

December 7, 2000

Dear Mr. Wong:

I would like to take this occasion to thank you for all your efforts to ensure that the first meeting of the Group of Experts to prepare for the upcoming World Telecommunication Policy Forum (WTPF) was successful. Under your leadership, we believe that progress was made and that a productive framework has been set for further work in this area.

We believe that the process must be as inclusive as possible and for that reason we urge the ITU to make every effort to broaden the participation of ITU members, in particular developing countries, to ensure a balanced outcome. We further believe that the Forum must be inclusive in representing all points of view with regard to the benefits of IP Telephony. The Forum and the corresponding draft report, in our view, are critical to providing essential information to key decision makers around the world to assist them in their efforts to direct the transformation of their economies and to embrace the information revolution. It is our view that IP Telephony can bring great advantages to consumers around the world and set the stage for further deployment of advanced technologies. It is in this spirit that we offer the attached U.S. Contribution which articulates our specific comments to the November 1 Draft Report of the Secretary-General on IP Telephony.

Sincerely,

[signed]

Malcolm R. Lee
United States Coordinator
International Communications and Information Policy

Attachment:

U.S. Contribution

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INTERNATIONAL TELECOMMUNICATION UNION

**WORLD TELECOMMUNICATION POLICY
FORUM
IP Telephony**

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United States of America

Comments on the First Draft Report on IP Telephony of the Secretary-General

1.0 Introduction

In Decision 498, the 2000 session of the ITU Council decided to convene the third World Telecommunication Policy Forum in Geneva, from 7 to 9 March 2001, in order to discuss and exchange views on the theme of Internet Protocol (IP) Telephony. Consistent with Resolution 2 (Rev.2, Minneapolis, 1998), this forum shall neither produce prescriptive regulatory outcomes nor produce outputs with binding force. Rather, the Policy Forum is an opportunity for Member States and Sector Members to discuss and exchange views and information on telecommunication policy and regulatory matters (Rev. 2, Minneapolis, 1998).

The United States strongly supports the broad approach of technology and market analysis that we understand to be the new framework for the ITU revised draft report which will be released on December 15. We share the view expressed during the November ITU Experts Group Meeting on IP Telephony that the ITU Draft Report on IP Telephony needs to examine the wider technological and economic benefits of deploying IP-based networks. We believe this Forum offers an opportunity to encourage Member States to recognize the positive impacts of IP Telephony, such as incentives for stimulating investment and economic development.

Our comments on each specific section of the Secretary General's draft report dated November 1 on IP Telephony are articulated in detail below.

2.0 Technical Aspects of IP Telephony

Based on the results of the November Group of Experts meeting on IP Telephony, the United States anticipates a number of comments to be included in the second draft report. In general, the following points should be addressed in the technical section of the December 15 draft report:

- A description of the development and evolution of network infrastructures that can deploy IP Telephony¹,
- Voice over IP should be distinguished from voice services on a circuit-switched network. The dynamics of the IP Telephony environment is such that any definition is only transitional at best. Therefore, only “working definitions” exclusively for use at this Forum would be appropriate. We make this suggestion while noting that many terms in general use today may have multiple meanings.

Below are specific comments on how the technology section could be further improved. These comments are included below to provide feedback on the November 1 draft text that may still be retained in some form in the second draft:

1. Given the diversity of regulatory regimes internationally, the report should recognize that IP Telephony can be an application as distinguished from a service. The report should recognize that IP Telephony can be deployed on networks that are private.
2. The Section 2.12 reference to Internet peering, transit and interconnect is inappropriate in this section.
3. Any claims regarding the growth rate of IP Telephony should be substantiated with specific source citations throughout the draft.
4. Much of the detail on Media Gateway, Media Gateway Controller, QoS, Bandwidth and ENUM should be shifted from the body of the draft report to footnotes or annexes.
5. The work of IETF and other bodies in standards work should be recognized, including areas such as the Session Initiation Protocol, the Session Description Protocol and the next generation Internet.
6. The Draft Report should highlight the value of the existing network infrastructures as essential support for IP Telephony.
7. We would suggest that text be inserted which describes the potential for new, multifunctional end user devices that can support Voice over IP technology which may be more user-friendly, and which may be more convenient than traditional telephones or personal computers.

¹ Council Decision 498 and the Draft Report use the term "IP Telephony." Our understanding is that this term is intended to encompass the broad range of voice applications over IP-based networks, often referred to as "Voice over IP" or "VoIP." Our comments on this section use the terms "IP Telephony" and "Voice over IP" interchangeably. The Draft Report may want to adopt this practice.

8. Section 2.4 should note that IP Telephony is not just emulation or replication of the PSTN; rather IP-based technology facilitates an increasing array of new, innovative applications.
9. To meet the goal articulated at the November Group of Experts Meeting of using the Forum as a way to educate high level policy makers, additional modifications will need to be made to the Technology section that broaden the scope of the chapter to address the "Technical Aspects of IP-based Networks".

3.0 Economic Aspects of IP Telephony and its Impact on Public Telecommunication Operators

The United States supports the balanced view of IP Telephony articulated at the November ITU Group of Experts meeting on IP Telephony. We agree that the section titled, "Economic Aspects of IP Telephony and its Impact on Public Telecommunication Operators" should not focus solely on the possible impact of IP Telephony on Public Telecommunication Operators, but should be enhanced to address the broader market aspects and associated economic benefits of IP Telephony to both Sector Members and Member States. In particular, we appreciate the chairman's decision to acknowledge the economic benefits of this technology to end-users. We support the decision to reorder the report and reframe this section. This approach will enhance the Forum as a way to educate interested parties on all aspects of IP Telephony. We are committed to the idea of the Forum as a venue for information exchange where the views of all participants will be considered.

The United States supports a further rewrite of the Economic section that would emphasize the following concepts: the identification of both the costs and benefits associated with IP Telephony; the costing structure of IP networks as compared to traditional circuit switched networks; how IP networks can attract investment and support universal access; and how countries can transition from a circuit switched network to an IP based one. We believe that this section should note the positive role that IP Telephony can play in helping to achieve universal access, particularly in developing countries. IP Telephony can help meet the immediate goal of expanded telephony access, and can promote infrastructure development, human resource development, and innovation -- all of which are important to narrowing the Digital Divide.

4.0 Policy and Regulatory Issues for IP Telephony

With respect to the "Policy and Regulatory Issues for IP Telephony" section of the ITU Draft Report, the United States believes that this section should provide information to Member States on the benefits of innovative new services that IP Telephony offers. The United States believes that this section should encourage Member States to ask the fundamental question of whether government regulation is necessary before moving forward. In addition, the section should address the costs and benefits of any form of regulation of IP Telephony, keeping in mind that the goal of any policy should be to encourage investment, spur innovation and advance development.

Below are specific comments on how the Policy and Regulatory section of the November 1 draft report of the Secretary-General could be further improved:

1. Paragraphs 3.18 through 3.20 discuss the principle of technological neutrality. While convergence may suggest a policy of technological neutrality, we believe Member States should take a cautious approach to regulating innovative new technologies, such as IP Telephony. Member States should consider new, pro-competitive policies, rather than impose old, monopoly-era regulation.
2. Paragraph 3.35 should call for caution against the assumption that accounting rates and other legacy regulatory regimes apply to IP Telephony.
3. With regard to Paragraph 3.31, a consideration of interconnection obligations for Internet Service Providers (ISPs) should take full account of the advantages of using, where appropriate, domestic anti-trust laws and pro-competitive regulatory policies to address problems if they arise.
4. Paragraph 3.34 suggests that the ITU consider arbitration or resolution mechanism among Member States with different policies on IP Telephony. We believe that privately negotiated agreements obviate the need for an internationally sanctioned dispute resolution mechanism. In any event, the decision to regulate or not to regulate IP Telephony should remain a sovereign right of each Member State.
5. Paragraphs 3.23, 3.24 and 3.26 through 3.29 should note the positive role that IP Telephony plays in helping to achieve universal access, particularly in developing countries.