

Internet phone calls: Why states need to be prepared for VOIP

A technology that has been around for several years is now emerging as a force that is expected to transform telecommunications. Internet telephony, or Voice over Internet Protocol, known more commonly by its technical acronym VoIP, is a technology that allows voice telephone calls to be transmitted via the Internet instead of flowing through the conventional circuits.

In fact, large telecommunications companies are tripping over each other to get into the market of offering these services to businesses and consumers. More than 378,000 people are expected to sign up for VoIP service in 2004, and more than 4 million are expected to have VoIP service by 2007. While this would still represent only a small fraction of the 113 million households with traditional phone lines, the growth rate is impressive and will only improve as access to broadband Internet service increases. Currently, major cable providers are already offering Internet telephone service to their residential customers cheaper than regular phone service, or they are bundling VoIP service as a package including television programming and Internet access.

As VoIP usage grows, however, states will have several issues to consider. It is not clear, for example, how traditional telecom-

munications services that states already regulate, such as those that support disabled users, enhanced 911 and funding for telecommunications services in rural and poor areas, will be handled with respect to VoIP service.

Many advocates believe that the federal government and the Federal Communications Commission should take responsibility for regulating VoIP technology so that its growth is not impeded by the dozens of state regulatory structures that could emerge.

Regardless of who ultimately regulates it, both federal and state officials will likely see VoIP as a service they may have to work quickly to control. Law enforcement officials will want to be able to ensure the use of wiretaps on VoIP calls. State and federal officials will be concerned with the operability of 911 and emergency communications. In addition, states will not want to see the quality of conventional phone networks and the services they offer suffer as VoIP gains popularity.

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Cooperative Extension Service at risk

In 1914, the Cooperative Extension Service was established to disseminate information about agriculture and home economics from land grant universities to the public. Once focused on agriculture, extension now covers a wider range of community needs, including parenting skills and rural development.

Cooperative refers to the funding for extension services, which is provided by local, state and federal sources. There have been major shifts in funding over the years, with state and local governments taking on a greater burden. States provide approximately 50 percent of the nationwide total of \$1.7 billion, with the federal share about 24 percent. This is a significant change since 1977 when the federal share was 42 percent.

The tight budgets of 2003 and 2004 have forced many state extension programs to deal with single-digit budget reductions through hiring freezes and staff reductions. But some states are facing much larger reductions as well as a smaller share from local governments. In Kansas, several long-standing programs have been modified, including youth leadership events. Decreases in state appropriations in Iowa will mean a \$1.3 million cut from the state extension's 2004 budget. Colorado, with an 11 percent decrease last year, faces an 18 percent cut this year that will require a reduction of 64 employees. Since most of the extension budget is personnel, this is typical. Virginia has lost 22 percent of its employees. The good news for the extension service in Virginia is that 28 counties have committed to paying the entire salary of their extension agents, making up the salaries normally paid by the state.

Other states have faced the budget reductions through discontinuation of programs. The Iowa Agriculture Experiment Station will be closing two research farms and the dairy farm. Maryland has decided to discontinue its soil testing lab as it

faces a \$1.6 million cut for 2004 on top of a \$750,000 reduction in 2003. With the loss of 15 jobs last year, and another 30 expected this year, they are facing a loss of 45 extension positions. Washington has closed its plant pathology laboratory and Tennessee is selling the cattle herd from one experiment station and closing a poultry research facility.

Other states have addressed the issue by raising funds from the people using the services. User fees on 4-H and other programs have been instituted in Iowa and Minnesota. California's fiscal deficit has required the implementation of all of these options as a result of a proposed permanent 30 percent reduction, which could result in a reduction of more than 100 county advisors and state specialists.

According to state Rep. Rick Hardcastle of Texas, an increasingly urban legislature makes it harder to justify the cost of extension.

Yet extension services are cost effective and can benefit the wider community beyond their direct users. A Virginia Tech study, for example, reported that every dollar spent on research increases agricultural production \$9.10 and every dollar spent on extension increases production \$3.87. It is harder, however, to quantify programs like 4-H leadership.

Downsizing of extension across the United States will restrict the ability to deliver new technologies and practical information to growers, consumers and others who rely on extension for those resources. Information and technology provided by extension helps keep America competitive in world markets, ensures a safe and secure food supply, improves environmental quality and protects public health and safety.

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