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August 9, 2011

Via Hand Delivery

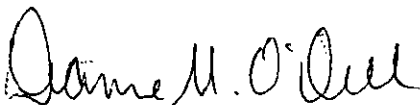
Rosemary Chiavetta, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

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 and ten (10) copies of its Supplemental Comments along with regard to the above-referenced matter. Please note Exhibit A to the Supplemental Comments is **Confidential** and should be treated accordingly. 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.

RECEIVED

AUG - 9 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

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

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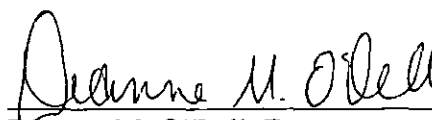
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Date: August 9, 2011



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	:	

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

I. INTRODUCTION

Boiled down to its core, the proposal of Verizon Pennsylvania, Inc. and Verizon North, LLC (collectively, Verizon) to withdraw their respective informational tariffs for competitive services must be rejected as it threatens to erode the ability of resellers, like Full Service Network, L.P. (“FSN”), to purchase Verizon’s products and offer them from resale. There is no dispute, nor can there be one, that federal and state laws require Verizon to offer its products for resale and that Verizon is prohibited from placing any unreasonable or discriminatory conditions in offering the products. Nor should there be any rational disagreement that carriers like FSN who purchase products at wholesale need to know the price of the product and its terms and conditions. This is because the wholesale price is calculated by taking the product’s retail price

and applying a state regulated percentage discount. Thus, knowing the retail price of the product is the foundation for being able to offer products for resale. For years, Verizon's informational tariffs provided the retail price of its products (and notice of all changes) to the resellers in a manner that also enabled the Commission to ensure Verizon's compliance with its resale obligations. Removing the Commission's ability in this manner is not in the public interest and the Commission has ample authority to deny Verizon's request.

Noticeably, Verizon provides no substantive response to FSN's concerns regarding resale in its reply comments. Instead, Verizon flippantly dismisses FSN as merely using this proceeding to somehow create for itself a competitive advantage at the expense of Verizon. This useless distraction is ridiculous especially when viewed holistically with the fact that Verizon has recently begun to remove all retail pricing information from the Customer Service Records ("CSRs") it sends to FSN. This is a significant issue related to this proceeding which shines a bright light on Verizon's real intentions here.

For over a decade, the only alternative way to ascertain Verizon's retail pricing for purposes of determining the resale cost was through the CSRs sent by Verizon to FSN. Inexplicably and with no notice, Verizon recently began removing all retail pricing information from the CSRs it sends to FSN. The only logical conclusion that can be drawn from this is that Verizon's entire goal here is to create a competitive advantage for Verizon at the expense of its competitor resellers by withholding key information. The first step was to remove the pricing information from the CSRs. This proceeding is the second step. By withdrawing the informational tariffs whereby the pricing information is available with the Commission and changes publicly noticed, Verizon hopes to remove itself from the Commission's regulatory oversight. If successful, FSN has no doubt that all retail pricing information will eventually

disappear from public view, thus freeing Verizon to price its resale competitors out of the market. Such a result is inconsistent with Verizon's legal and regulatory obligations, not in the public interest, and cannot be permitted by the Commission.

II. SUPPLEMENTAL COMMENTS

Verizon's arguments as to why the Commission cannot legally require it to maintain informational tariffs are not persuasive and must be rejected. Verizon is a public utility regulated by the Commission and, as such, the Commission has the necessary authority to impose reasonable requirements on Verizon, such as continuing to file informational tariffs, as may be deemed necessary. 66 Pa. C.S. § 501. Verizon's claim that Sections 3016(d)(2) and (3) mandate that only Verizon can determine whether or not it wants to tariff its competitive services sidesteps all the other sections of Chapter 30 giving the Commission both the authority and the discretion to determine that the informational tariffs must continue to be filed:

- Section 3015(f) permits the Commission to require additional filings by any local exchange companies upon a finding that such requirements meet the criteria set forth in this section;
- Section 3016(d)(4) permits the Commission to require a local exchange telecommunications to maintain price lists with the Commission applicable to its competitive services; and,
- Section 3019(b)(3) permits the Commission to establish additional requirements as may be necessary to ensure the protection of customers.

As explained further below, requiring Verizon to maintain its informational tariffs is consistent with the Commission's authority in this regard and in the public interest.

A. **Verizon's Informational Tariffs Include Noncompetitive and/or Protected Services Over Which The Commission Maintains Authority**

The bundled services detailed in the informational tariffs include noncompetitive and/or protected services which continue to be regulated by the Commission. While Section

3016(e)(2) permits changes to such packages to become effective on a one-day notice, nothing in Chapter 30 removes the right of the Commission to monitor or regulate these services¹ – a fact the Commission consistently acknowledged during its three and a half year rulemaking developing consumer protections for bundled packages. *See* FSN Comments at 3. Verizon’s revision of its bundled services packages, to include rate increases, will impact the noncompetitive and protected services provided to retail end users.

As an example, Verizon recently instituted a 5% increase to “all services provided” under its informational tariffs to recover Pennsylvania gross receipts taxes.² Verizon does not even state in its filing that customers have been notified of this across the board increase to their bundled packages which include basic, protected services. Without the filing of the notice as triggered by the maintenance of the informational tariff, the Commission would also not have been provided notice of this increase. As the informational tariffs play an important role in the Commission’s oversight of the protected and noncompetitive services contained in the informational tariffs, they must not be eliminated.

At the same time Verizon ignores the fact that its bundled packages include noncompetitive and protected services, it asks the Commission to recognize that its proposal to maintain price lists is consistent with the Commission’s rules governing detariffed interexchange carriers (“IXCs”). Verizon Comments at 17-18. Again, though, Verizon provides more than IXC services through its informational tariffs and, therefore, this comparison is not persuasive.

¹ Verizon never acknowledges this fact and only focuses on the Commission’s lack of regulatory authority regarding the rates for competitive services. Verizon Reply Comments at 7. In fact, the Commission maintains the authority to “address the safety, adequacy, reliability and privacy of telecommunications services and the ordering, installation, suspension, termination and restoration of any telecommunications services,” including competitive services. 66 Pa.C.S. § 3019(b)(2).

² Letter dated July 14, 2011 to Secretary Chiavetta notifying the Commission of changes to Pa. P.U.C. No. 500 and Pa. P.U.C. No. 11 filed at Docket Nos, R-2011-2252380 and Docket No. R-2011-2252382.

Moreover, as discussed further below, IXCs do not share the same resale obligations as Verizon regarding the services set forth in the informational tariff.

B. Verizon's Informational Tariffs Provide Information Necessary To Facilitate The Resale of Verizon's Telecommunications Services

As explained by FSN, the informational tariffs, and particularly the notice of changes, play a key role in the ability of the Commission to ensure that Verizon is compliant with all federal and state laws regarding resale. FSN Comments at 6-7. FSN purchases services from Verizon's informational tariffs on a wholesale basis for resale to FSN's retail customers. When Verizon changes the terms of the services offered and/or the rates charged, these changes impact FSN's provision of the service to its retail customers. Changes in prices also impact the cost to FSN to purchase the services. FSN Comments at 7-8. In responding to FSN's comments, Verizon states that "federal law regarding resale does not require Verizon to tariff services subject to resale" and that FSN merely wants to "exploit" advance notice of Verizon's changes. Verizon Reply Comments at 7-8. This reply does not even pretend to address the substance of FSN's comments and offers nothing useful.

By narrowing the focus to so-called federal resale tariff requirements, Verizon deftly avoids responding to the crux of FSN's argument – that once outside the purview of the Commission Verizon could place other terms and conditions on the resale of competitive services which may be unreasonable or discriminatory and in violation of federal and state law. The Commission's duty to ensure that Verizon is offering resale on nondiscriminatory and reasonable terms is firmly rooted in both federal and state law under 47 U.S.C. 251(b)(1) and (c)(4)(B); 66 Pa. Code § 63.143(1)(i). Verizon offers nothing to refute this or to explain other ways the Commission can address this issue. In fact, requiring Verizon to maintain these

informational tariffs and file notice of all proposed changes is the only viable way for the Commission to ensure Verizon's compliance with these obligations.

Moreover, by focusing on FSN as a CLEC competitor, Verizon avoids addressing FSN's concerns as a wholesale customer of Verizon. As explained in its comments, FSN "purchases" services from Verizon's informational tariffs on a wholesale basis for resale to FSN's retail customers. As such there is no legitimate question that changes in the products directly and materially impact FSN. Nor can there be any question that Verizon secures a competitive advantage by keeping these changes "secret" from wholesale purchasers offering the services for resale. Verizon is able to provide advance notice to its retail customers of upcoming changes but refuses to provide the wholesale provider such as FSN the same opportunity. Verizon's heavy-handed practice clearly gives it an unfair competitive advantage.

Likewise, Verizon receives the benefit of forcing unannounced additional costs on the wholesale customers who are given no time to adjust accordingly. Apart from the informational tariffs, the only other historical source of information available to FSN regarding the pricing of Verizon's retail products available for resale had been through the CSRs Verizon sends to FSN. For almost a decade, the CSRs received by FSN contained pricing information. At about the same time Verizon filed its notice with the Commission of its intent to withdraw the informational tariffs, the CSRs Verizon provides to FSN also suddenly became devoid of all pricing information. Without notice or explanation from Verizon, the prices were replaced with "X".³

³ See attached Exhibit A which is a CSR dated August 9, 2011. A public and confidential version is being provided. The public version redacts only the customer's personal information. The "xs" regarding the pricing are in the original CSR as transmitted from Verizon to FSN. The other dates on the CSR reflect the

The only conclusion that can be drawn here is that Verizon is attempting to gain a competitive advantage by removing resellers from the landline market. It has already begun to lay the groundwork for this in the CSRs. Removing the informational tariffs and the requirement to file notice of changes with the Commission is the next step because it eliminates the ability of the Commission to know or review Verizon's actions. If that is successful, Verizon will likely remove all pricing information from public access and simply send FSN wholesale bills with significant price increases claiming that it increased the underlying price of the retail services and giving FSN no ability to verify the claims. This end goal would be a significant competitive advantage for Verizon because it would have free reign to assess FSN greater costs and/or push FSN out of the resale market thereby forcing those retail customers to return to Verizon.

Verizon fails to acknowledge these concerns let alone offer any assurances that its proposal here will not impact the ability of FSN to offer these services for resale. While FSN does agree with Verizon that providing wholesale carriers notice of changes through notice of tariffs changes filed at the Commission is less than ideal, it at least provides wholesale carriers with the opportunity to inform themselves of the changes Verizon makes to the competitive services offered for resale.

Verizon's alternative is monumentally worse because it creates absolutely no obligations whatsoever on Verizon to provide anybody any notice of anything Verizon wants to do with its services. Verizon does not even try to claim otherwise only making the commitment to maintain a price list at its principal office and website that will be "promptly updated." Verizon Comments at 17. Verizon never addresses FSN's concerns about how and when future changes

dates Verizon made changes to the services. As an example, caller ID and Anon Call Rejection were added on "08-13-97."

would be reflected or how interested parties would be advised of these changes. FSN Comments at 5. This lack of response is highly suspect and the Commission should carefully consider why Verizon is so intent on not committing to provide any interested party, including the Commission, reasonable notice of changes to its products and services.

C. Verizon's Claim That It Is Competitively Disadvantaged By Maintaining Informational Tariffs Is Not Supported

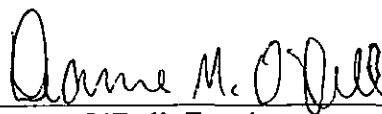
Verizon's arguments that it should be "deregulated" it in the same way cable companies, wireless companies and IXC's are "deregulated" is unpersuasive as it ignores the inescapable fact that Verizon is a regulated public utility with numerous obligations imposed by federal and state law regarding its basic telephone service and its role in fostering landline competition. Verizon cannot reasonably compare itself to cable and wireless companies. Neither cable companies nor wireless companies are regulated in Pennsylvania as public utilities and neither have ever been required to tariff their services. *See* 66 Pa.C.S. § 102. Verizon, on the other hand, is the historical and current monopoly provider of landline telephone services and, as such, has been subject to years of regulation regarding its services and rates. Also, through Chapter 30 and TA-96 which were intended to foster landline competition in the telecommunications industry, Verizon's wholesale services have been heavily regulated. This was to ensure that Verizon reasonably and fairly made available those pieces of the network needed by new CLEC entrants to provide competitive services. Pursuant to both the Public Utility Code and federal law, the Commission remains obligated to ensure that Verizon complies with all its legal obligations. As explained in FSN's comments, requiring Verizon to continue to maintain informational tariffs at the Commission plays an important part in exercising that duty. The fact that Verizon now faces competitive challenges from non-landline competitors does not justify allowing it to take

anticompetitive and suspect actions with respect to its landline competitors when the law clearly prohibits such behavior.

III. CONCLUSION

For all the reasons explained above, FSN supports continuing to require Verizon to maintain informational tariffs with the Commission. Both FSN and OCA have presented a sound legal bases for continuing these requirements and both have shown why such requirements continue to remain necessary given Verizon's role as the monopoly provider of landline telephone services.

Respectfully submitted,



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717 237 6000
Attorneys for Full Service Network, L.P.

Date: August 9, 2011

EXHIBIT A

Public Version

Exhibit A

Sample Customer Service Record dated 8/9/11 from Verizon to Full Service Network, L.P.

[note the customer information has been redacted for privacy]

724 925-1925 578 HWH R 02-16-2006

A
PCL LOCL

---LST

PVT (PRIV) [REDACTED]

LA [REDACTED]

SA [REDACTED]

HEMPFIELD

DZIP 15601

---DIR

---BILL

BN1 MR [REDACTED]

BA1 [REDACTED] 10-19-07

PO YOUNGWOOD PA 15697 10-19-07

LB 01

TAR WEST

SBIC

---S&E

1 NPU 12-10-80 X.XX

1 HWH /TN 724 [REDACTED] /LPIC BAW
/LPCX 6500/LPCA DF, 07-31-97
/PIC ATX/PICX 0288
/PCA ES, 06-22-02/NMC
/HOM YNWD,MTPT,KCBG/RAX 70 06-24-02 X.XX

1 TTR /TN 724 [REDACTED] 12-10-80

1 DTLRT /TN 724 [REDACTED] 12-10-80 X.XX

1 NDF /TN 724 [REDACTED] 09-22-97 X.XX

1 AYW /TN 724 [REDACTED] 08-13-97

1 9ZR11 /TN 724 [REDACTED] 12-10-80 X.XX

1 OFFXX /TN 724 [REDACTED] 08-01-98 X.XX

1 POR1X /TN 724 [REDACTED] 03-17-99

1 RTVXX /TN 724 [REDACTED] 11-18-93

1 QURC4 /TN 724 [REDACTED] 07-01-00 X.XX

---RMKS

---SUMY

---USOC DESCRIPTIONS

AYW Anonymous Call Rejection- Enh Clr ID Feature no chg

DTLRT Dial Tone Line -Residence -Touchtone

HWH Unlmted callg to home exch plus 1 local & 1 toll exh

NDF Caller ID

NPU Non-Published Telephone Number Service

OFFXX Sensible Minutes

POR1X LNP Cost Recovery End User Surcharge Consumer-Line

QURC4 Federal Universal Service Fund Surcharge -Consumer
Primary/Centrex

RTVXX 900 Blocking option

TTR TOUCH TONE

9ZR11 Federal line cost charge - Primary