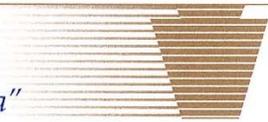


# Pennsylvania Telephone Association

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**Steven J. Samara**  
President

March 18, 2020

**VIA ELECTRONIC FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

Re: *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 and P-2014-2446304*

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 Chapter 64 L-2018-3001391

Dear Secretary Chiavetta:

The Pennsylvania Telephone Association (PTA) files this letter with the Pennsylvania Public Utility Commission (PUC or Commission) in lieu of written comments in the above captioned dockets. In summary, the PTA member companies remain keenly interested in regulatory reform and urge the Commission to finally tackle this important topic.

The Commission's ruling five years ago at the Verizon Reclassification docket<sup>1</sup> recognized that significant changes were needed to update the entirety of the Commission's regulation of the "incumbent"<sup>2</sup> telephone companies and promised to

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<sup>1</sup> *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 and P-2014-2446304, Opinion and Order entered March 4, 2015 (Reclassification Order).*

<sup>2</sup> Quotes are placed around the term "incumbent" because the traditional companies have not been the incumbent for at least 20 years. Nor is the implication that incumbency provides an advantage a fair inference. The revolution of

make them. Verizon was granted a five-year “temporary” waiver of certain regulations. The five-year period was deemed adequate to review the initial two-year Verizon data tracking exercise 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.”<sup>3</sup>

Three years later, in July 2018, the Commission opened an Advanced Notice of Proposed Rulemaking (ANOPR), which did not propose any specific regulatory changes, but instead, sought “to gather further input from the industry, consumer groups, and advocates before drafting the proposed revisions.”<sup>4</sup> Specific regulatory changes could be anticipated after the ANOPR comments were filed.<sup>5</sup>

The PTA fully participated in the ANOPR docket, encouraging the Commission to bring prompt and decisive change to the antiquated and clearly outdated regulations of the Commission, which, as the PTA pointed out, were written when, “[l]andline phones were clunky, curly-corded and affixed to a wall or plugged into a wall jack” and there was no such thing as the internet or even wireless service. “The telephone ‘industry structure’ today is nothing like it was in 1984 when the Commission promulgated Chapter 64.”<sup>6</sup>

Not only are the Commission’s regulations outdated, addressing outmoded facilities and services, many of which no longer exist and are obsolete,<sup>7</sup> but they exclusively apply to what is now a minority portion of the voice communications markets.

Whereas previously virtually all telephones in a monopoly marketplace were provisioned by wired landline companies, voice communications today are no longer predominantly provisioned by companies regulated by the Commission and subject to Chapters 63 and Chapter 64. *As of December 31, 2016, ILECs in Pennsylvania had less than 12% of total voice subscriptions in the state - i.e., less than 12% of all wireless and wireline (including cable, VoIP, ILEC, and CLEC) voice subscriptions in Pennsylvania.*<sup>8</sup>

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the last twenty years has removed whatever advantage there was thirty years ago in 1996 from the prior 100 years of providing voice service.

<sup>3</sup> *Reclassification Order* at 104 (emphasis added). The Commission, at that point, was confident that five years was enough to accomplish and finalize a rulemaking (“... 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.”) *Id.* at 104 (emphasis added).

<sup>4</sup> *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 Chapter 64, L-2018-3001391, Advanced Notice of Proposed Rulemaking Order, Order entered July 12, 2018 (ANOPR Order).*

<sup>5</sup> *ANOPR Order* at 29. (“Following careful review and consideration of the comments received in response to this Advance Notice, the Commission intends to issue a formal Notice of Proposed Rulemaking with proposed revised Regulations.”).

<sup>6</sup> PTA ANOPR Comments filed October 3, 2018 at 1 and 2.

<sup>7</sup> PTA Comments at 3.

<sup>8</sup> *Id.* at 4 (emphasis added).

Meanwhile, carrier-of-last-resort obligations, which require maintaining 100% network support for voice services, remain on the 12% minority notwithstanding elimination of historic revenue support from switched access charges and from federal programs, thus creating upward pressure on retail consumer rates and the state USF. Chapters 63 and 64 divert much needed resources away from operating our backbone ILEC voice networks and from meeting consumer demands in a competitive environment.<sup>9</sup>

Nearly 18 months have passed since the PTA submitted the above-noted statement in its Comments. The PTA's thirty pages of Comments extensively delved into the details of Chapters 63 and 64, providing specific and actionable recommendations. The PTA did not advocate deregulatory abdication, rather its Comments sought a fairer, common sense, approach in today's non-monopoly circumstances.

In view of the above, the PTA urges the Commission to finally act upon its long-standing promise of regulatory reform. Five years after acknowledging the need to do so, there are no draft regulations or even active ongoing discussions regarding what specific language changes need to be made.

The Commission has the ANOPR comments as a basis to draft the new regulations and begin the process. There is no reason to await the outcome of the Verizon data review process, nor is the Verizon data relevant to a rewrite of the Commission regulations for the rest of the industry. While unstated, the Commission Orders can be read to imply that the regulations need to be written for exchanges deemed competitive under 66 Pa.C.S. §3016. This is not the case. The regulations are so arcane and infective as to need a complete rewrite – not an update for selected exchanges.

Simply stated, the PTA is asking for a long overdue rewrite of regulation written over thirty-five years ago for an industry that has undergone subsequent changes that are greater and more profound than any other. As always, the PTA and its member companies stand ready to help facilitate any Commission action in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. J. Samara', with a long horizontal flourish extending to the right.

Steven J. Samara  
President

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<sup>9</sup> *Id.*