

## U.S. VoIP firms ordered to pay into USF

June 22 2006

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U.S. Voice over Internet Protocol providers have been ordered to contribute to the Universal Service Fund.

The ruling issued by the Federal Communications Commission Wednesday stated that nearly 65 percent of VoIP revenues were of the interstate variety, which qualifies them for the fund that subsidizes phone service in poor and rural areas.

Commission Chairman Kevin Martin said in a statement that the ruling was an example of competitive neutrality that did not discriminate between Internet and traditional telephony.

"Like public safety goals, universal service obligations transcend new technologies and cannot be compromised," he said.

The VoIP industry, however, declared the ruling to be a run-up to taxation as a means of boosting USF revenues -- and could also open the door to state taxation as well.

Stacy Pies, president of the Voice on the Net Coalition, told the Web site LightReading that the decision ran counter to a 2005 ruling that held the Internet was an information system and not a telecommunications system, which should mean that VoIP was not a telecom system subject to USF contributions.

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