

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Inquiry Regarding Carrier Current Systems	)	ET Docket No. 03-104
Including Broadband over Power Line	)	
Systems	)	

**COMMENTS OF NET2PHONE, INC.**

Pursuant to Section 1.415 of the Federal Communications Commission (“Commission”) Rules, Net2Phone, Inc. (“Net2Phone”) hereby submits its comments in response to the *Notice of Inquiry* in the above referenced proceeding.<sup>1</sup> Net2Phone commends the Commission for its continuous efforts to further the development of new technologies.

Net2Phone is a leading provider of Voice Over Internet Protocol (“VOIP”). Founded in 1995, Net2Phone is recognized as a pioneer in integrating VOIP applications into various networks. As a provider of this new and innovative technology, Net2Phone strongly supports the introduction of revolutionary broadband technologies such as BPL into the communications market. Net2Phone agrees with the Commission that “[h]igh speed transmission capabilities could enable BPL technology to provide an alternative platform for broadband deployment, which would bring valuable new services to consumers, stimulate economic activity, improve national productivity and advance

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<sup>1</sup> *Inquiry Regarding Carrier Current Systems, including Broadband over Power Line Systems, Notice of Inquiry, ET Docket No. 03-104 (April 28, 2003) (“NOP”).*

economic opportunity for the American public, consistent with the Commission's objectives."<sup>2</sup>

In order to meet the Commission's goals to further the commercial introduction of BPL, it is necessary for the Commission to take a careful approach to regulating BPL. In this regard, the Commission is charged with the lofty task of balancing the clear interest of consumers who would benefit from BPL against possible interference and safety concerns. Although the Commission's NOI is a significant step forward in striking this balance, the Commission is cautioned to impose only those regulations that are truly necessary for the health and safety of consumers and to prevent harmful interference with existing equipment and networks. Keeping within a restrained regulatory approach would ensure the growth of this technology to offer limitless future applications.

In this regard, BPL and VOIP share certain parallels. At its outset, VOIP services experienced sound quality and connectivity problems limiting the service to a select number of users that could only make calls through their computers. Due to its unregulated treatment, rapid innovation in VOIP technologies have virtually eliminated the sound quality problems experienced in the past and led to the construction of enough gateways to eliminate the need for a PC in VOIP communications. Consumers can now choose to access VOIP services either through their computers or through their regular telephones. Similarly, early BPL technologies experienced line noise, interference, and possible safety concerns. Over the past several years, however, radical improvements in BPL technologies have eliminated the quality, safety and interference concerns of the past. BPL can now serve as a true alternative for broadband service.

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<sup>2</sup> *NOI* at 4.

As a provider of nascent IP services, Net2Phone is keenly aware of the need for continued technological developments that could offer competitive communications alternatives to existing bottleneck facilities. The introduction of BPL technologies provides a new facilities-based alternative for the provision of VOIP using BPL for the benefit of consumers. Chairman Powell perhaps said it best when he stated that “[b]roadband over power lines is at the cutting edge of this dramatic digital migration that will continue to free applications (*e.g.*, voice, data, and video) from the regulatory and technological shackles that have tied them to specific platforms (*e.g.*, voice to copper and video to coaxial cable).<sup>3</sup>

BPL can also serve as a viable solution to the last mile dilemma faced by companies seeking to compete for the provision of data, video, and voice services. Power lines are ubiquitously deployed throughout the United States. The implementation of BPL would simply require additional equipment installed on the already existing infrastructure thereby reducing entry barriers associated with access to last mile facilities. Indeed, unlike the asymmetry of current cable and DSL services, BPL provides symmetrical bandwidth, which is better suited for advanced services.

BPL may also provide competitive incentives for new participants to enter the communications market. To date electric utilities have not entered the telecommunications or cable markets to any significant extent. Rather, as the Commission found, it appears that electric utilities generally provide some type of MVPD or Internet service in scattered localities.<sup>4</sup> BPL can enable electric utilities to enter the communications field easily. This would necessarily cause downward price

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<sup>3</sup> See *NOI*, Separate Statement of Chairman Michael K. Powell.

pressure on existing broadband services, which has been one of the major obstacles to consumer purchase.

In addition to new communications applications, BPL can be used for advanced monitoring and demand response by electric utilities, to increase the efficiency of power delivery. This efficiency coupled with the broadband capability BPL technologies is precisely the goal envisioned by Congress in promulgating the Telecommunications Act of 1996 to “encourage the provision of new technologies and services to the public.”<sup>5</sup>

Although BPL appears to offer unlimited possibilities in terms of applications, its success depends largely on the economics of market entry. While BPL providers describe their endeavors as successful with no interference or safety concerns, the real question is whether it is cost effective for them to invest in these technologies. Accordingly, Net2Phone welcomes this opportunity to aid the Commission in developing a comprehensive policy to create incentives that could overcome the economic concerns inherent in the deployment of advanced technologies such as BPL.

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<sup>4</sup> See *I/M/O Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, Ninth Annual Report*, MB Docket No. 02-145 (December 31, 2002).

<sup>5</sup> 47 U.S.C. §157 *et. seq.*

## CONCLUSION

For all the reasons stated above, Net2Phone recommends that the Commission act expeditiously to create regulatory certainty for the BPL industry by issuing a Notice of Proposed Rulemaking reflecting only those regulations necessary to preserve public safety and prevent harmful interference.

Respectfully submitted,

[electronically filed]  
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