

PointOne Supports Withdrawal of Level 3's Petition for Forbearance
VoIP Providers Will Continue to Deliver Cost Effective, Innovative Services
to Consumers

AUSTIN – March 22, 2005 – PointOne, operator of the largest Voice over IP (VoIP) network in North America, today issued a statement regarding the decision yesterday by Level 3 Communications (“Level 3”) to withdraw a forbearance petition that had asked the Federal Communications Commission (“FCC”) to determine that VoIP providers would continue to pay cost-based rates to deliver VoIP traffic to consumers.

Given the change in FCC Chairmanship just three days before the FCC was scheduled to address the petition, PointOne agrees that the most prudent course of action was to withdraw the petition. It is a very encouraging sign that with only a couple of days at the helm new FCC Chairman Kevin Martin is presiding over an era of new ideas and new solutions.

Mike Holloway, President and CEO of PointOne, said: “FCC Chairman Kevin Martin is just beginning his duties in a very demanding role. The removal of the petition gives Chairman Martin and the Commissioners the opportunity to establish appropriate interim rules to govern the exchange of VoIP traffic. Moreover, the withdrawal means that the current rules, which enable VoIP providers to offer consumers unlimited packages of innovative communications services, remain solidly in place. This is good news for the competitive VoIP industry and great news for consumers.

“PointOne is confident that Chairman Martin and the other Commissioners recognize the need to reconfirm immediately that VoIP providers are not burdened by the ‘old rules’ designed for ‘old wires.’ Until such time as the Commission changes the current compensation rules, VoIP providers will continue delivering their services to consumers by purchasing cost-based access to the old network as end users — and remain free of dated access charge obligations which add unnecessary cost burdens to the American consumer. The Commission must then establish expeditiously a clear path forward for the delivery of all services, including innovative IP-based services, by reforming comprehensively the system of payments between interconnected providers.”

As a founding member of the growing IP services industry, PointOne is looking forward to focusing the national conversation towards establishing interim rules for inter-provider compensation as well as long term comprehensive compensation reform. PointOne believes that VoIP is providing consumers unprecedented choice and control over their communications experience. PointOne will continue to support efforts that advance the deployment and adoption of all forms of IP services. PointOne is also excited to have the opportunity to work with Chairman Martin, who’s early leadership already shows that he is finding ways to bring new choices and new ideas to the American consumer and will no doubt create a legacy of opportunity.

About PointOne

PointOne operates the largest VoIP network in North America. The 100% enhanced services IP network incorporates industry-leading, next generation technology end-to-end, coupled with patented, proprietary IP applications and processes. PointOne's class of service quality has earned the company industry-wide recognition. Additionally, the company is recognized as a 2002 and 2004 Pulver 100 company and was named Internet Telephony 2004 service provider of the year. PointOne, established in 1998, is a privately held company headquartered in Austin, Texas. For more information, please visit our website at www.pointone.com or contact us at 512-735-1200.

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