



# TELECOMMUNICATIONS

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### **Proposed Reporting & TRS Funding Obligations for Non-Interconnected VoIP Providers**

Earlier this month the FCC proposed new regulations that would greatly expand telecommunications relay services (“TRS”) funding and revenue reporting requirements for non-interconnected VoIP providers.

By statute, providers of telecommunications services to the public must offer TRS to persons with hearing or speech disabilities in the United States that are “functionally equivalent to voice telephone service.” Under current FCC rules, carriers and interconnected voice over Internet Protocol (“VoIP”) service providers contribute to the TRS Fund based on interstate end-user telecommunications revenues. Interconnected VoIP service 1) enables real-time, two-way voice communications; 2) requires a broadband connection from the user’s location; 3) requires internet protocol compatible customer premises equipment; and 4) permits users generally to receive calls that originate on the public switch telephone network (“PSTN”) and to terminate calls to the public switch telephone network.

But not all VoIP services are “interconnected VoIP” services. Under the proposed regulations, non-interconnected VoIP service “(A) means a service that – (i) enables real-time voice communications that originate from or terminate to the user’s location using

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Internet protocol or any successor protocol; and (ii) requires Internet protocol compatible customer premises equipment; and (B) does not include any service that is an interconnected VoIP service.” Examples of non-interconnected VoIP include “one-way” VoIP services (*i.e.* services that enable users to terminate calls to the public switched telephone network (“PSTN”) but do not permit users to receive calls that originate on the PSTN, or enable users to receive calls from the PSTN, but do not permit the user to make calls terminating to the PSTN) and “IP-based voice services that do not require a broadband connection. Unlike interconnected VoIP service providers, non-interconnected VoIP service providers have not been required to contribute to the TRS Fund or register or report revenues through the annual filing of FCC Form 499-A for any purpose.

If the new regulations become effective, *every* carrier providing interstate telecommunications services (including both interconnected and non-interconnected VoIP service providers) will be required to report on FCC Form 499-A, and contribute to the TRS Fund on the basis of, interstate end-user telecommunications revenues. This includes, but is not limited to, providers of cellular telephone and paging, mobile radio, operator services, personal communications service (PCS), access (including subscriber line charges), alternative access and special access, packet-switched, WATS, 800, 900, message telephone service (MTS), private line, telex, telegraph, video, satellite, intraLATA, international and resale services. If adopted, the new regulations would require non-interconnected VoIP service providers to register by September 30, 2011, and complete and submit the FCC Form 499-A by April 1, 2012, to report interstate end-user revenues for from October 1 through December 31, 2011. The FCC proposes to begin assessing non-interconnected VoIP service providers for TRS contributions based on revenues reported for the October-December 2011 period for the 2012-2013 TRS Fund year (July 1, 2012 through June 30, 2013).

If adopted, how will these regulations impact non-interconnected VoIP providers? Given that interconnected VoIP providers already support USF, are these proposed regulations a necessary and logical extension of existing rules? Will they stifle and unnecessarily raise prices for non-interconnected VoIP service, or are they critical to fund and make TRS available to more Americans for a broader array of VoIP services?

Comments to the FCC are due 30 days after the FCC’s Notice of Proposed Rulemaking (FCC 11-38, released March 3, 2011) is published in the Federal Register. Reply Comments are due 45 days after publication of the FCC’s Notice in the Federal Register.

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