

PENNSYLVANIA BULLETIN

Volume 50
Saturday, February 1, 2020 • Harrisburg, PA
Number 5
Pages 633—780

Agencies in this issue

The General Assembly
The Courts
Delaware River Basin Commission
Department of Agriculture
Department of Banking and Securities
Department of Community and Economic
Development
Department of Environmental Protection
Department of Health
Department of Human Services
Department of Labor and Industry
Department of Revenue
Environmental Quality Board
Independent Regulatory Review Commission
Insurance Department
Pennsylvania Public Utility Commission
Philadelphia Parking Authority
Philadelphia Regional Port Authority
State Board of Examiners of Nursing Home
Administrators
State Board of Nursing
Thaddeus Stevens College of Technology

Detailed list of contents appears inside.



Supplier Table—List of Electric Generation Suppliers

<i>Docket Number</i>	<i>Company Name</i>	<i>Financial Security Expiration Date</i>	<i>Commission Approved Amount or Language</i>
A-2016-2565716	AVIDXCHANGE, INC.	12/15/2019	Yes
A-2010-2192836	TOMORROW'S UTILITIES, INC.	12/17/2019	Yes

As part of its EGS license validation procedures, the Commission's Bureau of Technical Utility Services sent a 90-day Security Renewal Notice Letter to each entity in the Supplier Table above stating that original documentation of a bond, or other approved security in the amount or language directed by the Commission, must be filed within 30 days prior to each entity's security expiration date. None of the companies listed in the Supplier Table provided the required documentation.

Based on the above facts, we tentatively conclude that the EGSs listed in the Supplier Table are not in compliance with 52 Pa. Code § 54.40(a) and (d) and therefore it is appropriate to initiate the cancellation process for the EGS license of each company listed in the Supplier Table, without the necessity of a formal complaint, as being in the public interest; *Therefore,*

It Is Ordered That:

1. Cancellation of the Electric Generation Supplier License of each company listed in the Supplier Table is hereby tentatively approved as being in the public interest.

2. The Secretary serve a copy of this Tentative Order upon the Office of Consumer Advocate, the Office of Small Business Advocate, the Bureau of Investigation & Enforcement, all electric distribution companies, all of the Electric Generation Suppliers in the Supplier Table and publish a copy of this Tentative Order in the *Pennsylvania Bulletin* with a 30-day comment period.

3. The Secretary serve a copy of this Tentative Order upon the Pennsylvania Department of Revenue—Bureau of Compliance, Business License Clearance Division.

4. Absent the filing of adverse public comment or the filing of an approved security within 30 days after publication in the *Pennsylvania Bulletin*, the Bureau of Technical Utility Services shall prepare a Final Order for entry by the Secretary.

5. Upon entry of the Final Order described in Ordering Paragraph No. 4 above, each company listed in the Supplier Table will be stricken from all active utility lists maintained by the Commission's Bureau of Technical Utility Services and the Assessment Section of the Bureau of Administration, removed from the Commission's website, and notifications be sent to all electric distribution companies in which the Electric Generation Suppliers are licensed to do business.

6. Upon entry of the Final Order described in Ordering Paragraph No. 4, each electric distribution company in which the Electric Generation Suppliers are licensed to do business, shall return the customers of the Electric Generation Suppliers to default service.

ROSEMARY CHIAVETTA,
Secretary

[Pa.B. Doc. No. 20-170. Filed for public inspection January 31, 2020, 9:00 a.m.]

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Velocity.Net Communications, Inc. for Designation as an Eligible Telecommunications Carrier

Public Meeting held
January 16, 2020

Commissioners Present: Gladys M. Brown Dutrieuille,
Chairperson; David W. Sweet, Vice Chairperson; Andrew G. Place; John F. Coleman, Jr.; Ralph V. Yanora

*Petition of Velocity.Net Communications, Inc. for
Designation as an Eligible Telecommunications Carrier;
P-2018-3006180*

Order

By the Commission:

Before the Pennsylvania Public Utility Commission (Commission) for disposition is the petition¹ of Velocity.Net Communications, Inc. (VNCI) seeking approval to be designated as an Eligible Telecommunications Carrier (ETC) in the Commonwealth of Pennsylvania for the purpose of receiving federal high-cost support, pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended. Obtaining a designation as a federal high-cost ETC from the Commission would qualify VNCI to become eligible to receive federal high-cost support funding from the federal Universal Service Fund (USF) in any area where it had a winning bid in the Federal Communications Commission's (FCC) Connect America Fund (CAF) Phase II Auction 903 (Auction 903). As such, it is required to certify that it is an ETC in all of the eligible census block groups (CBGs) for which VNCI seeks such federal high-cost support in order to provide voice and broadband service to identified locations. Accordingly, in its Petition, VNCI states that it is seeking high-cost designation as an ETC only in specific exchanges throughout the Commonwealth for which it was awarded funding in the CAF II Auction 903.²

Notice of VNCI's petition was published in the *Pennsylvania Bulletin* at 49 Pa.B. 580 on February 2, 2019. No comments were filed in response to VNCI's Petition.

¹ As discussed further throughout, by petition dated November 27, 2018 (Petition), VNCI requested ETC designation as a facilities-based "landline carrier" only in those CAF II census block groups for which CAF Phase II high cost support will be awarded by the FCC via Auction 903.

² The FCC made eligible for Auction 903 certain high-cost census blocks in states where the price cap carriers had declined an earlier offer of model-based support in CAF Phase I, Part 2 and in other unserved areas nationwide (excluding New York, Alaska, Puerto Rico, Virgin Islands) that were not served by an unsubsidized service provider. It was through this competitive bidding process that VNCI was a winning bidder in certain high-cost census blocks located in the Verizon North, LLC, service territory. It is in these federally-funded census blocks that VNCI is seeking federal high-cost ETC designation and will be offering voice and broadband services under federal law consistent with the FCC's public interest obligations.

VNCI also filed supplements to its original Petition that set forth other additional pertinent information.³

We have reviewed VNCI's Petition, as supplemented, to determine whether it meets the statutory criteria and applicable minimum standards necessary under state and federal law to obtain an ETC designation. VNCI's Petition is hereby approved under the applicable federal statutory criteria and other relevant federal and Pennsylvania law. Concomitantly, as a condition of receiving an ETC designation to receive high-cost support, VNCI must also participate in the federal Lifeline program and is required to offer Lifeline service to low-income eligible customers or households in accordance with applicable federal and Pennsylvania law.

We hereby conclude that it is in the public interest that VNCI be designated an ETC for purposes of receiving Auction 903 funding support in the high-cost eligible census blocks where it submitted a winning bid in order to deploy and maintain networks capable of providing voice and broadband service in those areas and also to provide Lifeline service to qualifying low-income customers or households in those same census blocks. Specifically, VNCI will be required to offer Lifeline services to eligible low-income customers or households, subject to the conditions stated by this Order and applicable reporting requirements and annual recertification requirements as they currently exist or may come to exist under federal and/or state law.

Background

A. FCC and State ETC Orders

In its 1997 Universal Service Order, the FCC established minimum requirements necessary for a telecommunications carrier to be designated an ETC, and thus, eligible to receive federal universal service high-cost support from the federal USF.⁴ In 2005, pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (Act), 47 U.S.C. § 214(e)(6), and consistent with the recommendations of the Federal-State Joint Board on Universal Service (Joint Board), the FCC addressed these minimum requirements and adopted additional mandatory requirements for ETC designation proceedings.⁵ Additionally, as recommended by the Joint Board, the FCC encouraged states that exercise jurisdiction over ETC designations pursuant to Section 214(e)(2) of the Act, to adopt these same requirements when deciding whether they should designate a common carrier as an ETC.⁶ Accordingly, in order to provide consistent standards and to obtain the complete and necessary information necessary when reviewing future petitions for ETC designation and annual ETC recertifications, the Commission adopted the FCC's statutorily prescribed requirements for ETC designations and set forth additional Pennsylvania-specific standards as guidelines for all ETC applicants over which it exercises jurisdiction.⁷ The Commission codified these guidelines at 52 Pa. Code § 69.2501 (ETC Guidelines).

In its 2011 USF/ICC Transformation Order, the FCC comprehensively reformed the federal USF mechanism to

accelerate broadband build-out to the 18 million Americans living across the nation in rural areas who were receiving voice service but lacked access to robust broadband infrastructure and service.⁸ Specifically, the FCC concluded that it should adopt high-cost support for broadband-capable networks as an express universal service principle under Section 254(b) of the Act, 47 U.S.C. § 254(b).⁹ Additionally, for the first time, the FCC set specific performance goals for the high-cost component of the federal USF to ensure the reforms are achieving their intended purposes.¹⁰ Accordingly, the FCC revamped the purpose of the Universal Service High-Cost program of the federal USF to expand access to both voice and broadband services by supporting networks capable of providing those services and requiring certain support recipients to provide those services in geographic areas that were clearly unserved or underserved by unsubsidized service providers of broadband service.¹¹

Concomitant with this repurposing of the six pre-existing programs in the federal USF High-Cost Fund that supported voice service, there was also a renaming and repurposing of the High-Cost program and support to the Connect America Fund or CAF.¹² The CAF was rolled-out in different phases.¹³ Up through the CAF Phase II Auction 903, the FCC, through the CAF, provided funding to federal price cap incumbent local exchange carriers (ILECs) to support the cost of building new network infrastructure or performing network upgrades to continue to provide voice and, in addition, retail broadband access services in areas where it was lacking.

In 2018, as a part of CAF Phase II, Part II, the FCC conducted Auction 903 to allocate Phase II support to a certain number of locations in eligible CBGs across the United States, including areas in Pennsylvania where the federal price cap ILEC had declined to receive the model-based high-cost support it had been previously offered by the FCC.¹⁴ Auction 903 ran from July 24, 2018 to August 21, 2018 and awarded up to \$198 million annually for 10 years to all service providers that had committed to provide voice and fixed broadband services to specific locations in unserved high-cost areas, including areas in Pennsylvania.¹⁵ As a result of Auction 903, some homes and businesses would have voice as well as broadband Internet access service (BIAS) available with download speeds of at least 100 megabits per second (Mbps).¹⁶ Others would have voice and gigabit service available.¹⁷ And lastly, the remaining locations would have voice as well as at least 25 Mbps download service available.¹⁸

Concomitantly, in order to continue the mission of assisting qualifying low-income Americans to get and stay connected in today's technological climate, while at the same time relieving some of the burden on the entities

⁸ In the Matter of Connect America Fund, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011), aff'd sub nom In re FCC 11-161, 753 F.3d 1015 (10th Cir. 2014) (USF/ICC Transformation Order). The FCC, *inter alia*, adopted rules that modernized and refocused the federal USF to make affordable broadband access available to all Americans and an inherent part of the universal service concept.

⁹ See USF/ICC Transformation Order, 26 FCC Rcd at 17672, ¶ 17.

¹⁰ *Id.*

¹¹ *Id.* at 17673, ¶¶ 19–25.

¹² *Id.* at 17673, ¶ 20.

¹³ *Id.* at 17673, ¶¶ 22–23.

¹⁴ See Public Notice, Connect America Fund Phase II Auction Closes Winning Bidders Announced FCC Form 683 Due October 15, 2018, AU Docket No. 17-182 and WC Docket No. 10-90 (rel. August 28, 2018) (CAF Auction Results Notice).

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

³ VNCI filed supplements on February 8, 2019 (February 8, 2019 Supplement), October 1, 2019 (October 1, 2019 Supplement), and December 10, 2019 (December 10, 2019 Supplement) in response to data requests and other inquiries from Commission staff.

⁴ See Federal-State Joint Board on Universal Service, First Report and Order, 12 FCC Rcd 8776, 8847-76, ¶¶ 130–180 (1997) (Universal Service Order).

⁵ See Federal-State Joint Board on Universal Service, Report and Order, 20 FCC Rcd 6371, 6372, 6380, ¶¶ 2, 20 (2005) (2005 ETC Designation Order).

⁶ See 2005 ETC Designation Order, 20 FCC Rcd at 6372, 6380, ¶¶ 1, 20.

⁷ Final Policy Statement on Commonwealth of Pennsylvania Guidelines for Designation and Annual Recertification as an Eligible Telecommunications Carrier (ETC) for Purposes of Federal Universal Service Support, Docket No. M-2010-2164741 (Order entered August 2, 2010) (ETC Guidelines Order).

providing this service, the FCC also had begun restructuring the federal USF Lifeline program.¹⁹ In its 2012 Lifeline Reform Order, the FCC eliminated the previous system of tiered support and set an interim funding rate of \$9.25 per month and per eligible subscriber or household effective May 1, 2012.²⁰ The FCC has issued three later Lifeline reform orders establishing a number of additional enhancements to the federal Lifeline Program, further connecting low-income Americans to voice services and, now, broadband.²¹

B. VNCI's Petition and Supplements

On August 28, 2018, the FCC announced that VNCI had been awarded federal high-cost support funding in certain designated census blocks in Pennsylvania via the FCC's Auction 903. By petition dated November 27, 2018, VNCI requested ETC designation in only the specific census blocks located in Erie County where it had submitted a successful bid via Auction 903 and had been awarded CAF Phase II support by the FCC. Accordingly, VNCI requested designation as an ETC throughout these census blocks only. The Commission subsequently engaged in detailed analysis of the Petition and supplemental information that was provided to ensure consistency with state and federal law.

VNCI holds certificates of public convenience from the Commission to operate as a Competitive Access Provider (CAP) in the Commonwealth of Pennsylvania and as a Competitive Local Exchange Carrier (CLEC) in the following ILEC service territories: Verizon North LLC (Verizon North) and Verizon Pennsylvania LLC.²² VNCI is a facilities-based carrier, and it owns and operates a 375-mile-long fiber ring in northwestern Pennsylvania which it uses to provide voice and high-speed broadband Internet access services to residential, small business, and enterprise customers.²³

As an ETC, VNCI proposes to use the CAF II funds to extend its existing fiber optic network to provide telecommunications and broadband Internet access services with simultaneous download and upload speeds of up to 1 gigabit per second (Gbps)²⁴ to the customers residing only in these awarded CAF-eligible census blocks: PA-049-0004001, PA-049-0011001, PA-049-0112021, PA-049-0115072, PA-049-0117022, and PA-049-0124001 (Designated Area).²⁵

The census blocks comprising VNCI's proposed Designated Area are primarily located within Presque Isle

State Park, where there are few, if any, residences. However, a small portion of the Designated Area includes a residential area with less than 50 homes.²⁶ As such, it is possible that some qualifying low-income customers may reside in this portion of the Designated Area.²⁷ Therefore, VNCI represents that it will comply with the requirements to provide Lifeline service to customers located within VNCI's service area.²⁸ VNCI also represents that it is prepared to satisfy the requirements of 47 U.S.C. Section 214(e)(3) if no common carrier will provide the services that are supported by federal USF support mechanisms under Section 254(c) to an unserved community or any other portion thereof that requests such service.²⁹

VNCI's Lifeline offering, if approved for ETC purposes, would be eligible for the federal \$7.25 rate of support.³⁰ Eligible Lifeline customers will have access to a variety of standard features at no additional charge, including caller I.D., voice mail, call waiting, forward to mobile, robo-call blocking, and unlimited nationwide calling.³¹

VNCI's standalone telephone (voice) customers, including Lifeline customers, will have the option to receive monthly bills electronically or by U.S. Mail, upon request.³² VNCI will charge no fee for furnishing a paper bill. VNCI will not require a security deposit or charge any fees to Lifeline applicants to enroll or receive service, other than the charges for monthly telephone service.³³

VNCI understands that Pennsylvania participates in the Lifeline National Eligibility Verifier (National Verifier) program.³⁴ As such all electronic and paper applications are to be certified by the National Verifier, and applicants must physically e-sign an application for Lifeline whether entered by the applicant or company staff.³⁵ VNCI also understands that the Pennsylvania Department of Human services has established an automated process with the National Verifier to assist with qualification and that all applications for Lifeline are approved by the National Verifier.³⁶

VNCI asserts that it will comply with the eligibility determinations from the National Verifier regarding potential Lifeline customers.³⁷ Additionally, VNCI states it will de-enroll Lifeline customers who do not receive recertification from the National Verifier in accordance with 47 C.F.R. § 54.405(e)(4).³⁸

Discussion

Section 254(e) of the Act provides that "only an eligible telecommunications carrier designated under Section

¹⁹ Lifeline and Link Up Reform and Modernization, et al., Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012) (2012 Lifeline Reform Order or Lifeline FNPRM).

²⁰ At the current time, federal rules limit the \$9.25 Lifeline support to either voice or broadband service. The Lifeline subscriber's \$9.25 support is applicable to whatever service a Lifeline consumer may choose to purchase but subscribers cannot receive the \$9.25 support separately for each service. However, Lifeline also supports broadband-voice bundles so consumers choosing a bundled package containing voice and broadband service can apply the \$9.25 support to that bundle.

²¹ Lifeline and Link Up Reform and Modernization et al., Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, 30 FCC Rcd 7818 (2015) (2015 Lifeline FNPRM); Lifeline and Link Up Reform and Modernization et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 4038, ¶ 211 (2016) (2016 Lifeline Modernization Order); Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, 32 Rcd 10475 (2017), vacated and remanded, *National Lifeline Association et al. v. FCC*, Docket Nos. 18–1026, Order issued February 1, 2019 (D.C. Cir. 2019) (2017 Lifeline NPRM and NOI) (collectively Lifeline Reform Orders).

²² See Application of Velocity.net Communications, Inc. for approval to offer, render, furnish or supply telecommunications services as a Competitive Access Provider to the Public in the Commonwealth of Pennsylvania, Docket No. A-310409, (Order entered August 24, 2006); Amended Application of Velocity.Net, Inc. for approval to offer, render, furnish or supply telecommunication services as a Competitive Local Exchange Carrier to the public in the Commonwealth of Pennsylvania in the service territories of Verizon Pennsylvania Inc. and Verizon North LLC, Docket No. A-311409F0002 (Order entered August 31, 2012).

²³ Petition at 5.

²⁴ Petition at 3.

²⁵ Petition, Exhibit 2.

²⁶ February 8, 2019 Supplement at 1.

²⁷ Id.

²⁸ Id.

²⁹ Id.

³⁰ The FCC has ruled that Lifeline subsidy support amount for fixed voice-only service will gradually decrease in the following manner:

Date	Mobile-voice only	Fixed-voice only	Mobile Broadband	Fixed Broadband
December 1, 2019	\$7.25	\$7.25	\$9.25	\$9.25
December 1, 2020	\$5.25	\$5.25	\$9.25	\$9.25
December 1, 2021	0*	*0	\$9.25	\$9.25

See 2016 Lifeline Modernization Order, 31 FCC Rcd 3962, ¶ 64 (2016).

³¹ December 10, 2019 Supplement at 2.

³² October 1, 2019 Supplement at A-2.

³³ February 8, 2019 Supplement at 3.

³⁴ In 2016, the FCC established the National Verifier to make eligibility determinations to enroll eligible subscribers into the Lifeline Program. The National Verifier is further discussed, *infra*.

³⁵ October 1, 2019 Supplement at A-3.

³⁶ October 1, 2019 Supplement at B-1.

³⁷ December 10, 2019 Supplement at 4.

³⁸ Id.

214(e) shall be eligible to receive specific Federal universal service support.”³⁹ Section 214(e)(2) of the Act provides state commissions with the primary responsibility for performing ETC designations.⁴⁰ Thus, pursuant to Section 214(e)(2), each certificated telecommunications carrier seeking federal universal service high-cost support must file a petition with the state commission in order to be designated an ETC. In those instances where a state cannot or will not make the requisite ETC designation, the FCC makes the ETC designation.⁴¹ Thus, the Commission reserves the right to review any ETC designation request on a case-by-case basis and grant or deny such designation after considering the circumstances particular to each application.

The Commission has adopted the federal requirements as a starting point for review of a request for ETC designation.⁴² We also have Pennsylvania-specific guidelines discussed below that a federal high-cost ETC petitioner must satisfy before we can approve its request for ETC designation in Pennsylvania.⁴³ As set forth below, VNCI satisfies all federal requirements, including the FCC’s Universal Service Order, the 2005 ETC Designation Order, the USF/ICC Transformation Order, the Lifeline Reform Orders, and FCC regulations codifying the requirements of these Orders. VNCI also satisfies related Pennsylvania-specific requirements or guidelines.⁴⁴

I. Federal Requirements for Designation as a High-Cost ETC

Pursuant to 47 U.S.C. § 214(e)(1), an ETC petition must contain the following: (1) a certification that the petitioner offers or intends to offer all services designated for support by the FCC pursuant to Section 254(c); (2) a certification that the petitioner offers or intends to offer the services supported by the federal universal service mechanisms throughout the designated service area “either using its own facilities or a combination of its own facilities and resale of another carrier’s services” (including the services offered by another ETC); (3) a description of how the petitioner “advertise[s] the availability of [supported] services and the charges therefore using media of general distribution”; and (4) a detailed description of the geographic service area for which it requests an ETC designation from the Commission.⁴⁵

As the FCC set forth in its 2005 ETC Designation Order,⁴⁶ a telecommunications carrier must also satisfy these additional mandatory requirements for it to be designated an ETC and thus eligible to receive federal universal service support: (1) a commitment and ability to provide services, including providing service to all customers within its proposed service area; (2) how it will remain functional in emergency situations; (3) that it will satisfy consumer protection and service quality standards; and (4) that it offers local usage comparable to that

offered by the ILEC.⁴⁷ These requirements were codified in the FCC’s rules and regulations.⁴⁸ The FCC subsequently added an additional requirement concerning the Anti-Drug Abuse Act of 1988.⁴⁹

In addition to meeting these statutory requirements, state commissions must also perform a “public interest” review before approving an ETC designation. Section 214(e)(2) of the Act states that, “[u]pon request and consistent with the public interest, convenience, and necessity, the State commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier” for a designated area, so long as the requesting carrier meets the requirements of Section 214(e)(1).⁵⁰

Thus, our review of VNCI’s petition will be done consistent with the federal requirements that must be met in order for an applicant to receive designation as an ETC, as codified, which we have adopted and implemented in the Commonwealth as the minimum standards applicable to ETC designation. Our review of VNCI’s petition also will be done to ensure consistency with independent Pennsylvania law as an ongoing obligation.

A. The FCC’s Rules Governing ETC Designations

1. 47 C.F.R. § 54.101(a) and (b)

Certification Regarding the Offering of All Services Designated for Support

The FCC defines supported service as qualifying voice service and the offering of qualifying broadband services.⁵¹ Accordingly, all ETCs must therefore offer voice telephony as a standalone service throughout their designated service area and must offer voice telephony services at rates that are reasonably comparable to urban rates.⁵²

As a condition of receiving support, ETCs must therefore offer voice telephony as a standalone service throughout their designated service area and must offer voice telephony services at rates that are reasonably comparable to urban rates.⁵³ All ETCs must offer qualifying standalone voice service using their own facilities, at least in part.⁵⁴ The Commission has interpreted the term “facilities,” for purposes of Section 214(e) of the Act, to mean “any physical components of the telecommunica-

⁴⁷ In the 2005 ETC Designation Order, the FCC also established that an ETC may be required to provide equal access if all other ETCs in the service area relinquish their designations. In the USF/ICC Transformation Order, however, the FCC determined that the above ETC equal access requirement was obsolete and deleted it from 47 C.F.R. § 54.202. The FCC stated because this rule was obsolete, it found good cause to delete it without notice and comment. USF/ICC Transformation Order, FCC Red 17872, ¶ 647 and Appendix A.

⁴⁸ See 47 C.F.R. §§ 54.101, 54.202.

⁴⁹ 21 U.S.C. § 862; 47 C.F.R. § 1.2002(a)-(b).

⁵⁰ Verizon North is not a rural ILEC in Pennsylvania.

⁵¹ 47 C.F.R. § 54.101 (including both eligible voice telephony and eligible broadband Internet access as services “supported by federal universal service support mechanisms,” and characterizing the provision of eligible broadband service as a high-cost public interest obligation); see also USF/ICC Transformation Order, 26 FCC Red at 17691-94, ¶¶ 74–89 (describing the “core functionalities of the supported services as voice telephony service,” and as a separate condition of receiving federal high-cost universal service support, all ETCs are required to offer BIAS in their supported area that meets certain basic performance requirements).

⁵² See USF/ICC Transformation Order, 26 FCC Red at 17693, ¶¶ 80-81; see also C.F.R. § 54.101(b). The FCC has adopted a similar reasonable comparability rate certification requirement for broadband performance obligations. See Connect America Fund et al., Report and Order, 29 FCC Red 15644, 15686-87, ¶ 120 (2014) (December 2014 CAF Order).

⁵³ USF/ICC Transformation Order, 26 FCC Red at 17693, paras. 80-81; see also 47 C.F.R. § 54.101(b).

⁵⁴ 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.101. The FCC has exercised forbearance from the provision requiring that providers must provide supported service using at least a portion of their own facilities for certain wireless Lifeline-only providers. See Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petitions for Limited Eligible Telecommunications Carrier Designation in New York, Pennsylvania, Virginia, North Carolina, and Tennessee, 24 FCC Red 3381 (2009) (Virgin Mobile Order).

³⁹ 47 U.S.C. § 254(e).

⁴⁰ 47 U.S.C. § 214(e)(2).

⁴¹ 47 U.S.C. § 214(e)(6).

⁴² See generally Universal Service Order and the 2005 ETC Designation Order.

⁴³ See ETC Guidelines Order at 4.

⁴⁴ The Commission’s ETC designation review process reflects the current requirements under federal and state law. But the Commission acknowledges that ETC designation requirements imposed under state and federal law may change in response to subsequent developments.

⁴⁵ See Universal Service Order, 12 FCC Red 8776, 8847-76, ¶¶ 130–180.

⁴⁶ See ETC Designation Order, 20 FCC Red at 6380, ¶ 20 (citing Federal-State Joint Board on Universal Service, Recommended Decision, 19 FCC Red 4259, ¶ 5 (Fed-State Jt. Bd. 2004)).

tions network that are used in the transmission or routing of the services designated for support under section 254(c)(1).⁵⁵ As explained by the FCC, “a carrier need not offer universal service wholly over its own facilities in order to be designated an eligible carrier because the statute allows an eligible carrier to offer the supported services through a combination of its own facilities and resale.”⁵⁶ Facilities are the ETC’s “own” if the ETC has exclusive right to use the facilities to provide the supported services⁵⁷ or when service is provided by any affiliate within the holding company structure.⁵⁸

An ETC satisfies its obligation to “offer” qualifying services by being legally responsible for dealing with customer problems, providing quality of service guarantees, and meeting federal USF-related requirements.⁵⁹ Accordingly, a broadband provider may satisfy its voice obligation by offering voice service through an affiliate or by offering a managed voice solution (including Voice-over-Internet Protocol or VoIP) through a third-party vendor but cannot simply rely on the availability of over-the-top VoIP voice options.⁶⁰

VNCI attests that it will be providing all of the services and functionalities supported by the federal universal service program as set forth in Section 54.101(a) of the FCC’s regulations throughout its Designated Area in the Commonwealth of Pennsylvania using at least a portion of its own facilities.⁶¹

a. Voice Grade Access to the Public Switched Telephone Network (PSTN)

VNCI meets the ETC requirement of being a common carrier. As previously stated, VNCI is certificated as a CAP and CLEC in Pennsylvania. Moreover, VNCI represents that it will extend its voice service in its Designated Area by extending its own fiber network to additional service locations in the Designated Area.⁶² As such, VNCI is a common carrier under 47 U.S.C. § 214(e)(1) and 214(e)(6) for purposes of ETC designation.⁶³

b. Minutes of Use for Local Service

As part of the voice grade access to the PSTN, an ETC must provide local calling services to its customers at no additional charge. Although the FCC did not set a minimum local usage requirement, in the Universal Service Order it determined that ETCs should provide some minimum amount of local usage as part of their

“basic service” package of supported services.⁶⁴ However, the FCC has determined that a carrier satisfies the local usage requirements by including a variety of local usage plans as part of a universal service offering. VNCI meets this requirement by providing an amount of local usage free of charge in its voice service offerings.⁶⁵ Additionally, VNCI’s proposed Lifeline offering, as described, also complies with the local usage requirements established by the FCC. This meets the local calling requirement of 47 C.F.R. § 54.101. In addition to voice services, VNCI will provide Lifeline customers with access to a variety of other features at no cost, including voice mail, caller I.D., call waiting services, and robo-call blocking.⁶⁶

c. Access to Emergency Services

VNCI certifies that it will provide access to 911 emergency services for all of its customers throughout its entire service area.⁶⁷

d. Toll Limitation Services

Under the language of Section 54.400 of the FCC’s regulations, the FCC has defined three terms addressing the service provided by an ETC by which a subscriber may prevent toll charges from accumulating beyond a set point. Specifically, Subsection 54.400(b) defines “toll blocking” as the service a subscriber may elect to not allow outgoing toll calls. Subsection (c) defines “toll control service” as the service a subscriber may elect to specify a set amount of toll usage allowed per month or per billing cycle. Subsection (d) defines “toll limitation service” as a generic term covering either toll blocking or toll control service for ETCs that are incapable of providing both or covering both where an ETC is capable of providing both.

Section 54.401(a)(2), toll limitation service, does not need to be offered for any Lifeline service that does not distinguish between toll and non-toll calls in the pricing of the service. If an ETC charges Lifeline subscribers a fee for toll calls that is in addition to the per month or per billing cycle price of the subscribers’ Lifeline service, the carrier must offer toll limitation service at no charge to its subscribers as part of its Lifeline service offering.

VNCI’s Lifeline service will include unlimited local and long distance calling. VNCI uses toll control to restrict calls to international or premium rate numbers unless the customer requests access in writing to have those controls lifted.⁶⁸ Therefore, the nature of VNCI’s service eliminates the concern that low-income customers will incur significant charges for long distance calls, risking disconnection of their service.

e. Eligible Broadband Internet Access Services

An ETC subject to a high-cost public interest obligation to offer BIAS must offer BIAS that provides the capability to transmit data to and receive data by wire or radio from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up service, within the areas where it receives high-cost support.⁶⁹

⁶⁴ See Universal Service Order, 12 FCC Rcd 8776, 8813, ¶ 67. Although the FCC’s rules define “local usage” as “an amount of minutes of use of wire center service, prescribed by it, provided free of charge to end users,” the FCC has not specified a number of minutes of use. See 47 C.F.R. 54.101(a)(1). See also Federal-State Joint Board on Universal Service, Recommended Decision, CC Docket No. 96-45, FCC 02J-1 (rel. Jul. 10, 2002).

⁶⁵ Petition at 5.

⁶⁶ December 10, 2019 Supplement at 2.

⁶⁷ See Petition at 2.

⁶⁸ February 8, 2019 Supplement at 1.

⁶⁹ 47 C.F.R. § 54.101(a)(2) and (c).

⁵⁵ Universal Service Order, 12 FCC Rcd at 8847, ¶ 128.

⁵⁶ Id. at 8870, ¶ 169.

⁵⁷ Id. at 8866, ¶ 160.

⁵⁸ December 2014 CAF Order, 29 FCC Rcd at 15668 n.43; see also 47 U.S.C. § 153(2) (defining an affiliate as “a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person”).

⁵⁹ Cf. Connect America Fund, Report and Order, 28 FCC Rcd 7211, 7215, ¶ 9 (2013) (Phase II Challenge Process Order) (finding that it is not sufficient for a broadband provider to qualify as an “unsubsidized competitor” if a consumer must obtain standalone voice service from a third party, because that broadband provider would not be offering a voice service).

⁶⁰ See Connect America Fund et al., Order on Reconsideration, 33 FCC Rcd 1380, 1387-88, ¶ 20 (2018) (rejecting arguments contending that “because VoIP is provided over broadband networks and over-the-top voice options are available, broadband service providers need only offer broadband as a standalone service,” and requiring carriers to “offer VoIP over their broadband network on a standalone basis”); cf. Phase II Challenge Process Order, 28 FCC Rcd 7224, n.21 (explaining that a broadband provider would be considered to be providing voice service if it did so through an affiliated competitive local exchange company or “through a managed voice solution obtained from a third party vendor. . . so long as the broadband provider is the entity responsible for dealing with any customer problems, and it provides quality of service guarantees to end user customers”).

⁶¹ See Petition at 2-3.

⁶² Petition at 5.

⁶³ 47 U.S.C. § 214(e)(1), (e)(6).

VNCI satisfies this requirement because it furnishes broadband Internet access that provides the capability to transmit data to and receive data by wire from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service.⁷⁰ Through the CAF II support received from Auction 903, VNCI will extend its existing fiber optic network to provide broadband Internet access to the Designated Area.⁷¹

2. 47 C.F.R. § 54.201

Definition of ETC

Pursuant to Section 153(10) of the Act, “common carrier” is defined as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio[.]” 47 U.S.C. § 153(10). A carrier is eligible under Section 54.201 so long as it offers the services set forth in Section 54.101, either through its own facilities or a combination of its own facilities and the resale of another carrier’s services and advertises the availability of the federal universal support services using media of general distribution.⁷² Common carriers that provide services consistent with the requirements of Section 214(e) may be designated ETCs.

As previously found, VNCI meets the ETC requirement of being a common carrier. As previously stated, VNCI is certificated as a CAP and CLEC in the service territories of Verizon PA and Verizon North in Pennsylvania. Moreover, VNCI will provide voice service in its Designated Area through its own facilities by extending its fiber network to additional service locations in its Designated Area.⁷³ As such, VNCI is a common carrier under 47 U.S.C. § 214(e)(1) and 214(e)(6) for purposes of ETC designation.⁷⁴

VNCI will advertise the availability of Lifeline service on its website and will allow customers to complete an application for service online or initiate an application via telephone application.^{75,76} VNCI’s Lifeline service page will show the Lifeline service options available, and VNCI will seek input and approval from the Bureau of Consumer Services (BCS) before placing this page into service.⁷⁷ VNCI staffs a local operations center that is open 24 hours a day, seven days a week, to field calls from existing and new subscribers. Operations center staff will be trained to assist with Lifeline applicants and subscribers. Applications for Lifeline services will be processed during normal business hours of 8:30 AM to 5:30 PM, Monday through Friday, by telephone with existing VNCI operations staff. Eventually, VNCI may allow for in-person applications by appointment. VNCI will also provide Lifeline information to those agencies or institutions located within its service area where customers can receive Lifeline service, including the city of Erie and Erie County.⁷⁸

⁷⁰ 47 C.F.R. § 54.101(a)(2).

⁷¹ Petition at 3, 6.

⁷² The statutory and regulatory requirement to provide supported Lifeline service through a combination of a carrier’s own facilities and those of another carrier has in certain instances been obviated through forbearance by the FCC. See, e.g., Virgin Mobile Order. That forbearance is not at issue in this Petition.

⁷³ Petition at 5.

⁷⁴ 47 U.S.C. § 214(e)(1), (e)(6).

⁷⁵ February 8, 2019 Supplement at 2.

⁷⁶ VNCI’s petition was filed prior to Pennsylvania’s becoming a National Verifier state. ETCs accepting and processing applications through the National Verifier must obtain (and retain) verification of eligibility, identity, address, age as well as an e-signature. The National Verifier initiated an application programming interface (API) that ETCs can interface with their own website. <https://www.usac.org/lifeline/additional-requirements/record-keeping/>

⁷⁷ February 8, 2019 Supplement at 6.

⁷⁸ February 8, 2019 Supplement at 5.

3. 47 C.F.R. § 54.202

Additional Requirements

VNCI also meets the additional requirements for ETC designation as outlined at 52 Pa. Code § 69.2501 and set forth in Section 54.202, as discussed below.

a. 47 C.F.R. § 54.202(a)(1)

Compliance with Service Requirements

In order to satisfy these criteria, an ETC applicant must demonstrate its commitment and ability to provide supported services throughout the Designated Area: (1) by providing services to all customers making a reasonable request for service within the ETC’s Designated Area; and (2) by submitting a formal network improvement plan that demonstrates how universal service funds will be used to improve coverage, signal strength, or capacity that would not otherwise occur absent the receipt of high-cost support.

To satisfy the first prong and ensure that an ETC serves requesting customers in its Designated Area and demonstrates its capability and commitment to provide service throughout its designated service area to all customers who make a reasonable request for service, the FCC requires an ETC to make specific commitments to provide services to requesting customers in that part of the service area for which it is designated an ETC. If the ETC’s network already passes or covers the potential customer’s premises, the ETC should provide service immediately. In those instances where a request comes from a potential customer within proximity of the petitioner’s Designated Area but outside its existing network coverage, the petitioner should provide service within a reasonable period of time if service can be provided at reasonable cost.

VNCI certifies that it will comply with all applicable requirements related to receipt of high-cost support, consistent with 47 C.F.R. § 54.202(a)(1)(i). VNCI commits to providing voice and broadband service, including all of the supported services throughout its Designated Area to all customers making a reasonable request for services, as required by 47 C.F.R. § 54.202(a)(1)(i).⁷⁹ VNCI will also offer Lifeline services as required by the FCC’s rules at all locations where it has been awarded support in accordance with 47 C.F.R. 54.101(d).⁸⁰

For supported locations in the eligible CBGs, VNCI certifies in its Petition that it will satisfy the FCC’s deployment obligations at 47 C.F.R. § 54.310(c) applicable to recipients of CAF Phase II support monies awarded through Auction 903. Specifically, VNCI’s Designated Area in Pennsylvania is throughout the six CAF II census blocks in Erie County listed in its Petition at Exhibit 2 and as identified above.⁸¹

The “five-year plan” requirement set forth in 47 C.F.R. § 54.202(a)(1)(ii) is inapplicable to VNCI. The FCC has eliminated the five-year improvement plan requirement for price cap carriers, rate-of-return carriers and petitioners seeking ETC designation to become eligible to receive Auction 903 support.⁸² Therefore, since VNCI is a win-

⁷⁹ Petition at 6.

⁸⁰ Id.

⁸¹ PA-049-0004001, PA-049-0011001, PA-049-0112021, PA-049-0115072, PA-049-0117022, and PA-049-0124001. See note 24, supra.

⁸² See Connect America Fund et al., Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3166, 3168, ¶¶ 216, 220 (2016) (eliminating five-year plan and related progress reports for federal rate-of-return and price cap carriers) (2016 Rate-of-Return Reform Order); see also Notice, WCB Reminds Connect America Fund Phase II Auction Applicants of the Process for Obtaining a Federal Designation as an Eligible Telecommunications Carrier, WC Docket Nos. 09-197 and 10-90, Public Notice, 33 FCC Rcd 6696, 6699-6700 (WCB 2019) (Auction 903 ETC Public Notice).

ning bidder in Auction 903, it is not required to file a five-year improvement plan with this Commission.

b. 47 C.F.R. § 54.202(a)(2)

Functionality in Emergency Situations

An ETC applicant is required to demonstrate its ability to remain functional in emergency situations. In order to satisfy this criterion, an applicant must demonstrate it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.

VNCI certifies that it has the “ability to remain functional in emergency situations” in accordance with 47 C.F.R. § 54.202(a)(2).⁸³ VNCI has back-up power (either battery- or generator-supplied) sufficient to ensure functionality in the Designated Area without an external power source for a reasonable period of time, is able to re-route traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.⁸⁴ VNCI also represents that its technicians and engineers are trained to deploy in response to service outages and emergency situations.⁸⁵

c. 47 C.F.R. § 54.202(a)(3)

Customer Service and Service Quality Standards

For applicants seeking ETC designation for the purposes of becoming authorized to receive Auction 903 high-cost support, the FCC waived the requirement to submit proof of compliance with consumer protection and service quality standards—finding that the need for such requirements is obviated by specific service quality standards applicable to Auction 903 winning bid areas and specific reporting obligations relating to such standards.⁸⁶ Nonetheless, under independent Pennsylvania law, VNCI must still demonstrate that it will satisfy applicable state consumer protection and service quality standards.

VNCI certifies that it will satisfy applicable state consumer protection and service quality standards in accordance with 47 C.F.R. § 54.202(a)(3) and under independent Pennsylvania state law.⁸⁷ VNCI notes that it also provides its customers with other service quality and consumer protection benefits.⁸⁸ VNCI states that it is a local company serving the needs of individuals and businesses in the Erie region, that its managers and employees are located in the region and are attuned to market needs in that area, and that, as a result, VNCI has a record of excellence in customer satisfaction.⁸⁹ In addition, VNCI asserts that it maintains policies for consumer privacy protections.⁹⁰

d. 47 C.F.R. §§ 54.202(a)(4), 54.202(a)(5), and 54.202(a)(6)

Financial and Technical Ability and Terms and Conditions of Lifeline Plans

Generally, a carrier seeking only low-income support under Subpart E, 47 C.F.R. §§ 54.400–54.422, must demonstrate that it possesses the financial and technical ability to provide Lifeline service. A carrier seeking only low-income support also must submit information describ-

ing the terms and conditions of any voice telephone service plans and the terms and conditions of any broadband Internet access service plans offered to Lifeline subscribers.

VNCI certifies that it is not seeking designation as an ETC for purposes of receiving support only under 47 C.F.R., Chapter I, Subchapter B, Part 54, Subpart E, which is Lifeline-only support.⁹¹ Therefore, VNCI argues that 47 C.F.R. sections 54.202(a)(4), (a)(5), and (a)(6) are inapplicable to VNCI.

However, VNCI must participate in the federal Lifeline program as a condition of receiving an ETC designation to receive high-cost support, and VNCI is required to offer Lifeline service to qualifying low-income eligible customers or households in its Designated Area. Therefore, the Commission determines that VNCI must still demonstrate financial and technical ability to provide Lifeline service.

We find VNCI fit to provide Lifeline service in Pennsylvania. As part of our granting its application to operate as a CAP and CLEC in Pennsylvania, we have previously concluded that VNCI has demonstrated it is technically, managerially, and financially fit to offer the proposed services. Moreover, we are administratively aware that VNCI was one of the successful bidders in the FCC’s CAF II Auction 903 that is aiding with the construction of the planned network facilities in Pennsylvania, and that the FCC’s CAF II bidding process required the substantive demonstration of managerial, technical, and financial fitness elements for the participation of the successful bidders.⁹²

We also find that VNCI has provided the requisite information about its Lifeline service plan offerings. Upon review, VNCI in its Petition commits to offering Lifeline services, consistent with the FCC’s rules and the Commission’s rules and guidelines. And, VNCI’s supplements include the requisite description of its voice and Internet access service offerings for Lifeline subscribers.⁹³ Accordingly, we find that VNCI meets the requirements of 47 C.F.R. § 54.202(a)(5) and 47 C.F.R. § 54.202(a)(6) as well.

e. 47 C.F.R. § 54.202(b)

Public Interest Standard

When making a public interest determination for an ETC designation, the FCC historically has considered the benefits of increased consumer choice and the unique advantages and disadvantages of the petitioner’s service offering.⁹⁴ In particular, granting an ETC designation may serve the public interest by providing a choice of service offerings in rural and high-cost areas. However, the value of increased competition, by itself, may not satisfy the public interest test.

In this case, we believe the public interest standard has been met through VNCI’s participation in the CAF II process. Such participation will allow VNCI to offer voice and broadband data services to areas in Pennsylvania

⁸³ Id.

⁸⁴ See, e.g., FCC Public Notice, Instructions for Short-Form Application to Participate in the Connect America Fund Phase II Auction Scheduled to Begin on July 24, 2018, AU Docket No. 17-182, (FCC Rel. March 8, 2018), DA 18-182; FCC Public Notice, Technical Guide on Proposed Bidding Procedures for the Connect America Fund Phase II Auction, AU Docket No. 17-182, WC Docket No. 10-90, (FCC Rel. August 4, 2018), DA 17-733.

⁸⁵ See October 1, 2019 and December 10, 2019 supplements.

⁸⁶ Federal-State Joint Board on Universal Service, Highland Cellular, Inc. Petition for Designation as an Eligible Telecommunications Carrier for the Commonwealth of Virginia, Memorandum Opinion and Order, 19 FCC Red. 6422, 6424, ¶ 4 (2004); Federal-State Joint Board on Universal Service, Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia, Memorandum Opinion and Order, 19 FCC Red 1563, 1565, ¶ 4 (2004).

⁸⁷ Petition at 7.

⁸⁸ Id.

⁸⁹ Id.

⁹⁰ See Auction 903 ETC Public Notice.

⁹¹ Petition at 8.

⁹² Id.

⁹³ Id.

⁹⁴ Id.

that currently do not have broadband service. VNCI was a winning bidder in Auction 903 in the following manner:

<i>Bidder</i>	<i>State</i>	<i>Total Assigned Support for 10-Year Period</i>	<i>Locations Assigned</i>
Velocity.Net Communications, Inc.	PA	\$230,016	39

ETC designations in areas where a winning bidder is authorized to receive Auction 903 support serve the public interest. That arises, in part, because approving an ETC designation for VNCI permits it to secure the release of the total 10-year support by the FCC from Auction 903 to deploy broadband-capable networks in rural underserved areas in Pennsylvania that might otherwise prove more expensive or longer to deploy.

Receipt of Auction 903 CAF Phase II federal funds is a considerable benefit to Pennsylvania, which is otherwise a net-contributor state to federal USF funding. It will facilitate the provision of additional access to voice and broadband service to Pennsylvania consumers in rural areas that are expensive and difficult to serve. Recipients of CAF Phase II support are required to offer broadband service at modern speeds, with latency suitable for real-time applications, including VoIP, usage capacity that is reasonably comparable to comparable offerings in urban areas, and at rates that are reasonably comparable to rates for comparable offerings in urban areas. VNCI certifies that it will abide by the FCC's rules for broadband service in accordance with 47 C.F.R. § 54.309.⁹⁵

Certifying VNCI as an ETC is in the public interest, pursuant to 47 C.F.R. § 54.202(b), because it will permit VNCI to obtain over \$230,000 in federal high-cost support to provide voice and broadband service to areas that currently do not have modern broadband service.⁹⁶ By selecting VNCI as a recipient of CAF II funds, the FCC has recognized that the services that VNCI intends to offer will advance the goal of universal service and provide needed broadband service to a currently underserved areas. ETC designation will allow VNCI to fulfill the requirements of the CAF II and apply the high cost support in Pennsylvania for the purposes it was intended.⁹⁷

Moreover, VNCI may possibly replace the current federal price cap ETC as the only carrier receiving federal USF high-cost support in these local exchanges.⁹⁸ In the December 2014 Connect America Order, the FCC determined that federal price cap carriers can remove their ETC status via the Section 214 process if (1) the census block is determined to be low cost; (2) the census block is served by an unsubsidized competitor offering voice and broadband at speeds of 10/1 Mbps or better to all eligible locations; or (3) the census block is served by a subsidized competitor (another ETC) receiving federal high-cost support to deploy modern networks capable of

providing voice and broadband to fixed locations.⁹⁹ While Section 214(e)(4) of the Act enables a price cap ETC to seek relinquishment of its ETC designation, it also requires states (or the FCC if it designated the ETC) to "ensure that all customers served by the relinquishing carrier will continue to be served."¹⁰⁰ Hence, if all other ETCs in VNCI's particular Designated Area are permitted to relinquish their ETC designations by the Commission, VNCI, as the competitive ETC, may be required to ensure that all customers served by the relinquishing carriers in their respective designated service areas will continue to be served.¹⁰¹

Since an ETC designation will assist VNCI to secure federal universal service high-cost support funding under CAF Phase II in various census blocks in specific local exchanges and also provide voice while promoting the deployment of advanced telecommunications and BIAS to all regions of the Commonwealth, the Commission determines that ETC designation for VNCI is in the public interest. It promotes both the FCC's and the Pennsylvania General Assembly's goals of preserving and advancing universal service and ensuring the availability of quality telecommunications services at just, reasonable, and affordable rates within rural and high-cost areas. See 66 Pa.C.S. § 3011(2).

f. 47 C.F.R. § 54.202(c)

Tribal Lands

ETC designation to serve any tribal lands is inapplicable in Pennsylvania, making Section 54.202(c) inapplicable to VNCI's Petition.

g. 47 C.F.R. § 54.202(d) and (e)

Designation as Lifeline Broadband Provider

A Lifeline Broadband Provider (LBP) is a service provider that will provide only Lifeline-supported broadband service, and not Lifeline-supported voice service. VNCI is not seeking designation as Lifeline Broadband Provider. Therefore, 47 C.F.R. § 54.202(d) and (e) are inapplicable to VNCI's Petition.¹⁰²

4. 47 C.F.R. § 54.203

ETCs for Unserved Areas

Because VNCI's Petition does not involve service to an unserved area, Section 54.203 is not applicable.

5. 47 C.F.R. § 54.205

Relinquishment of Universal Service

If at some point in the future VNCI seeks to relinquish its ETC designation, VNCI will comply with the requirements of 47 C.F.R. § 54.205 as well as requirements of independent Pennsylvania law.

⁹⁹ See December 2014 Connect America Order, Report and Order, 29 FCC Red 15644, 15663-71, ¶¶ 50-70.

¹⁰⁰ 47 U.S.C. § 214(e)(4) (emphasis added).

¹⁰¹ 2005 ETC Designation Order, 20 FCC Red at 6386, ¶ 36. The FCC stated that under Section 214(e)(4) of the Act, the state commission or, in the case of a common carrier not subject to state commission jurisdiction, the FCC "shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier." However, prior to allowing the carrier to cease providing universal service in the area, the remaining ETC or ETCs will be required to ensure that all customers served by the relinquishing carrier will continue to be served. Furthermore, under Section 251(h)(2) of the Act, the Commission may treat another carrier as the incumbent LEC if that carrier occupies a position in the market that is comparable to the position occupied by the incumbent LEC, if such carrier has substantially replaced an incumbent LEC, and if such treatment is consistent with the public interest, convenience and necessity. Moreover, applicable Pennsylvania law notwithstanding, ILECs seeking to relinquish their ETC designations will remain obligated, however, to maintain existing voice service unless and until they receive authority under 47 U.S.C. § 214(a) to discontinue that service. They also will remain subject to the obligation to offer Lifeline service to qualifying low-income consumers or households throughout their service territory.

¹⁰² Petition at 9.

⁹⁵ Petition at 9.

⁹⁶ Petition at 9.

⁹⁷ *Id.*

⁹⁸ Notwithstanding Pennsylvania state law, a state commission must allow an ETC to relinquish its designation in any area served by more than one ETC pursuant to Section 214(e)(4) of the Act if conditions are met. See 47 U.S.C. § 214(e)(2). The relinquishing ETC must provide advance notice of such relinquishment to the state commission. Prior to allowing the relinquishing carrier to cease providing universal service, the state commission must require the remaining ETC or ETCs to ensure that all customers served by the relinquishing carrier will continue to be served. The state commission also must require sufficient notice to the remaining ETC or ETCs to permit the purchase or construction of adequate facilities, with such purchase occurring within a specific time period. See 47 U.S.C. § 214(e)(4).

6. 47 C.F.R. § 54.207

Service Areas

Generally, once an entity is designated an ETC¹⁰³ in a service area, it must offer the supported services throughout that entire service area. The term service area¹⁰⁴ generally means the overall geographic area for which the carrier shall receive support from federal universal service support mechanisms.¹⁰⁵ A service area is established by a state commission for the purpose of determining universal service obligations and support mechanisms.

VNCI was a winning bidder in specific eligible CBGs in Pennsylvania located in a discrete part of the service area of Verizon North, which is a non-rural ILEC. Consequently, in its Petition, VNCI is seeking ETC designation only in those CAF-eligible census blocks located in Verizon North's service area where it was awarded CAF Phase II support funding via Auction 903. In the ETC Designation Order, the FCC adopted one set of criteria for evaluating the public interest for ETC designations for both rural and non-rural areas.¹⁰⁶ The FCC noted in the ETC Designation Order, however, the same factors may be analyzed differently or may warrant a different outcome depending on the specifics of the proposed service area and whether it is rural or non-rural.¹⁰⁷ Since VNCI is seeking ETC designation below the study area level of a non-rural ILEC, redefinition of the study area level, or service area, is inapplicable. Moreover, the FCC rules regarding the redefinition process for Auction 903 recipients have been waived by the FCC.¹⁰⁸

Based on our analysis of VNCI's Petition and the applicable law, we conclude that redefinition is not required and approve VNCI's request for an ETC designation below the study area level of Verizon North.¹⁰⁹

B. Certification of Eligibility for Benefits under the Anti-Drug Abuse Act

Petitioners must certify that neither the petitioner nor any party to the petition is subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, as implemented in Section 1.2002 of the FCC's rules.¹¹⁰ VNCI certifies that no party to its Petition is subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.¹¹¹

¹⁰³ 47 U.S.C. § 254(e) (stating that only an ETC is "eligible to receive specific Federal universal service support").

¹⁰⁴ The term "study area" is synonymous with an ETC's service area and is a term of art used by Universal Service Administrative Company (USAC) to describe the ETC's service area for funding purposes.

¹⁰⁵ 47 C.F.R. § 54.207(a).

¹⁰⁶ ETC Designation Order, 20 FCC Rcd at 6389-90, paras. 42-43.

¹⁰⁷ If an area is served by a rural ILEC, the Act defines the service area for the purpose of designating an ETC to be the rural ILEC's entire study (or service) area for federal universal service support purposes. Generally, when a competitive ETC seeks to serve an area already served by a rural ILEC, Section 214(e)(5) of the Act imposes an additional requirement that the competitive ETC's service area must conform to the rural ILEC's service area. Thus, it is only when an ETC applicant seeks designation below the study (service) area level of a rural ILEC that redefinition comes into play. If a state commission seeks to designate a competitive ETC in a rural ILEC's service area that differs from the rural ILEC's existing service area, that rural service area must first be redefined under the process set forth under the Act, and the Commission would be required to conduct a cream-skimming analysis to compare the population density of the wire centers in which the ETC applicant seeks designation against that of the wire centers in the study area in which the ETC applicant does not seek designation. See ETC Designation Order, 20 FCC Rcd at 6392-95, paras. 48-53.

¹⁰⁸ See Connect America Fund et al., Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 5949, 6005-09, ¶¶ 157-168 (2016) (Phase II Auction Order).

¹⁰⁹ Cf. Petition of Tri-Co Connections, LLC for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Pennsylvania, Docket No. P-2018-3005127 (Order entered April 11, 2019) (Tri-Co Connections).

¹¹⁰ See 47 C.F.R. § 1.2002.

¹¹¹ Petition at 12.

C. VNCI Satisfies the FCC's Rules and Federal Requirements Governing High-Cost ETC Designations

Based upon our review of VNCI's Petition, as supplemented, we determine that VNCI satisfies all the applicable and relevant FCC rules and federal requirements necessary to obtain an ETC designation for the purpose of receiving Auction 903 high-cost support. We understand that VNCI specifically stated in its Petition that it is seeking ETC designation in Pennsylvania. This limited designation of VNCI as a federal high-cost ETC in the high-cost CAF-eligible census blocks in Pennsylvania is in the public interest.¹¹²

Consumers will benefit from the Commission's decision to designate VNCI an ETC in the census blocks specified in its Petition and this Order, which will allow VNCI to receive the CAF Phase II support to expand voice and broadband-capable networks with service quality that meets the FCC's and Pennsylvania's requirements. As an ETC receiving federal high-cost support, VNCI is obligated to ensure that the support it receives is being used only for the provision, maintenance, and upgrading of facilities and services in the areas where it is designated an ETC. Additionally, because VNCI will also be providing voice and BIAS to non-Lifeline customers, we require VNCI to comply with applicable Commission and FCC requirements governing the delivery of voice and BIAS to non-Lifeline consumers.

VNCI is being designated a federal high-cost ETC only in the CAF-eligible census blocks covered by VNCI's award in Auction 903 that are located in Verizon North's service territory. The Commission cautions VNCI that it may replace the current incumbent ETC in the future as the only carrier receiving federal high-cost support in the local exchanges where it has received an ETC designation. The Commission acknowledges that an incumbent ETC in VNCI's Designated Area may seek and be granted relinquishment by the Commission of its respective ETC designations under 47 U.S.C. § 214(e)(4). If such relinquishment occurs, VNCI, as the competitive ETC, will be required to ensure that all customers served by a relinquishing carrier in its Designated Area will continue to be served.

II. Federal Requirements of Eligible Telecommunications Carriers for Universal Service Support for Low-Income Consumers

Upon receipt of a federal high-cost ETC designation, a winning CAF bidder is required to offer Lifeline services and is required to comply with the rules and requirements of the federal Lifeline program. These rules and requirements have now been amended by the FCC's Lifeline Reform Orders and are codified at 47 C.F.R. §§ 54.101, et seq. Thus, VNCI is required to offer Lifeline-supported services only in the high-cost eligible census blocks for which it will receive CAF Phase II high-cost support via Auction 903 support, i.e. its Designated Area.¹¹³

The major goal of the FCC's Lifeline Reform Orders was to implement procedures designed to preserve federal

¹¹² In its ETC Petition, VNCI's ETC designation request was limited only to those CAF-eligible census blocks for which it had been awarded Auction 903 funding support. We note that this specific request is unlike other Pennsylvania Auction 903 winning bidders that may have included in their ETC designation request certain areas that are adjacent to the CAF-eligible census blocks where they submitted a winning bid. In those instances, the petitioners are not eligible to receive CAF Phase II high-cost support funding via Auction 903 in those adjacent areas and, thus, can only receive a Lifeline-only designation in those areas. Cf. Tri-Co Connections.

¹¹³ As previously noted, VNCI's request for ETC designation was limited to its Designated Area—the CBGs for which it was awarded Auction 903 support. Therefore, VNCI is not seeking a Lifeline-only ETC designation for any census blocks outside its Designated Area and is not authorized to offer Lifeline service beyond its Designated Area.

USF resources and prevent waste, fraud and abuse. To that end, the FCC codified rules governing the entire process of Lifeline reimbursement from the USF. These changes established defined terms governing the provision of low-income support and established parameters governing a carrier's duties and eligibility for USF low-income support. Specifically, revised Section 54.400 establishes relevant terms and definitions for provision of Lifeline; Section 54.401 defines Lifeline as a non-transferrable retail service; Section 54.403 establishes the Lifeline support amounts that ETCs may seek from the federal USF; and Section 54.404 requires the creation of the National Lifeline Accountability Database (NLAD),¹¹⁴ which intends to provide a national database for ETCs to cross-check subscriber eligibility as a means to eliminate the federal USF support for duplicative or otherwise ineligible subscribers.

Further, the Lifeline Reform Orders instituted substantial changes that have impacted consumer qualification for Lifeline, including: Section 54.410 (Subscriber Eligibility Determination); Section 54.416 (Annual Certifications by ETCs); Section 54.417 (Record Keeping Requirements); and Section 54.422 (Annual Reporting for ETCs that Receive Low-income Support). These regulations govern the prerequisite duties of an ETC seeking low-income support from the federal USF.

All current and future ETCs must meet the minimum standards set forth in the FCC's Lifeline Reform Orders. All minimum federal requirements of the FCC's Lifeline Reform Order not expressly discussed herein, are nonetheless applicable to ETC designation requests in Pennsylvania. This includes any subsequent developments in those federal requirements.

A. *The FCC's Rules Governing Lifeline*

1. *47 C.F.R. § 54.410*

Subscriber Eligibility Determination and Annual Certifications

The requirements for subscriber eligibility determination and annual certification requirements in Section 54.410 of the FCC's rules are the major requirements established to prevent waste, fraud, and abuse. These requirements pertain to consumer eligibility factors for Lifeline and the corresponding obligation for continued verification of that eligibility. Thus, every Lifeline consumer's eligibility is to be recertified annually.

In its 2016 Lifeline Order, the FCC established the National Verifier as the entity designated to make eligibility determinations and perform a variety of other functions necessary to enroll eligible subscribers into the Lifeline Program. As outlined in the 2016 Lifeline Order, "[t]he Commission's key objectives for the National Verifier are to protect against and reduce waste, fraud, and abuse; to lower costs to the Fund and Lifeline providers through administrative efficiencies; and to better serve eligible beneficiaries by facilitating choice and improving the enrollment experience."¹¹⁵ The National Verifier is a centralized system that determines whether subscribers are eligible for Lifeline. The Universal Service

Administrative Company (USAC) manages the National Verifier and its customer service department, the Lifeline Support Center. Service providers can help Lifeline consumers obtain an eligibility decision from the National Verifier through the service provider portal, or consumers can apply on their own by mail or online. USAC will determine if the applicant is eligible for Lifeline.

The National Verifier was fully launched in Pennsylvania in March of 2019 and is now the only means used for eligibility determination. New and potential Lifeline consumers will receive their initial income- or program-based eligibility determination by signing into CheckLifeline.org from any computer or mobile device to create an account, receive an eligibility decision, and use the list of service providers in their area to contact one to enroll. VNCI must use the National Verifier to verify eligibility for its potential Lifeline customers given USAC's implementation of the National Verifier in Pennsylvania.¹¹⁶

Additionally, Section 54.410(f) of the federal rules provides for an annual recertification process by which each subscriber's eligibility for Lifeline service must be recertified. 47 C.F.R. § 54.410(f). In Pennsylvania, service providers must use the National Verifier. Lifeline subscribers will be recertified either automatically through the National Verifier's state/federal data sources or receive a recertification request from USAC.

The FCC modified Sections 54.410(b)(2)(ii), (c)(2)(ii), and (e) of its rules to clarify that where use of the National Verifier determines the consumer's initial eligibility determination or recertification, the National Verifier is not required to deliver copies of those source documents to the ETC. The FCC determined that this amendment to the rules was consistent with its goals that the National Verifier ease burdens on Lifeline service providers while improving privacy and security for consumers applying to participate in the program.

Further, this amendment brings Section 54.410 of the rules in line with the FCC's stated intent in the 2016 Lifeline Order that Lifeline providers would not be required to retain eligibility documentation for eligibility determinations made by the National Verifier as it presents unnecessary risk to the privacy and security of subscriber information. Thus, VNCI is not required to retain documentation of eligibility criteria determinations by the Lifeline National Verifier.¹¹⁷

VNCI must comply with the federal policy for de-enrolling an account from Lifeline support for non-use is consistent with the FCC rules. VNCI must certify that if it receives notification from the Universal Service Administrative Company (USAC), the administrator of universal service, that a subscriber is receiving Lifeline service from another ETC or if another member of the household is receiving Lifeline service, it will de-enroll that subscriber in accordance with Section 54.405(e)(2) of the FCC's rules. Additionally, if VNCI has a reasonable basis to believe that a Lifeline subscriber is no longer eligible to receive Lifeline service, it will notify that subscriber of impending termination of service utilizing a combination of communication methods including calling the subscriber. The subscriber will then have 30 days to demonstrate appropriate eligibility for Lifeline service via NLAD that it is eligible for Lifeline.

¹¹⁴ NLAD is a national database that allows service providers to check on a real-time, nationwide basis whether a consumer is already receiving a Lifeline Program-supported service. Thus, the NLAD is used to prevent duplicative Lifeline enrollments. In 2016, the FCC established the Lifeline National Eligibility Verifier to make eligibility determinations to enroll eligible subscribers into the Lifeline Program. There are a variety of criteria by which an applicant can demonstrate Lifeline eligibility, including income eligibility or participation in various federal assistance programs. USAC, the federal USF administrator, manages both the National Verifier and NLAD. As to VNCI's de-enrollment processes, however, as stated *infra*, VNCI's ongoing Lifeline requirement remains subject to future developments for Lifeline service in general under state and federal law.

¹¹⁵ 2016 Lifeline Order, 31 FCC Red at 4007, ¶ 128.

¹¹⁶ For low-income consumers residing in group facilities or at an address shared by multiple households, the FCC's "One Per-Household rule" establishes that a "household" is defined as "any individual or group of individuals who are living at the same address as one economic unit." 47 C.F.R. § 54.400(h). Lifeline applicants may demonstrate at the time of enrollment that another Lifeline recipient resides at their address as part of a separate household.

¹¹⁷ 47 C.F.R. § 54.410(c) and (d).

Additionally, VNCI must certify that it will de-enroll Lifeline customers for non-usage and failure to recertify in accordance with Sections 54.405(e)(3) and (4), respectively, of the FCC's rules. Furthermore, VNCI must certify that it will de-enroll subscribers who have not used their Lifeline service for a period of 30 days. Pursuant to procedures outlined in the FCC's rules, following 30 days of non-usage by a Lifeline subscriber, VNCI must send a notice to that subscriber stating that failure to use the service within the next 15 days will result in de-enrollment from Lifeline service. However, where a carrier bills on a monthly basis and collects or makes a good faith effort to collect any money owed within a reasonable amount of time, the Lifeline service provider will not be subject to the non-usage requirements.

VNCI agrees it will comply with the National Verifier's consumer eligibility determinations per the applicable FCC rules. This includes the FCC's Lifeline Reform Orders' amendment to the minimum eligibility criteria for consumers to receive Lifeline support, the revision to the eligibility determination process through the use of the National Verifier, de-enrollment process, and the modification of the annual recertification process as the National Verifier will also recertify subscribers each year.

2. 47 C.F.R. §§ 54.416, 54.417 and 54.422

Annual Certifications, Recordkeeping and Reporting

As previously noted, the FCC's rules contain certain annual certification, recordkeeping, and reporting requirements for ETCs participating in the Lifeline program. For one, a service provider must annually certify in FCC Form 555 that is submitted to USAC that it complies with all applicable federal Lifeline certification procedures. The ETC certifies that it has policies and procedures in place to ensure that its Lifeline subscribers are eligible to receive Lifeline services.¹¹⁸ Consistent with our prior discussion related to Section 54.410(f), VNCI's Lifeline subscribers will be recertified either automatically through the National Verifier's state/federal data sources, or receive a recertification request from USAC. In any event, VNCI in its Petition represents that it will establish procedures to comply with these provisions.

B. VNCI Satisfies All the Federal Requirements Regarding Lifeline

As a CAF II winning bidder and high-cost ETC, VNCI is obligated to offer Lifeline-supported services only in its Designated Area. VNCI also is obligated to comply with the rules and requirements of the federal Lifeline program, including, inter alia, compliance with the FCC's updated rules for determining subscriber eligibility and annual recertification. Based upon our review of VNCI's Petition, as supplemented, we determine that VNCI satisfies all the applicable and relevant FCC rules and federal requirements regarding Lifeline.

III. Pennsylvania-Specific Requirements for ETC Designation

In addition to the minimum federal standards above, through our ETC Guidelines, VNCI must comply with Pennsylvania statutory law and Commission orders which govern Pennsylvania's Lifeline program.¹¹⁹ See 52 Pa. Code § 69.2501(b).

¹¹⁸ 47 C.F.R. § 54.416.

¹¹⁹ Because the FCC's Lifeline Reform Order discontinued the Link-Up support from the federal USF, all references to Link-Up programs are now inapplicable.

A. Section 3019(f) Requirements

Section 3019(f) of the Pennsylvania Public Utility Code (Code), 66 Pa.C.S. § 3019(f), and the Commission's PA Lifeline Order set forth the minimum Pennsylvania requirements for ETCs seeking low-income support from the federal Lifeline Program. Section 3019(f) includes the following requirements for ETCs:

(1) All eligible telecommunications carriers certificated to provide local exchange telecommunications service shall provide Lifeline service to all eligible telecommunications customers who subscribe to such service.

(2) All eligible telecommunications customers who subscribe to Lifeline service shall be permitted to subscribe to any number of other eligible telecommunications carrier telecommunications services at the tariffed rates for such services.

(3) Whenever a prospective customer seeks to subscribe to local exchange telecommunications service from an eligible telecommunications carrier, the carrier shall explicitly advise the customer of the availability of Lifeline service and shall make reasonable efforts where appropriate to determine whether the customer qualifies for such service and, if so, whether the customer wishes to subscribe to the service.

(4) Eligible telecommunications carriers shall inform existing customers of the availability of Lifeline services twice annually by bill insert or message. The notice shall be conspicuous and shall provide appropriate eligibility, benefits and contact information for customers who wish to learn of the Lifeline service subscription requirements.

(5) Eligible telecommunications carriers shall provide the department of public welfare with Lifeline service descriptions and subscription forms, contact telephone numbers, and a listing of the geographic area or areas they serve, for use by the department of public welfare in providing the notifications required by this paragraph.

(6) No eligible telecommunications carrier shall be required to provide after the effective date of this section any new Lifeline service discount that is not fully subsidized by the federal universal service fund.¹²⁰

VNCI certifies that it will comply with the requirements for ETC designation contained in Section 3019(f) of the Code and the Pennsylvania Lifeline Order.¹²¹ VNCI will provide its Lifeline service to all eligible telecommunications customers who wish to subscribe to such service and who reside within its Designated Area. The company also will agree to permit eligible customers to subscribe to any number of its other telecommunications services at the standard rates for such services. VNCI will establish protocols so that whenever a prospective customer in its Designated Area seeks to subscribe to VNCI's service, VNCI will explicitly advise the customer of the availability of Lifeline service and shall meet federal requirements to determine whether the customer qualifies for such service and, if so, whether the customer wishes to subscribe to the service.

Furthermore, VNCI will inform existing customers of the availability of Lifeline service twice annually by text, or email message. To comply with Section 3019(f)(4), VNCI is to inform existing customers of the availability of Lifeline service twice annually by conspicuous bill insert or message that provides eligibility, benefit and contact information. Finally, VNCI will provide the Com-

¹²⁰ In Re: Lifeline and Link-Up Programs, Docket No. M-0051871, Order (May 23, 2005); 52 Pa. Code § 69.2501.

¹²¹ Petition at 10.

monwealth's DHS its Lifeline service descriptions and subscription forms, contact telephone numbers and a listing of the geographic area or areas it serves for the DHS's use in providing notification under Section 3019(f)(5).

B. Other Pennsylvania Requirements and Relevant Reporting Requirements

In addition to the Pennsylvania statutory requirements, the Commission has established Lifeline eligibility criteria, as well as procedures for certification and verification of a consumer's initial and continuing eligibility.¹²² We note that many Pennsylvania-specific requirements set forth in our PA Lifeline Order such as the requirements for certification and verification of a customer's initial and continued eligibility for Lifeline services have been impacted by Lifeline developments at the federal level. For example, the creation of the NLAD at 47 C.F.R. § 54.404, has led to changes in the Pennsylvania-specific requirements for eligibility verification.

Additionally, ETCs are further ordered to report to the Commission annual changes in Pennsylvania Lifeline enrollment.¹²³ The Commission continues to reserve its right to impose separate state-specific requirements where necessary for the protection of the Commonwealth's consumers. As shown below, VNCI commits to complying with relevant requirements set forth in the Pennsylvania Lifeline Order, Tracking Report Order,¹²⁴ and Policy Statement¹²⁵ that are applicable to a facilities-based provider.

1. Compliance with Eligibility Certification and Verification

As a condition of its ETC designation, VNCI must query the NLAD to ascertain a potential Lifeline applicant's eligibility for service. Compliance with the Lifeline eligibility verification requirements are essential for prevention of waste, fraud and abuse. In particular, all ETCs designated by this Commission are required to take the necessary steps to ensure that Lifeline support paid by the federal USF to the carrier is remitted only for eligible low-income consumers or households.

As stated above, VNCI must use the National Verifier when helping consumers apply to the Lifeline Program. In addition, VNCI must include a public education component as part of its Lifeline outreach program to ensure that consumers are aware of and can participate in, the eligibility determination from the National Verifier.

By our PA Lifeline Order we also required eligibility be confirmed annually and required.¹²⁶

That LECs offering Lifeline . . . services are directed to recertify their Lifeline . . . customers at least annually in accordance with FCC procedures established at 47 C.F.R. § 54.410 (relating to certification and verification of consumer qualifications for Lifeline).[.]”

¹²² In Re: Lifeline and Link-up Programs, Docket No. M-00051871 (Order entered May 23, 2005) (PA Lifeline Order).

¹²³ Re: Section 3015(f) Review Regarding Lifeline Tracking Report, Accident Report, and Services Outage Report, 100 Pa. P.U.C. 553 (Dec. 30, 2005) (Tracking Report Order).

¹²⁴ Re: Section 3015(f) Review Regarding Lifeline Tracking Report, Accident Report, and Services Outage Report, 100 Pa. P.U.C. 553 (Dec. 30, 2005).

¹²⁵ Final Policy Statement on Commonwealth of Pennsylvania Guidelines for Designation and Annual Recertification as an Eligible Telecommunications Carrier (ETC) for Purposes of Federal Universal Service Support, Docket No. M-2010-2164741, Final Policy Statement Order (Aug. 2, 2010).

¹²⁶ Both Pennsylvania and the FCC eliminated the Lifeline's subscriber ability to self-certify annually.

Pennsylvania Lifeline Order at 27.

VNCI is directed, as a condition of receiving an ETC designation, to ensure all of its Lifeline subscribers are recertified. VNCI's Lifeline subscribers will be recertified either automatically through the National Verifier's state/federal data sources or receive a recertification request from USAC.

Prior to recertification, however, we note that the FCC had adopted a reverification process that must occur to determine the continued eligibility of existing Lifeline subscribers. Reverification is the one-time process by the National Verifier to confirm that all existing Lifeline subscribers meet the eligibility standards. Reverification will be performed in groups based on subscribers' enrollment dates. Reverification will reset a subscriber's anniversary date. Subscribers will then be recertified one year after the date that they are successfully reverified.¹²⁷ Thereafter, Lifeline subscribers will be recertified either automatically through the National Verifier's state/federal data sources or receive a recertification request from USAC. Because VNCI has no existing Lifeline subscribers, we note that reverification likely will not be required since all VNCI's Lifeline customers will be newly certificated.

2. Compliance with the Tracking Report Order

As a condition of ETC designation, ETCs are required under Pennsylvania law to report to the Commission annual changes in Lifeline enrollment, per our Tracking Report Order. VNCI certifies that it will comply with this requirement to the extent applicable. Consistent with requirements imposed on other ETCs, VNCI will provide the Commission's BCS a copy of its annual Lifeline verification results that it files with USAC each year, as well as the FCC Form 497 Lifeline customer reporting worksheet (or any successor form) filed quarterly with USAC.¹²⁸

The Commission also has imposed the requirement on other Lifeline ETCs that they provide operator services, directory assistance and interexchange access (long distance) to Lifeline subscribers. VNCI's customers have the ability to reach directory assistance and operator services. Additionally, given that all of VNCI's Lifeline voice offerings would include long distance, all Lifeline customers are afforded such access.¹²⁹

Further, in order to ensure the Pennsylvania Lifeline program advances the Commonwealth's universal service policy, VNCI shall be required to provide to BCS a copy of its annual Lifeline Eligible Telecommunications Carrier Certification Form, FCC Form 555, that it files with USAC.¹³⁰ The FCC Form 555 reports the results of the annual recertification process and includes data accuracy certifications.

3. Chapter 64 Requirements for Standards and Billing Practices

As a condition of designation, VNCI agrees to comply with the standards and billing practices set forth in Commission regulations at 52 Pa. Code §§ 64.1—64.213. Compliance with Chapter 64 will ensure that VNCI customers receive the same protections as other Pennsylvania telecommunications services customers.

¹²⁷ See generally PA Lifeline Order and 47 C.F.R. § 54.410.

¹²⁸ Petition at 12.

¹²⁹ Id.

¹³⁰ As previously stated in the discussion of Section 54.410 of the FCC regulations, ETCs designated in Pennsylvania must provide our BCS copies of the reports submitted to USAC for purposes of low-income USF support, these reports include, among others, those listed in our PA Lifeline and Tracking Report Orders.

4. *Consumer Lifeline-Related Complaints Processed by the Bureau of Consumer Services*

As a final condition of designation, VNCI agrees to work with BCS to resolve informal complaints and to submit to Commission jurisdiction on formal complaints filed by VNCI Lifeline customers on Lifeline and other related issues.

Consistent with conditions imposed on other Lifeline ETCs, VNCI is amenable to cooperating with BCS in resolving any consumer-related complaints concerning any Lifeline service that VNCI offers in Pennsylvania.¹³¹ VNCI will provide BCS with copies of all advertising, promotional and general Lifeline program-related customer notices and communications on an annual basis or upon request.¹³² Specifically, BCS will address Lifeline-related issues which pertain to the consumers' rights under VNCI's Residential Service Agreement, including: (1) eligibility disputes; (2) program offering issues; and (3) limited equipment-related issues.

Additionally, VNCI agrees to engage in advertising that is directed at promoting the availability of Lifeline service in its Designated Area.

Adherence to these Pennsylvania-specific requirements applicable to ETCs designated by the Commission will assure uniformity among Lifeline services offered by different ETCs, will provide consumer protection for low-income consumers, and will enable BCS to monitor Lifeline Program effectiveness in Pennsylvania.

5. *Change in Corporate Control and Renewed ETC Designation*

In the event of a change of or transfer in corporate control, as defined in Pennsylvania statutory law, case law, and Commission's regulations at 52 Pa. Code § 63.322, VNCI will have to petition this Commission for a renewal of its ETC status. Corporate changes of control may also be accompanied with changes in ETC status of a particular telecommunications entity with reference to the various and evolving support mechanisms of the federal USF. In this respect, this Commission is lawfully entitled to timely re-examine any such changes and ascertain whether a particular telecommunications entity should continue with an ETC designation. For this reason, we shall require VNCI to file for renewal of its ETC designation at the same time it files or is implicated in the filing of any application for a change or transfer of control under Pennsylvania law.

6. *Provision of ETC Application, Annual Certification and Promotional Materials to the Bureau of Consumer Services*

All ETCs are required to supply the Commission's BCS with copies of subscriber Lifeline applications, annual certifications, promotional/advertising materials and Lifeline-related customer notices to review for current information, consistency with eligibility determination criteria and annual certification requirements, and plain language requirements. Accordingly, as a condition of receiving ETC designation, VNCI is directed to provide the Commission with copies of any and all reports submitted to USAC, and, upon request, provide BCS with copies of subscriber Lifeline applications, promotional/advertising materials, annual certifications reports, and Lifeline-related customer notices. Any failure of VNCI to

comply with these requirements will be a basis for revocation of its ETC designation or other enforcement action.

7. *Reporting Requirements for State-Designated ETCs Receiving High-Cost Support*

In its 2016 Rate-of-Return Reform Order, the FCC eliminated many of the related reporting obligations for ETCs set forth in Form 481. However, the FCC amended the rules to require ETCs to provide additional detail regarding their broadband deployment during each year. Specifically, ETCs are now required to provide location and speed information of newly-served locations.¹³³ Additionally, those ETCs electing to receive CAF Phase II support were required to provide information for the geo-coded locations where they have newly-deployed voice and broadband services. Additionally, as a condition of receiving federal high-cost universal service support, ETCs must offer broadband service in their Designated Area that meets certain basic performance requirements and submit testing results as part of their annual compliance certification.¹³⁴ Carriers that do not comply with the FCC's speed and latency requirements will be subject to a reduction in support, commensurate with their level of noncompliance. In addition, providers will be subject to audit of all testing data.¹³⁵

VNCI must comply with the following reporting requirements. VNCI must submit to USAC the geocoded locations to which they have newly deployed broadband. This data will provide an objective metric showing the extent to which ETCs receiving high-cost support are using funds to advance as well as preserve universal service in rural areas, demonstrating the extent to which they are upgrading existing networks to connect rural consumers to broadband. VNCI will also be required to report the number of locations at the minimum speeds required by the FCC's rules. The location and speed data will be used to determine compliance with the FCC's associated deployment obligations. The geocoded location information should reflect those locations that are broadband-enabled where VNCI is prepared to offer service within ten business days that meets the FCC's minimum requirements for high-cost recipients subject to broadband public interest obligations. Additionally, VNCI must meet the specific speed and latency performance obligations to these fixed locations and are also required to submit testing results as part of their annual compliance certification.

VNCI must provide annual reports and certifications regarding specific aspects of its compliance with public interest obligations to the FCC, USAC, and this Commission, as the relevant state commission. These annual reporting requirements will provide the factual basis underlying this Commission's annual Section 254(e) certification by October 1st of every year that support is being used for the intended purposes.

C. *VNCI Satisfies All Pennsylvania-Specific Requirements for Lifeline*

In addition to the minimum federal standards mentioned above, all ETCs are required to comply with Pennsylvania law and Commission orders that govern Pennsylvania's Lifeline programs. 52 Pa. Code § 69.2501(b). As already determined above, VNCI commits to: (1) abide by the applicable eligibility certification and verification requirements set forth in the Commis-

¹³¹ In its February 8, 2019 Supplement, VNCI expressly provided BCS with direct contact information for VNCI staff to resolve Lifeline-related issues.

¹³² Petition at 12.

¹³³ See Connect America Fund, Order, 33 FCC Rcd 6509 (2018).

¹³⁴ Id.

¹³⁵ Id.

sion's PA Lifeline Order; (2) abide by the applicable requirements set forth in the Commission's Tracking Report Order; (3) abide by the Commission's Chapter 64 regulations regarding standards and billing practices, 52 Pa. Code §§ 64.1—64.213; and (4) have consumer Lifeline-related complaints which are unresolved by VNCI's customer service, handled by BCS as appropriate and, if not, be resolved through formal or informal Commission processes.

Conclusion

In consideration of the VNCI Petition for ETC designation, as supplemented, we conclude VNCI satisfies all federal and Pennsylvania-specific requirements for ETC designation. As a federal high-cost ETC designee, VNCI must meet the minimum standards set forth in the FCC's Lifeline Reform Orders, reporting and performance metrics set forth in the USF/ICC Transformation Order, and all related regulations. Further, in Pennsylvania, VNCI must satisfy the Commission's requirements in the Public Utility Code, our ETC Guidelines, and all related orders. Designation of VNCI as a federal high-cost ETC to secure the federal high-cost support from Auction 903 in the Designated Area's discrete census blocks in its tariffed service area in Pennsylvania is in accord with Section 214 of the Act, the FCC's regulations and orders related to ETC designation, Section 3019 (f) of the Code, and the Commissions orders on ETC designation. 47 U.S.C. § 214; 47 C.F.R. §§ 54.201, et seq.; and 66 Pa.C.S. § 3019(f); *Therefore*,

It Is Ordered:

1. The Petition of Velocity.Net Communications, Inc. for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Pennsylvania is granted, subject to the terms and conditions set forth in this Order.

2. That the Commission grants Velocity.Net Communications, Inc. designation as a federal high-cost Eligible Telecommunications Carrier only in the Connect America Fund Phase II-eligible census block groups in the service territory of Verizon North LLC as set forth in the body of this Order.

3. That the rules of the Federal Communications Commission regarding the redefinition process as it relates to Velocity.Net Communications, Inc.'s designation as a federal high-cost Eligible Telecommunications Carrier below the service area level of Verizon North is inapplicable as set forth in this Order.

4. That Velocity.Net Communications, Inc. shall provide updated tariff pages, including Lifeline tariff page within thirty (30) days of the entry of this Order.

5. That Velocity.Net Communications, Inc. is required to offer Lifeline service to eligible low-income consumers only in those census blocks in its service area for which it will be receiving Connect America Fund Phase II Auction 903 high-cost support as described in this Order.

6. That, upon request, Velocity.Net Communications, Inc. shall provide the Commission's Bureau of Consumer Services with copies of subscriber Lifeline applications and annual certification and promotional materials to review for current information, consistency with eligibility determination criteria and annual certification requirements, and plain language requirements.

7. VNCI is hereby directed to work with BCS to resolve informal complaints and to submit to Commission jurisdiction on formal complaints filed by VNCI Lifeline customers on Lifeline and other related issues.

8. That the failure of Velocity.Net Communications, Inc. to comply with any provision of this Order may result in revocation of its ETC designation(s) for purposes of receiving federal Universal Service Fund high-cost and Lifeline support or be subject to further Commission process.

9. That Velocity.Net Communications, Inc. shall petition this Commission for any future change to the basic Lifeline service offerings provided through this ETC designation as described herein which represents a limitation or reduction of Lifeline services/equipment provided free of charge, and shall provide notice to this Commission of any addition, change or new offering which is in addition to the basic Lifeline offering.

10. That Velocity.Net Communications, Inc. shall petition this Commission for renewal of its Eligible Telecommunications Carrier status at the same time it files or is implicated in the filing of any application for a change or transfer of control as defined in Pennsylvania law.

11. That the Secretary shall serve a copy of this Order on Velocity.Net Communications, Inc., on the Office of Consumer Advocate, and on the Office of Small Business Advocate.

12. That a copy of this Order shall be published in the *Pennsylvania Bulletin*.

13. That this docket shall be marked closed.

ROSEMARY CHIAVETTA,
Secretary

[Pa.B. Doc. No. 20-171. Filed for public inspection January 31, 2020, 9:00 a.m.]

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Service of Notice of Motor Carrier Applications

The following temporary authority and/or permanent authority applications for the right to render service as a common carrier or contract carrier in this Commonwealth have been filed with the Pennsylvania Public Utility Commission. Formal protests and petitions to intervene must be filed in accordance with 52 Pa. Code (relating to public utilities). A protest shall indicate whether it applies to the temporary authority application, the permanent authority application, or both. Protests may only be filed if there is evidence that the applicant lacks fitness. Protests based on endangering or impairing operations of an existing carrier will not be honored. Filings must be made with the Secretary, Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA 17120, with a copy served on the applicant by February 17, 2020. Documents filed in support of the applications are available for inspection and copying at the Office of the Secretary between 8 a.m. and 4:30 p.m., Monday through Friday, and at the business address of the respective applicant.

Application of the following for approval to *begin operating as common carriers for transportation of persons as described under the application.*

A-2019-3015150. Bujar Vranici, t/a Aww Limousine (3860 Jacksonville Road, Bethlehem, Northampton County, PA 18017) persons in limousine service from points in the Counties of Berks, Bucks, Carbon, Chester,