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**Via Email: 6744mailbox@gmail.com and  
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Joe Cusick  
Idaho Public Utilities Commission  
472 West Washington Street  
Boise, Idaho 83702

Dear Mr. Cusick:

Please accept these comments of the Idaho Telecom Alliance (ITA) on the VoIP Deregulation Proposal you are examining. As you know, the ITA is an organization composed of providers of rural telecommunications and broadband services in many of the most rural service territories in Idaho. The ITA has thirteen member companies.<sup>1</sup> Four ITA members are consumer owned cooperatives. The other nine are companies that provide telecommunications services subject to the regulatory jurisdiction of the Idaho Public Utilities Commission. All ITA members are ILECs although some also have CLEC affiliates. A few members provide traditional cable TV services in tier communities as well, also through affiliated entities. ITA member companies serve over 46,000 customers in rural Idaho as ETCs with Carrier of Last Resort obligations within the southern Idaho LATA. ITA member companies cover approximately 70,000 square miles of service territory in Idaho and serve an average of less than one person per square mile within their service territories. The combination of these attributes means that ITA members serve customers in some of the highest cost service territories where there is no alternative provider of landline service and that lack ubiquitous (and in many areas any) wireless telecommunications service alternatives.

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<sup>1</sup> ATC Communications, CTC Telecom, Custer Telephone Cooperative, Direct Communications, Farmers Mutual Telephone Company, Filer Mutual Telephone Company, Fremont Communications, Inland Telephone Company, MTE Communications, Oregon-Idaho Utilities, Project Mutual Telephone Cooperative Association, Inc., Rural Telephone Company, Silver Star Communications.

The ITA believes that a proper regulatory framework for telecommunications services in Idaho should be technology agnostic. Regulation of a service should be dependent on the function of the service, not the technology through which it is delivered. For that reason the ITA does not believe it is appropriate to pick technological “winners and losers” and provide different regulatory burdens on those services dependent solely on the technology through which the services are delivered. For this reason our view is that voice telecommunications services provided in whole or in part through the public switched telecommunication network should be treated equally from a regulatory point of view, regardless of the technology through which those services are provided.

The ITA is sympathetic to the desires of the proponents of VoIP deregulation proposals such as those that have prompted the study in which you now are engaged, to be free to the maximum degree practical from unnecessary regulatory burdens and costs. The ITA does not believe, however, that legislation such as that proposed over the last several Sessions of the Idaho Legislature is the best way to achieve the lightest appropriate regulatory burden. ITA would note that there already is a mechanism under Title 62, Idaho Code, to be freed from rate regulation and from most other regulatory requirements. If it is decided that deregulation of VOIP is appropriate public policy, ITA would suggest an evaluation of necessary changes to Title 62 to allow VOIP services to obtain regulatory relief in the same manner as other providers of voice telecommunications services have been afforded would be an appropriate legislative response.

If it is decided for some reason that emulating the current Title 62 provisions is not the appropriate process after which to pattern regulatory relief for VoIP, ITA suggests that interconnected VoIP (by that we mean VoIP technology that accesses or is capable of accessing the PSTN) be accomplished in a manner that recognizes the obligation of VoIP customers to support the PSTN on which their services are provided in whole or in part on the same basis as other users of the PSTN. This means that VoIP customers should bear their fair share of the cost of services such as ITSAP, TRS and USF as well as supporting the 911 and other emergency communications services and facilities that are supported by non-VoIP telecommunications users. Further, ITA believes that all users of the PSTN (whether through VoIP or otherwise) ought to be treated equally in this regard.

If legislation is to go forward that deregulates VoIP it could have the unintended consequence of penalizing and (therefore discouraging) investment by ILECS and other providers of traditional telecommunications services. It was important to ITA that the legislation proposed by the proponents of VoIP deregulation during the 2016 Legislature state clearly that the character of telecommunications services provided by traditional telecommunications carriers not be compromised by any legislation that might be read to infer that the services those companies provide would cease to be telecommunications services if they should be provisioned through “soft switches” and other technologies that might fall within the less than precise definition of VoIP in such legislation. We believe that is not the intent of the proponents of the legislation but want to be very clear that it should not be allowed to be an unintended

consequence. ITA member companies serve rural territories with such low densities and large areas that they are inherently uneconomic to serve. As a result, many ITA member companies are reliant on universal service funding to be able to provide those services to their customers, many or most of who have no meaningful alternative method of obtaining functionally equivalent telecommunications services.

Finally, ITA would note that there is a great deal of ongoing controversy surrounding the appropriate treatment of VoIP, broadband and universal service at the federal level. It is unclear at this point how the issues of VoIP and even the very financial underpinnings of support for the public switched telecommunications network will be resolved at the federal level. As those issues currently are in flux, we believe it would be premature for the Idaho Legislature to proceed with addressing only one component of a highly interrelated telecommunications system until clarity of how support and regulatory treatment of the whole system will be addressed by congress and the Administration. If legislation should proceed in Idaho to address VoIP deregulation, however, we believe: 1) it is most important that the impact of such legislation on the PSTN and the customers who rely on it be considered; 2) any legislation to change the treatment of VoIP not adversely impact the Idahoans who receive their telecommunications services through conventional means; and 3) legislation should be technologically agnostic and not discourage investment in new forms of technology that have the potential to provide service quality and financial benefits to Idahoans who obtain their telecommunications services from traditional telecommunications providers such as ITA member companies.

Thank you for the opportunity to submit these comments and for your consideration of our views.

Sincerely,



Kenneth R. McClure