



**Pennsylvania Universal Service Fund
Final Carrier Compliance Review Report
January 31, 2021, through December 31, 2021**

Date of Report: December 31, 2021

**Re: Docket No. M-2021-00001337
Pennsylvania Reviews – Final Review Report**

Executive Summary

On December 3, 2020, the Pennsylvania Public Utility Commission (PPUC, or Commission) adopted its Order¹ authorizing Vantage Point Solutions (VPS), formerly known as GVNW, to conduct Carrier Compliance Reviews to ensure carrier filings are in compliance with the Commission's regulations.

VPS conducted twenty (20) Carrier Compliance Reviews for Pennsylvania Universal Service Fund (PaUSF) purposes. Ten (10) Contributing Carriers were reviewed for the period of January 2019 through December 2019 (FY 2021), and ten (10) De Minimis carriers were reviewed for the periods of January 2018 through December 2019 (FYs 2020 & 2021).

Background

Per Docket Number M-2021-00001337, the PPUC authorized VPS, as Administrator of the PaUSF, to conduct reviews of contributing and de minimis carriers required to report or contribute to the PaUSF to ensure that the data submitted to the PaUSF Administrator and the assessments paid are accurate and that each carrier has met its PaUSF obligations.

The following contributing carriers were reviewed:

1. Broadview Networks (Broadview)
2. Comcast Phone of PA (Comcast)
3. Frontier Comm of PA (Frontier Comm)
4. Frontier Commonwealth Services (Frontier Commonwealth)
5. Keystone Initiative (Keystone)
6. Legacy Long Distance International (Legacy)
7. United Telephone of PA dba CenturyLink (United)
8. Windstream D&E (Windstream D&E)
9. Windstream PA (Windstream PA)
10. XO Communications (XO Communications)

¹ Docket M-2021-00001337, December 3, 2020, Order.

The following de minimis carriers were reviewed:

1. ANPI Business (ANPI)
2. Business Network Long Distance (Business Network)
3. Cooperative Communications (Cooperative)
4. Enhanced Communications (Enhanced)
5. Nationwide Long Distance Service (Nationwide)
6. National Access Long Distance (National Access)
7. NEP Telcom (NEP)
8. Netcom Systems Group (Netcom)
9. Reduced Rate Long Distance (Reduced Rate)
10. Twin City Capital (Twin City)

Net Impact to the PaUSF

As a result of the reviews, the net impact to the PaUSF was a reduction of \$20,121.78. These findings, summarized in Attachment 1, are comprised of the following:

1. \$13,413.35 in additional assessments paid or due to the PaUSF by Keystone (\$146.66), ANPI (\$1,724.50), and United (\$11,542.19).
2. \$33,353.13 in reduction of assessments, in the form a credit, will be issued to Frontier Commonwealth.

Summary of Findings (Contributing Companies)

Six (6) contributing companies – Broadview, Legacy, Windstream D&E, Windstream PA, and XO Communications did not have any review findings. The remaining four (4) companies had the following findings:

1. Reporting Issues
 - a. Frontier Commonwealth did not omit its wholesale revenues from its retail revenues;
 - b. Keystone deducted its write-offs from its gross intrastate retail revenues; and
 - c. United overstated its revenues received from the wholesale of toll or local services to a reseller.

2. Customer Surcharges

- a. Comcast collected the PaUSF surcharge from its customers.²

Summary of Findings (De Minimis Companies)

Nine (9) de minimis companies – Business Network, Cooperative Communications, Enhanced Communications, Nationwide, National Access, NEP, Netcom, Reduced Rate, and Twin City did not have any review findings. The remaining one (1) company had the following finding:

1. ANPI understated its revenues for calendar years 2018 and 2019 (FYs 2020 and 2021)

Summary of Compliance

1. Frontier Commonwealth is to correct its reporting practices to ensure it deducts wholesale revenues from gross intrastate operating revenues when reporting for PaUSF purposes. Additionally, the Company should receive a credit of \$33,353.13 on account for overreporting its revenues.³
2. Keystone is to correct its reporting practices to ensure it does not deduct its write-offs from gross intrastate operating revenues when reporting for PaUSF purposes. The Company has remitted an additional \$146.66 to the PaUSF. No further action is required.⁴
3. United is to review and correct its revenue model process to misclassifications resulting in underreporting its gross intrastate operating revenues when reporting for PaUSF purposes. The Company owes an additional \$11,542.19 to the PaUSF. However, as net support recipient, VPS recommends that the company's additional assessment be netted against its 2022 net support amount.⁵

² Attachment 1.

³ Docket No. M-2021-3025389, In the Matter of the Review of Frontier Commonwealth Services, LLC by the Pennsylvania Universal Service Fund (PaUSF) Administrator Pursuant to 52 Pa. Code §63.167, for Reporting Year 2020.

⁴ Docket No. M-2021-3025393, In the Matter of the Review of Keystone Initiative for Network Based Education & Research by the Pennsylvania Universal Service Fund (PaUSF) Administrator Pursuant to 52 Pa. Code §63.167, for Reporting Year 2020.

⁵ Docket No. M-2021-3025387, In the Matter of the Review of United Telephone of PA dba CenturyLink by the Pennsylvania Universal Service Fund (PaUSF) Administrator Pursuant to 52 Pa. Code §63.167, for Reporting Year 2020.

4. The Commission is to provide a determination as to the appropriateness of Comcast IP's collection of the PaUSF assessment from its customers, voluntary reporting to the PaUSF, and remittance of PaUSF assessment recoveries to the PaUSF so the Company may have clear direction regarding any potential subsequent corrective actions.⁶
5. ANPI is to correct its reporting practices to ensure it reports all of its gross intrastate operating revenues, when reporting for PaUSF purposes. The Company should remit an additional \$1,724.50 to the PaUSF.⁷

Recommendations

VPS recommends the Commission review the Review Report of Comcast and provide a determination as to the appropriateness of Comcast IP's collection of the PaUSF assessment from its customers, voluntary reporting to the PaUSF, and remittance of PaUSF recoveries to the PaUSF, so Comcast can have clear direction regarding any potential subsequent corrective actions.

VPS also recommends the Commission issue an Order adopting this Final Review Report for 2020.

⁶ Docket No. M-2021-3025386, In the Matter of the Review of Comcast Phone of PA, LLC by the Pennsylvania Universal Service Fund (PaUSF) Administrator Pursuant to 52 Pa. Code §63.167, for Reporting Year 2020.

⁷ Docket No. M-2021-3025396, In the Matter of the Review of ANPI Business, LLC by the Pennsylvania Universal Service Fund (PaUSF) Administrator Pursuant to 52 Pa. Code §63.167, for Reporting Year 2020.



**Vantage Point Solutions
Carrier Review Report for
Comcast Phone of PA, LLC**

From: Shomari Jackson, Reviewer

Company Personnel: Brian Strain, Manager, Regulatory Accounting
Amee Hartman, Director, Regulatory Accounting
Joseph Lance, Executive Director, Regulatory Accounting

Date: November 29, 2021

PaUSF Status: Current with Reporting & Payment obligations

Re: Docket No. M-2021-3025386

In the Matter of the Review of Comcast Phone of PA, LLC by the Pennsylvania Universal Service Fund (PaUSF) Administrator Pursuant to 52 Pa. Code §63.167, for Reporting Year 2020.

EXECUTIVE SUMMARY:

Pursuant to the Pennsylvania Public Utility Commission’s (PPUC or Commission) December 3, 2020 Order¹, Vantage Point Solutions (VPS) conducted a carrier compliance review (Review) of Comcast Phone of PA, LLC (Comcast Phone or Company) to ensure that carrier filings are compliant with the Commission’s regulations. VPS was also directed to submit its Review Report to the Pennsylvania Universal Service Fund (PaUSF) by December 31, 2021.

Finding 1 – Comcast Phone, a telecommunications company, does not pass-through Fund surcharges to its customers; Comcast IP, an unregulated VoIP company, does pass through such surcharges.

Comcast Phone collected \$6,295,548.89 in PaUSF assessments from its customers in 2021. It was determined that Comcast Phone, which is certificated in Pennsylvania, does not have any retail voice customers, and does not recover the PaUSF assessment from its wholesale voice or ethernet transport customers. However, Comcast IP Phone, LLC (CIPP), which is not certificated, and subsequently is not regulated in Pennsylvania, does assess a Regulatory Recovery Fee on its retail VoIP services to recover certain costs, including the PaUSF. Because CIPP is not a regulated entity, Comcast Phone remits PaUSF payments on behalf of CIPP to facilitate CIPP’s remittance of the PaUSF. It should be noted that although CIPP is not regulated, the Company does voluntarily contribute to the PaUSF.

¹ Pennsylvania Universal Service Fund Annual Rate Adjustment, Docket No. M-00001337, Dec. 3, 2020.

VPS recommends that the Commission provide a determination as to the appropriateness of CIPP's collection of the PaUSF assessment from its customers, voluntary reporting to the PaUSF, and remittance of PaUSF assessment recoveries to the PaUSF, so the Company may have clear direction regarding any potential subsequent corrective actions given its unique reporting structure.

The Company disagrees with this Review Report.

BACKGROUND:

During the course of the Review, VPS issued nine (9) Data Requests (DRs) to Comcast Phone.

Comcast Phone is a competitive local exchange carrier (CLEC) in Pennsylvania, and is headquartered in Phoenixville, PA.

Comcast is required to report its prior year revenues via electronic filing of Carrier Data Collection Reports of Prior Year Revenues by March 31st of each year and pay any related assessments to the PaUSF on a monthly basis.² Additionally, Comcast voluntarily reports on behalf of its uncertificated affiliate, CIPP. In its Review, VPS found the Company's reporting was both timely and accurate, and the Company is not delinquent on any of its monthly contributions to the PaUSF.

Pursuant to the Commission's regulations³ no telecommunications service provider may implement a customer or end-user surcharge to recover its contribution to the USF. In its review, VPS confirmed Comcast Phone does implement a customer or end-user surcharge to recover its contributions to the PaUSF for its uncertificated affiliate, CIPP.

FINDINGS AND RECOMMENDATIONS:

Comcast Phone recovered the PaUSF assessment from its customers.⁴

VPS recommends that the Commission provide a determination as to the appropriateness of CIPP's collection of the PaUSF assessment from its customers, voluntary reporting to the PaUSF, and remittance of PaUSF assessment recoveries to the PaUSF, so the Company may have clear direction regarding any potential subsequent corrective actions given its unique reporting structure.

² Pennsylvania Universal Service Fund Annual Rate Adjustment, Docket No. M-00001337, Nov. 14, 2019.

³ 52 Pa. Code § 63.170

⁴ Attachment A.

Management Response

In August 2021, Vantage Point Solutions (“VPS”) issued a draft Carrier Review Report (“Report”) for Comcast Phone of PA, LLC (“Comcast Phone”). VPS found that Comcast Phone imposed a surcharge on its customers to recover its Pennsylvania Universal Service Fund (“Fund”) contributions. Comcast Phone objected to this finding in the draft Report. In its response, Comcast Phone clarified to VPS that it remits Fund contributions on behalf of two (2) separate entities, Comcast Phone and Comcast IP Phone, LLC (“Comcast IP”). Comcast Phone stated that it, unlike Comcast IP, provides intrastate telecommunications services and constitutes a “contributing telecommunications provider” to the Fund. Comcast IP, however, provides Voice over Internet Protocol (VoIP). VoIP providers have not been classified by the FCC as telecommunications providers. Comcast Phone then stated that Comcast IP is not a “telecommunications provider” within the meaning of the Fund, is not prohibited from surcharging its customers for any Fund-related fees and, indeed, is under no obligation to contribute to the Fund in the first instance. On December 10, 2021, VPS emailed a revised Report to Comcast Phone that requires further clarification. In the first paragraph of the Findings, the revised Report incorrectly states “Comcast recovered the PaUSF assessment from its customers.” This finding should be corrected to state: “Comcast Phone, a telecommunications company, does not pass through Fund surcharges to its customers; Comcast IP, an unregulated VoIP company, does pass through such surcharges.” Also, the revised Report recommended that the Commission provide a determination as to “the appropriateness” of Comcast IP’s (i) collection of Fund fees from its customers, (ii) voluntary reporting to the Fund, and (iii) remittance of Fund assessment recoveries to the Fund.

Comcast Phone disagrees with the recommendations set forth in the revised Report. The Fund provides that a service provider constitutes a “telecommunications carrier” only where the FCC has so stated, and the FCC has refused to classify VoIP providers as telecommunications carriers. Accordingly, the Commission should decline to take any further actions at this time with respect to the recommendations set forth in the revised Report. In the event the Commission is inclined to decide otherwise, Comcast Phone respectfully requests the opportunity to fully brief the matter before the Commission issues an order.

PaUSF Carrier Review Information Request

Submitted By: Shomari Jackson

Submitted To: Brian Strain
Amee Hartman
Joseph Lance

Company Name: Comcast Phone of PA LLC

Docket Number: M-2021-3025386

Request Date: August 4, 2021

Due Date: **August 13, 2021**

Request No. 8

RE: Confirmation Understanding

Please confirm the following information. If the Reviewer’s understanding is inaccurate, please provide clarification.

- The Company collects its PaUSF assessment from its customers.

Response: Correct, we recover PaUSF assessment from our customers

NOTE: If for some reason, the above information cannot be provided by the date requested, your Company must submit a Request for Additional Time.

Verification of Response – DR8

I have read the foregoing Data Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to GVNW – a Vantage Point Company’s reviewer any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: *Joe Lance*

Date: 08/09/2021

Pennsylvania Universal Service Fund (PaUSF)
PaUSF Operating Year 2021
Operating Year 21 Financial Impact

Company	KUSF Company Code	Docket No.	Total Refund to Company	Additional Assessments Owed to the PaUSF	Net Due from/(to) Company	Refunds to Customers	TOTAL Before Penalties	Fines or Penalties	Net Impact to Company	Net Impact To PaUSF
1 Braodview Networks	310932	M-2021-3025391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Comcast Phone of PA	311140	M-2021-3025386	-	-	-	-	-	-	-	-
3 Frontier Comm of PA	311250	M-2021-3025394	-	-	-	-	-	-	-	-
4 Frontier Commonwealth Services	310800	M-2021-3025389	(33,353.13)	-	(33,353.13)	-	(33,353.13)	-	33,353.13	(33,353.13)
5 Keystone Initiative	3113265	M-2021-3025393	-	146.66	\$ 146.66	\$ -	\$ 146.66	\$ -	\$ (146.66)	\$ 146.66
6 Legacy Long Distance International	310817	M-2021-3025395	-	-	-	-	-	-	-	-
7 United Telephone of PA dba CenturyLink	313200	M-2021-3025387	-	11,542.19	11,542.19	-	11,542.19	-	(11,542.19)	11,542.19
8 Windstream D&E	311050	M-2021-3025392	-	-	-	-	-	-	-	-
9 Windstream PA	312050	M-2021-3025388	-	-	-	-	-	-	-	-
10 XO Communications	311331	M-2021-3025390	-	-	-	-	-	-	-	-
11 ANPI Business	311006	M-2021-3025396	-	1,724.50	1,724.50	-	1,724.50	-	(1,724.50)	1,724.50
12 Business Network Long Distance	311234	M-2021-3025400	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 Cooperative Communications	310868	M-2021-3025399	-	-	-	-	-	-	-	-
14 Enhanced Communications	310761	M-2021-3025405	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15 Nationwide Long Distance Service	311416	M-2021-3025398	-	-	-	-	-	-	-	-
16 National Access Long Distance	311357	M-2021-3025397	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17 NEP Telcom	310913	M-2021-3025403	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18 Network Systems Group	3118591	M-2021-3025404	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19 Reduced Rate Long Distance	311092	M-2021-3025401	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 Twin City Capital	3111092	M-2021-3025402	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL			\$ (33,353.13)	\$ 13,413.35	\$ (19,939.78)	\$ -	\$ (19,939.78)	\$ -	\$ 19,939.78	\$ (19,939.78)

- Notes:
- (1) No Audit Findings.
 - (2) Companies in bold are contributing companies
 - (3) Pending Commission review