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April 2, 2004

Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 31221
Lansing, MI 48990-7504

Re: In the matter, on the Commission's own motion, to commence an Investigation into voice over internet protocol issues in Michigan. Case No. U-14073

Dear Ms. Kunkle:

Enclosed for filing is an original and four (4) copies of the ***RESPONSE OF QUICK COMMUNICATION, INC***. Please call if you have any questions.

Very truly yours,

LOOMIS, EWERT, PARSLEY,
DAVIS & GOTTING, P.C.

Gary L. Field

Digitally signed by Gary L. Field
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Enclosures

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the Commission's own motion, to commence an investigation into voice over internet protocol issues in Michigan.	))))	Case No. U-14073

Response of Quick Communications, Inc.

Now Comes Quick Communications, Inc. d/b/a Quick Connect USA, a licensed CLEC and makes the following response to the Commission's Order commencing an investigation into voice over internet protocol (VOIP).

Quick's Position in a Nutshell

Protect Michigan Jobs.

Quick believes that the CLEC industry in Michigan and likely 2000 of its jobs are in serious risk of being lost due to the Bell companies' successful lobbying at the FCC that produced the TRO and the resulting litigation and the current US DC Circuit Court of Appeals Order. Many if not all these jobs could be saved or additional jobs created if VOIP services remain as regulation free as possible. Quick believes that there will be a direct correlation between the number of jobs preserved or gained in this state and the degree of regulation imposed on the industry. Any job lost, or not created will simply be transferred to less regulated states or foreign countries. The last thing we need is another reason to outsource jobs to foreign lands.

This state has a policy to promote extending broadband Internet to all areas of the state. It encourages entrepreneurs to build wireless networks through funding provided by Link Michigan. This policy would also be helped by ensuring that VOIP services remain regulation free as well. VOIP can provide a significant source of additional incremental revenue for these entrepreneurs along with an added reason to encourage them to build and expand their networks. This will also add jobs in construction and ongoing operation of their networks. These providers need this service to be offer a double play with their broadband offerings, so that they can stay competitive with Cable operators and ILECs that currently offer a double play and are starting to offer triple plays.

VOIP was designed to be free of eavesdropping and not CALEA friendly.

One of the driving forces to develop VOIP was the desire to make voice conversations secure, private, and free from snooping form various governmental agencies around the world. This fact makes VOIP softphone to VOIP softphone direct communications virtually undetectable, untraceable and not subject to CALEA traps or other surveillance techniques. Any competent computer programmer can re-program any VOIP device to make these end user to end user by pass communications. Direct softphone to softphone conversations bypass VOIP service providers and make it impossible for VOIP service providers to detect, intercept or otherwise monitor these types of calls.

However, a VOIP originated call can not reach the PSTN without going through some switch of an ILEC or CLEC since only those entities are authorized to access local telephone stations. Hence all such calls and calls from a landline station to a softphone can easily be CALEA trapped for any valid law enforcement purpose. Therefore a VOIP service provider should have no problem with requiring them to comply with CALEA for the calls they can trap.

This fact of reality makes the debate over whether to subject VOIP service providers to regulations to comply with CALEA a red herring. They can trap what is technically feasible to trap, but cannot and should not be required to do what is not technically feasible.

Hence any recommendations for CALEA compliance should be limited to what is technically feasible to accomplish at any point in time, by commercially available means. Such recommendations should NOT require any VOIP provider to invent technology to enable compliance.

911 services should only be required where technically feasible.

The VOIP customer premises device is small and mobile so that it can be carried with its owner and plugged into any broadband connection available worldwide. This feature usually makes the ability to automatically locate the caller's location on dialing 911, and reporting it to the proper Public Service Answering Point (PSAP) impossible.

However, in the next 30 days, at least one manufacturer of VOIP customer equipment intends to release a device that also accepts a regular landline and software to identify 911 dialing and will route those calls to the landline for termination by the local landline local exchange carrier. The end user therefore will have the means to obtain 911 service wherever he travels where it is available.

The responsibility to plug in the landline is with the end user. The VOIP service provider cannot be expected to ensure end user compliance.

Again, the key to any regulation in this area is to only require compliance of VOIP service providers that is technically feasible. In this case, that would be to compel it to offer the described equipment to the end user with instructions how to obtain landline 911 service.

VOIP calling cannot affect an access fee structure that is about to end, by industry agreement.

According to a recent article published in USA Today, the access fee structure may be about to evaporate. If so, that issue would be moot. For certain, the access fee structure is going to change, making comments on how VOIP service may affect it nearly worthless. However, if it remains, VOIP providers should not mind paying the same terminating access fees every IXC pays. VOIP providers should not have to pay originating access fees because the PSTN is not used to originate calls. This is the same situation when end users use dedicated circuits to directly connect to their long distance providers thereby by-passing their local service providers, which they have been doing since 1984.

There is no need to protect adults who use VOIP services or limit their freedom of choice.

VOIP is only sold to adults that are competent to enter into binding contracts, and all the terms and conditions of VOIP, including its limitations are fully disclosed. Therefore adults can accept the limitations and protect themselves accordingly, or choose not to buy VOIP. All arguments in favor of protecting adults from any limitations of VOIP service imply that the adult citizens are incapable of making responsible choices.Since VOIP only works in conjunction with a broadband Internet connection that was primarily purchased to enhance the use of their personal computers;Quick contends that most PC users have sufficient intelligence and are fully capable of understanding the limitations of VOIP and dealing with them.

VOIP should remain an open service that is freely available for consumer use over any and all networks of all broadband providers.

Quick believes that some broadband providers may urge regulation that secures their networks for their own exclusive VOIP service to the exclusion of all other VOIP providers. If

any such positions are put forth in this investigation, Quick urges this commission to recommend that the FCC ignore such urgings.

Such urgings would be like arguing that the software for e-mail that comes in a PC's operating system, or software games that use broadband and that line the shelves of Circuit City, Best Buy, and other retailers should be barred from use on their networks.

Such a result would be clearly absurd.

The MPSC has no jurisdiction over VOIP.

Quick believes that section 401 of the MTA exempts VOIP from the jurisdiction of the MPSC. Furthermore, Quick believes that any state regulation of VOIP would be preempted by the FCC's "mixed use" doctrine described in paragraph 22 of its Memorandum Opinion and Order, released on February 19, 2004 in the *matter of the Petition for Declaratory Ruling that Pulver.com's Free World Dialup is Neither Telecommunications nor a Telecommunications Service*, Case No. *WC Docket no. 03-45* and the interstate Commerce Clause as interpreted in paragraph 23 of said Order.

Quick believes that the MPSC recognizes these legal constraints and is merely considering making recommendations to FCC for consideration in its pending IP-Enabled Services rulemaking.

Quick's position is the there is NO need for regulation of VOIP services whatsoever.

In support of this position, Quick hereby makes the following comments on VOIP activity in Michigan as requested in such Order, *in seriatim*:

Introduction to the Technology

VOIP is essentially a software program combined with certain hardware that when coupled to an Internet broadband connection (dial-up service is too slow) enables end users to

make real time voice transmissions over the Internet to other parties that have the same software and hardware., and more recently to cross over onto the PSTN to "call" stations on the PSTN and visa versa.

In *Pulver, supra*, the hardware at each end consisted of a personal computer with a voice card and speakers or a headset. The end users downloaded to their computer the software program that enabled their computers to set up and maintain Session Initiation Protocal (SIP) sessions. In *Pulver, supra*, no part of their transmissions visited the PSTN.

While the end users in *Pulver, supra*, used a free intermediary service to make connections between other members of the service, there is free software that can be downloaded from number of Internet sites that allows one PC user to make direct calls to other PCs that have the same software without the need for such an intermediary source. Under the *Pulver* holding, the direct PC to PC calls are legal and regulation free.

It is clear that the FCC claimed jurisdiction over the above VOIP calls to pre-empt any attempts of the states to impose regulation over them. This action saves the states from enacting un-enforceable regulations because (1) the intermediary server can be located anywhere in the world which means well beyond the jurisdiction of any state (or federal) government and (2) direct PC to PC calls are undetectable.

The above scenarios require some degree of computer skill. One has to surf the net to find a site that holds the software, be able to download it, and install it on their PC, read the instructions for use, and execute them. Most people would not invest the time, just to talk for free to one or several people.

The genius of free enterprise is that when there is a need, some one will step forward and fill it, and charge a fee for the solution. Before you know it an industry grows up and jobs are created. The greater the need, the better the solution, the larger the industry.

The next step was to invert, design, and manufacture a "device" with "plug and play" functionality so that a person with minimal skills could use the same technology and make and receive calls to others with the same devices, or to and from any regulated or landline or cellular telephone anywhere in the world.

This has been accomplished. The device has been shrinking is size so that today it can fit into a typical man's shirt pocket. It is fully and easily portable or mobile. One can plug it into a broadband connection anywhere in the world, and start dialing and talking. However, to make a call or receive a call from the PSTN, the end user needs a VOIP service provider. This provider enables the cross over connection between the Internet and the PSTN. The only parties that are legally connected to the PSTN are ILECs and CLECs. (Cellular operators do not cooperate with VOIP providers.) Therefore the VOIP service provider has to either be one, or establish relations with one so that the ILEC or CLEC will accept and pass traffic back and forth to the VOIP service provider's customers.

ILECs and CLECs also have the ability to obtain number blocks from the North American Number Administrator. Stand alone VOIP providers do not. Today such numbers have to be assigned to local calling rate centers and listed in the LERG (Local Number Routing Guide). Numbers assigned to VOIP softphones have to also be resident in some ILEC or CLEC's switch so that when the number is dialed by another PSTN regulated station, the call will be completed over the PSTN on the normal basis.

Quick sees little benefit in allowing VOIP providers direct access to such numbers, as they are only needed for cross over calls, and the VOIP provider has to establish relations with the ILECs and CLECS anyway for this activity. Therefore, they may as well obtain their numbers through these relationships.

The FCC's Pending IP-Enabled Services rulemaking will decide how to treat VOIP when it is coupled to a long distance carrier who can deliver the Internet initiated voice transmission to the PSTN to make any regulated station telephone "ring."

Quick's Response to the Commission's Specific Questions.

a. The number and type of VOIP providers that are providing service in Michigan, including incumbent local exchange carriers, competitive local exchange carriers, and unlicensed VOIP providers.

The number and type of VOIP providers that are providing service in Michigan however defined is presently unknown to Quick. Quick does know that it is re-selling Quick Connect VOIP, Inc., a Michigan corporation recently formed by two Michigan LLCs, that has just started to market VOIP in Michigan. Quick also knows of 4 other out of state providers that offer VOIP service to Michigan residents and market primarily through their Internet web sites. These companies can be found by a Google search, and are Vonage, Packet8, VoicePulse, and ZipGlobal.

Quick also knows that SBC, Verizon and all the public stock CLECs and Cable Companies claim plans for VOIP offerings.

b. Estimations of the proper degree of regulation, based on transmission method, to ensure Michigan citizens are protected while using VOIP, while allowing VOIP services to avoid unnecessarily burdensome regulations.

Quick does not believe that Michigan citizens need to be "protected" while using VIOP services, and accordingly there is no "proper degree of regulation" needed to "protect" them.

In Michigan, one has to be 18 years of age to lawfully enter into a binding contract. Therefore, no ILEC or CLEC will sell or provide regulated telephone service to a minor. Nor will any VOIP provider. No business for profit entity will risk doing business with a minor, as any contract can be voided and no contract with a minor can be enforced. Therefore, we are dealing with "protecting" only adults, and the total population of all VOIP users is comprised of citizens that are 18 years or older. This position assumes that the adults of the household can, since they have the duty, supervise their minor children and visitors.

Quick does not understand how such a user could be "harmed" in any way while using VOIP. VOIP is no more harmful to a user than when the citizen uses e-mail, instant messaging, buddy messaging, cellular service, a cordless phone, or any other software program application that allows communication with others, such as war or fantasy games.

Admittedly, if the power goes down at the end user's home, VOIP will not work, because the "device" needs a power source. However, neither will regulated telephone service work if the end user is one of the more than 50% of all households that use cordless phones. Cordless phones require a similar power source. Accordingly, if the state finds it acceptable for homeowners to own and use cordless telephone for landline service, there would be no valid reason to find VOIP softphones "harmful" on the basis of a potential power outage.

Also the end user may be one of the 14% of Michiganders that have disconnected their regulated landline in favor of total reliance on their cell phone. According to an article published

March 18, 2004 in the *Baltimore Sun*, this number is on a fast track to 30%. See: http://www.baltimoresun.com/news/bal-te.bz.wireless18mar18,0,7380301.story?coll=bal-home-headlines. The odds of a power outage at home are far less than the cell phone batteries running down, or the service cell site being blocked due to more callers trying to access the network than channels available.

Murphy's Law makes it risky to rely totally on a cell phone for home security needs. Most people only have one cell phone. When the emergency arises, it will likely be out of reach. Odds of having misplaced the cell phone and being unable to find it in the sofa crack, are just as great as temporally losing the TV remote.

If one cannot get to his cellular phone in an emergency, it is worthless. Quick asserts that the chances of the cell phone being unavailable during an emergency around one's home far exceed the chances of a power outage occurring at one's home. Therefore, Quick believes that until the state finds cellular phones used as one's primary telephone is harmful, the state cannot in good faith, make a finding that a softphone is harmful.

Perhaps overlooked, is the fact that the VOIP user has a broadband connection, and therefore, by definition a PC and enough knowledge to operate a PC. Presumably, the end user also has enough knowledge or experience in losing data from a power outage to realize the value of installing a battery back system. These systems cost less than one hundred dollars and are sold at every Circuit City, Best Buy or Radio Shack store. These systems generally keep one's PC, modem and now VOIP device up and running for at least four hours without power. Four hours should provide enough time to call the power company to let them know the power is out. If it isn't, the end user can turn off the PC and conserve power for phone calls until the power is restored.

c. Information regarding the effect of VOIP on telephone numbering resources, including un-licensed VOIP providers access to numbering resources through licensed telecommunication carriers and VOIP end users' ability to port their current landline of wireless telephone number to their VOIP equipment.

It would seem that if the VOIP service provider is able to use its licensed vendor to port a number for its voice service there is NO effect on the numbering resources. The customer is assigned one or two numbers, and still uses the same one or two numbers. No new numbers would be required.

This scenario assumes that after the port, the customer will disconnect his landline service as is happening in ports from cellular to landline. Porting Numbers can safely be assumed to be the normal case as history has shown that customers far prefer to keep their existing numbers to the option of having to accept a new number. The penetration rates of the competitive local service industry pre vs. post Local Number Portability demonstrates this point.

Thus the drain on the number pool should closely parallel that caused by cellular number portability. The FCC thought that landline to cellular number portability was a good thing. There is no reason to think any differently about VOIP portability.

No one to date has objected to paging, faxing, cellular, or any other use of telephone number resources. Furthermore, Quick believes that many opportunities exist for recapturing unused numbers throughout the country.

Any other need for numbers could be satisfied by instituting 10 digit dialing.

d. Access to emergency calling, including VOIP end users' unrestricted access to 9-1-1 non-carrier charges for 9-1-1 access, and public safety answering points to geographically locate VOIP callers and provide a call back number.

911 is a valuable service because when dialed, the callers name, call back number, and address automatically flash onto the CRT at the serving PSAP of the callers location. Help can be sent without any input from the caller.

As has been seen, a softphone is highly portable or mobile. Therefore its location can not be known to the VOIP provider.

The industry's solution for 911 services is to build a receptacle for a regular landline into the VOIP customer premises device. The device can be programmed with the owner's name and telephone number on delivery. The device recognizes a 911 call and routes the call to the landline with the caller name and call back number. The local service provider knows the address of the land line and sends the call, with caller name, location, and call back number to the appropriate PSAP.

e. Whether VOIP providers may participate in, and have access to, the federal Universal Service Fund (USF) to provide service to rural area, hospitals, and schools: the ability of VOIP carriers to provide low-cost service similar to Lifeline and Link-up for low-income end users; and the need for VOIP to contribute to the federal USF.

VOIP providers are merely providers of software. They do not need access to the federal Universal Service Fund, nor should they participate in it. Whenever a traditional IXC is called in play, that carrier can pay into the fund and participate in it.

Any person with a solid broadband connection form any source *can currently purchase VOIP at prices below any regulated lifeline or link-up or similar service*.

f. VOIP services' effect on the current access charge structure.

As stated in the "nutshell" above, the current access charge structure may be about to change. If, these fees end, this issue is moot. But if they do not, Quick has no problem with VOIP service providers paying terminating access fees.

In Quick's opinion, every single call that is originated on the Internet that is destined for a PSTN telephone should be charged an access fee under the current access charge structure, if the current interconnection agreements are followed.

Therefore, the use of VOIP can only cause a drop in the total of origination access fees. Due to the lower cost of VOIP calling, end users will likely increase the number and length of calls and increase the total of terminating access fees.

All CLECS that provide service to VOIP service providers have interconnection agreements. Realize that every SBC and other interconnection agreements in this State require a CLEC to set up separate trunk groups for the exchange of local traffic from IXC and intraLATA toll trunk groups. The CLEC knows the telephone number assigned to its VOIP service customers, and the rate center to which that number is assigned. If the VOIP customer dials a number that is local to the assigned number, i.e., is the same local calling area as defined by the ILEC's tariff and maps filed at the MPSC, then the CLEC is contractually obligated to send the call to the local call trunks for termination. If the call if from one rate center to another, it should be sent down the Intra LATA toll trunks.

SBC recently sent a letter to every Michigan CLEC that has such an agreement reminding them of their contractual obligations to follow these trunking system and routing provisions.

A VOIP call NEVER originates on the PSTN. Therefore, there should never be an originating access charge. This is the exact same situation when a long distance provider runs a dedicated circuit into its customer's premises with the specific intent to by pass the local service provider and to avoid originating access fees. Long distance carriers have been doing this since the break up of AT&T in 1983 and no substantive harm has occurred to the access fee structure system.

When a PSTN station phone calls a VOIP number, that person's local service provider charges them to make a local call if the call is local, or hands it off to his/her long distance carrier if the call is a toll call. In this case the local service provider charges the long distance

carrier an originating access fee. The long distance carrier does a data dip and determines to deliver the call to the VOIP providers SIP provider (ILEC OR CLEC) , and the VOIP provider sends the call over the Internet to its customer's IP address. Since, when a PSTN station calls a VOIP number, the PSTN is not used to terminate a PSTN originated call, there should be no terminating access fee as no telephone network was accessed. This is the identical situation when the long distance carrier terminated long distance down the dedicated circuit mentioned in the prior paragraph.

The real, clear and present danger to the access fee structure are the cellular carriers who have 14% of the local service market, and are on their way to a 25% or larger share, causing concomitant numbers of landlines to be disconnected. These carriers do not use traditional long distance or interexchange carriers. The numerous mergers and consolidation over the past 20 years have allowed the five remaining carriers to have nationwide integrated networks allowing them to handle their own long haul needs.

The bottom line is that if there is any perceived problem with the over all loss in the total of access fees due to VOIP calling, the way to fix the loss is to raise the terminating access fees across the board, regardless of the method of origination of the call. No matter the origination method, traditional PSTN or VOIP, the same physical resources of the terminating local service provider is used, in exactly the same fashion and there is no reason for attempting to discriminate in the price or cost for access between them.

g The ability of VOIP services to provide abbreviated dialing (2-1-1, 3-1-1, 4-1-1, 7-1-1,)

There is no reason why a VOIP provider could not provide any abbreviated dialing that a CLEC can provide, or 800 services. VOIP is soft ware driven. 800 calls are routed to the VOIP

provider's switch where a translation is in place that instructs the switch to route the call out over the Internet to the end user's IP address, just like any other inbound call.

h. Other technical issues, such as internet virus potential, power outage risks, consumer protections including privacy, quality of service, and accessibility by local, state and federal law enforcement.

VOIP is NOT sold as a feature by feature replacement or that it is "just as good as" POTS service. It is sold by contract to competent adult citizens who are made aware in the contract of its limitations. It is condescending to pretend that adults with enough intelligence to use broadband and the PC attached to it, can not protect themselves from disclosed limitations.

VOIP calls are subject to the same level of service issues as the Internet, because some portion or all of the call is sent over the Internet. So by definition, whatever problems affect the Internet, also affect the VOIP call. But VOIP is sold with full disclosure to the end user that the service is subject to all the problems with the internet. Any person that finds this risk unacceptable will simply refuse to try VOIP or will use it *along with* regulated telephone service.

It should be noted that every issue the Commission seeks information about can be equally applied to the cellular industry, yet every cellular user willing accepts all these risks which are actually at a much higher level that present with VOIP service.

Cellular service is replacing the traditional landlines at a fairly high rate. The high-tech market research firm In-Stat/MDR (http://www.instat.com) finds that 14.4 percent of U.S. consumers use a wireless phone as the primary phone, with the remaining 85.6 percent still using a landline as their primary phone. However, among those consumers still using a landline as their primary phone, 26.4 percent would consider replacing it with a wireless phone, demonstrating a significant potential for wireline displacement over the next five years. Fewer landlines mean fewer lines to share all the costs of all the benefits attributed to the PSTN. That means reduced

revenue to support Universal service, services for the deaf, 911 and enhanced 911 services for landlines, and low cost lines for low-income households.

The end result is that citizens of this state are replacing secure landlines with more risky cellular service. This seems to be the desire and federal policy since the FCC passed the rules allowing landline phone numbers to port to cellular phones. This rule aids a person in disconnecting their landline because of the desire to keep their landline number. So far nearly one million Americans have taken advantage of this rule and shifted out of a landline to cellular as their only telephone device.

Power outages

Cell phones do not work when their batteries go dead. Power is required. Cell phones do not work when the user drives into a fully loaded cell site. The call is dropped. Stationary or fixed based Cell phones do not work when mobile phones drive into the cell and use all the available channels. "Fast busies" occur, and every cell phone user has heard them. Cell phones did not work in last summer's regional power outage either. The cellular network did not have generators in place at all the cell sites. They likely never planned for a regional power outage and thought a couple generators on wheels would suffice when one or two cells out of hundreds went off line.

More importantly, is the fact that cable companies that provide regulated local service are subject to a total loss of service whenever the power at the end user's premises goes out of service. Nevertheless, the Commission has licensed Comcast to provide local service, and Comcast is providing same in metro Detroit.

In the real world, end users are skeptical of new technologies, and VOIP is no exception. They are not required to disconnect their landlines. They are not required to change local service

providers as in switching to a CLEC. They keep their landline service and their current provider, and *try* VOIP. If they become satisfied with all aspects of VOIP service, they may disconnect some landlines, and keep at least one, as Quick recommends for 911 service.

Misplaced Privacy Fears.

Quick is not sure what the privacy concern may be. If the concern is that a VOIP provider would sell its customer list, or publish the IP addresses of its customers, or something similar, of course, Quick would not object to any reasonable regulation addressing such concerns. But if the concern is over whether some regulations are needed to protect the integrity of the transmission of VOIP calls, Quick does not see any valid issue.

As mentioned above, softphone to softphone calls are virtually undetectable. If they can not be detected, Quick is unsure how they could be intercepted. If the end user was concerned, he or she will shortly be able to purchase customer premises equipment that sets up a virtual private connection to the called softphone. In addition, the IP data bytes can be encrypted to beyond NATO standards.

In fact the VOIP user has nothing to fear, unless he is talking with a party who is connected to the PSTN. The weak link is the PSTN. Such being the case, how can one argue that VOIP should be regulated for a privacy concern that is specific to the PSTN portion of the connection? That concern is more properly addressed to the PSTN provider or carrier.

i. Other considerations.

As indicated, in the final analysis VOIP is just a software program. Therefore, the data involved in VOIP service can be manipulated in nearly infinite ways to provide new and innovative services. Quick suggests that the Commission would want to enhance, not slow the

development or deployment of any one of the following products that will provide jobs to software developers, sales persons, end users, and the industry that will grow up around VOIP, if it is just left alone.

Just consider the following products that could be custom designed for a VOIP user, hosted on a VOIP provider's server:

1. A comprehensive voice disaster-recovery solution that duplicates the company's call processing, while allowing those answering the calls to be dispersed anywhere in the country. What is it worth for a customer to keep receiving their calls despite losing their physical facility, or a crash of their PBX, or a localized storm?
2. A virtual PBX. How helpful would it be to provide all of the functionality of a traditional PBX, and then some, without requiring any capital investment? And, allow a customer to scale up or down quickly, without any additional investment? Forget the maintenance contract – there's nothing to maintain.
3. Enhanced call routing. The larger companies can deploy skills-based ACDs, IVR systems to automate more of the call process, unified contact processing to integrate voice, e-mail and chat, predictive or preview dialing, and much, much more. How much can one increase a customer's productivity, without requiring a multi-million dollar investment? Companies deploying all of the above tools will often experience 300 to 400 percent greater productivity. If VOIP providers can help a company raise their productivity that much, will it make sense any longer to consider shipping the jobs overseas?

4. A real telecommuting solution, VOIP providers can provide a seamless experience to the caller: no home answering machines and ability to opt out to another extension, just as if the caller was routing inside a corporate headquarters. A VOIP service platform can provide a supervisor reporting tools to make sure calls are being handled, that teleworkers are available and measure productivity. This can help businesses lower their lease expenses attract better talent and enhance employee morale.

5. Automated, network-based call back. Long hold time can be eliminated. A business can offer callers the option of holding their place in queue and requesting a callback when someone becomes available.

Product and functionality such as these examples will separate one VOIP provider from their competitors and fire-up competition in value added services to gain, or maintain a lead and/or edge in the marketplace.

The more VOIP providers, the more competition, and the more innovation, which cannot be realized except by hiring skilled and imaginative programmers and sales teams that live in the market area so that they can interact personally with the end users. Regulation-free VOIP service will drive new, high tech, high paying jobs in Michigan.

Protecting the record

As stated above, Quick believes that the MPSC has no jurisdiction to impose any such regulation, and that in fact the legislature specifically prohibited the Commission from enacting such.

> **484.2401 Unregulated services generally.**
> Sec. 401.
> (1) Except as otherwise provided by law or preempted by federal law, the commission shall not have authority over enhanced services, paging, cellular, mobile, and answering

services, video, cable service, pay-per-view, shared tenant, private networks, financial services networks, radio and television, WATS, personal communication networks, municipally owned telecommunication system, 800 prefix services, burglar and fire alarm services, energy management services, except for state institutions of higher education the reselling of Centrex or its equivalent, payphone services, and the reselling of an unlicensed telecommunication service. The foregoing services shall not be considered part of basic local exchange service.
(2) Except as otherwise provided by this act, the commission shall not have the authority over a telecommunication service not specifically provided for in this act.
History: 1991, Act 179, Eff. Jan. 1, 1992 ;--Am. 1995, Act 216, Imd. Eff. Nov. 30, 1995

VOIP is clearly an enhanced software Internet service. It is almost identical to email. The only difference is that email is written and VOIP is spoken. E-mail can travel solely over the Internet, or it can travel to regulated telephone stations attached to landlines. In fact, most emails are likely to originate on landlines, and terminate over land lines since most Americans are connected to the Internet by dial-up connections. We are talking about some 200 million Americans that by latest estimate are connected to the Internet. Other than different software, about the only difference between the two is that email works adequately with a dial-up phone line connection while VOIP, to be commercially marketable, requires a higher speed broadband connection.

Because VOIP is not specifically provided for in the MTA, section 401(2), clearly states that the commission shall not have the authority over it.

Respectfully submitted,

QUICK COMMUNICATIONS, INC.

Dated: April 2, 2004

By: /s/ Bruce Yuille
Bruce Yuille, President