



August 26, 2016

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Idaho Public Utilities Commission
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Subject: **Regulation of VoIP/IP Services**

Dear Joe:

Thank you for your efforts, insights and leadership regarding the Idaho Public Utilities Commission's investigation into the question whether Idaho statutes need to be revised to clarify, limit or preempt the Commission's regulation of VoIP and IP-Enabled services ("VoIP").

In 2015 the ICTA initially opposed AT&T's draft legislation that would have deregulated VoIP in Idaho. After revisions were made to that draft, the ICTA no longer opposed, but did not support the legislation. The ICTA remains of the opinion that legislation to *further* deregulate VoIP services in Idaho is unnecessary.

Idaho was on the forefront of deregulating telecommunications services with the Telecommunications Act of 1988 (the "Act"), Idaho Code § 62.601 *et. seq.* The Act exempts CLECs – including CLECs that deploy VoIP technology – from the more onerous or pervasive rate regulation provisions of Title 61, and instead provides a very light, yet important, scheme of regulation for CLEC VoIP services. Several of those Title 62 provisions address important intra-industry issues that remain relevant. In particular, statutory provisions that expressly authorize the Commission to implement and enforce federal interconnection obligations and other wholesale rights (§62-615), or resolve inter-carrier disputes, (§62-613) could become clouded by new and potentially conflicting deregulatory code provisions.

While AT&T has modified its proposed legislation to carve-out important areas where the Commission should retain Title 62 jurisdiction, the ICTA remains leery of unintended deregulatory consequences. Rather bringing legislation to deregulate VoIP, and then "adding back" certain Title 62 [and other code] provisions that are exempt from deregulation, it seems that the better system is to stay with the *status quo* of Title 62's light regulatory scheme of all CLEC providers.

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At the July 12 meeting there also appeared the misconception that there was very little or no payment of state or federal telecom fees by VoIP providers. Whether that is true or not for some CLECs, such is not the case for cable companies offering VoIP services in Idaho. For instance, Idaho's largest cable provider, Cable One, uses a 3rd party vendor software provisioning system that communicates with Level 3. All Cable One phone orders are provisioned through that software and with Level 3. In Idaho, Cable One pays the following to Level 3 and Level 3 remits to the appropriate jurisdiction: Federal Excise Taxes, State USF fees, State TRS fees, E911 fees, State DEAF Tax, State Gross Receipts Tax, IPUC Fees, and ID Lifeline charges.

Thank you for the opportunity to provide these comments. Please do not hesitate to contact me should you have any questions.

Sincerely,
/s/ *Ron Williams*
ICTA Executive Director

cc: ICTA Board