

VoIP needs more bilateral settlement deals: Reach

Wholesale international carrier **Reach** last week claimed that VoIP would only be truly embraced when operators could form the same types of bilateral agreements that are found in the TDM-switched world. Reach Southeast Asia director David Chalmers said carriers with bilateral settlement agreements currently "*have a benefit*" in the form of termination revenues. "*If IP didn't have such an impact on the bottomline, [terminating] carriers would truly embrace it,*" Chalmers told the CommsDayAsia VoIP Asia Pacific Summit in Bangkok last week. "We need new settlement arrangements for VoIP. Currently, when you abandon bilateral you abandon settlements."

Hand in hand with bilaterals is the need for synchronisation in networks. "*There's no point in replacing your TDM switch with a softswitch if you aren't thinking about what protocol it hands off to at the end of the 75 different circuits hanging off it.*"

But there is no doubt that VoIP is here to stay, he said. Chalmers cited research suggesting some 90% of international calls were transmitted as an IP packet at some point of their journey, while 10.2% of all international calls were carried over VoIP. Reach is Asia's largest IP backbone carrier and not hostile to VoIP, he said. But he thinks there is too much hype about retail VoIP, pointing to the relatively limited average household spending on fixed telecoms and the expense of subscribing to both a broadband service and a flat-rate "all-you-can-eat" VoIP service. This reduced the universe of potential VoIP subscribers, he said. The vast bulk of the world's 6 million VoIP retail users were in cheap-broadband enabled Japan and Korea, he said. There were just 200,000 in the United States.

For a full transcript with Powerpoint panels of the VoIP Asia Pacific Summit, contact Sally Lloyd at sallyl@decisive.com.au.

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