VoIP Regulation
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Background

- Number 1 regulatory topic internationally
  - VoIP is coming
  - Traditional regulations are not always applicable
  - Global issue

- Focus on EU
  - Regulations vary from country to country
  - Very little information easily available
  - The author is involved in EU VoIP regulation work

- No separate mobile case
  - Most regulatory questions are same for fixed and mobile VoIP
Regulatory and Policy Objectives

- Promotion of competition
  - maximum benefit in terms of choice, price and quality
  - no distortion or restriction of competition
  - efficient investment in infrastructure and promotion of innovation
- Contribution to the development of the internal market
  - remove obstacles to the provision of services
  - encourage the development and interoperability of pan-European networks and services
  - no discrimination in the treatment of undertakings
  - co-operation of NRAs and the Commission
- Promotion of the interests of the citizens of the EU
  - ensure access to universal service
  - ensure high level consumer protection and protection of personal data and privacy
  - promote provision of clear information on prices and conditions of use
  - needs of special groups, e.g. disabled users
  - ensure integrity and security of networks
- Regulatory principles:
  - objectivity and proportionality
  - technological neutrality
  - transparency and non-discrimination
ECS and PATS Definitions

- **Electronic Communication Service (ECS)**
  - Service (normally) provided *for remuneration*
  - Consists wholly or mainly in the conveyance of signals on Electronic Communication Networks

- **Public Available Telephone Service (PATS)**
  - = Public Available Service
  - = Originating & Receiving (inter)national calls
  - = Access to Emergency Service (112)
  - = E.164 numbering scheme

- **Universal Service (US)**
  - Services to be made available to *all end-users* in territory
  - Designated by National Regulatory Authority

Source: Alain Van Gaever 1st International CICT Conference
VoIP Classification Criteria

- **Self Provisioned**
  - e.g. PC Software products offering voice

- **Corporate/Internal Use**
  - e.g. IP PBX

- **Publicly Available IP Telephony**

- **EU Framework does not apply if no provision of a “service”**

- **EU Framework applies, but no specific conditions**

- **EU Framework applies, conditions depend on precise service offered**

Source: Alain Van Gaever 1st International CICT Conference
VoIP Classification Criteria

- Access to other users
  - Ability to make and receive national and international calls
  - Limited access?
- Level of provider control
- Level of nomadicity
  - Affects the ability to route emergency calls
- Other regulatory issues
  - Compliance, e.g. emergency calls
  - POTS look and feel
  - Incumbent vs. new entrant
Requirements

• Telephony service specific requirements
  • Traditional, rather detailed regulation
  • Examples: operator assistance, directory enquiry service and itemised billing
  • A need to revise the requirements

• Common ECS requirements
  • Used in most countries
  • Examples: security, privacy protection and legal interception
  • May become to be the heaviest burden for new entrants

• VoIP specific requirements
  • Restrictions and limitations used in some countries
  • The author suggest removing all VoIP specific requirements
Regulatory Issues

- Level of regulation
  - Consumer protection vs. promote competition

- Extra territorial aspects
  - VoIP is global

- Emergency calls
  - Should not be used as a classification criterion

- Numbering and number portability
  - Geographical numbers, portability right or requirement

- Broadband unbundling
  - Unbundling, separate bitstream service from PSTN subscription
Regulatory Status in EU

- Activities
  - Commission consultation in Autumn 2004
  - ERG VoIP group

- Common Position
  - DL December 2004 ERG meeting
  - Nearly achieved, only one NRA and Commission are still arguing for model 1

- Options
  - 1: Provider can choose if it want to take PATS rights and obligations
  - 2: Clear criteria, which services fall to PATS category -> PATS requirements

- National legislation is slightly different
  - Nearly any harmonised approach requires amendments to national legislation
EU Common Position

1. Introduction
   1.1 Scope of work
   1.2 Structure of the document
   1.3 Co-operation with other regulatory groups for further work
   1.4 Limitations in competency
   1.5 Current national legislations on the main issues related to VoIP services

2. Market Impact of VoIP
   2.1 Evolution of VoIP services
   2.2 Technological characteristics, regulatory challenges and market opportunities

3. VoIP Services Under the Current EU Regulatory Framework
   3.1 Types of VoIP services
   3.2 Explanation of terms
   3.3 Regulatory and Policy Objectives
   3.4 Regulatory principles of the Framework and the Specific Directives

4. Proposals for a Common Position
   4.1 The regulatory approach for VoIP services
   4.2 Access to emergency services
   4.3 Numbering and number portability
Regulatory Status in US

- Information service vs. telecommunication service
  - Pulver FWD was declared to be a information service
  - Most probably applicable also other Internet telephony services
- Vonage decision 9.11.2004
  - Vonage service is interstate in nature
  - 8th Circuit Court decision is still pending
- Very light Internet regulation
- FCC has recognised a need to ensure social and public safety
  - Universal service & legal interception (CALEA)
  - Emergency calls & access to people with disabilities
Conclusions

- Diverse regulatory landscape internationally
  - Trend is towards more harmonised approach
  - Still it’s a very difficult task

- A vision for lighter regulation
  - Traditional approach is not always applicable or controllable
  - Need is decreasing
  - Should apply to all telephony services
  - Some requirements may remain (emergency calls)
  - Some requirements will remain (security, privacy protection)