmillenniumresearch.org).

### **ABOUT NMRC**

The New Millennium Research Council (NMRC) is composed of a network of policy experts who develop workable, real-world solutions to the issues and challenges confronting policymakers. Its work has focused primarily in the fields of telecommunications and technology. For more information on the NMRC please visit: <http://www.newmillenniumresearch.org>.

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