

Colorado

Public Utilities Commission



For Your Information

T-13

UNDERSTANDING PUC REGULATION OF VOICE OVER INTERNET PROTOCOL (VoIP) SERVICES

Do you keep hearing about Voice over Internet Protocol (VoIP) telephone services? Are you wondering whether VoIP is regulated by the Public Utilities Commission (PUC)? This FYI provides information consumers should know when considering a VoIP service. It also includes information about the PUC's limited regulatory authority over VoIP. Choosing a VoIP service should be based on the careful consideration of a service contract and your comfort level with new technology.

WHAT IS VoIP SERVICE?

VoIP is a technology that allows you to make voice calls using a broadband Internet connection instead of a regular (or analog) phone line. VoIP services convert your voice into a digital signal that travels over the Internet. Some VoIP services may only allow you to call other people using the same service, but others may allow you to call anyone who has a telephone number – including local, long distance, wireless and international numbers. While some VoIP services only work over your computer or a special VoIP phone, other services allow you to use a traditional phone connected to a VoIP adaptor.

THE PUC HAS LIMITED VoIP AUTHORITY

As a result of the Federal Communications Commission's (FCC) ruling that VoIP is an interstate service and not subject to state regulation, the PUC has limited VoIP authority and has not determined to what extent Colorado regulation of VoIP services is necessary. The PUC provides limited assistance to customers who have services such as VoIP, broadband, high speed internet and wireless service.

While authority may be limited, the PUC does have authority to prevent VoIP service slamming and cramming in Colorado. Slamming is the changing of a telephone provider without the customer's permission, while cramming is the added charges of goods or services to a customer's bill without their approval. In both cases, consumers may contact the PUC for assistance in resolving these issues, while also viewing the PUC brochure, *FYI T-11*, that addresses slamming and cramming.

To reach PUC Consumer Affairs:

1560 Broadway, Suite 250, Denver, CO 80202
303-894-2070 (local); 1-800-456-0858 (toll-free)
PUCConsumer.Complaints@dora.state.co.us

BILLING AND CONTRACT INFORMATION

Before deciding to select a VoIP service provider, consumers should confirm with a potential service provider the advantages and limitations of their service. It is necessary to ask about costs, terms, and conditions of service. VoIP providers may offer multiple monthly calling plans and it is important to know the number and type of calls that will be included in your bill. VoIP plans may look less expensive compared to regular telephone plans, but the cost of broadband Internet access must be included. This may mean paying for a cable modem or DSL services. Consumers should review, compare, and understand the VoIP service plan that they are choosing.

After the consumer has agreed to a VoIP service plan, they have entered into a contract with the VoIP service provider and each party has obligations that fall under the contract. The PUC does not have the authority to assist consumers with their contract, its pricing, early termination or with other cost issues.

QUESTIONS TO ASK WHEN CONSIDERING VoIP

- The Federal Communications Commission requires that VoIP service providers supply 9-1-1 emergency calling capabilities to their customers. However, 9-1-1 calls using VoIP may be handled differently than 9-1-1 calls using your traditional telephone service. It is important to confirm with any VoIP service provider that they do provide VoIP 9-1-1 emergency call services. Also, ask a service provider about the limitations on their VoIP 9-1-1 services.
- Many VoIP companies will make arrangements for your current number to be switched to your new service (also called “number portability”), but this may take time and you may be given a new number in the interim. Confirm that your current number will be switched.
- There have been problems with power outages when using VoIP services. Consumers may consider a backup power supply, a traditional phone line, or having a backup wireless phone. Consumers may choose to ask what backup service the VoIP service provider offers.
- There are also concerns about VoIP system security. VoIP calls that are transmitted over the Internet raise security risks that are not an issue with traditional telephone service. For example, VoIP services using a computer can be attacked by computer viruses, or may be subject to mass voice mail messages. It is recommended that consumers ask the VoIP service provider about their system security.

ADDITIONAL HELP

The FCC provides some VoIP oversight that includes both number portability requirements and mandatory 9-1-1 emergency call services. The FCC website is www.FCC.gov and can be reached by calling toll-free, 1-888-225-5322.

Consumers may find VoIP information or file a complaint with the Federal Trade Commission (FTC). The FTC website is located at www.FTC.gov or consumers may call toll-free, 1-877-382-4357.

Because VoIP services are generally unregulated, the following agencies may provide consumers with additional assistance.

- Questions and complaints should first be addressed to your VoIP service provider. Often companies will work with consumers to resolve concerns and complaints.
- Your local Better Business Bureau may have company information or offer you assistance.
- For situations involving possible fraud or violations of consumer protection laws, contact the Colorado Attorney General's Office, Consumer Protection Section at 303-222-4444 (Denver metro area) or 1-800-222-4444 (outside the Denver metro area) or your local District Attorney's Office.

VoIP offers a new telephone choice for consumers, but do your homework and understand the services provided and the terms of your contract.