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Sent: Monday, January 15, 2001 4:20 PM
To: IEG-wtpf@itu.int
Subject: European ISP Association comments

Dear Sirs,

Please find below some brief comments regarding the issue of IP telephony in advance of this week's ITU meeting in Geneva.

Best regards,

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IP telephony is a new, unique, IP-based technology, that represents the future of communication - not just PSTN in a new form

- IP-based technology facilitates an increasing array of new, innovative applications. It is not emulation or replication of the PSTN.
- IP technologies represent a natural evolution of telecommunications technology and of the industry.
- The creation and rapid growth of Internet-based industries has occurred primarily as a result of the lack of regulation. Internet-based technologies have developed in an openly competitive environment, and will continue to do so.

The promotion of IP telephony benefits everyone - from consumers to PTOs:

- Use of efficient IP-based technologies will reduce the price of international telephone calls, for both residential and corporate customers.
- As the price of phone calls fall to competitive levels, PTOs will see an increase in the number of calls completed both over the PSTN and over IP networks. With the increased call volume, PTOs will realise increased total revenues.
- The creation and rapid growth of the Internet-based industries has occurred primarily as a result of the lack of regulation. The success and recent growth of eEurope also is a direct positive result of a fairly unregulated Internet-based industry in Europe. This growth has been fuelled by providers other than the traditional PTOs. Any change will have an impact on the growth and diversity of the Internet-based industries.

Applying legacy PSTN regulations to IP telephony will cause more harm than good:

- Basic telecommunications services are becoming increasingly deregulated around the world. As a result, it would be unwise for the ITU to impose outdated regulatory frameworks, such as the outmoded accounting rate regime, on IP telephony. The ITU and its Member States should consider new, pro-competitive policies, rather than impose old, monopoly-era regulation.
- ISPs and data network providers have developed without burdensome regulation. The Internet and computer industries have spurred new market competitors to develop faster and reduce costs more rapidly than traditional telecommunications providers.

- Internet-based technologies have developed in an openly competitive environment, and will continue to do so. Because these technologies are still evolving, regulators should look forward - not backward - as they evaluate regulatory initiatives that could impact these technologies.

Adopting "technology neutral" regulations is inadvisable, and can stifle the development of IP telephony AND new technologies

- A cautious approach should be taken with regard to regulating new technologies. Technological convergence should not lead to regulation of new technologies or new applications of existing technology inappropriately.

- Regulation should not be applied with a complete disregard for technology. A policy of "technology neutrality" could have significant affects on product substitution and product innovation within an economy. Standardising all substitutable products and services and giving them all the same regulatory treatment will stifle new service introduction and product innovations. These unintended consequences would prevent countries from gaining full benefit of these emerging technologies.
