



# OFFICE OF ADVOCACY *FACTSHEET*

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## **Advocacy Urges FCC to Review Small Business Impacts Before Regulating IP-Enabled Services**

On May 28, 2004, the Office of Advocacy (Advocacy) filed comments with the Federal Communications Commission (FCC) on its notice of proposed rulemaking (NPRM) for Internet Protocol-enabled services. A complete copy of Advocacy's comment may be accessed at <http://www.sba.gov/advo/laws/comments/>.

- In the proposed rule, the FCC sought comment on whether Internet Protocol (IP)-enabled services should be considered a telecommunications service or an information service and which regulatory scheme should be applied to this technology.
- IP-enabled services include any service or application that relies upon Internet Protocol. It can include digital communications of increasingly higher speeds or higher-level software that provides communications services. The most well-known of these services is the transmission of telephone calls over the Internet, often called "Voice over IP."
- Advocacy noted that the proposed rule does not contain concrete proposals and is more akin to an advance notice of proposed rulemaking or a notice of inquiry. Because of the vagueness of the NPRM, the initial regulatory flexibility analysis (IRFA) does not provide an analysis of proposed compliance burdens, consideration of alternatives, or discussion of overlapping regulations.
- Should the FCC decide to adopt regulations for IP-enabled services after consideration of the comments to the NPRM, Advocacy recommends that the FCC publish for public comment a further notice of proposed rulemaking with a supplemental IRFA to consider the impact of the proposed requirements on small entities, to provide analysis of significant alternatives that minimize the economic impact on them, and to review overlapping regulations.
- The Regulatory Flexibility Act (RFA) and Executive Order (EO) 13272 require government agencies to analyze their impact thoroughly on small entities and consider less burdensome alternatives. Advocacy's comment was triggered by the FCC's failure to meet the requirements of the RFA and EO 13272.

For more information, visit Advocacy's web page at [www.sba.gov/advo](http://www.sba.gov/advo) or contact Eric Menge at (202) 205-6533.