



NEWS RELEASE

Internet Telephony Services Providers' Association

The Voice of Advanced Communications

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ITSPA responds to long-awaited VoIP statement

The UK telecoms super-regulator Ofcom has today released its long-awaited statement on the regulation of VoIP (Voice over Internet Protocol). As the most significant regulatory development in the Internet telephony market for over two years, this statement is destined to have a major impact on the future of online communication. ITSPA (the Internet Telephony Service Providers' Association) has been in discussion with Ofcom throughout the consultation process.

Although they are broadly acceptable, ITSPA is wary that the detail of the new rules may have unfortunate implications for UK businesses and consumers. Whilst ITSPA will work closely with Ofcom to ensure that the regulatory environment continues to run as smoothly as it does now, members have expressed a number of fundamental concerns with the statement.

- That Voice over IP will be subject to a stricter regulatory framework than any other technology within the UK telecommunications industry.
- These new regulations will be particularly hard to enforce against providers who are based overseas, but market their services within the UK. This will be a significant threat to the UK consumer, who may not be aware of the disparity.
- The extra regulatory costs that Ofcom's rules impose put the UK VoIP industry at a competitive disadvantage against international competitors, and risk hindering the creative development of the industry at an early stage.

ITSPA has highlighted these important issues to Ofcom on a number of occasions. The move from a 'light-touch' approach towards a more rigid regulatory framework will have a significant impact on the industry, which ITSPA will monitor closely as it develops.

Notes to Editors:

NOTE – This statement is issued on behalf of ITSPA and does not necessarily reflect the views of all its members.

About VoIP

Internet Telephony is the ability to make voice calls over any Internet Protocol (IP) connection, particularly broadband, using Voice over Internet Protocol (VoIP). IP Communications also enable a rich multi-media set of advanced services, including Video, High Definition Sound, Instant Messaging and Presence. Internet Telephony Service Providers can provide regular and enhanced phone line services – often at substantial cost reductions .

About ITSPA (www.itspa.org.uk)

ITSPA is the UK's industry body for Internet Telephony Service Providers. Founded in 2004, with over 60 members, ranging from the largest Tier 1 operators to the new entrants, providing services to millions of consumers and businesses. It launched the industry's first Code of Practice in 2005, which is mandatory for all its members.

ITSPA exists to:

- Encourage the innovation and development of the VoIP industry through the promotion of self-regulation and competition;
- Lobby Ofcom, the UK Government and the European institutions to ensure the UK and Europe remain the most favourable environment in which to run a VoIP business and in which to be a VoIP customer;
- Respond to UK Government and European regulators on behalf of its members;
- Investigate solutions for industry, including fraud black lists, peering and interoperability;
- Reassure Consumers that any product or service bought from a company displaying the ITSPA logo comes with a high standard of consumer protection, which is properly enforced and includes a dispute resolution procedure.

ITSPA believes in:

- The benefits of self-regulation to promote the growing VoIP sector;
- The need to foster a truly competitive and innovative market where VoIP providers can compete with existing telecoms providers on a level playing field;
- The facilitation of the provision of "naked DSL" (i.e. the provision of broadband access without needing to also pay for telephone line rental);
- Open, non-discriminatory access through all Broadband ISPs (i.e. ISPs should not block/hinder customers from using third party VoIP providers);
- The promotion of best efforts provision of access to emergency services and the provision of accurate information to the consumer about the level of access to emergency services available to them;
- Effective and competitively priced Local Loop Unbundling;
- The use of geographic numbers for VoIP providers;
- Efficient and competitively priced number portability (i.e. the ability to transfer/retain your phone number when you change service provider).