

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the matter of:

Inquiry Regarding Carrier Current
Systems, including Broadband over
Power Line Systems

ET Docket No. 03-104

**REPLY COMMENTS OF THE CALIFORNIA PUBLIC UTILITIES
COMMISSION AND OF THE PEOPLE OF THE STATE OF CALIFORNIA
ON THE NOTICE OF INQUIRY REGARDING BROADBAND OVER
POWER LINE SYSTEMS**

The California Public Utilities Commission and the People of the State of California (California or CPUC) submit these Reply Comments to the Federal Communications Commission (FCC or Commission) on its Notice of Inquiry (NOI) Regarding Carrier Current Systems, including Broadband Over Power Line Systems, released on April 28, 2003. In accordance with the NOI, CPUC herein responds to the comments filed by telephone local exchange carriers, amateur radio operators, trade associations/organizations and other parties.

I. Level of Interference

The CPUC notes that there is significant disagreement among the commenters regarding the level of interference that Broadband over Power Line (BPL) will have on other services. BPL equipment manufacturers and vendors strongly advocate for the

deployment of BPL technology and state that any technical issues, including the potential interference that BPL may have on other services, are resolvable and can be mitigated. Amateur radio operators, radio astronomers and short wave broadcasters, and users oppose the deployment of BPL technology. They assert that it will cause a substantial interference for High Frequency (HF) spectrum users. Trade associations/organizations assert that the potential for “harmful interference” by BPL is real and thus, before it can be deployed, an effective and valid analysis must be performed, and the technology must be adequately tested.

Since BPL is very much in its infancy, adequate testing and unbiased field trials should be done to determine and identify the scope of the potential interference that BPL may have on other services, including voice, radio, DSL and cable modem broadband services. Furthermore, since there are no industry standards or measurement procedures in place for BPL systems, the FCC should encourage the development of industry standards for BPL, with input from all interested parties including electric, telephone, cable companies as well as Ham radio operators.

II. Effect on Competition and Deregulation

Verizon, in its Opening Comments, states that BPL promises to be yet another facilities-based broadband platform that is posed to challenge the cable companies and eventually provide an alternative to long distance carriers. (Opening Comments, p. 1.) In order for broadband to provide the greatest benefits to American consumers and the economy, Verizon asserts all competitors of broadband services must be treated equally

and that a deregulatory national policy that frees providers of broadband services is needed. (Verizon Opening Comments, pp. 1-2.) AT&T strongly disagrees with Verizon and opposes any immediate deregulation of the broadband telecommunications services. AT&T asserts that the availability of competitive alternatives is “spotty” at best at the retail level, and is virtually non-existent at the wholesale level. (AT&T Opening Comments, p. 2.)

The CPUC generally supports the Commission’s efforts to promote competition in the telecommunications market as well as the Commission’s efforts to develop an additional competition in the offering of broadband infrastructure. However, given that BPL is still very early in its development, it has not yet shown to be a viable and robust alternative to other broadband services such as DSL and cable modem. Hence, the FCC should not rush to further deregulate all broadband services at this time. Rather, the FCC should consider what changes, if any, are needed to the current regulatory scheme, after extensive testing has been performed and industry standards have been developed for BPL systems.

III. State Authority

The CPUC supports the FCC’s efforts to examine the BPL technology in order to bring more competition in the broadband markets for American consumers. The CPUC notes that BPL may provide consumers with more choice for Internet and high-speed broadband services, may enable remote, automatic meter reading, and may provide broadband access to rural and isolated areas where other broadband services do not exist.

We also note that BPL may allow power companies to more effectively manage and control their power distribution systems. In so doing, however, the CPUC urges the FCC to ensure that the CPUC (and other states) is not prohibited from protecting the rights and welfare of California's current telecommunications and electric utility customers, and future BPL subscribers. The FCC should affirm the CPUC's authority to regulate all telecommunications services offered through BPL, including establishing BPL service standards and safety rules, as well as authorizing appropriate utility rate changes. In order to protect consumers, the FCC should also affirm the CPUC's authority to prosecute unlawful utility marketing and billing activities, to govern business relationships between utilities and their affiliates and to resolve complaints by consumers against BPL service providers.

IV. Conclusion

For all of the foregoing reasons, the CPUC generally supports the FCC's efforts to bring about additional competition in the offering of broadband services. However, given that BPL is a nascent service and because there is significant disagreement in the industry over the level of interference, the FCC should ensure that adequate testing is performed and industry standards are developed before any deployment takes place. In so doing, the FCC must also not preclude state commissions from protecting the rights and welfare of current telecommunications and electric utility customers and future BPL subscribers.

Respectfully submitted,

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