**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA 17105-3265**

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| Public Meeting held August 20, 2015 | |
| Commissioners Present:  Gladys M. Brown, Chairman, Statement  John F. Coleman, Jr., Vice Chairman, Joint Statement  James H. Cawley, Statement, Concurring in Part and  Dissenting in Part  Pamela A. Witmer  Robert F. Powelson, Joint Statement |  |
| Joint Petition of Verizon Pennsylvania LLC and  Verizon North LLC for Competitive Classification  of All Retail Services in Certain Geographic  Areas and for a Waiver of Regulations for  Competitive Services | P-2014-2446303  P-2014-2446304 |
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**FINAL IMPLEMENTATION OPINION AND ORDER**

**BY THE COMMISSION:**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition are the Comments received in response to our Tentative Implementation Opinion and Order (*Tentative Implementation Order*)issued June 1, 2015, in the above-captioned proceeding. Comments were received from Verizon Pennsylvania LLC (Verizon PA) and Verizon North LLC (Verizon North) (collectively Verizon, Company, or Companies), the Office of Consumer Advocate (OCA), and Full Service Network (FSN).[[1]](#footnote-1)

In our *Tentative Implementation Order*, we proposed certain clarifications and directives regarding the following areas that we found necessary to facilitate implementation of our Order entered in the above-captioned proceeding on March 4, 2015 (*Reclassification Order*):

1. the application of Verizon’s Product Guide;
2. Verizon’s Carrier of Last Resort (COLR) obligations;
3. the application of reporting requirements in Section 64.201 of our Regulations, 52 Pa. Code § 64.201; and

(4) the waiver of Chapter 64’s Subchapters E, F and H concerning suspension, termination and restoration of service rules in competitive wire centers, 52 Pa. Code §§ 64.61-111, 64.121-123, and 64.181-182.

This Final Implementation Opinion and Order (*Final Implementation Order*), disposes of the Comments of the Parties and also provides guidance for issues presented by the commenting Parties.

**I. Background**

These proceedings began as a result of a Joint Petition (Petition) filed by Verizon. The Petition was filed pursuant to Section 3016 of the Pennsylvania Public Utility Code (Code), 66 Pa. C.S. § 3016, and sought a Commission determination that basic local exchange service in 194 wire centers in or adjacent to Verizon’s Philadelphia, Erie, Scranton/Wilkes-Barre, Harrisburg, Pittsburgh, Allentown, and York service territories was competitive. Additionally, the Petition requested a waiver of various provisions of the Commission’s Regulations at Chapters 63 and 64, 52 Pa. Code §§ 63.1 and 64.1, *et seq.*, that would be concomitant with a competitive designation of basic local exchange service in those wire center areas. Finally, Verizon requested that the Commission grant any other waivers and/or approval of alternative regulation to achieve the result requested in its Petition.

By our *Reclassification Order*, we granted the Petition, in part. Our *Reclassification Order* granted competitive classification for 153 of the 194 wire centers included in the Petition, thus finding that 41 of the wire centers did not meet the statutory test for a competitive classification. *See Reclassification Order* at 63. The Order, additionally, granted, in part, a waiver of certain of the Commission’s Chapter 63 and Chapter 64 Regulations, in those wire centers determined to be competitive.[[2]](#footnote-2)

The waiver of our Regulations granted in the *Reclassification Order* was conditioned upon the collection of data and a contemplated, future rulemaking proceeding to address the status of our Chapter 63 and 64 Regulations on a permanent and industry-wide basis. The purpose of the conditional waiver was to afford us time to collect data, for a period of two years, to aid in our assessment of the market conditions present in the aftermath of the competitive reclassification, particularly in the areas of affordability and quality of service. *See* *Reclassification Order* at 56, 76, 104. As noted in the *Tentative Implementation Order*, “[t]his data is important for the purpose of monitoring key aspects of affordability and quality of service, which we deem to be essential barometers to measure whether competition is serving the public interest of promoting and encouraging the provision of competitive services without jeopardizing the provision of universal telecommunications services at affordable rates. *See* 66 Pa. C.S. § 3011(8).”  *Tentative Implementation Order* at 4; *also* s*ee* May 20, 2015 Secretarial Letter (*May 2015 Secretarial Letter*) at the above docket.

Additionally, we noted the following in the *Tentative Implementation Order*:

The *Reclassification Order* addressed a number of complex regulatory issues of first impression for this Commission and the telecommunications industry in Pennsylvania as a whole. Chapter 30 of the Code is clear that the primary impact of the competitive status is that: (1) Verizon may price the service at its discretion; and (2) Verizon may maintain a price list for a competitive service rather than maintaining a Commission-approved tariff. In the absence of a tariff, Verizon’s “Product Guide”will be the governing document to memorialize the terms and conditions of stand-alone basic local telephone service in competitive wire centers.

\* \* \*

Because of the compressed timeframe established pursuant to the provisions of Section 3016(a)(1) of the Code, 66 Pa. C.S. § 3016(a)(1), in which the Commission was mandated to issue an Order within 150 days of the Petition, upon further review, we believe it is necessary to issue a Tentative Implementation Opinion and Order clarifying certain issues related to the reclassification. Clarification in the following areas is necessary to facilitate implementation of the *Reclassification Order* and to achieve a more efficient transition of basic service to a competitive service in the relevant areas.

*Tentative Implementation Order* at 3-4.

The *Reclassification Order*, while granting the Petition for a competitive determination of services in the affected wire centers, confirmed Verizon’s statutory duty to provide “adequate, efficient, safe, and reasonable service and facilities” as well as service that is “reasonably continuous and without unreasonable interruptions or delay” under Section 1501 of the Code, 66 Pa. C.S. § 1501, in the entirety of its service territory. *Reclassification Order* at 7, Ordering Paragraph No. 5. Under that same Code provision, and regardless of the competitive classification of any wire center, this Commission further affirmed Verizon’s retention of its COLR obligations throughout its service territory. *Id.* at 7; 60-61, 81, Ordering Paragraph No. 6. The *Reclassification Order* neither affected the above-cited statutory, legal and policy safeguards for consumers, nor altered those additional statutory obligations imposed by Chapter 30 of the Code, 66 Pa. C.S. §§ 3011 - 3019*.*

**II. Discussion**

1. **Application of the Product Guide**

**1. Tentative Implementation Order**

In our *Reclassification Order* and our *Tentative Implementation Order*, we discussed the interplay between the Commission’s statutory obligations arising under Section 1501 of the Code, 66 Pa. C.S. § 1501, our obligations arising under the Commission Regulations at Chapters 63 and 64 to be retained, and the services determined to be competitive. For example, in our *Tentative Implementation Order*, we acknowledged that “the regulatory approach to basic local exchange service provided in competitive wire centers in the Verizon service territories has shifted from tariff-based terms and conditions of service to lighter regulation and contractually-based terms and conditions of service appearing in a Product Guide.”  *Tentative Implementation Order* at 5.

As discussed in the *Reclassification Order*, the primary impact of a competitive determination is that competitive services, including basic local exchange service offered in competitive wire centers, may now be priced at Verizon’s discretion and may also be detariffed. Specifically, Section 3016(d)(2) of the Code, 66 Pa. C.S. § 3016(d)(2), provides that “[t]he commission may not require tariffs for competitive service offerings to be filed with the commission.” Also, pursuant to Section 3016(d)(4), we may require a local exchange telecommunications company to maintain price lists with the Commission applicable to its competitive services, with changes, generally, to go into effect on one day’s notice. We have so directed Verizon to maintain a price list for competitive services, effective on one day’s notice.[[3]](#footnote-3)

Our *Tentative Implementation Order* addressed the legal authorities that will apply in competitive wire centers with regard to informal and formal complaints:

Thus, the rules applicable to resolving an informal complaint filed with the Commission’s Bureau of Consumer Services (BCS) against Verizon PA or Verizon North (either formal or informal) depend on the customer’s physical location. Through this Order, we clarify that the following legal authorities will govern complaints filed by Verizon customers located in competitive wire centers:

1. The Regulations retained by the *Reclassification Order*;
2. The Product Guide and any guidance that it may offer on whether Verizon’s conduct is reasonable under Section 1501 of the Code, 66 Pa. C.S. § 1501; and
3. What is reasonable based on the facts presented in a case in accordance with Section 1501 of the Code.

*Tentative Implementation Order* at 5.

Our *Tentative Implementation Order* specified that the Product Guide governs in competitive wire centers only when it does not conflict with the Code and/or with Commission Regulations that were retained in competitive wire centers. Otherwise, if there is a conflict between the Product Guide and the Code and/or the Commission’s retained Regulations, the Statute and/or Regulations control. *Tentative Implementation Order* at 7-8.

**2. Verizon Comments**

In its Comments, Verizon agrees with the Commission’s conclusions in the *Tentative Implementation Order* that applicable Statutes and retained Commission Regulations will continue to be binding in those wire centers determined to be competitive. Verizon Comments at 1. Verizon contends that applicable Statutes and Regulations have always taken precedence over the Product Guide, and the addition of more competitive services to the Guide does not change this fact. *Id*. Citing *Pa. PUC v. Verizon Pennsylvania Inc.,* Docket No. R-2011-2244373 (Order entered November 4, 2011), Verizon points out that its Product Guide has governed most of its services in the areas covered by its Reclassification Petition since early 2012.[[4]](#footnote-4) Verizon states as follows:

The product guide is a critical document, as it serves as the binding, legal contract between Verizon and its customers once a service is no longer governed by the terms, conditions and rates of a tariff. *But the product guide’s terms do not supersede applicable statutes and regulations; applicable statutes and regulations have always taken precedence.*

Verizon Comments at 1 (emphasis added).[[5]](#footnote-5)

While Verizon acknowledges that the Product Guide’s terms do not supersede applicable Statutes or Commission Regulations, Verizon is critical of the directives in the *Tentative Implementation Order* to, *inter alia*, file copies of the Product Guide with Commission Staff and to notify Staff at least ten days in advance of future changes to the Product Guide. Verizon Comments at 1-2. In Verizon’s opinion, this type of mandate would transform the Product Guide into a “mandatory” tariff filing and, thus, violates Chapter 30. Verizon Comments at 2. Verizon explains that the Commission already receives advance notice when it changes prices for competitively classified services. It notes that pursuant to Section 3016(d)(4) of the Code, changes and updates to its price lists are made on one day’s notice. Verizon Comments at 2.

In lieu of complying with the ten days’ advance notice requirement for changes to the Product Guide set forth in the *Tentative Implementation Order*, Verizon proposes an alternative. Verizon references the Commission’s request in the *May 2015 Secretarial Letter* for data collection to monitor the affordability of basic local exchange service and the quality of service during a two-year collection period in the *Reclassification Order*. Based on this consideration, Verizon proposes that it “would also agree to provide the staff with at least 10 days’ advance notice of changes in the rates for basic local exchange service during the two year period.” Verizon Comments at 2. Verizon suggests that notice process could be revisited at the end of the two-year time period. *Id*.

**3. OCA Comments**

The OCA filed Comments to the Product Guide raising issues that it classifies as “important refinements” that are necessary to the *Tentative Implementation Order*. The OCA is of the opinion that the Order should not become final as written. OCA Comments at 3.

As a threshold comment, the OCA supports the Commission’s directives that Verizon modify its Product Guide and provide advance copies of updated prices and terms to Commission Staff. OCA Comments at 3. The OCA requests that it also receive advance copies of updates and changes for purposes of consumer education and to enable it to better assist customers with complaints. *Id*.

Concerning the Product Guide, the OCA states that proposed clarification of legal authorities in the *Tentative Implementation Order* should start with the affirmative statement that Verizon must comply with Section 1501, 66 Pa. C.S. § 1501, of the Code. *See* OCA Comments at 3-6. The OCA’s Comments refer to our discussion as set forth on page 5 of the *Tentative Implementation Order* of the approach to resolution of formal and informal complaints filed by Verizon customers in competitive wire centers. The OCA comments that our discussion appears to suggest a “hierarchy” of legal authorities that is applicable when the Commission resolves a consumer complaint. The OCA further comments that our discussion appears to contemplate that the reasonableness of Verizon’s conduct will be measured against Section 1501 of the Code only if there is no applicable Regulation and the Product Guide does not address the issue, or the matter is ambiguous. OCA Comments at 4.

The OCA agrees with the clarification in the *Tentative Implementation Order* that any Commission Regulation that applies to a Verizon competitive wire center should “trump” inconsistent provisions in the Product Guide. OCA Comments at 4. However, the OCA disagrees with language that it believes suggests that, in the context of review of a consumer complaint, the reasonableness and adequacy of Verizon’s conduct should be measured against Section 1501 of the Code only if there is no applicable Commission Regulation, the Product Guide does not address the issue, or the issue is ambiguous. *Id*., citing *Tentative Implementation Order* at 6. The OCA maintains that Verizon’s conduct is always subject to review for compliance with Section 1501 of the Code. In the OCA’s view, whether or not a Regulation may also apply or there is, or is not, an applicable provision of the Product Guide should not come into play. *Id*.

The OCA buttresses its position with relevant citations to the *Reclassification Order*. The OCA concludes its Comments in this area by stating the Commission should clarify that Section 1501 of the Code, 66 Pa. C.S. § 1501, is the first legal authority to be used, with non-waived Commission Regulations second, followed by any relevant Commission Orders and Verizon’s Chapter 30 Plan commitments, to the extent applicable. OCA Comments at 6. Therefore, the OCA contends that Verizon’s Product Guide should not be treated as legal authority. *Id*.[[6]](#footnote-6)

Similar to its first two comments, *supra,* the OCA posits in its third comment that the Product Guide cannot be treated as legal authority when the Commission resolves complaints by consumers in a competitive wire center. *See* OCA Comments at 6-9, citing the *Reclassification Order* and *Tentative Implementation Order*. The OCA disagrees that the Product Guide should be accorded *any* deference or status as legal authority when the Commission is asked to resolve an informal or formal complaint. The OCA particularly relies on the Commission’s language at pages 63 and 86 of the *Reclassification Order*,that Commission jurisdiction is retained over the quality of service standards that address the safety, adequacy, reliability, and privacy of telecommunications services and the ordering, installation, suspension, termination, and restoration of any telecommunications service. OCA Comments at 8.

Additionally, the OCA proposes that Verizon should revise the language in the Product Guide to avoid conflicts with Verizon’s obligation to provide reasonable and adequate service consistent with its COLR obligations, Section 1501 of the Code, and those Regulations that apply in competitive wire centers. OCA Comments at 9-10.

The OCA supports the Commission’s directive in the *Tentative Implementation Order* that Verizon modify its Product Guide so that it conforms to all retained Commission Regulations and that it expressly refer to Commission Regulations where appropriate. OCA Comments at 9. The OCA, citing *AT&T Communications of Pa. v. Pa. PUC*, 568 A.2d 1362 (Pa. Cmwlth. 1990) for the premise that misrepresentation of rates is a violation of Section 1501 of the Code, asserts as follows:

[A]ll reasonable care should be taken to assure that Verizon provides to consumers in competitive wire centers information regarding Verizon’s terms and conditions of competitive service, whether basic local calling service, or non-recurring services such as installation, that is accurate and consistent with Verizon’s COLR obligations, Section 1501, and other relevant legal authorities.

OCA Comments at 9-10.

Finally, the OCA supports the proposal in the *Tentative Implementation Order* to have Verizon distribute copies of the modified Product Guide applicable to basic local exchange service to Commission Staff and to provide notice of future changes. The OCA agrees that the focus should be upon basic local exchange service, whether offered on a stand-alone basis, or as part of a bundle. OCA Comments at 10. This would also include related services including installation, restoration, suspension, and termination. *Id.* at 10, citing *Reclassification Order* at 96.

The OCA supports providing updates to interested parties as part of consumer education and consumer outreach. The OCA asserts that this is important as consumers transition to competitive markets. OCA Comments at 10.

**4. FSN Comments**

FSN prefaces its Comments by identifying itself as a wholesale customer of Verizon that purchases products from Verizon and resells those products to retail customers. FSN Comments at 1. FSN states that it offers retail customers a competitive landline alternative to Verizon. *Id*.

FSN points out that the Product Guide will replace Verizon’s tariffs as the public document setting forth the terms and conditions of its telephone service in those exchanges and wire centers that are determined to be competitive. FSN Comments at 2. FSN cautions that care must be taken to ensure that affected customers, both retail and wholesale, have adequate and reasonable notice of changes to the terms and conditions in the Product Guide related to service in competitive exchanges and wire centers. FSN suggests that the *Tentative Implementation Order* go further than directing that advance copies and notice be provided to Commission Staff. FSN requests that the Commission should also require Verizon to provide retail and wholesale customers the same ten days’ notice either through direct notice or by filing the changes with the Commission. *Id.*

FSN supports its request by noting that it is undisputed in these proceedings that the Product Guide is a voluminous document, that Verizon does not designate changed materials when re-posting the guide on its website, and that there is no assurance that the information gleaned from looking at the Product Guide every day and comparing it to prior documents is accurate or up-to-date. FSN Comments at 2-3. FSN also points out its particular vulnerability to changes in the Product Guide by referring to its Main Brief in the *Reclassification Order* proceeding wherein it noted as follows:

If FSN is unaware of the changes and cannot timely respond to them for the benefit of the existing retail customer, then the likelihood of FSN losing the customer is increased. This is because the FSN customer is not likely to receive any advance notice of changes because FSN itself has no advance notice to offer the customer.

FSN Comments at 3, citing FSN Main Brief at 9.

FSN comments that customers are entitled to timely information about changes regarding the terms and conditions of service so that they can assess the value of the product and make informed decisions based on full disclosure. FSN Comments at 3.

In conclusion, FSN argues that the same, ten-day notice of changes in the Product Guide provided to Staff be provided to retail and wholesale customers. FSN Comments at 4.

**5. Disposition**

It is axiomatic that any argument raised by the Parties that we do not specifically delineate shall be deemed to have been considered and denied without further need for discussion. *See* [Consolidated Rail Corp. v. Pa. PUC, 625 A.2d 741 (Pa. Cmwlth. 1993);](file:///C:\research\buttonTFLink?_m=69761b6202cb4178e2a6e6fe02f5751b&_xfercite=%3ccite%20cc=%22USA%22%3e%3c!%5bCDATA%5b2000%20Pa.%20PUC%20LEXIS%2067%20%5d%5d%3e%3c\cite%3e&_butType=3&_butStat=242&_butNum=5&_butInline=1&_butinfo=%3ccite%20cc=%22USA%22%3e%3c!%5bCDATA%5b625%20A.2d%20741%5d%5d%3e%3c\cite%3e&_fmtstr=FULL&docnum=5&_startdoc=1&_startchk=1&wchp=dGLSzS-lSlbz&_md5=ad2b02d95c2a9216e83b92a3570d4785) *also see* [University of Pennsylvania v. Pa. PUC, 485 A.2d 1217 (Pa. Cmwlth. 1984).](file:///C:\research\buttonTFLink?_m=69761b6202cb4178e2a6e6fe02f5751b&_xfercite=%3ccite%20cc=%22USA%22%3e%3c!%5bCDATA%5b2000%20Pa.%20PUC%20LEXIS%2067%20%5d%5d%3e%3c\cite%3e&_butType=3&_butStat=242&_butNum=6&_butInline=1&_butinfo=%3ccite%20cc=%22USA%22%3e%3c!%5bCDATA%5b485%20A.2d%201217%5d%5d%3e%3c\cite%3e&_fmtstr=FULL&docnum=5&_startdoc=1&_startchk=1&wchp=dGLSzS-lSlbz&_md5=9b1cc8319afd12440738bb82d74455ef)

On consideration of the Comments of Verizon, the OCA, and FSN, we shall revise our *Tentative Implementation Order* directives and clarifications, consistent with the discussion herein.

**a. Legal Status of the Product Guide**

On consideration of the Comments of the OCA, we shall clarify any perception that by referencing the Product Guide as a source for resolving customer complaints, we intended to elevate that document to a “legal authority” on par with our Regulations or the Code. In our *Reclassification Order*, we stated as follows:

To ensure that the terms and conditions of basic local exchange service are memorialized for customers in competitive wire centers, we direct Verizon to use the Terms and Conditions of service contained in its “Product Guide”as the governing document for basic local exchange service customers in competitive wire centers in the Verizon PA and Verizon North service territories. Thus, the Product Guide will be the controlling document that defines Company and customer duties and obligations for competitive services, including basic service in competitive wire centers. We direct Verizon to notify its customers in writing of this change from tariff to contract status.

We are of the opinion that Verizon should undertake affirmative action to ensure customer agreement with terms and conditions of service contained in its Product Guide even if they remain the same as when previously tariffed. These non-tariff agreements will become an implied-in-fact contract based upon the provision of service and the payment of the invoices each month. This type of contract is created by the conduct of the parties rather than by a specific verbal or written contract. A letter with a negative option (“contact us if you do not accept the website terms…”) may form the basis of constructive knowledge by the customer. Affirmative acceptance by the customer will not be required, although Verizon may wish to do so to ensure proper contract formation.

*Reclassification Order* at 65-66 (footnotes omitted).

To the extent our *Tentative Implementation Order* can be interpreted to place the Product Guide as legal authority on par with a tariff, we hereby clarify that the Product Guide does not have the force and effect of law as did a tariff under applicable law, including prior decisions of the Commission. *See*, *e.g., Reclassification Order* at 64. In our *Reclassification Order,* we discussed the proper role of the Product Guide, which defines the duties of the Companies and the customers, and their expectations and obligations for the delivery of competitive services. The Product Guide, however, does not trump the Code or the retained Regulations in competitive wire centers. In its Comments, Verizon contends that the applicable Statutes and Regulations have always taken precedence over the Product Guide, and acknowledges that the addition of more competitive services to the Product Guide does not change that fact. Verizon Comments at 1. In our view, Verizon has properly acknowledged the primacy of the Code and Commission Regulations in this context.

Nevertheless, we clarify that the Commission may consult the Product Guide for guidance as to whether Verizon’s conduct in a particular case is reasonable under Section 1501 of the Code. Although the Commission may consult the Product Guide to help determine compliance with Section 1501, any guidance provided by the Product Guide is not necessarily dispositive of the outcome in a customer complaint case filed with this Commission. The Commission will still assess the reasonableness of Verizon’s conduct in a case, based on a totality of the circumstances in accordance with Section 1501 of the Code.

To the extent our *Tentative Implementation Order* can be interpreted to hold that the reasonableness of Verizon’s conduct should be measured against Section 1501 of the Code only if there is no applicable Regulation and the Product Guide is not helpful, we clarify that Verizon’s conduct in a consumer complaint case is always subject to review for compliance with Section 1501 of the Code. This is true, regardless of whether a Regulation may also apply or whether there is an applicable provision of the Product Guide. The *Tentative Implementation Order* was not intended to change that process. Section 1501 of the Code is the overarching legal authority applicable in all consumer complaint cases, and the *Tentative Implementation Order* simply sought to clarify that with no applicable Regulation or Product Guide provision, the Commission’s analysis is limited to what is reasonable under the facts and circumstances in a case in accordance with Section 1501 of the Code.

Based on the foregoing, we shall clarify the *Tentative Implementation Order* to provide that the following legal authorities will govern informal and formal complaints for customers located in competitive wire centers:

1. Whether Verizon’s conduct is reasonable under Section 1501 of the Code, 66 Pa. C.S. § 1501;
2. The Regulations retained by the *Reclassification Order*; and
3. What is reasonable based on the facts presented in a case in accordance with Section 1501 of the Code, which may include consulting the Product Guide for any guidance that it may offer on whether Verizon’s conduct is reasonable.

**b. Advance Filing Requirement for the Product Guide**

On consideration of the positions of the Parties, we shall rescind our proposal that Verizon file future changes to the Product Guide with Commission Staff on ten days’ advance notice. There is an inherent tension in the need for adequate consumer education and outreach as the affected wire centers are transitioned to full competition and Verizon’s ability to promptly respond to the market conditions without advance disclosure of those changes, potentially to competitors. This advance notice requirement runs counter to the policy objective of Chapter 30 allowing for movement to a competitive environment. The requirement may also have an anticompetitive effect upon Verizon in its ability to promptly respond to the market conditions and the benefits do not support this obligation. On balance, we find that the advance notice requirement would not advance our goals of granting Verizon competitive flexibility. For these same reasons, we shall also reject the OCA’s and FSN’s position that would require Verizon to provide advance notice of changes to the Product Guide to third parties.

Notwithstanding the above, we shall retain the requirement that Verizon must file a copy of the Product Guide applicable to basic local exchange service, including all future changes, with Commission Staff. We shall direct Verizon to provide such copies on or before their effective date. The concerns of the OCA, for purposes of consumer education, are well-taken. So, too, is the need for a current Product Guide to ensure that this Commission remains informed about the relevant Company and customer duties and obligations in matters that may come before us in complaint proceedings. Furthermore, while we must regulate consistent with the statutory objectives of Chapter 30, we emphasize that we still retain jurisdiction over quality of service and affordability matters regardless of the competitive designation of a particular wire center. As explained in more detail below, we are of the firm opinion that Verizon should provide this Commission with an updated Product Guide so that we may carry out our authorized responsibilities in an effective manner.

Our requirement that Verizon maintain an updated copy of the Product Guide with the Commission is, in fact, consistent with the Code’s treatment of the price list that is to be maintained for competitive services. *See Verizon 2012*. Section 3016(d)(4) of the Code provides the following authority to the Commission:

(4) The commission may require a local exchange telecommunications company to maintain price lists with the commission applicable to its competitive services. Price changes that are filed in a company's tariff for competitive services will go into effect on a one-day notice.

66 Pa. C.S. § 3016(d).

Pursuant to our *Tentative Implementation Order*, Verizon is now under the following requirement for the filing of the Product Guide. Once completed, Verizon shall provide a copy of the Product Guide applicable to basic local exchange service electronically to the Commission’s Bureau of Technical Utility Services (TUS) and Bureau of Consumer Services (BCS) on or before its effective date. Additionally, we shall require that Verizon provide an electronic copy of all future Product Guide changes to TUS and BCS on or before the effective date of such revisions. *See Tentative Implementation Order* at 6.

By rescinding our proposal that the Product Guide changes be filed with us ten days in advance, we conclude that the requirement in our *Tentative Implementation Order*, as modified in this *Final Implementation Order*, will treat the Product Guide at least consistent with, if not less burdensome than, our statutorily-authorized treatment of the price lists for basic local exchange service. Further, we are of the opinion that mirroring our treatment of the Product Guide, in all material respects, with our treatment of Verizon’s price lists, distinguishes the directive from any suggestion that the burden on Verizon is in the nature of a prohibited “tariffing” requirement. By requiring, as part of our partial reclassification of Verizon’s basic local exchange service, the filing of changes to the Product Guide on or before its effective date, we neither violate the letter nor the spirit of the Code.

We acknowledge that we previously have not directed Verizon to file any part of its Product Guide other than the Price List. However, we also have not previously granted Verizon a determination that basic local exchange service in certain of its wire centers is competitive; nor have we granted a conditional waiver of many of our consumer protection Regulations. We find that our requirement that Verizon file the Product Guide with us now is necessary so that we will be able to monitor the viability of the competitive market in light the reclassification of basic local exchange service in 153 Verizon wire centers and our waiver of these Regulations in those wire centers.[[7]](#footnote-7)

Moreover, requiring Verizon to maintain current copies of its Product Guide with the Commission is consistent with the additional powers and duties conferred to the Commission under Chapter 30 of the Code. These additional powers and duties include the express authority to impose additional requirements on local exchange carriers necessary to ensure the protection of consumers.[[8]](#footnote-8) Having an up-to-date Product Guide with accurate and current information about the terms and conditions of basic local exchange service in competitive wire centers is necessary for the Commission to carry out its remaining regulatory responsibilities with basic local exchange service in these centers. This includes the Commission’s Chapter 30 responsibilities regarding quality of service, including quality of service with respect to the ordering, installation, suspension/termination, and restoration of such service. In addition, an up-to-date Product Guide helps us to adequately address customer inquiries and/or complaints, thereby protecting consumers on multiple fronts.

We also find, and so conclude, that our mere requirement for Verizon to file the Product Guide with us is for informational purposes only and, thus, does not render it akin to a tariff. In other words, we have not imposed any prerequisites for the document as to form or substance, and we will exert no jurisdiction over the document (*i.e.,* to suspend and investigate, modify, approve, or disapprove). Based on the foregoing, we shall reject the Comments of Verizon to the contrary and revise our *Tentative Implementation Order* accordingly.

Before concluding this section, we emphasize that the availability of the Product Guide to us and to Verizon’s customers *is of paramount importance* as the regulatory paradigm for Verizon as it continues to evolve through the detariffing of basic local exchange service in its wire centers that have been determined to be competitive. Of equal importance are consumer education issues regarding specific wire centers where basic local exchange service will be provided either on a competitive or noncompetitive basis. We have proactively taken a number of actions in issuing appropriate guidance in this regard. For example, in Ordering Paragraph No. 8 of our *Reclassification Order,* we instructed Verizon to notify affected customers, in writing, that its services would be reclassified as competitive and would be detariffed. On this basis, we strongly encourage Verizon, in an informal or formal complaint case filed by a customer, to clearly, timely, and affirmatively identify the individual wire center that is the subject of the complaint and whether the complaint at issue concerns a competitive or noncompetitive wire center. In our view, such timely and specific identification of facts will not only better contribute to the resolution of such informal and formal complaints, but also substantially lessen the administrative burden both on this Commission and Verizon.[[9]](#footnote-9)

1. **Verizon’s Carrier of Last Resort Obligations**

**1. Tentative Implementation Order**

In our *Reclassification Order*, we addressed Verizon’s continuing COLR obligations. Initially we noted that, in the Petition, Verizon did not propose abandonment of its copper network. As we stated then:

Under its Petition, Verizon does not seek to abandon any of its service offerings, and we grant no such permission. Likewise, Verizon has not presented any plans to cease operation of its legacy copper network. If Verizon sought to do so, it would be required to comply with applicable requirements of federal law. These requirements include providing public notice of any plans to abandon and allowing the opportunity for any interested party to comment on any proposed copper network abandonment.

*Reclassification Order* at 6 (footnotes omitted). Accordingly, the approvals we granted Verizon in our *Reclassification Order* did not contemplate, but rather reinforced Verizon’s continuation of its copper network.

In our *Tentative Implementation Order*, we clarified a potential conflict in Ordering Paragraphs Nos. 6 and 7 that addressed this obligation. In Ordering Paragraph No. 6 of the *Reclassification Order*,we specified that Verizon shall continue to maintain its obligations as to COLR in competitive wire centers. We interpreted this obligation to include, *inter alia*, that Verizon will continue to connect all customers located in their service territories upon request.

In Ordering Paragraph No. 7 of the *Reclassification Order*, we specified that each Verizon Company shall use the terms and conditions of service contained in its Product Guideas the governing document regarding the provision of basic local exchange service in competitive wire centers. Verizon’s current Product Guide notes that it will not provide service where providing the service is uneconomic or not justified based on economic factors or where otherwise provided in the Product Guide. *See Tentative Implementation Order* at 7, n.2.

Our *Tentative Implementation Order* reconciled this potential conflict by providing that “the Product Guide governs only to the extent it is consistent with applicable law. In other words, in competitive wire centers, the Product Guide governing the provision of service does not trump Verizon’s statutorily-based COLR obligation that remains in those wire centers, and Verizon cannot contractually remove this obligation.” *Tentative Implementation Order* at 7. This was also consistent with our direction in the *Reclassification Order* that “[w]e view offering basic local exchange service as part of Verizon’s COLR obligation existing under state and federal law [and] shall require this result absent a clear, future ruling by this Commission or the FCC to the contrary.” *Reclassification Order* at 61. Finally, it is consistent with our retention of Section 63.20 of our Regulations, 52 Pa. Code § 63.20, addressing line extensions, which remained relevant to Verizon’s Section 1501-based COLR obligation in competitive wire centers. *Id.* at 80-81.

**2. Verizon Comments**

Verizon did not address the *Tentative Implementation Order’*s clarification regarding its COLR obligations in its Comments.

**3. OCA Comments**

The OCA supports the clarifications and directive that Verizon review and modify its Product Guide language to conform with Section 1501, retained Commission Regulations, and Verizon’s COLR obligations as explained in the *Tentative Implementation Order*. OCA Comments at 12. The OCA particularly lauds the reference in the *Tentative Implementation Order* to the requirements of 52 Pa. Code § 63.20, regarding reasonable line extensions, that will remain in effect in competitive wire centers. *Id*. The OCA also notes that a key consumer safeguard identified in the *Reclassification Order* is the recognition that Verizon must continue to meet its COLR obligation “as it stands today.” *Id.* at 13.

**4. FSN Comments**

FSN did not address the *Tentative Implementation Order’*s clarification regarding Verizon’s COLR obligations in Comments.

**5. Disposition**

We shall adopt as final, our discussion of Verizon’s COLR obligations as clarified in the *Tentative Implementation Order*. As noted in our *Reclassification Order,* Verizon did not seek, nor did we grant it permission, to cease operation of its legacy copper network. *Reclassification Order* at 6. We reinforce that if Verizon sought to do so, it would be required to comply with applicable requirements of state and federal law. We note that the Federal Communications Commission (FCC) has released a Notice of Proposed Rulemaking (NPRM) involving the retirement of copper facilities and the transition to other wireline mediums, *i.e.*, fiber. *See In the Matter of Ensuring Customer Premises Equipment Backup Power for Continuity of Communications, Technology Transitions et al.*, PS Docket No. 14-174, GN Docket No. 13-5, Order, Report and Order and Further Notice of Proposed Rulemaking, Report and Order, Order and Further Notice of Proposed Rulemaking, Proposal for Ongoing Data Initiative *et al.* released January  31,  2014; and *Notice of Proposed Rulemaking and Declaratory Ruling* released November  25, 2014. Moreover, we anticipate that any federal approvals for abandonment of copper sought by Verizon will be accompanied by compliance with applicable state notice and other procedures, including those set forth in Section 1102(a)(2) of the Code.

1. **Section 64.201 Reporting**

**1. Tentative Implementation Order**

In our *Tentative Implementation Order*, we proposed the following:

Upon further review, rather than waiving parts of Section 64.201 only in competitive wire centers, we shall direct the following with regard to the Section 64.201 reporting requirements applicable to Verizon:

1. Each Verizon Company will file an annual statewide report not broken down by competitive versus noncompetitive wire centers, in accordance with Section 64.201 of our Regulations and this Order.
2. Each Verizon Company will continue to report all information required under Section 64.201, except each Verizon Company is not required to report the following: the Section 64.201 information in (b)(2)(ii)-(iv) , (b)(4)(ii)-(iv) , (b)(5) , and (b)(8)-(11) . These regulations are hereby waived.
3. In place of Section 64.201(11), each Verizon Company will report the total number of residential disputes handled, not just Chapter 64 disputes.

*Tentative Implementation Order* at 8.

We concluded that requiring Verizon to report the waived information was unduly burdensome, finding that waivers are necessary for streamlining residential account data reporting requirements, while still ensuring that Verizon provides information that is relevant to the Commission’s regulatory responsibilities. We directed that the Section 64.201 waivers shall remain in place until no later than March 4, 2020, subject to the rulemaking proceeding that is contemplated in the *Reclassification Order*. *Tentative Implementation Order* at 9.

We also noted that the issue of whether each Verizon Company must file a separate Section 64.201 or Section 64.201-like report, broken down by competitive versus noncompetitive wire centers, was to be addressed by the Commission in an action implementing the data collection directive in Ordering Paragraph Nos. 15 and 16 of the *Reclassification Order*.

**2. Verizon Comments**

In its Comments, Verizon did not address the Section 64.201 reporting requirements as clarified in the *Tentative Implementation Order*. However, we note that in its Reply Comments filed in response to our *May 2015 Secretarial Letter*, Verizon submits that the Commission will have sufficient information to evaluate market performance based on requiring the reporting of data at the competitive/noncompetitive area level. Verizon contends that the OCA’s proposal, discussed, *infra*, that the Commission require Verizon to collect and report data by individual wire center would be burdensome. Specifically, Verizon opines that the OCA’s proposal to require more granular data fails to satisfy the criteria outlined in Section 3015(f)(1) of the Code that the benefit of any additional required report significantly outweigh the expense and the administrative time and effort that would be necessary to produce it. Verizon Reply Comments to *May 2015 Secretarial Letter* at 1-2.

**3. OCA Comments**

The OCA’s comments address the following two issues: (1) Whether the Commission can direct statewide reports without a breakdown by competitive and noncompetitive wire centers in accordance with Section 64.201 of our Regulations for all rate centers in the Verizon’s service territory (*i.e.* statewide); and (2) Whether the Commission’s reporting requirements in accordance with Section 64.201 should be broken down by individual wire center or be submitted in the aggregate for competitive wire centers and noncompetitive wire centers. The OCA points out that the Commission’s rationale for granting the partial waiver for competitive wire centers was to keep requirements that could assist with assessing the impact of the reclassification on basic local exchange service rates in competitive wire centers. OCA Comments at 15. The OCA notes that the Commission did not waive reporting regulations in noncompetitive wire centers. *Id*. The OCA objects to the Commission’s waiver of Regulations beyond those granted in the *Reclassification Order*. *Id*. Specifically, the OCA comments that the Commission should not waive any reporting requirements for noncompetitive wire centers, for sake of uniformity, that were not covered by the Verizon Petition, through this Order. OCA Comments at 16.

The OCA also comments that the Section 64.201 annual report should be broken down between competitive wire centers and noncompetitive wire centers. The OCA argues that to do otherwise would create a conflict with the Commission’s commitment to require Verizon, for a two-year period, to collect and report data covered in part by Section 64.201 and broken out, at a minimum, between competitive and noncompetitive wire center areas. OCA Comments at 16. The OCA asserts that the break out of this information on a granular level is critical to determining whether the competitive classification of 153 Verizon wire centers is achieving the goals of Chapter  30.[[10]](#footnote-10) *Id*.

Also, the OCA opines that a waiver of the majority of the Section 64.201 reporting items, including total uncollectible account information, will not allow the Commission to properly assess telecommunications service in Pennsylvania. OCA Comments at 16. Again, the OCA terms this information in Section 64.201(b), as “critical” for the Commission to assess the affordability criterion for telecommunications service under Chapter 30. *Id*.

Finally, the OCA supports the requirement in the *Tentative Implementation Order* that Verizon provide the total number of disputes handled, not just the number of Chapter 64 disputes. The OCA notes that with many provisions of Chapter 64 waived with respect to the competitive wire centers, and the expansion of the “warm transfer” process for resolution of informal complaint, a reporting requirement limited to Chapter 64 would not be representative. OCA Comments at 17.

**4. FSN Comments**

FSN’s comments did not address the clarification in the *Tentative Implementation Order* regarding the Chapter 64.201 reporting obligations.

**5. Disposition**

**a. Section 64.201 Annual Statewide Reports**

In its Comments, the OCA expresses concern regarding the “further” waiver of Commission Regulations at 52 Pa. Code § 64.201 in the *Tentative Implementation Order.* The OCA points out that the Commission did not waive reporting regulations in noncompetitive wire centers in the *Reclassification Order* and objects to the Commission’s waiver of regulations beyond those granted therein. OCA Comments at 15. The OCA requests that the Commission not waive any reporting requirements for noncompetitive wire centers not covered by the Verizon Petition through this Order. OCA Comments at 16.

On consideration of the OCA Comment, we duly note the limited nature of the waiver granted pursuant to the process involved in the *Reclassification Order*. There we stated:

Our conclusion is based on the *limited scope of the waiver, as applying only to Verizon and CLECs operating in the 153 Verizon wire centers that are found to be competitive.* Moreover, the waivers we grant today are not permanent. Rather, as noted, the waivers are granted temporarily for the earlier of the length of five years or the completion of a rulemaking proceeding in this Opinion and Order, in order to provide Verizon time to experience competitive operations in these wire centers, to allow Verizon and other interested parties to track data they believe pertinent to our review of those operations, and to allow the Commission time to undertake a rulemaking to determine what service Regulations, if any, should apply in competitive and non-competitive wire centers.

*Reclassification Order* at 103-04 (emphasis added).

In light of the above, we agree with the OCA’s argument in this regard and we shall modify our proposal in the *Tentative Implementation Order* and limit our waiver of the reporting requirements in 52 Pa. Code § 64.201, to the 153 wire centers that were the subject of the Verizon Petition and on which we granted competitive classification. The scope of this proceeding does not permit the Commission to extend the waiver of the reporting requirements to any other wire centers beyond those included in our *Reclassification Order.* Accordingly, we decline to extend our waiver of the reporting obligations pursuant to Section 64.201 to either the forty-one wire centers not granted competitive classification in our *Reclassification Order* or to the remaining noncompetitive wire centers in Verizon’s service territories that were not covered by the Verizon Petition.

Our *Tentative Implementation Order* also proposed that certain information be reported in light of the Commission’s waiver. As stated above, the Commission proposed that each Verizon Company continue to report all information required under Section 64.201 except for the information set forth under Section 64.201 (b)(2)(ii)-(iv), (b)(4)(ii)-(iv), (b)(5), and (b)(8)-(11). *Tentative Implementation Order* at 8. In its Comments, the OCA opposes this proposal and submits that a waiver of the majority of the Section 64.201 reporting items, including the reporting of total uncollectible account information, will not allow the Commission to properly assess telecommunications service in Pennsylvania. Specifically, the OCA argues the following:

The Commission remains under an obligation to ensure affordable telecommunications service. The provision of this service – whether through a bundle or basic stand-alone service subject to pricing flexibility or as basic service at rates adjusted pursuant to Verizon’s Chapter 30 Plan – must be periodically assessed. The information in Section 64.201(b) is critical for the Commission to meet this obligation under Chapter 30.

OCA Comments at 16.

On consideration of these Comments, we shall reject the OCA’s position that the Regulations we proposed to waive in the *Tentative Implementation Order* pertaining to non-basic and toll services information in Sections 64.201(b)(2)(ii)-(iv), (b)(4)(ii)-(iv), (b)(5), and (b)(8)(ii)-(iv), (b)(9)(ii)-(iv), (b)(10)(ii)-(iv) and (b)(11) will not allow the Commission to properly assess telecommunications services in Pennsylvania. In our *Tentative Implementation Order,* we recognized that given the changes in the telecommunications landscape in Pennsylvania, certain reporting requirements are no longer necessary to accomplish the goals of the Commission’s regulatory obligations as set forth in the *Reclassification Order*. Specifically, in the wire centers that we have determined to be competitive, we remain of the opinion that the reporting of information beyond basic service under the retained regulations of Section 64.201(b) will not gather the necessary information to evaluate the affordability of basic service as prescribed in Ordering Paragraph No. 15 of the *Reclassification Order*. However, as noted above, the scope of this case does not permit us to extend the waiver of the reporting requirements to any other wire centers than those included in our findings in the *Reclassification Order.* Should Verizon desire a waiver of the reporting obligations on a statewide basis for wire centers beyond the 153 wire centers determined to be competitive in this proceeding, Verizon must file an additional petition for waiver of the reporting requirements pursuant to Section 64.201.

We shall, however, retain the modifications to Section 64.201(11) of the Regulations, outlined, *supra,* under which we directed that each Verizon Company report the total number of residential disputes handled, not just Chapter 64 disputes, and our proposal to retain Section 64.201(b)(1).

A summary of our waivers under Section 64.201 of our Regulations is contained in Appendix A to this Opinion and Order.[[11]](#footnote-11)

**b. Reporting by Individual Wire Center or Aggregate Competitive and Noncompetitive Wire Center**

In our *Tentative Implementation Order*, we also proposed to extend a grant of waiver of Chapter 64’s reporting requirements as follows: “Each Verizon Company will file an annual statewide report not broken down by competitive versus noncompetitive wire centers, in accordance with Section 64.201 of our Regulations and this Order.” *See Tentative Implementation Order* at 8. We noted that the issue of a separate, “Section 64.201 or Section 64.201-like report, broken down by competitive versus noncompetitive wire centers” was a matter that we contemplated could be addressed in our data collection directives initiated with the *May 2015 Secretarial Letter*. *Tentative Implementation Order* at 9. Concurrently, we are addressing this issue in a companion Order, at the above docket, which disposes of the Comments and Reply Comments received in response to our *May 2015 Secretarial Letter*, and which establishes the specific data collection directives implementing Ordering Paragraph Nos. 15 and 16 of the *Reclassification Order.*

In its Comments, the OCA contends that the break out of data between competitive and noncompetitive wire centers on a granular level is critical to monitoring the market development in the 153 wire centers determined to be competitive. OCA Comments at 16. On review of the Comments in response to the *Tentative Implementation Order* and the Comments and Reply Comments in response to the *May 2015 Secretarial Letter¸* we shall reject the proposal of the OCA. The *Reclassification Order* sought to assess whether market forces are sufficient to the provision of jurisdictional telecommunications service in competitive markets *as a whole*, and not on an individual wire center basis. Accordingly, we shall retain the aggregate competitive versus noncompetitive analysis for the collection and reporting of residential account data as contemplated in our *May 2015 Secretarial Letter.* At present, we are of the opinion that data collected and reported in this manner is sufficient. Notwithstanding the above, if, in the future, it becomes apparent that market discipline is being applied unevenly in various wire centers, we may wish to analyze how the market functions as a regulatory surrogate on a more granular level and may seek more granular reporting at that time.

**D. Suspension/Termination/Restoration of Service Rules in Competitive**

**Wire Centers**

**1. Tentative Implementation Order**

The *Tentative Implementation Order* concluded the following:

Upon further review, we find that it is necessary to provide guidance on the implementation of the one-tier notification process in competitive wire centers. First, Verizon is required to provide at least thirty days’ advanced notice to the Commission, in writing, prior to implementing the one-tier advanced written notice process applicable to suspension/termination of service in competitive wire centers. As part of this advanced notice to the Commission, Verizon must provide the relevant details regarding how it intends to implement the one-tier notification process, including the date that the one-tier notification process is to take effect and a copy of the written notice to be provided to customers. Until such a filing is made and is effective, Verizon shall follow the existing two-tier suspension/termination process in competitive wire centers.

Additionally, we clarify the following in connection with the customer notice requirements for the one-tier notice process available in competitive wire centers:

1. The advanced written notice must advise the customer that once service has been suspended for at least five days, service may be terminated without any additional notice being provided. We add this requirement as a condition to waiving Subchapter F and parts of Subchapter E in Chapter 64 for competitive wire centers.
2. The advanced written notice must include, at a minimum, the reason for the proposed suspension/termination, the amount the customer must pay to avoid suspension/termination (if applicable), the earliest date that service will be affected, and information where the customer can contact Verizon about the matter to discuss avoiding suspension/termination. The advanced written notice also must include language that is the same or substantially similar to the language appearing in the medical emergency notice in Appendix A of the Commission’s Chapter 64 Regulations. The Commission adds these requirements as a condition to waiving Section 64.72 and Sections 64.121-64.123 of its Regulations.

To resolve any ambiguity that may arise, we make the following additional clarifications regarding the one-tier notice process available in competitive wire centers:

1. When a LEC suspends service for nonpayment prior to the expiration of a medical certificate, Section 64.109 requires the LEC to follow the suspension notice procedures at Sections 64.71-74 of the Commission’s Regulations. Because Sections 64.72 through 63.74 [*sic*] have been waived in competitive wire centers, the Commission clarifies that when suspending service under Section 64.109 in competitive wire centers, Verizon must comply with Section 64.71 and the requirements established in a final Order resulting from this Tentative Order.
2. Prior to Verizon suspending stand-alone basic local telephone service in a competitive wire center in accordance with Section 64.24(c) of the Commission’s Regulations, bundled bill customers are to receive the same notice as stand-alone basic local exchange customers.

*Tentative Implementation Order* at 11-12.

**2. Verizon Comments**

Verizon’s comments did not address the *Tentative Implementation Order’*s clarification of this issue.

**3. OCA Comments**

The OCA concurs with our clarification and modification of our *Reclassification Order* in the above manner. In the OCA’s view, this clarification sets forth specific guidance for how Verizon must implement its one-tier notification process to alert consumers located in competitive wire centers of a forthcoming suspension or termination of service, while providing adequate consumer protection and promoting universal service. Specifically, the OCA endorses our direction that Verizon provide at least thirty days’ advance notice prior to implementing its one-tier notification process, as well as our direction that Verizon follow the existing two-tier notice in the interim. Additionally, the OCA requests that the Commission direct Verizon to (1) modify its Product Guide language to be consistent with the directives and the one-tier notification process contemplated by the *Tentative Implementation Order* and (2) provide the OCA and other interested parties with a copy of its advance notice of its intent to transition to a one-tier notification process. OCA Comments at 18-19.

**4. FSN Comments**

FSN’s comments did not address the clarification of this issue in the *Tentative Implementation Order*.

**5. Disposition**

None of the commenting Parties has raised any considerations for the modification of the directives in our *Tentative Implementation Order*. Accordingly, we shall adopt those recommendations as the final action of this Commission.

**III. Conclusion**

Consistent with the forgoing, we shall issue this *Final Implementation Opinion and Order* regarding clarifications and disposition of Comments to our *Tentative Implementation Order*; **THEREFORE,**

**IT IS ORDERED:**

1. That, unless otherwise expressly addressed in this *Final Implementation Opinion and Order* regarding clarifications to our Opinion and Order entered March 4, 2015, at Docket Nos. P-2014-2446303 and P-2014-2446304, the clarifications in the *Tentative Implementation Opinion and Order* are the final and binding action of this Commission.
2. That, in addition to the directives contained in our Opinion and Order entered March 4, 2015, at the above-captioned dockets, Verizon Pennsylvania LLC and Verizon North LLC, shall file an electronic copy of its Product Guide and all updates and revisions, concerning basic local exchange service with the Commission on or before the effective dates of such revisions. The Companies shall not be required to file advance copies of the Product Guide or updates and/or revisions thereto on third parties.
3. That our discussion of the status of the Product Guide in the above-captioned dockets is clarified to acknowledge that the Product Guide is not “legal authority” on par with a tariffand does not have, in and of itself, the same force and effect of law as a tariff.
4. That Verizon Pennsylvania LLC and Verizon North LLC shall continue to maintain Carrier of Last Resort obligations consistent with the discussion in our Opinion and Order entered March 4, 2015, and the clarifications in the *Tentative Implementation Opinion and Order*.
5. That the waivers of the provisions of Section 64.201 of our Regulations, 52 Pa. Code § 64.201(b), as set forth in Appendix A, are, hereby, modified, consistent with this *Final Implementation Opinion and Order*.
6. That the directives contained in the Opinion and Order entered March 4, 2015, and the clarifications in the *Tentative Implementation Opinion and Order* concerning the revision of the Companies’ suspension, termination, and restoration of service rules, are adopted as the final action of this Commission.
7. That a copy of this Opinion and Order be served on all parties to this proceeding.
8. That this docket shall remain open for the purposes of data collection and reporting.

 **BY THE COMMISSION,**

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: August 20, 2015

ORDER ENTERED: September 11, 2015

**APPENDIX A**

|  |  |
| --- | --- |
| **Summary of Verizon's 52 Pa. Code Section 64.201(b) Reporting Requirements in its Competitive Wire Centers** | |
| Subsection | Status |
| (1) The average number of residential accounts per month | Retained |
| (2) The average residential customer bill per month for each of the following: |  |
| (i) Basic service | Retained |
| (ii) Nonbasic service | Waived |
| (iii) Toll service | Waived |
| (iv) Total amount due ( (i) +(ii) +(iii)) | Waived |
| (3) The average number of overdue residential accounts per month | Retained |
| (4) The average overdue residential customer bill per month for: |  |
| (i) Basic service | Retained |
| (ii) Nonbasic service | Waived |
| (iii) Toll service | Waived |
| (iv) Total amount due ( (i) +(ii) +(iii)) | Waived |
| (5) The average number of residential basic service suspension notices sent per month | Waived |
| (6) The average number of residential basic service suspensions per month | Retained |
| (7) The average number of residential basic service terminations per month | Retained |
| (8) LEC gross revenue from all residential accounts separated as follows: |  |
| (i) Basic service | Retained |
| (ii) Nonbasic service | Waived |
| (iii) Toll service | Waived |
| (iv) Total revenue ( (i) +(ii) +(iii)) | Waived |
| (9) LEC gross write-offs of uncollectible residential accounts separated as follows: |  |
| (i) Basic service | Retained |
| (ii) Nonbasic service | Waived |
| (iii) Toll service | Waived |
| (iv) Total gross write-offs ( (i) +(ii) +(iii)) | Waived |
| Subsection | Status |
| (10) LEC net write-offs of uncollectible residential accounts separated as follows: |  |
| (i) Basic service | Retained |
| (ii) Nonbasic service | Waived |
| (iii) Toll service | Waived |
| (iv) Total net write-offs ( (i) +(ii) +(iii)) | Waived |
| (11) The total number of Chapter 64 disputes handled | Waived. Each Verizon Company must instead report the total number of residential disputes handled, not just Chapter 64 disputes. |

1. We provided no reply comment period in our *Tentative Implementation Order*. [↑](#footnote-ref-1)
2. The waivers were granted as to Verizon as well as to Competitive Local Exchange Carriers (CLECs) operating in the approved competitive wire centers. [↑](#footnote-ref-2)
3. We note that on June 30, 2015, Verizon PA filed Supplement 36 to Telephone – Pa. PUC – Price List No. 1 at Docket No. R-2015-2490526, and Verizon North filed Supplement 29 to Telephone – Pa. PUC – Price List No. 1 at Docket No. R‑2015-2490528. Through these filings, each Verizon company added to its price list the rates for basic local exchange service in its wire centers classified as competitive. [↑](#footnote-ref-3)
4. *See also* *Verizon Pennsylvania Inc. v. Pa. PUC*, 2012 WL 8682564, (*Verizon 2012*), which was a Petition for Review of the Commission Order entered June 24, 2011, at Docket Nos. R-2011-2244373, P-00930715F1000, R-2011-2244375 and P‑00001854F1000, wherein the Commonwealth Court upheld the Commission’s suspension and investigation of Verizon’s proposed withdrawal of its competitive services tariffs (*i.e.* Verizon PA’s Tariff 500 and Verizon North’s Tariff 11) that preceded Verizon’s use of the Product Guide. [↑](#footnote-ref-4)
5. On June 1, 2015, each Verizon Company made a filing with the Commission to detariff its basic local exchange service in its competitive wire centers. Verizon PA’s filing may be found at Docket No. R-2015-2486530. Verizon North’s filing may be found at Docket No. R-2015-2486531. [↑](#footnote-ref-5)
6. On June 15, 2015, the OCA filed a corrected page 6, indicating that it inadvertently omitted the word “not” when setting forth its position that Verizon’s Product Guide should not be treated as legal authority. [↑](#footnote-ref-6)
7. Section 3015(f)(1) of the Code, 66 Pa. C.S. § 3015(f)(1), authorizes the Commission, upon notice and opportunity to the affected parties, to require the filing of additional information upon making specific findings and conclusions that “[t]he report is necessary to ensure that the local exchange telecommunications company is charging rates that are in compliance with this chapter and its effective alternative form of regulation; [and t]he benefits of the report substantially outweigh the attendant expense and administrative time and effort required of the local exchange telecommunications company to prepare it.” Based on this record, we are able to make a determination, and so find, that the filing of the Product Guide consistent with our directives in the *Reclassification Order* and this *Final Implementation Order* meet the requirements of this statutory provision. [↑](#footnote-ref-7)
8. *See* 66 Pa. C.S. § 3019(b)(3). We acknowledge that this authority is subject to the provisions of Section 3015(e), which limits the general filing requirements applicable to local exchange companies operating under an amended network modernization plan to a specified number of reports. However, given that the nature of the Product Guide filing is for informational purposes only, we do not view this necessarily as a general filing requirement triggering Section 3015(e). And, even if considered a general filing requirement, the Commission is authorized to request a copy of the Product Guide under Section 3015(f). [↑](#footnote-ref-8)
9. For example, the timely and correct provisioning of appropriate wire center information that also reflects the noncompetitive or competitive classification of the basic local exchange service associated with the service address that may be the subject of an informal complaint, where such information is electronically exchanged between Verizon and BCS, will be of a particular value in reaching a quick resolution of such complaints. [↑](#footnote-ref-9)
10. We note that although it did not file Comments in response to our *Tentative Implementation Order*, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), in response to our *May 2015 Secretarial Letter,* indicated that it supports the OCA’s comments and believes that it is critical for the Commission to require Verizon to report granular, wire center level data to ensure that the reported data assists the Commission – and interested parties – in assessing the affordability, reliability, and safety of Verizon’s basic service in each of the reclassified wire centers. CAUSE-PA Comments to *May 2015 Secretarial Letter* at 1. [↑](#footnote-ref-10)
11. Our *Tentative Implementation Order* contained an Errata correcting ministerial errors made in our *Reclassification Order.* Included in this Errata was a correction to Appendix E of our *Reclassification Order*, which listed those Subsections of 52 Pa. Code Chapter 64 that were waived in wire centers in which Verizon was granted competitive reclassification. This correction read as follows: “Appendix E-Subchapter J: The citation to Section 64.201 (Reporting requirements), ‘§§ (b)(**i**),’ should be corrected to read ‘§§ (b)(1).’” *Tentative Implementation Order* at 13. We note that while our *Tentative Implementation Order* identified and corrected this ministerial error, it also modified our *Reclassification Order* to retain the requirement that Verizon continue to report information outlined under Section 64.201(b)(1) of our Regulations. We retain this modification in this *Final Implementation Order.* [↑](#footnote-ref-11)