



October 2, 2018

VIA E-File

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
Secretary's Bureau
PO Box 3265
Harrisburg, PA 17105-3265

**Re: Advanced Notice of Proposed Rulemaking to Comply with the Competitive
Classification of Telecommunication Retail Services Under 66 Pa. C.S. 3016(a);
General Review of Regulations 52 Pa. Code, Chapter 63 and 64
Docket L-2018-3001391**

*Comments of the Coalition for Affordable Utility Services and Energy Efficiency in
Pennsylvania (CAUSE-PA)*

Dear Secretary Chiavetta,

On July 12, 2018, the Commission issued an Advanced Notice of Proposed Rulemaking (ANOPR) Order at Docket L-2018-3001391. This Order was published in the Pennsylvania Bulletin on August 4, 2018. See 48 Pa.B. 4792. The purpose of the rulemaking is to react to “changes in the competitive market conditions in the telecommunications industry” and, specifically, “to address whether the increase in competition and competitive alternatives warrant the elimination of certain Regulations on a permanent industry-wide basis for competitive wire centers.” ANOPR Order at 1. This proceeding is an outgrowth from the 2014 reclassification of 153 wire centers owned and operated by Verizon Pennsylvania, LLC and Verizon North LLC (collectively “Verizon”). See 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, Docket No.S P-2014-2446303 and P-2014-2446304 (Order Entered March 4, 2015) (“Reclassification Order”).

The Reclassification Order addressed a number of critical issues in the changing landscape of telecommunications service, and, granted Verizon a five-year waiver of certain provisions in Chapters 63 and 64 of its regulations. Through this ANOPR, the Commission proposes to permanently eliminate or revise a number of critical consumer protections governing access to basic telecommunication services. The Commission cites various rationale for the reform, noting that several regulations, such as those governing the availability of pay-phone service, have lost their meaning over time as telecommunications technology has evolved. (ANOPR at 8-9).

In response to the Commission’s ANOPR, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) file these brief letter/comments. From the outset, CAUSE-PA fully supports and endorses the more lengthy comments submitted at this docket by the Office of Consumer Advocate. As the OCA explains, many of the regulatory solutions proposed by the Commission will come at a financial cost to consumers, making it more difficult for economically vulnerable consumers to access quality, stable telecommunication service. Indeed, while healthy competition allows consumers choice, that choice can be costly for those who can afford to pay and illusory for those who cannot. The well-reasoned recommendations contained in the OCA’s comments will help to protect vulnerable consumers for whom basic telecommunication service provides a literal lifeline – allowing them to connect with necessary services, healthcare and medical providers, family, and friends.

While telecommunications technology has certainly evolved, and increased options are available for telecommunication services in many areas of the state, there remains a significant divide between those who have access to stable and affordable telecommunication service and those who do not.

CAUSE-PA’s primary concern for telecommunication service in Pennsylvania is that low-income households have access to a continuance of universal service of basic calling plans at reasonable and affordable rates. This has been a bedrock principle of our national telecommunications policy since the passage of the Federal Communications Act of 1934, and was reaffirmed by this General Assembly when Chapter 30 was enacted in 1993, and re-enacted in Act

183 of 2004. In Act 183 of 2004, the General Assembly states clearly that it is the policy of the Commonwealth to:

[M]aintain universal telecommunications service at affordable rates while encouraging the accelerated provision of advanced services and deployment of a universally available, state-of-the-art, interactive broadband telecommunications network[.]¹

The concern that customers, especially low income customers, maintain basic telephone service is no less essential today than it was in 2004 when Act 183 was passed. For urban and suburban areas, the fact that a competitive service provider exists does not ensure that the service offered is affordable. For example, both the telephone company and the cable company may offer VOIP or cable bundle packages that cost close to \$100 per month. Even unbundled, the voice service offered though service like VOIP or cable cost between \$40 and \$45 per month. While this service may be available, its availability is meaningless for a family that cannot afford these rates.

Those in rural communities across our state – even just a few miles outside of our urban centers – often do not have access to telecommunication alternatives that offer reliable service to their homes. Even in our urban centers, many – particularly seniors and homebound individuals – still rely on wireline service as their primary mode of communication.

In its Advance Notice of Proposed Rulemaking, the Commission notes that, in the context of the Verizon Reclassification Order, it required Verizon to collect and report a number of data points, which were “intended to: (1) help assess the market in competitive areas, including the impact of our decision on affordability of basic service and quality of service in those areas and (2) provide guidance for this rulemaking.” (ANOPR at 7). **While this data may have been available to the Commission in developing its recommendations, it is not available to the public at the docket.** In order to make the same reasoned and thoughtful assessment of the Commission’s proposals to roll back critical consumer protections contained in Chapters 63 and 64, this information should be made publically available.

Moreover, as the OCA points out in their more fully developed comments, it is unclear whether Verizon has fully implemented changes made possible by the Commission’s temporary waiver of certain regulations. For example, there is no indication that Verizon has implemented a

¹ 66 Pa.C.S. § 3011(2).

one-tier notification for service suspension and termination. As such, the data contained in Verizon's reports – and relied on by the Commission in proposing regulatory reforms – may be of limited applicability. We cannot learn lessons about whether waivers of regulations result in consequential harm without public scrutiny of the data. More information and background about the reported data is therefore critical to assessing the success or failure of the limited waiver in protecting consumers' universal access to telecommunication service in competitive zones.

Before further action is taken to permanently eliminate critical components of Chapters 63 and 64, CAUSE-PA asserts that the Commission should release Verizon's reports to the public to allow for an informed dialogue. We further recommend that the Commission hold a work group meeting with interested stakeholders to review the data and gather feedback. Thereafter, we recommend that an additional comment period be provided to allow for a more informed dialogue to commence.

Furthermore, as evidenced in the Commission's UCARES report, regulated telecommunications providers regularly violate the baseline service standards set forth in Chapters 63 and 64, which the Commission now seeks to roll back. Between January and June, 2018, the five large telecommunications providers – CenturyLink, Frontier Commonwealth, Verizon North, Verizon PA, and Windstream – there were 559 verified infractions of Chapter 63, and 45 verified infractions of Chapter 64.² The Commission should carefully consider these complaints before making permanent revisions to its regulations.

² Pa. PUC, BCS, UCARES, at 17 (Residential Verified Infraction Statistics by Industry – Cases Opened January through June 2018), http://www.puc.state.pa.us/General/publications_reports/pdf/UCARE_2018-2Q.pdf.

CAUSE-PA thanks the Commission for the opportunity to file these brief comments. We will review the comments of other parties and reserve the right to file reply Comments. We, again, reiterate that we support and endorse the more fully developed comments submitted at this docket by the Office of Consumer Advocate. Finally, consistent with our suggestions above, we urge the Commission to consider a collaborative process to see if consensus can be developed about the any needed regulatory changes before embarking in a full rulemaking proceeding.

Respectfully submitted,

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