

FHH Telecom Law
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Ruling Sought On Voice Via Internet

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Pulver.com, which recently introduced an Internet-based phone service that is free to users, asked the FCC to rule that its Free World Dial-up ("FWD") service is not a telecommunications service, which is potentially subject to regulation, but rather an unregulated information service. FWD allows users with a cable-modem or DSL connection to make local, long distance, and international phone calls at no cost, after buying a \$125 telephone adapter (made by Cisco) and obtaining an ID number from Pulver. The FWD caller can use the service only to connect only with another FWD customer, and both must be on-line to communicate.

Pulver argues that its FWD service should be unregulated because Pulver is not a carrier and neither owns facilities nor charges a fee. Rather, Pulver claims, FWD is an Internet application "riding over" the transport capabilities purchased by its end users.

The regulatory status of voice-over-Internet-protocol ("VOIP") is likely to become a major regulatory battleground in the near future. Apart from the Pulver petition, companies such as AT&T want VOIP exempted from access charges, a decision that could significantly impact not only the economics of local telephony, but of universal service funding.

Comments on the Pulver.com Petition are due March 14, 2003, and reply comments on April 2.