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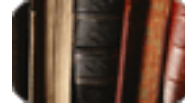
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MESSAGE FROM THE CHAIRMAN



Michael Khalilian
IPCC Chairman
and President

Fellow IPCC Members:

As the number of VoIP subscribers grows from today's 3 million to the predicted 97 million in 2009, it's easy to see why companies in the cable, telco, and wireless industries have VoIP on their roadmaps for the coming years. Cable companies in particular will be playing a key role in providing telephone service as we move toward the next level of communications convergence.

As VoIP industry leaders, we need to do the best we can to inform companies in these industries and government authorities (FCC specifically) about the technologies that will best drive the communications convergence of the future.

Our Working Groups are addressing – through technology architecture papers – the top technical issues currently affecting the deployment of VoIP, as well as the evolution of the technology, including CALEA, E-911, SBCs, interconnection, IMS, and more.

I encourage you to continue your valuable efforts on the Working Groups and to accept invitations to represent the IPCC and the industry as speaking opportunities arise.

Please join me in congratulating Manuel Vexler who has served as Vice President of Marketing and Technology for the IPCC. He has taken a new position with CopperCom as CTO and will no longer be able to serve in his previous role with the IPCC. He will, however, continue to serve as an advisor to the IPCC and to Marian Stasney, who has stepped in nicely to fill his shoes. Manuel did a fantastic job for us and we wish him well.

Michael Khalilian

Chairman and President

International Packet Communications Consortium (IPCC)

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Manuel Vexler

MEMBER PROFILE



VoX COMMUNICATIONS

Mark Richards is President at [VoX Communications](#).

IPCC: What is your strategy for rolling out VoIP for the remainder of this year?

Mark Richards (MR): We continue to seek and attract wholesale arrangements with both cable operators and other large agents and wholesalers – companies that “own the customer.” We’re simply adding our VoIP product with zero capital deployment risk to them – and that is a compelling arrangement. We will, however, remain flexible in our choice of targeted types of customers. For instance, we still see major opportunities in the retail VoIP markets. Currently we have a number of cable companies coming to us for partnerships, and clearly they will be our main focus as it represents the best value to our shareholders and can be turned into profitability and cash flow much

quicker with fewer resources.

IPCC: You've described your approach to VoIP as a “Google Farm” - can you explain what that means?

MR: VoX has developed and successfully deployed very similar technology to the “Google Farm” approach – that is, many inexpensive Linux servers in a “farm” or “server cluster” – all cooperating with the net effect of appearing to be a single, massively scalable platform or “Super POP” as we like to call it. Basically it’s also a similar principal to the Big Blue super computer, which is really only thousands of smaller computers all co-operating to achieve a common goal – move data quickly. This is effectively what we do with VoIP. Even though there are some very complicated pieces to the puzzle in providing VoIP, all the functionality can be viewed as a series of applications running on the cluster. If we need to scale a particular function, say RP media stream control, we can deploy more instances of that application to the cluster. Sounds technical, but not really, as great web-farms run on similar principals.

IPCC: How are you going to compete with the likes of Vonage in the residential and business market?

MR: The answer is that I do not really think we have to. I have great respect for what Jeff Citron and his team have achieved at Vonage. They, along with other visionaries like Jeff Pulver from VON, have literally dragged the consumer into understanding what VoIP exactly is and how it works and saves you money. The bottom line is that Vonage has deserved their pole position, but VoX has been able to leverage the huge marketing budget that Vonage has spent on educating the customer, and customers – even very large ones – are coming to us. It’s a very large market – sometimes you don’t have to beat the leader, you just have to spend some time listening and learning – in their shadows

Given our free Linux cluster, our lack of marketing muscle, and more importantly our limited budget, we could easily compete with Vonage simply on price if we had to – our cost of infrastructure is more efficient per thousand subscribers because of the Linux technology. VoX is here to be the quality provider of choice. I welcome people comparing our product side by side with the Vonages and Lingos of the world – but don’t be too surprised if we come out better on call quality or have a better web interface, better features, price, or whatever else – because one day, even maybe one day soon, we will.



**A PREVIEW
OF WHAT'S NEXT**

TELECOM05
A PREVIEW OF "WHAT'S NEXT"
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CHANGE, CHANGE, CHANGE ... CHANGES WITHIN IPCC

Manuel Makes a Move

IPCC's Manuel Vexler recently announced a job change that will force him to leave his position with the IPCC. Congratulations to Manuel who has taken on the role of CTO with [CopperCom](#), based in Boca Raton, Florida, and to Marian Stasney, as she steps in. Manuel will continue to work as an advisor to the IPCC.

Marian Stasney Joins IPCC

Effective immediately, Marian Stasney will take over Manuel Vexler's role as Director of IPCC Technical Working Groups. Marian comes to the IPCC from Telecom Inquiry Solutions where she served as Managing Partner. Her career also includes senior analyst and management positions with the Yankee Group and Broadwing Communications. She earned a bachelor's degree from the University of Texas at Austin, specializing in applied mathematics, electro-optics, engineering, and physics. She is certified by Microsoft and Cisco Systems. Marian has already hit the ground running by meeting with the Working Groups to develop an action plan for the next six months.

Take Advantage of IPCC's Byline and Speaker Bureau Program

The IPCC has been approached by a number of publications who are interested in publishing articles written by IPCC members. We have agreements with Internet Telephony Magazine and others. Also, we have many opportunities for industry experts. Please submit any articles for consideration and speaking interests to tammysnook@hightechpr.net.

MARK YOUR CALENDAR

The IPCC will sponsor and/or chair panels at several upcoming shows this year. Please mark your calendars and write to tammysnook@hightechpr.net if you would like to speak at any of these conferences:

August 4 San Francisco	VoIP Developer's Conference	• Speak
Sept. 20 - 22 London	Carriers World Conference 2005	• Speak
Oct. 5 - 6 Chicago	Fixed Mobile Convergence Live	• Speak
Oct. 9 - 12 Orlando	CompTel/ALTS	• Chair panel
Oct. 22 - 26 Las Vegas	Telecom '05 (USTA)	• Chair panel
Oct. 24 - 27 Los Angeles	Internet Telephony	• Chair panel
Oct. 26 - 28 Boston	WiMAX World	• Speak

IPCC AND TMC REACH MEDIA PARTNER AGREEMENT

Technology Marketing Corporation (TMC) has agreed to serve as IPCC's media marketing partner. As part of the agreement, TMC will support the IPCC with advertising development and placement, along with a special section in several issues of Internet Telephony Magazine, placement of a guest column from IPCC's Chairman and President Michael Khalilian, recruiting tools on their website, speaking opportunities at their events, and much more. **Our special thanks to TMC** for helping us gain the visibility we need in the industry! IPCC is also partnering with numerous media organizations in the wireline, wireless, and cable industries to help keep IPCC top of mind.

ITP USA TAPS INTO IPCC AS RESOURCE FOR IP TELEPHONY REPORT

ITP USA, a leading contract publisher known for their reports about the IT industry worldwide, has asked IPCC to participate in a global roundtable and editorial for their August report on IP Telephony. Be sure to look for Michael Khalilian's Roundtable and Editorial on ITP USA's website at www.asiaitp.com.

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Produced by the most trusted name in VoIP. TMC is the publisher of INTERNET TELEPHONY Magazine since 1993 and the host of INTERNET TELEPHONY Conference & EXPO since 1994.

For information on becoming an IPCC member, please visit our website at www.packetcomm.org or contact Debbie Hetland at dhetland@packetcomm.org.

IPCC INDUSTRY NEWSLETTER

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FCC ACTIONS

FCC Rules Requiring Interconnected VoIP Providers to Provide Enhanced 911 (E-911) Service Published in Federal Register

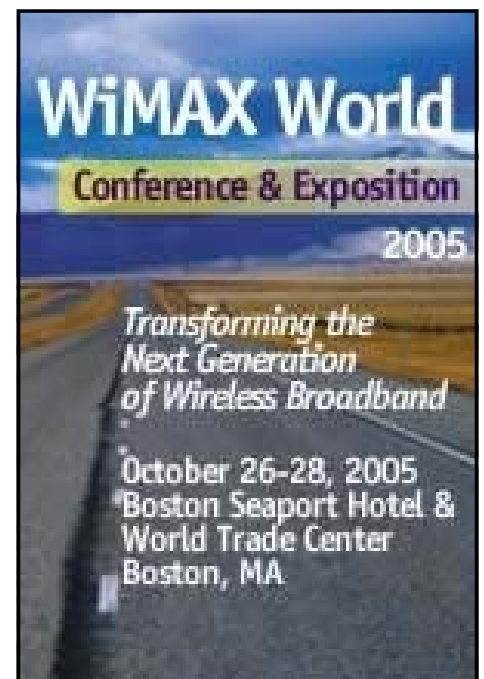
On July 12, 2005, the Commission issued a Public Notice announcing the deadlines to comply with its June 3 order setting forth the 911 obligations of providers of interconnected Voice over Internet Protocol ("VoIP") services. The FCC also issued a notice of proposed rulemaking ("NPRM") regarding potential additional requirements that could be applied to service providers and equipment manufacturers. The new requirements only apply to VoIP providers that can send calls to and receive calls from people using "plain old telephone service" provided over the traditional circuit switched network. By July 29, 2005, providers of interconnected VoIP services must specifically advise every subscriber, both new and existing, prominently and in plain language, of the circumstances under which E-911 service may not be available through the interconnected

VoIP service or may be in some way limited by comparison to traditional 911 service. Interconnected VoIP providers must comply with the new requirements and also must submit a letter to the Commission detailing their compliance with the rules by November 28, 2005.

On June 29, the Commission established deadlines for the associated NPRM, in which the FCC seeks comment on whether it should require all VoIP terminal adapters and related equipment sold after June 1, 2006 to be capable of providing physical location information automatically. The FCC also seeks comment on whether and to what extent its rules should be expanded to VoIP services that are not fully interconnected to the public switched telephone network ("PSTN"). In addition, the Commission requested further comment on further steps that the Commission should adopt to ensure that consumers utilizing VoIP services are protected by the E-911 system, methods are available for VoIP service providers to automatically identify the location of users of portable interconnected VoIP services, and persons with disabilities are able to use interconnected VoIP services. (WC Docket No. 05-196, FCC 05-116). Comments due August 15, 2005. Reply Comments due September 12, 2005.

FCC Seeks Comment on XO Coalition's Petition for Forbearance From Application of DS1 Loop, Transport and EEL Rules

On July 13, 2005, the Commission issued a Public Notice establishing the comment for parties to file comments in response to a Petition for Forbearance filed by the XO Coalition on March 28. The XO Coalition seeks forbearance from three Commission rules regarding access to unbundled network elements ("UNEs") promulgated in the TRRO proceeding. Specifically, the eight-member XO Coalition seeks forbearance from application of one aspect of the Commission's impairment test for DS1-capacity loops used to serve "predominantly residential" and "small office" buildings. Second, the Coalition seeks forbearance from application of the limitation on DS1-capacity transport when such transport circuits are used as components of DS1-capacity enhanced extended loops ("EELs"). Finally, the XO Coalition seeks forbearance from the UNE eligibility criteria as applied to EELs. (WC Docket No. 05-170, DA 05-2003). Comments due September 12, 2005. Reply Comments due October 12, 2005.



Supreme Court Holds Cable Modem Services not Subject to Common Carrier Regulation in *Brand X*


On June 27, 2005, the United States Supreme Court issued a decision upholding the FCC's classification of cable modem services as an "information service" under the Communications Act, which means that cable modem services are exempt from mandatory common carrier regulations, including the requirement to file federal tariffs, the requirement to interconnect with other carriers, and the obligation to pay a percentage of revenues into the Universal Service Fund. The decision is bad news for unaffiliated ISPs and VoIP providers who may find themselves foreclosed from gaining access to cable networks. The case originated from a March 2002 decision by the FCC that "cable modem service, as it is currently offered, is properly classified as an interstate information service." The Ninth Circuit vacated the FCC's decision finding that cable modem service was a telecommunications service subject to Title II of the Communications Act. The Supreme Court reversed the Ninth Circuit, holding that the court should have deferred to the FCC's determination, as the FCC is the expert agency, and under the *Chevron* doctrine, federal courts are to defer to an agencies' construction of ambiguous statutes with which they are charged with implementing if the agency's construction of the statute is reasonable. The Court's decision will give the FCC sufficient discretion to classify wireline DSL service as "information services" in the future.

This monthly column is contributed by Ross Buntrock, Partner, Womble Carlyle Sandridge & Rice, PLLC.

THE SHIFT IS OCCURRING IN PERSONAL COMMUNICATIONS

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Featured Speakers: **partial list*

Brent Cobb Executive VP of Strategy and Business Development SK-EarthLink	Peter Jarich Principal Analyst Wireless Infrastructure Current Analysis
Mike Denny Senior Architect IT Strategy BellSouth	Brian Modoff Managing Director and Senior Wireless Equipment Analyst Deutsche Bank

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ATTENTION IPCC MEMBERS

As a member of the IPCC you are eligible for a 15% discount when registering for the Fixed Mobile ConvergenceLIVE! event. Simply enter code *IPCC* when registering online. Visit www.scievents.com/convergence for details.

VoIP RESEARCH ROUND UP

DID YOU KNOW ... ?

- New analysis from [Frost & Sullivan](#) of the North American Residential VoIP Markets reveals that market revenue totaled \$295.1 million in 2004 and is expected to reach \$4,076.7 million in 2010. Frost & Sullivan expects the entry of non-traditional telecommunications companies, including cable operators, Internet Service Providers (ISPs), and non-telecom companies into the voice market to drive the number of North American VoIP lines up to 18 million from 1.5 million in the same period.
- A recent online consumer awareness survey conducted by [Level 3](#) in conjunction with [Harris Interactive](#)[®] found that 68 percent of U.S. adults have heard of Voice over IP. In addition, 40 percent of respondents have heard of VoIP but do not consider themselves very familiar with the technology, indicating that more has to be done to educate respondents about the benefits and functionality of VoIP, including E-911. The survey also found that adults who have heard of VoIP consider lower price (60 percent) and clear, reliable connection (49 percent) the top factors when considering adopting VoIP service.

“The latest VoIP forecast predicts the number of subscribers worldwide will explode from **2.8** million in 2004 to **97** million in 2009.”

- [ABI Research](#) believes VoWi-Fi is “the wave of the future.” “Cellular coverage is far from ideal indoors,” ABI’s senior analyst Philip Solis points out. “Most people would greatly prefer to have one phone that works just as well in the depths of a large building as it does outdoors. Moreover, it’s a cheaper way for carriers to transmit calls, and it provides natural synergies and extra revenue opportunities where there are linkages joining wireless and wireline companies such as [SBC](#) and [Cingular](#). So it’s a tool for bundling that also provides cheaper services to consumers.” ABI Research’s study “[Voice over Wi-Fi: Market Dynamics for Enterprise and Consumer VoWi-Fi, and Dual-mode Cellular/VoWi-Fi Handsets](#)” examines the whole industry, from chipset providers to service providers. It discusses the technologies involved, the consortia driving these handsets, and the competitive business environment. It also provides a number of market forecasts extending to 2010.
- The latest VoIP forecast predicts the number of subscribers worldwide will explode from 2.8 million last year to 97 million in 2009. [Research and Markets](#), maker of that prediction, said residential VoIP “... will emerge as one of the most disruptive services in the telecom industry during the decade.” The research firm also noted that the U.S. market is best positioned for VoIP growth due to the high availability of broadband access and consumer willingness to try new technologies if they will lower telephony service costs.