

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

Rulemaking to Amend 52 Pa. Code §§ 63.161— 63.171 (relating to Universal Service)	Public Meeting August 24, 2023 3040646-LAW Docket Nos. L-2023-3040646, P-2010-2217748
Petition of the Pennsylvania Telephone Association for Order to Expand the Base of Contributing Carriers to the Pennsylvania Universal Service Fund to Include Wireless Carriers and VoIP Providers	

STATEMENT OF COMMISSIONER JOHN F. COLEMAN, JR.

Before the Pennsylvania Public Utility Commission (Commission) is an Advance Notice of Proposed Rulemaking (ANOPR) to amend our regulations governing the Pennsylvania Universal Service Fund (Pa. USF or fund).¹

In support of initiating this rulemaking, the ANOPR cites to the long-standing requests for Pa. USF reform from Pennsylvania stakeholders² and to the sweeping changes with universal service that have occurred at the federal level.³ Upon review, this rulemaking is intended to address whether and what type of reform is needed with the current Pa. USF program. To that end, the ANOPR contains a list of questions in Appendix A probing possible fund reforms.

I have gone on record in other Commission proceedings as stating my belief that any review of the Pa. USF should be comprehensive. In other words, I believe that a full range of Pa. USF reforms should be on the table at this stage of the process. While I commend staff on the quality of the work product presented today, I have a few additional areas of inquiry for the ANOPR.

Appendix A includes a question about whether the Commission should amend the definition of “basic universal service” in our Pa. USF regulations to reach beyond telephone service. Appendix A also includes a question about whether the definition of “contributing telecommunications providers” in our Pa. USF regulations should be amended to include wireless providers. In addition to addressing these “should” issues, I believe we also need to address whether the Commission *can* amend the definitions in the manner contemplated by these

¹ The current Pa USF was born out of a compromise over how Pennsylvania could best balance intrastate access charge reform and local rates. The current Pa USF was established to reduce intrastate access charges, on a revenue-neutral basis and to foster competition, while also maintaining universal telecommunications services at affordable rates.

² *Investigation Regarding Intrastate Access Charges and IntraLATA Toll Rates of Rural Carriers and The Pennsylvania Universal Service Fund*, Docket No. I-00040105. *AT&T v. Armstrong Telephone Company*, et al., Docket No. C-2009-2098380 et al.

³ *Implementation of the Federal Communications Commission’s Order of November 18, 2011, as Amended or Revised and Coordination with Certain Intrastate Matters*, Docket No. M-2012-2291824 at 66-67 (August 9, 2012).

questions. Therefore, I request that commentors address whether the Commission has the authority to (a) amend the definition of “basic universal service” to reach beyond telephone service and (b) amend the definition of “contributing telecommunications providers” to include wireless providers.

According to the ANOPR, expanding the Pa. USF beyond basic telephone service would align with federally applicable principles regarding supported services. To the extent the ANOPR asks whether the Commission should model its approach after federal universal service and require a fund recipient to (a) construct a network that supports Internet service at federal speeds and (b) offer Internet services to all consumers in a designated area, I request that commentors address whether the Commission has the authority to establish such requirements.

In addition, Appendix A includes a question about whether the Pa. USF contribution mechanism should follow a telephone numbers-based contribution system if such an approach is adopted for the federal USF. To the extent this approach implicates wireless services, I request that commentors address whether the Commission has the authority to establish a numbers-based contribution system for the Pa. USF.

Further, Appendix A does not address whether the Pa. USF currently is necessary or proper and should continue. I believe this issue is a threshold issue that should be addressed. Therefore, I request that commentors respond to the following questions:

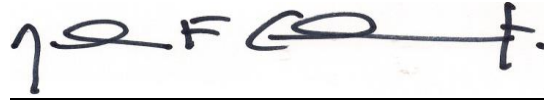
- 1) Does the Commission have the authority to eliminate the Pa. USF?
- 2) What are the benefits and drawbacks of eliminating the Pa. USF?
- 3) If eliminated, should it occur through a hard-stop termination at the end of a fund year or gradually through a phase-out?
- 4) If through a phase-out,
 - a. Over what period should a phase-out occur?
 - b. How should a phase-out be structured in terms of reducing contribution and support amounts to the point of elimination of the fund?

Let me be clear: I am not advocating for any specific outcome with Pa. USF reform at this time. So, my additional questions addressing the elimination of the fund should not be construed as my advocating to eliminate it. Rather, the questions are intended to ensure that the Commission conducts a comprehensive review of the Pa. USF and receives input on the full range of Pa. USF reform options available to us.

In addition, I request that commentors identify any interest they have in the fund. For example, does the commentor have an interest as a net contributor/recipient? Or, as another example, is the commentor an end-user telecommunications representative?

Finally, I echo the statement in the ANOPR welcoming all useful comments regarding the Pa. USF and regulatory reform. I also encourage commentators to raise any matters or issues that may have been overlooked in the ANOPR.

DATE: August 24, 2023

A handwritten signature in black ink, appearing to read "J.F. Coleman, Jr.", written over a horizontal line.

**JOHN F. COLEMAN, JR.
COMMISSIONER**