

Deanne M. O'Dell
717.255.3744
dodell@eckertseamans.com

July 21, 2011

Via Electronic Filing

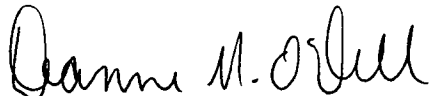
Rosemary Chiavetta, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Re: PA Public Utility Commission v. Verizon, Pennsylvania, Inc.,
Docket No. R-2011-2244373; Verizon Pennsylvania Inc. Alternative Regulation and
Network Modernization Plan (Chapter 30 NMPs) as of August 2008,
Docket No. P-00930715F100; PA Public Utility Commission v. Verizon North, LLC,
Docket No. R-2011-2244375; Verizon North LLC Alternative Regulation and Network
Modernization Plan (Chapter 30) as of August 2008, Docket No. P-00001854F1000

Dear Secretary Chiavetta:

On behalf of Full Service Network, L.P. ("FSN") enclosed for filing is the original of its
Comments along with the electronic filing confirmation page with regard to the above-referenced
matter. Copies have been served in accordance with the attached Certificate of Service.

Sincerely yours,



Deanne M. O'Dell, Esq.

DMO/lww

Enclosure

cc: Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Full Service Network's Comments upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email and/or First Class Mail

Suzan D. Paiva, Esq.
Verizon Pennsylvania
1717 Arch Street, 17NW
Philadelphia, PA 19103
Suzan.D.Paiva@Verizon.com

Linda Williams, Esq.
Director, Chief Deputy Attorney General
Office of Attorney General
15th Floor, Strawberry Square
Harrisburg, PA 17120

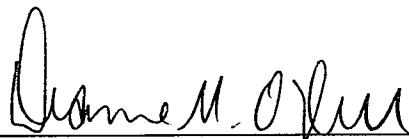
Joel Cheskis, Esq.
Office of Consumer Advocate
555 Walnut Street 5th Floor
Forum Place Bldg.
Harrisburg, PA 17101-1923
jcheskis@paoca.org

Philip J. Wood Jr.
Verizon
12th Floor
303 Walnut Street
Harrisburg, PA 17101

Johnnie Simms, Esq.
Office of Trial Staff
400 North Street
PO Box 3265
Harrisburg, PA 17105-3265
josimms@state.pa.us

William Lloyd, Esq.
Office of Small Business Advocate
Commerce Building Suite 1102
300 North 2nd Street
Harrisburg, PA 17101
willloyd@state.pa.us

Date: July 21, 2011



Deanne M. O'Dell, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
v.	:	Docket No. R-2011-2244373
Verizon Pennsylvania, Inc.	:	
	:	
	:	
Verizon Pennsylvania Inc. Alternative	:	
Regulation and Network Modernization Plan	:	Docket No. P-00930715F100
(Chapter 30 NMPs) as of August 2008	:	
	:	
	:	
Pennsylvania Public Utility Commission	:	
v.	:	Docket No. R-2011-2244375
Verizon North, LLC	:	
	:	
	:	
Verizon North LLC Alternative Regulation	:	
and Network Modernization Plan (Chapter	:	Docket No. P-00001854F1000
30) as of August 2008	:	

**COMMENTS OF
FULL SERVICE NETWORK, L.P.**

I. INTRODUCTION

In this proceeding, the Commission seeks comments regarding the proposal of Verizon Pennsylvania, Inc. and Verizon North, LLC (collectively, Verizon) to withdraw their respective informational tariffs for competitive services. Specifically, the Commission is seeking input on how the proposal could impact the ability of the Commission to exercise its regulatory authority and the impact of Verizon's proposal on the resale of the services to other carriers on a wholesale basis. *Order* at 6-7. Full Service Network, L.P. ("FSN") is a certificated competitive local exchange carrier ("CLEC") in the service territories of Verizon. FSN is also a wholesale customer of Verizon which purchases the competitive services set forth in the informational tariffs at a wholesale discount and then resells them to FSN's retail customers.

FSN opposes Verizon's proposal to withdraw its informational tariffs because doing so will prevent the Commission, other relevant state agencies and the public from ensuring that Verizon is in compliance with all of its legal obligations. Granting Verizon's request will enable it to make whatever changes it wants to the competitive services identified in the informational tariffs without providing any notice to any interested agencies or the public. In fact, Verizon has already tried to do this in the very short interval of time between its May 31, 2011 filing notifying its intent to withdraw the tariffs and its July 5, 2011 filing to comply with the Commission's order. In that window of time, Verizon implemented price increases to its Unlimited Local Usage for Business and unlimited Local and toll Usage for Business.¹ Notice of these changes was provided to the Commission and those who monitor the Commission's docket on July 5, 2011 only after Verizon was required to reinstate its informational tariffs. A paraphrase of Verizon's transmittal supplement (after it was required to reinstate the informational tariffs) is "Oh, by the way, we increased some of these prices during the blackout when no one could see." Enabling Verizon to continue this behavior into the future will make it extremely difficult if not altogether prevent the Commission from ensuring that Verizon is meeting all of its legal obligations.

Likewise, adopting Verizon's proposal will deprive wholesale customers of Verizon, like FSN, of any and all notice regarding changes to the product offerings which could negatively impact FSN's ability to offer the products to its retail customers as resold services. Verizon does not provide FSN any notice of price or other changes to its competitive services. Thus, FSN is dependent on monitoring the Commission's docket to keep informed. For these reasons, FSN

¹ See Verizon Pennsylvania Tariff Telephone Pa. P.U.C. – No 500, Section 43, 9th revised Sheet 4, Canceling 8th Revised Sheet 4, filed July 5, 2011 and Verizon North, LLC Tariff telephone - PA P.U.C. No. 11, Section 8th Revised Sheet 4, Canceling 7th Revised Sheet 4, filed July 5, 2011.

recommends that the Commission reject Verizon's proposal to withdraw its informational tariffs for competitive services.

II. COMMENTS

A. Role of Verizon's Informational Tariffs in Enabling the Commission to Exercise Appropriate Oversight of Verizon

As the Commission states, "[i]rrespective of whether the Companies' competitive services are price deregulated, the Commission still maintains jurisdiction over the safety, adequacy, reliability and privacy of telecommunications services and the ordering, installation, suspension and termination and restoration of any telecommunications service." *Order* at 6. In fact, the Commission has spent over three and a half years developing consumer protection regulations related to the bundled packages set forth in Verizon's informational tariffs.² In the context of that rulemaking proceeding, the Commission made clear that it retains authority over bundled packages and, specifically, over the basic services included within those bundles.³ In addition, the Commission's regulations recognize the jurisdiction of the Attorney General to address claims of violations under the Unfair Trade Practices and Consumer Protection Law. 52 Pa. Code § 63.109.

Verizon's informational tariffs which are at issue here identify, describe and detail all of Verizon's competitive services offerings, including its bundled products and services subject to the jurisdiction of the Attorney General. The tariff system is intended to inform the public and

² *Rulemaking Re: Provision of Bundled Service Package Plans at a single Monthly Rate by Local Exchange Carriers* at Docket No. L-00060179. Proposed Rulemaking Order entered July 3, 2006 and Amended Final Rulemaking Order entered April 15, 2010.

³ *Rulemaking Re: Provision of Bundled Service Package Plans at a single Monthly Rate by Local Exchange Carriers* at Docket No. L-00060179, Final Rulemaking Order on Reconsideration entered December 23, 2009 at 14.

interested consumers, agencies or other stakeholders of a public utility's rates and terms of service. Requiring public utilities to file revisions to their tariffs with the Commission also allows the Commission to examine the proposed modifications and any supporting documentation prior to their implementation to ensure that regulated public utilities are providing services and rates in compliance with the applicable law.

This proceeding is an excellent example of how Verizon's filings assist the Commission in this regard. When Verizon provided the required notice of its desire to withdraw the informational tariffs, the Commission reviewed the filing and, because of its concerns, took quick and decisive action to address it. If Verizon's proposal were to be adopted, the Commission's ability to proceed in this way in the future would be non-existent. Such a result, in light of the legal requirements imposed on Verizon and the role these tariff filings play in ensuring compliance, is not reasonable.

Likewise, through public access to the Commission's docket, these filings also permit other interested agencies and interested stakeholders, such as Verizon's wholesale customers, to have easy access to the terms and conditions of the utility service and any proposed modifications. Such access would enable, for example, the Attorney General's Office to quickly access necessary information about Verizon's products if a consumer lodged a complaint regarding issues subject to its jurisdiction. Further, as described in the section below, this notice plays a key role in the ability of wholesale carriers, such as FSN, to inform themselves about the products and services available by Verizon for resale.

Verizon offers no viable alternate proposal to enable the Commission or anyone else to keep informed about future changes to the competitive service offerings. In its initial filing, Verizon proposed to reflect changes to the rates, terms and conditions in "real time" in the "Price

List and Product Guide” maintained on its website. Verizon also notes that “any necessary customer notifications will be provided.” See Letter from Verizon filed May 31, 2011 notifying of intent to withdraw tariffs. As explained further below, the “customer” Verizon refers to here is its retail end-user and not the Commission, any other regulatory agency or wholesale purchasers like FSN. Therefore, this commitment is meaningless from the perspective of enabling regulatory agencies or wholesale carriers to review and monitor Verizon’s proposed changes to its services.

Verizon also offers no explanation of how and when future changes would be reflected on the website. Will interested persons be required to check Verizon’s website every day and read every page to try to figure out what may have been changed? Placing such a burden on regulatory agencies and interested members of the public is unreasonable. Verizon has clear legal obligations which are enforced by the Commission and other agencies. These agencies as well as the public have every right to expect that Verizon will continue to provide easily accessible and timely information necessary to meet their needs and obligations. For all these reasons, the Commission should reject Verizon’s proposal to no longer maintain informational tariffs regarding its competitive services.

B. Role of Commission Filed Notices of Changes to Verizon’s Informational Tariffs In Facilitating The Resale of Verizon’s Competitive Services

Federal law imposes on incumbent local exchange carriers, like Verizon, the duty to offer for “resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers...” 47 U.S.C. §§ 251(b)(1) and (c)(4). The current wholesale rates for the resale of Verizon’s competitive services were established in 2005. *Wholesale Rate for Resale of Telecommunications Provided by Verizon Pennsylvania Inc. and Verizon North Inc.*, Docket No. R-00038516, Final Order (March 4, 2005). Thus, as the Commission recognizes in its order, the

services set forth in Verizon’s informational tariffs are available for purchase – on a wholesale basis – by any carrier who can then resale the product to its retail customers. *Order* at 7. FSN is a CLEC that purchases some of the competitive services set forth in Verizon’s informational tariffs on a wholesale basis for resale to FSN’s retail customers.

Federal law prohibits Verizon from imposing any “unreasonable or discriminatory conditions or limitations on, the resale” of its services. 47 U.S.C. 251(b)(1) and (c)(4)(B). Similarly, the Commission’s competitive safeguards regulations prohibit Verizon, as an incumbent local exchange carrier (“ILEC”), from giving itself “any preference or advantage over any CLEC in the . . . ordering, provisioning. . . of any goods, services . . . or facilities.” 52 Pa. Code § 63.143(1)(i). As explained further below, the business relationship between Verizon and FSN wherein FSN purchases at wholesale the competitive products offered by Verizon and then resells them to its own retail customers presents opportunities for Verizon to run afoul of these legal requirements. Preserving the requirement that Verizon continue to maintain informational tariffs with the Commission is an important tool for monitoring and ensuring Verizon’s legal compliance regarding the resale of its telecommunications services.

1. The Informational Tariffs Play A Key Role In The Ability of The Commission To Ensure That Verizon Is Compliant With All Federal And State Laws Regarding Resale

The resell relationship presents many opportunities by which Verizon could engage in anticompetitive behavior. For example, as Verizon indicates, it provides its retail customers advance notice of upcoming changes. This gives Verizon a window of opportunity to smooth over any customer concerns about the changes. Failing to give FSN the same opportunity (by not giving FSN advance notice of changes) gives Verizon a competitive advantage because FSN cannot similarly smooth over the concerns of its retail customers.

Additionally, because it is in control of the service offering, Verizon is in a position to place other terms and conditions on the resale of these competitive services which may be unreasonable or discriminatory. For example, Verizon could embed language in the terms of the offering that would only apply if the customer purchases the service directly from Verizon. Depending on the term or condition, it could result in unreasonable restrictions in violation of the law.

Because of these concerns, the informational tariffs that Verizon has historically maintained with the Commission play an integral part in monitoring Verizon's compliance with its legal obligations. FSN, for example, has come to depend on the notices Verizon files with the Commission regarding changes to its competitive tariffs to keep informed about the changes Verizon makes to its competitive services. If any changes were to result in anticompetitive or discriminatory practices, then FSN could immediately seek redress from the Commission. Likewise, as demonstrated by this proceeding, the Commission's review of Verizon's proposed changes is facilitated by requiring Verizon to file notices with the Commission. Removing the requirement that Verizon maintain informational tariffs with the Commission will thwart the ability of the Commission and wholesale carriers to monitor the proposed changes to ensure compliance with the law. Such a result is unreasonable and unnecessary and should not be permitted.

2. The Notice of Tariff Changes Filed with the Commission Provide FSN the only Notice it receives of changes to the products offered by Verizon

As a reseller of Verizon's competitive services, virtually everything of value about the competitive services offered by Verizon are contained in the informational tariffs Verizon seeks to withdraw. Thus, FSN's ability to resell Verizon's competitive services is dependent on the maintenance of these informational tariffs with the Commission and notices filed with the

Commission about the changes. FSN needs to be informed about these changes for a number of reasons.

First, FSN is offering the same product to its retail end users and changes that Verizon makes to the product impact the service that FSN is reselling. If, for example, Verizon changes the type of service a customer may receive pursuant to a particular product, this directly impacts FSN's resell of that product to its retail customer. If FSN is not timely and appropriately informed about changes, then it lacks the ability to address concerns or questions from its customers regarding the changes. Placing FSN in such a position could result in customer dissatisfaction and defection.

Second, price increases for the competitive services are directly passed through to FSN from Verizon in the wholesale bills. Thus, every time Verizon chooses to increase the price of a particular competitive offering and the amount FSN must pay to resell it, FSN must determine how to absorb that cost. When FSN is not provided advance notice of such increases, it is not given a reasonable amount of time to determine how best to proceed to recover the increased cost.

Verizon offers no timely or meaningful notice to wholesale carriers like FSN about changes it makes to the competitive services they may be purchasing for resale. Verizon's representations to the Commission that notices of changes to its competitive services have been and will continue to be made directly to "customers" only refers to the notice provided by Verizon to its retail customers. Verizon's wholesale customers, such as FSN, are not provided any independent notice by Verizon of its planned changes to the services described in its informational tariffs. Verizon has never provided FSN any notice whatsoever on any of its wholesale bills to FSN indicating a price or other change to the products contained in the

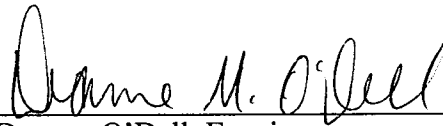
informational tariffs. Thus, FSN is forced to monitor the Commission's docket to keep itself informed of any changes to the services set forth in the informational tariffs so that it can plan accordingly regarding the resold services offered to FSN's retail customers.

Continuing to require Verizon to maintain its informational tariffs and to file notice of changes to the tariff with the Commission provides wholesale carriers, like FSN, with at least the opportunity to inform themselves of the changes Verizon makes to the competitive services they offer for resale. Removing this requirement hinders the ability of FSN, and other wholesale carriers, from offering these products for resale.

III. CONCLUSION

In its July 5, 2011 letter reinstating the informational tariffs, Verizon belligerently claims that the Commission had no authority to take the actions it did here notwithstanding the fact that the Commission's order provides Verizon with an opportunity to "save" its proposal. For all the reasons explained above, continuing to require Verizon to continue its historical practice of maintaining the informational tariffs with the Commission plays an important role in the ability of the Commission, other relevant agencies and the public to ensure Verizon's compliance with all applicable legal requirements including consumer protections and the resale of its telecommunications services. The Commission's oversight in this regard is important to ensure that consumers are presented with all possible opportunities regarding their telecommunications services.

Respectfully submitted,



Deanne O'Dell, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Fl.
Harrisburg, PA 17108-1248
717 237 6000
Attorneys for Full Service Network, L.P.

Date: July 21, 2011