



VoIP Competitor babyTEL Delighted Ottawa is Sending VoIP Decision Back to CRTC

"Asymmetrical Ruling Would Hurt Consumers and Create Duopoly between Cable and Telephone Companies"

MONTREAL, May 5, 2006 - babyTEL, the leading independent Canadian-owned provider of high-speed Internet phone service, is delighted the federal cabinet has sent a flawed decision about the \$10-billion local phone market back to the regulator for review.

"Voice over Internet Protocol (VoIP) offers so many benefits, but I feared all along this wrong-headed ruling to regulate incumbents such as Bell Canada and Telus while ignoring cable companies would stifle competition and innovation," said Stephen Dorsey, babyTEL President and CEO.

"When it comes to VoIP, cable has shown it will be predatory in many ways," Mr. Dorsey said. "Perhaps the most high-profile example is Shaw cable charging its own high-speed customers who choose a competitive VoIP provider an extra \$10 a month. Shaw calls the premium a 'quality of service enhancement.' We call it anti-competitive behavior."

Mr. Dorsey said he wants both telephone and cable companies regulated until smaller competitors can establish a beachhead in the marketplace. "But having said that, I'd rather have no regulation than what the CRTC proposes. I am delighted that the government sees this current ruling as flawed. Such a ruling as it stands would simply create a duopoly by transferring telco customers to the cable companies while stifling real competition."

For more information:

Jonathan Schacter
Vice-President & CFO, babyTEL
514-879-8585
jschacter@babytel.ca