

# Deadline Passes for Internet Phone Service

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WASHINGTON -- Companies that provide Internet-based phone service may find themselves disconnected from new customers after missing a government deadline to provide reliable emergency 911 service.

The Federal Communications Commission gave the companies 120 days to comply with its order requiring enhanced 911, or E911, in all their markets. The deadline to show the government where E911 is available was Monday.

Companies and the FCC were tightlipped, refusing to disclose details of compliance reports. It was widely expected that no company would meet the deadline. The VON Coalition, an industry group, estimated that about two-thirds of Internet phone users would have enhanced 911 by the deadline.

House and Senate lawmakers had urged FCC Chairman Kevin Martin to be more flexible, giving the companies more time and more tools to speed deployment, but no announcement of an extension was issued Monday by the FCC.

Citing public safety concerns, the FCC in May ordered companies selling Voice over Internet Protocol, or VoIP, to ensure that callers can reach an emergency dispatcher when they dial 911. The dispatchers also must be able to tell where callers are located and the numbers from which they are calling.

VoIP providers were told that if they failed to meet the deadline they could no longer market their service or accept new customers in areas that didn't have enhanced 911. They will not have to disconnect current customers who don't have full 911 service, as some providers had feared.

David Kaut, a telecom analyst at Legg Mason, said VoIP companies will take a hit if the FCC follows through on its threat.

"If you can't add customers in, say, a third of your territories, that's a significant part of the market where you are all of a sudden capped," said Kaut. "These are supposed to be growth companies."

Vonage and AT&T declined to comment on their compliance levels before filing reports with the FCC. Vonage, the largest provider, has about 1 million customers while AT&T offers service to about 57,000 customers through its CallVantage service.

SunRocket, which has more than 50,000 subscribers nationwide, said it had equipped 96 percent of its customers with full 911 services.

FCC spokesman David Fiske declined to discuss possible enforcement actions against offending companies. "At this stage," he said, "the agency is focused on the compliance filings by VoIP providers."

Voice over Internet Protocol shifts calls from wires and switches, using computers and broadband connections to convert sounds into data and transmit them via the Internet. In many cases, subscribers use conventional phones hooked up to high-speed Internet lines. But the service can be mobile, making it difficult ensure that the call goes to the correct local emergency center.

There are about 3.6 million VoIP users in the United States. Of those, about half get their service from cable TV companies that already provide enhanced 911 capabilities. Other providers offer a 911 service that directs emergency calls to a general administrative number, but those lines haven't always been staffed around the clock.

The order applies to companies selling VoIP service that uses the public phone network to place and terminate calls.