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May 25, 2021

**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: 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  
Docket No. L-2018-3001391

Dear Secretary Chiavetta:

Enclosed please find Verizon's Comments Regarding the Commission's Notice of Proposed Rulemaking, in the above captioned matter.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

A handwritten signature in blue ink that reads "Suzan D. Paiva/sau".

Suzan D. Paiva

SDP/sau

Enclosure

cc: David Screven, Deputy Chief Counsel Law Bureau ([dscreven@pa.gov](mailto:dscreven@pa.gov))  
Attached Certificate of Service

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of Verizon's Comments upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by electronic mail as follows:

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Dated: May 25, 2021

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Attorney for Verizon Companies

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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 53, Chapter 63 and  
Chapter 64

Docket No. L-2018-3001391

**COMMENTS OF THE VERIZON COMPANIES**

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Dated: May 25, 2021

## **TABLE OF CONTENTS**

|      |   |    |
|------|---|----|
| I.   | Introduction.....   | 1  |
| II.  | The Commission’s Existing Telephone Regulations Belong To A Different Era. ....                                 | 4  |
| III. | Pennsylvania Law Requires The Commission To Fundamentally Rethink Its Entire Set of Telephone Regulations. .... | 10 |
| IV.  | The Proposed Regulations Should Be Scaled Back Significantly .....  | 12 |
| A.   | The Chapter 53 Revisions Should Be Simplified .....   | 12 |
| B.   | Chapter 63 Must Be Scaled Back Much More Than Proposed.....   | 14 |
| 1.   | Complaint Procedures (§ 63.15).....   | 14 |
| 2.   | Directories (§ 63.21).....  | 15 |
| 3.   | Service Quality Regulation (§§ 63.20, 63.24, 63.53, 63.55, 63.57, 63.58, 63.59, 63.63, 63.64).....              | 18 |
| 4.   | Recordkeeping and Accounting (§§ 63.22, 63.31, 63.32, 63.35, 63.54)...  | 23 |
| 5.   | Provisions that Duplicate FCC Rules (§§ 63.131-137, 63.141-144) .....   | 24 |
| C.   | Chapter 64 Regulations Should Be Streamlined And Phased Out No Later Than 2023.....                             | 26 |
| 1.   | Billing and Payment (Subchapter B).....   | 28 |
| 2.   | Credit and Deposit (Subchapter C) .....   | 29 |
| 3.   | Discontinuance, Suspension and Termination of Service (Subchapters D, E, F and H).....                          | 30 |
| 4.   | Complaint Procedures (Subchapter G).....  | 31 |
| 5.   | Reporting and Record Maintenance (Subchapters I and J).....   | 32 |
| V.   | Conclusion .....  | 33 |

On September 21, 2020, the Commission entered a Notice of Proposed Rulemaking (“NPRM”) proposing to revise portions of its regulations governing telephone service providers in Chapters 53, 63 and 64 of Title 52 of the Pennsylvania Code. The NPRM was published for comment in the Pennsylvania Bulletin on April 10, 2021.

With several affiliated companies subject to these outdated and burdensome regulations, Verizon<sup>1</sup> submits these comments supporting the Commission’s initiative to update its rules but urging it to do much more to bring its regulations in line with the reality of today’s highly competitive market and to fulfill the legislative mandate to take a fresh look and reduce regulations to ensure parity with the emergence of new industry participants.<sup>2</sup>

## **I. Introduction**

The Commission’s promise to bring its rules for voice services into the twenty-first century has been pending since at least 2015, when it recognized that the “monopoly-era Regulations in Chapters 63 and 64” that do not apply to the array of unregulated providers that dominate the industry today “no longer make sense in a competitive marketplace.”<sup>3</sup> Three years later the Commission issued an Advance Notice of Proposed Rulemaking (“ANPR”) recognizing that “changes in competitive market conditions in the telecommunications industry,” particularly “the

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<sup>1</sup> These Comments are filed on behalf of the Verizon affiliated companies that are regulated by this Commission, including Verizon Pennsylvania LLC, Verizon North LLC, MCImetro Access Transmission Services Corp., MCI Communications Services, Inc., XO Communications Services, LLC, Verizon Long Distance LLC, and Verizon Select Services, Inc.

<sup>2</sup> 66 Pa. C.S. § 3011(13).

<sup>3</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*, Docket Nos. P-2014-2446303 and P-2014-2446304 (Order entered March 4, 2015) (“*Reclassification Order*”) at 75.

increases in competition and competitive alternatives,” warrant elimination of outdated regulations and the updating of any rules that remain.<sup>4</sup>

Yet, to this day, even as competition has increased dramatically since the time those findings were made, these outdated regulations are still in place, tying the hands of the small and shrinking set of providers that remain subject to these rules while competition for unregulated communications services flourishes all around them. It is time for the Commission to carry through in a meaningful way on its six-year-old promise to scale back its monopoly-era rules because “[r]egulation does not exist for regulation’s sake. Rather, regulation seeks to produce a competitive result where there is no competition to do the same. Where sufficient competition exists, regulation is not needed and should be reduced or perhaps even discontinued.”<sup>5</sup>

The Public Utility Code requires the Commission to take a fresh look at the scope of and necessity for its regulation of voice services, something it has not done in decades. This governing statute directs the Commission to “review and revise” its regulations, “tak[ing] into consideration the emergence of new industry participants, technological advancements, service standards and consumer demand,”<sup>6</sup> and to reduce “the regulatory obligations” imposed on those telephone companies that it still regulates “to levels more consistent with those imposed upon competing alternative service providers.”<sup>7</sup>

There is no doubt that the Commission’s telephone service regulations are outdated and in need of a thorough review. To put these rules in perspective, the heart of Chapter 63 was written

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<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*, Docket No. L-2018-3001391 (Advance Notice of Proposed Rulemaking entered July 12, 2018) (“ANPR”) at 1.

<sup>5</sup> *Reclassification Order* at 75.

<sup>6</sup> 66 Pa. C.S. § 3019(b)(2).

<sup>7</sup> 66 Pa. C.S. § 3011(13).

and adopted more than 70 years ago in 1946, during the Truman administration, when party lines and rotary phones were the norm and consumers could not even place a trans-Atlantic call. Other Chapter 63 and 64 rules date back thirty-five years to the mid-1980's, during the Reagan administration, when AT&T was broken up and the only choice for communication was a landline from the local telephone company. The newest of the rules addressed in the NPRM, the Chapter 53 tariffing rules, are over 20 years old and are based on a statute that expired in 2003. The last time the Commission generally reviewed its telephone regulations was in the late 1990's, when landlines were still dominant and local telephone competition was in its infancy -- before smart phones, before VoIP and cable telephony, and before the widespread proliferation of alternative communications options such as texting, the Internet, Facebook, Snapchat, Instagram, Twitter, TikTok, Zoom, and the like.

These are more than just interesting historical facts. The need for and benefits from regulation were completely different in the world of the past, when consumers had only one local voice-service provider, only one technology, and there was a guaranteed rate-of-return for the local telephone company from this highly regulated service. Continuing to impose monopoly-era regulations on one small and shrinking segment of a largely unregulated market does not make sense in a new world that is completely different in terms of competing technology and providers. Such regulatory stagnation is not beneficial to customers, has unintended negative consequences, and is not the best way for this Commission to carry out its mission to serve the public and the companies it regulates.

While Verizon appreciates that the Commission's NPRM proposes the elimination of many outdated and irrelevant regulatory provisions and makes some improvements to the ones that remain, the proposed changes do not go far enough. The main problem is that the

Commission set out to redline and edit its existing rules when it should have eliminated those rules entirely and reviewed the need for regulation of the telephone industry from a clean slate. Considering how old these regulations are and how much the industry, technology and customer options have transformed over the years, simply editing the existing rules is not enough. The question cannot be “which of these outdated, monopoly-era regulations can we eliminate?” Rather, the question is “what regulations, if any, are necessary and beneficial in today’s environment?” The NPRM states that it intends to “remove obligations we believe, on balance, present a greater burden than benefit,”<sup>8</sup> but it leaves many burdensome rules in place without establishing any real benefit from them in today’s world. If adopted as-is the Commission’s proposed NPRM rules would simply set in stone another version of micro-managing, monopoly-era regulatory mandates that would be outdated as soon as they are promulgated.

In an effort to bring closure to the Commission’s multi-year effort to comply with Chapter 30 and modernize its regulations, Verizon is providing comment on the proposed rules as structured, and provides in “Attachment 1” a revised version of Chapters 53, 63 and 64 that is more in keeping with Chapter 30’s statutory mandate and the rapidly evolving competitive market.

## **II. The Commission’s Existing Telephone Regulations Belong To A Different Era.**

It goes without saying that the communications industry has changed completely since the days when the Commission’s telephone regulations were first written, as Verizon discussed at length in its October 3, 2018 Comments to the ANPR. But almost three years have passed since Verizon submitted those comments and it is worth taking the time to update the state of competition, so the Commission and other reviewers understand how dramatic this change has been and

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<sup>8</sup> NPRM at 5.



continues to be. These changes permeate the lives of every citizen in every area of the state and alter the very foundation upon which the Commission's choice of how to regulate was based.

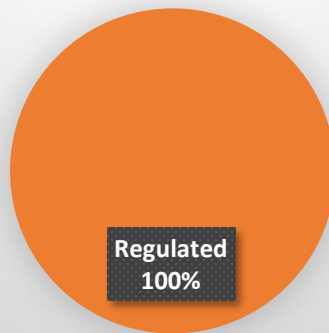
When the majority of the rules in Chapters 63 and 64 were adopted, this Commission regulated all of the voice lines in Pennsylvania, controlling the price of service and the return earned by the monopoly providers. People did not have a choice – if they wanted to have a telephone they needed to get a wired landline from the local telephone company regulated by the Commission. In that environment, regulation was thought to be necessary to replicate—to the extent possible—the effects of a competitive market. As the Commission observed, “regulation seeks to produce a competitive result where there is no competition to do the same,” but “[w]here sufficient competition exists, regulation is not needed and should be reduced or perhaps even discontinued.”<sup>9</sup> And the Commission's rate-of-return regulation ensured that the costs of complying with these regulations would be recovered from the customers (who had no choice but to pay the regulated rates since there were no competitive alternatives).

This is what the market looked like when the bulk of the Commission's telephone rules were written:

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<sup>9</sup> *Reclassification Order* at 75.

### Regulated Voice Lines When Majority of Chapters 63 and 64 Rules Were Adopted

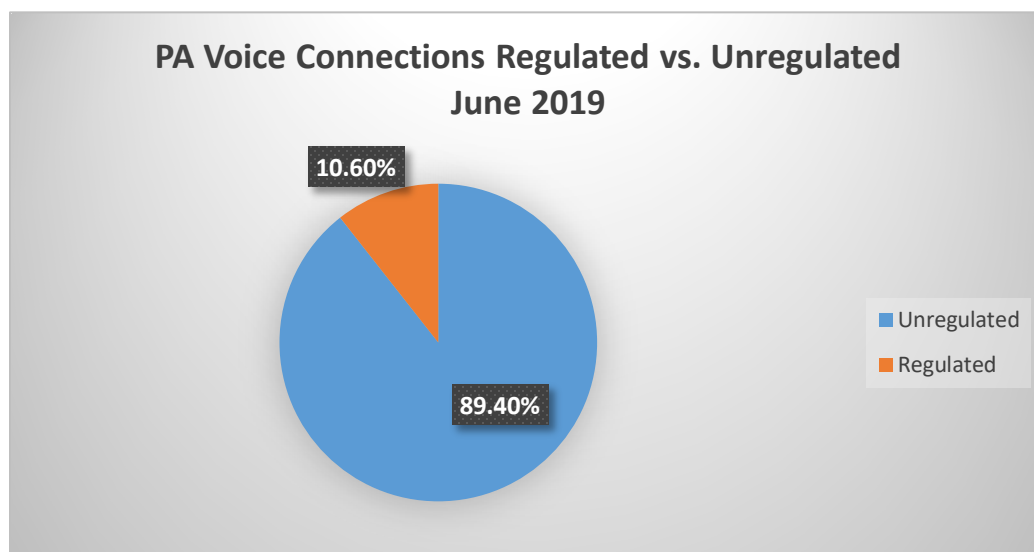


Today, the vast majority of voice connections in Pennsylvania are provided over technologies and/or by providers that are not regulated by this Commission. By way of comparison, in 1999 when local telephone competition was in its infancy the FCC reported that there were 8.8 million regulated voice lines served by ILECs and CLECs in Pennsylvania.<sup>10</sup> The most recent FCC count from 2019 shows only 1.987 million switched (regulated) lines from all regulated voice providers taken together – with a corresponding explosive growth in the voice subscriptions served by unregulated VoIP and mobile technologies.<sup>11</sup> In contrast to the 1.987 million (and shrinking) number of regulated lines in Pennsylvania, the most recent 2019 FCC statistics show 13.7 million mobile and over 3 million VoIP (including cable telephony) subscriptions, both technologies that are not under the jurisdiction of the Commission and not

<sup>10</sup> FCC Wireline Competition Bureau, Local Telephone Competition at the New Millennium, Data as of December 31, 1999 (Rel. 8/00) (available at [https://transition.fcc.gov/Bureaus/Common\\_Carrier/Reports/FCC-State\\_Link/IAD/lcom0800.pdf](https://transition.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/lcom0800.pdf)).

<sup>11</sup> The number of switched (regulated) lines reported by the FCC decreased from 2.7 million in the December 31, 2016 data Verizon cited in its 2018 Comments on the ANPR to 1.987 million, a loss over 700,000 regulated lines in just the two and a half years that the Commission has been working on revising its rules.

subject to the regulations at issue.<sup>12</sup> That means only 10.6 percent of the voice lines in Pennsylvania as of June 30, 2019 were regulated by this Commission, a share that is surely several percentage points smaller now, two years later, given the steep declining trend.<sup>13</sup> Regulated lines provided by the traditional local telephone companies – the incumbent local exchange carriers or ILECs that bear the brunt of the Commission’s regulatory burdens – amounted to 8.3 percent of the total in 2019, and again is surely smaller today two years later.



It is also worth noting how much the percentage of switched (regulated) lines reported by the FCC declined in the seven years since Verizon filed its Reclassification Petition, in response to which the Commission found it appropriate to waive many Chapter 63 and 64 regulations due to extensive competition. The FCC statistics Verizon used in that 2014 filing, with data as of

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<sup>12</sup> FCC Wireline Competition Bureau, Voice Telephone Subscriptions as of June 30, 2019 (Rel. 5/7/21) (available at <https://www.fcc.gov/voice-telephone-services-report>). This report shows 13,742,000 mobile subscriptions, 3,061,000 VoIP subscriptions and 1,987,000 “switched” lines. ILEC switched lines are 1,556,000.

<sup>13</sup> This decline from 15 percent when Verizon submitted its 2018 Comments to the ANPR to 10.6 percent, shows a loss of over 4 percentage points in two and a half years. Assuming the same rate of decline, the percentage of voice connections regulated today in 2021 is likely to be around 7 percent. Regulated ILEC lines are likely to be closer to 5 percent.

June 2013, showed that switched lines from ILECs and CLECs together (i.e., the lines subject to the Commission’s jurisdiction) were 24 percent of the total at that time, numbering 4.4 million, while ILEC-only switched lines were 17 percent of the total.<sup>14</sup> The percentage that regulated switched lines comprise of the total declined from 24 percent to 10.6 percent and ILEC switched lines declined from 17 percent to 8.6 percent in just 6 years. If this accelerating rate of decline continues, there would soon be no regulated voice lines in Pennsylvania.<sup>15</sup>

The dwindling relevance of regulated landlines in the market is also confirmed by the periodic surveys conducted by the United States Centers for Disease Control and Prevention (“CDC”) to determine the level of “wireless substitution,” where customers cut the cord and use mobile phones instead of landlines to meet their calling needs. The latest CDC survey determined that, as of January-June 2020, 80 percent of all adults are “wireless only” or “wireless mostly,” so that they effectively do not use landlines (regulated or unregulated).<sup>16</sup> In other words, for 80 percent of American adults today, wireless phones are either the exclusive or predominant form of voice communication. And based on the FCC’s local competition statistics

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<sup>14</sup> FCC Wireline Competition Bureau, Local Telephone Competition Status as of June 30, 2013, Tables 9 and 18. Available from <https://docs.fcc.gov/public/attachments/DOC-327830A1.pdf>. These tables showed 4.4 million switched lines, 2.1 million VoIP and 12 million mobile.

<sup>15</sup> The NPRM notes that the FCC’s reported switched lines are not the same as the access lines reported to the Commission (presumably from the TRS annual access line summary forms). NPRM at 5, n. 4. That is not surprising because the FCC is counting retail switched lines defined as a “service connection between an end user and the local telephone company’s switch; the basis of plain old telephone service (POTS).” The Commission’s access line summary is broader than POTS lines and includes non-switched lines such as T-1s, official lines provided by a company to itself, Centrex trunk equivalents and the like. There is no denying the steeply declining trend in the FCC data observed over the years, however.

<sup>16</sup> Blumberg SJ, Luke JV. *Wireless substitution: Early release of estimates from the National Health Interview Survey*, January-June 2020. National Center for Health Statistics. February 2021. DOI: <https://doi.org/10.15620/cdc:100855>. This CDC survey determined that, as of January-June 2020, 61.8 percent of adults nationally were wireless-only (no landline at all, regulated or unregulated), and an additional 18.1 percent reported that they received all or almost all calls on wireless telephones (“wireless mostly”). The CDC also found that “[i]n the first six months of 2020, 62.5 percent of adults (about 157 million) and 73.6 percent of children (nearly 54 million) lived in households that did not have a landline telephone but did have at least one wireless telephone,” showing a statistically significant increase (3.3 percentage points for adults and 3.1 percentage points for children) from the first 6 months of 2019 to the first 6 months of 2020.

showing VoIP landlines outnumbering switched landlines, even for the approximately 20 percent of adults that may use a wired landline more than half are likely to be using unregulated VoIP services such as cable telephony rather than a landline regulated by this Commission.

This huge expansion in consumers' use of unregulated VoIP and wireless technologies that enable voice communication does not even account for the use of Internet connections for voice communications, including the increasingly popular applications such as Skype-like services, FaceTime, Zoom, WebEx, BlueJeans, e-mail or social media. A consumer could rely exclusively on these web applications to communicate and it would not be counted as a "voice subscription" in the statistical discussion above. The FCC reports that as of December 31, 2018, Pennsylvanians had 17.1 million broadband Internet connections, including mobile broadband, DSL, cable modem, and fiber to the home.<sup>17</sup> Again this is a tremendous increase in broadband connections from the statistics cited in Verizon's 2014 Reclassification Petition, which showed that as of 2013 there were about 10 million Internet connections.<sup>18</sup>

All of this information is important to put the Commission's regulations in context. There is no justifiable reason to continue to apply overly prescriptive monopoly-era regulation to a subset of services that provide less than 10 percent of the voice connections and no longer have guaranteed cost recovery through rate regulation – where the rest of the industry is free to flourish without such regulation.

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<sup>17</sup> FCC Internet Access Service as of December 31, 2018, available at <https://www.fcc.gov/internet-access-services-reports> . Of those broadband connections, approximately 500,000 are DSL, 2.9 million are cable modems and 12.6 million are mobile wireless. Fiber connections are expected to make up most of the remainder. *Id.* Figure 34.

<sup>18</sup> Reclassification Petition, October 5, 2014 at 4 (citing FCC statistics as of June 2013).

### **III. Pennsylvania Law Requires The Commission To Rethink Its Entire Set of Telephone Regulations.**

Robust competition is the best “regulator” of service standards for consumers and there is no doubt that robust competition exists in Pennsylvania, as discussed above. The Legislature has directed this Commission to eliminate outdated mandates designed for the landline-only world of the past and instead rely on the powerful forces of competition to deliver high quality service and reasonable billing practices for consumers – as is the case for the wireless, VoIP and Internet voice services used by the majority of Pennsylvanian’s today. The Commission’s NPRM proposal to retain a large portion of its decades-old regulations, making only minor redline changes, and even to re-instate many rules that were waived for portions of the state six years ago, does not comply with the statutory directive.

This is not an optional exercise. Sixteen years ago provisions were added to the Public Utility Code requiring the Commission to take a fresh look at the scope of and necessity for its regulation of voice services, to “review and revise” its rules, “tak[ing] into consideration the emergence of new industry participants, technological advancements, service standards and consumer demand,”<sup>19</sup> and to reduce “the regulatory obligations” imposed on those telephone companies that it still regulates “to levels more consistent with those imposed upon competing alternative service providers.”<sup>20</sup> This provision was enacted by the Legislature in 2004, but in the ensuing years the Commission has not comprehensively revised these regulations.

This obligation is not satisfied by redlining the existing Truman-era and Reagan-era rules, which is what the NPRM has done. It definitely is not satisfied by the Commission’s proposal to retain the bulk of those rules, and even to reinstate rules that it waived for many parts

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<sup>19</sup> 66 Pa. C.S § 3019(b)(2).

<sup>20</sup> 66 Pa. C.S. § 3011(13).

of the state six years ago. The Commission must presume elimination of all of its rules and justify each new rule under the Chapter 30 standard. Any new regulations should narrowly address only what is absolutely necessary, and eliminate outdated and overly prescriptive rules that do not reflect customer expectations in today's world. As this Commission recognized, “[w]here sufficient competition exists, regulation is not needed and should be reduced or perhaps even discontinued,” but the NPRM does not carry through on that promise.<sup>21</sup> In a world where less than 10 percent of voice connections are regulated, there can be no doubt that sufficient competition exists and regulations are not needed to produce a “competitive result.”

In its 2015 *Reclassification Order*, the Commission determined that “the burdens of complying with outdated Regulations with which Verizon’s competitors do not have to comply is an ‘unreasonable hardship’” and waived a large number of its Chapter 63 and 64 regulations in the competitive exchanges. Verizon respectfully suggests that these burdens and hardships are not limited to the competitive exchanges and are not limited to Verizon; the Commission should rethink its rules entirely. At the very least, the Commission should eliminate – for all providers statewide – all of the rules that have been waived in Verizon’s competitive exchanges for the past 6 years. The Commission’s NPRM actually proposes to reinstate a number of those waived regulations and re-apply them in the competitive exchanges, increasing regulation with no basis to do so.

As the Commission found in a 2008 order waiving equal access scripting requirements, “[i]n our opinion, in an increasingly competitive telecommunications market, one in which a significant percentage of customers makes voice calls – and particularly long distance calls – using the services of wireless providers and/or VoIP, *it is important that this Commission not*

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<sup>21</sup> *Reclassification Order* at 75.

*unnecessarily distort the marketplace by perpetuating asymmetrical regulations.”*<sup>22</sup> In a 2012 order waiving call answer time requirements, the Commission recognized that keeping in place regulatory standards that do not “comport with customer expectations in today’s competitive telecommunications marketplace,” would “constitute enforcement for enforcement’s sake.”<sup>23</sup> The Commission’s observations were correct, and set a standard that should be used to review the final regulations resulting from this NPRM.

Even with a shorter and more streamlined set of regulations, the Commission will retain its statutory authority over service quality and customer interactions for regulated services under 66 Pa. C.S. § 1501, as the NPRM recognizes. (NPRM at 2, 34). Companies still will be statutorily required to “furnish and maintain adequate, efficient, safe, and reasonable service and facilities,” and the Commission still can take action if it determines that a provider has not done so. But instead of applying outdated and overly prescriptive regulations that do not reflect customer expectations, the Commission will be able to evaluate any issue that is brought before it in light of the “emergence of new industry participants, technological advancements, service standards and consumer demand,” as Chapter 30 directs.<sup>24</sup>

#### **IV. The Proposed Regulations Should Be Scaled Back Significantly**

##### **A. The Chapter 53 Revisions Should Be Simplified**

Verizon agrees with the Commission’s proposal to revise the telephone portion of the Chapter 53 tariff filing regulations (Sections 53.57-60). It is essential to do so because these

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<sup>22</sup> *Joint Petition of Verizon Pennsylvania Inc. and Verizon North Inc. for a Waiver of the Commission’s Regulation Governing Toll Presubscription*, 52 Pa. Code Section 64.191(e), P-00072348 (Opinion and Order entered September 24, 2008) at 7, 9 (emphasis added).

<sup>23</sup> *PUC v. Verizon Pennsylvania Inc.*, Docket No. M-2008-2077881 (Opinion and Order entered October 12, 2012) at 33.

<sup>24</sup> 66 Pa. C.S. § 3019(b)(2).



rules incorporate provisions of the old Chapter 30 that expired in 2003 and some provisions are directly contrary to current law. The Commission's discussion at pages 21-26 of the NPRM of the numerous complex waiver petitions granted over the years illustrates exactly why a cumbersome and old fashioned tariff filing process should not exist in this competitive industry,

While a step in the right direction, the Commission's proposed new version of Sections 53.57-60 is still unduly long and complex. One major reason is that it attempts to repeat and restate portions of the Chapter 30 statute. There is no need for these regulations to repeat standards that are clearly stated in the governing statute, such as the process for competitive classification. There is also no need to restate slightly different definitions for terms already defined in the statute; reference to the statutory definition is sufficient. Moreover, tariffing is an outdated regulatory process that creates burdensome paper-work with no corresponding benefit to consumers, does not apply to unregulated competitors, and should be minimized or eliminated to the greatest extent possible. While it would be best to eliminate all retail tariffing requirements immediately, Verizon proposes a phased out approach where retail tariffing is limited to standalone basic residential service in noncompetitive areas and sunsets by the end of 2023. Likewise, the Commission should maximize the competitive classification of service without requiring providers to file unnecessary paperwork, particularly with respect to services of competitive local exchange carriers (CLECS) and services to enterprise and large business customers that have been designated competitive for years.<sup>25</sup> Verizon proposes a shorter and more streamlined version of Sections 53.57-60 in "Attachment 1" to these comments.

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<sup>25</sup> As an example, the Commission's proposed definition of "enterprise and large business customers," to which all voice services are deemed competitive, sets a revenue threshold of \$500,000. But in the *Global Order* over twenty years ago the Commission established a \$10,000 total billed revenue threshold for Verizon's customers to define the group for which all services are deemed competitive. There is no reason to take a step backward.

## **B. Chapter 63 Must Be Streamlined Much More Than Proposed**

Verizon appreciates that the Commission's NPRM proposes to remove many outdated provisions of Chapter 63 and supports all of those deletions. However, more work is needed to streamline Chapter 63 into modern, forward-looking rules appropriate for the competitive market of today and tomorrow.

### **1. Complaint Procedures (§ 63.15)**

The entire resource-sapping Bureau of Consumer Services (BCS) informal complaint process does not apply to the unregulated services and providers that form the vast majority of the market and should not continue to apply to the small portion of regulated service providers.<sup>26</sup> This cumbersome process is confusing to customers and does not resolve their issues efficiently because it is more focused on generating reports for the sake of reporting rather than promptly addressing the customer's needs. The industry strongly advocated for the elimination of this burdensome informal complaint process in the comments to the ANPR, but the Commission proposes to keep it virtually unchanged except for the addition of a "warm transfer" option. The Rural Incumbent Local Exchange Carriers ("RLECs") explained that "[t]he RLECs' resources are better utilized focused upon working with the customer, rather than compliance with imposing regulations and submittal of reports to the Commission."<sup>27</sup> The RLECs and AT&T pointed out that the micromanaging of customer disputes prior to the filing of any complaint is unnecessary and involves needless recordkeeping that diverts resources and does not benefit the customer.<sup>28</sup>

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<sup>26</sup> This provision relates to the BCS process for handling "informal" service complaints. Informal billing complaints are addressed in Chapter 64 and similar changes to that process are discussed later in these comments.

<sup>27</sup> RLEC Comments to ANPR at 27.

<sup>28</sup> RLEC Comments at 25-26; AT&T Comments to ANPR at 5.

Customer needs can be met much more efficiently with a streamlined process that refers any complaints directly to the provider to handle. The Commission proposes an optional “warm transfer” process that retains a high level of BCS involvement and paper pushing that diverts from direct involvement with the customer. Verizon proposes the following steps to phase out this informal complaint process, which are described in the version of Section 63.15 contained in Verizon’s Attachment 1:

1. From the effective date of the rules through December 31, 2023 BCS shall only accept informal complaints relating to stand-alone basic residential service classified as noncompetitive. During this time BCS will utilize the warm transfer process upon agreement of the provider as described in the Commission’s proposed rules.
2. All other complaints received shall be referred directly to the service provider. The service provider shall investigate and respond to that customer and no further Commission action or reporting by the provider will be required. BCS will not accept any complaint relating to unregulated services or issues outside this Commission’s jurisdiction.
3. After December 31, 2023 BCS shall no longer accept informal complaints relating to telecommunications providers (including stand-alone basic residential service classified as noncompetitive) and those complaints shall be subject to provision 2.

## **2. Directories (§ 63.21)**

The Commission’s NPRM agrees that a regulation requiring directories “may be obsolete for end-user consumers that receive retail services, including protected basic local exchange services in all geographic areas.” (NPRM at 38). But rather than simply eliminating its regulation at Section 63.21, as many commenters to the ANPR urged it to do, the Commission proposes a half measure to modify that section to reflect the terms of directory waivers provided over the years. Codifying the waiver conditions rather than eliminating the rule altogether would perpetuate a requirement for an unwanted, obsolete, anticompetitive, and environmentally-unfriendly relic of the past. A proper review of this issue under the Chapter 30 standards must lead the Commission to conclude that, while past waiver conditions served a purpose as the

Commission transitioned away from saturation delivery of white pages, the time has come for the Commission to eliminate Section 63.21 and any other rules relating to telephone directories.<sup>29</sup> The Commission should make clear that there is no regulatory requirement for ILECs to provide directories.<sup>30</sup>

First, the public does not want directories. The public did not protest the Commission waiving the requirement for saturation delivery of directories. Nor did the public demand a printed directory. Very few people ask for the printed paper directories that are available on request under the waiver condition. The number of requests for Verizon paper directories dropped by 28% between 2018 and 2019 and continues to decline. Similarly, it is simply out of touch with society today to require a customer of a regulated service affirmatively to have to opt out of having his or her name, address, and telephone number published. Consider what the public reaction would be if a regulator required wireless or VoIP providers to make public their customers' names, addresses, and telephone numbers in directories unless the customer affirmatively asked the provider not to do so. A directory requirement would not be created if starting from a blank slate, and should not be perpetuated for ILECs only due to inertia.

Second, directories are near obsolete. This is hardly surprising given the widespread availability of robust listing information from other, more convenient sources such as Internet search engines and online directory providers like Whitepages.com. Even customers who do not have Internet access (or just prefer to use a telephone) can obtain directory information for free

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<sup>29</sup> The Commission should eliminate any requirement to include specific information in a printed directory, such as 52 Pa. Code § 64.191(g). The NPRM proposes to retain that section, but as explained later in these comments the entire rule at Section 64.191 should be eliminated. There also should be no requirement to include a "human services" section in a directory 52 Pa. Code § 63.21(c)(5). There is no reasonable basis to continue to burden the ILECs with these research and publication requirements.

<sup>30</sup> That does not mean that paper white pages are likely to disappear entirely overnight, but market forces will manage their inevitable disappearance.

from providers such as 1-800-free-411. In contrast, an ILEC white pages directory is likely only to contain the numbers of ILEC and some CLEC landline customers, which now amount to a small fraction of the total voice connections. Directories simply do not have the same utility that they did in the bygone era when almost everyone had a regulated landline, and the public wished for their numbers to be known.

Third, a requirement for ILECs to provide directories is anticompetitive. ILECs are losing the competition for the provision of telecommunications services. Yet, a directory requirement imposes costs solely on ILECs. Creating and updating directories; publishing directories on the Internet; issuing bill notices regarding directories; retaining a third-party publisher (to the extent that they continue to exist) to create and distribute printed directories; providing directories on USB drives; maintaining a process and staff to receive and fulfill requests; and otherwise managing printed directory obligations all take time and money that wireless and VoIP providers are not forced to expend. Instead, they can be more nimble in the marketplace to the ILECs' competitive disadvantage. The limited demand for and limited utility of directories no longer justifies imposing on ILECs the cost and administrative burden of providing them.

Fourth, a requirement to produce paper directories, even if only upon request, is bad for the environment. It takes raw materials and energy to produce printed directories and they are likely to be discarded each year, creating needless waste in landfills.

The time has come for this Commission to deregulate telephone directories, as has been done in many other states, so that their decline and likely inevitable disappearance can be managed by market forces and customer demand.

### **3. Service Quality Regulation (§§ 63.20, 63.24, 63.53, 63.55, 63.57, 63.58, 63.59, 63.63, 63.64)**

Under Chapter 30's requirement for justifying new regulations, the Commission should only promulgate a new service quality regulation if it has facts to demonstrate that it is necessary, beneficial and in the public interest, "tak[ing] into consideration the emergence of new industry participants, technological advancements, service standards and consumer demand."<sup>31</sup> The benefits of any new regulation must outweigh the burden. (NPRM at 5). Given that these regulations would only apply to a small and shrinking set of regulated providers and services, not to their VoIP and wireless competitors that serve the vast majority of lines, and the fact that 66 Pa. C.S. § 1501 will continue to require regulated providers to "furnish and maintain adequate, efficient, safe, and reasonable service and facilities," there is no need for prescriptive service quality standards, metrics, or reporting in the Commission's new regulations and new service regulations generally cannot be justified.

In the 2015 *Reclassification Order* this Commission found that "[o]verall, we are of the opinion that the market is sufficiently competitive that a customer can obtain service from other providers if Verizon's service quality is unacceptable. In essence, customers can 'vote with their feet,' which we believe provides sufficient incentive for Verizon to provide quality service in most cases. Therefore, we believe many of our quality of service regulations are no longer necessary in competitive wire centers."<sup>32</sup> This conclusion is equally applicable state-wide and industry-wide, especially today six years later. In light of the abundant unregulated options for voice service that the large majority of Pennsylvania customers have already taken advantage of, it is clear that the market provides sufficient incentive to provide good service. The Commission

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<sup>31</sup> 66 Pa. C.S. § 3019(b)(2).

<sup>32</sup> *Reclassification Order* at 85.

recognized moreover that “pricing and service quality are set at the margin and not on the circumstances of an individual customer,” so even persons (likely very few) who lack access to or interest in competitive alternatives “benefit from the competitive pressures created by the widespread availability of cable and wireless service.”<sup>33</sup> To the extent any regulatory support beyond the market incentive is still needed, Section 1501 is well able to supply it without additional prescriptive service quality standards and reporting requirements.

The Commission should simply eliminate most of Chapter 63. Its decades-old standards do not comport with customer expectations today and compliance with these artificial mandates unnecessarily diverts resources and has an anti-competitive effect when unregulated competitors are not required to do the same. Eliminating outdated regulations that impose arbitrary standards and do not reflect customer expectations does not mean that the Commission abandons its oversight for jurisdictional services. Rather, it provides more flexibility for the Commission to evaluate any issue that is brought before it in light of the “emergence of new industry participants, technological advancements, service standards and consumer demand,” as Chapter 30 directs.<sup>34</sup> The existing Chapter 63 monopoly-era standards and metrics assume without any evidentiary support that customers need to be “protected” from their voice providers, who will deliver substandard service unless regulations tell them specifically what to do. It also sets an arbitrary regulatory “standard” of service without any evidence that the regulatory requirement is what the customers actually want or expect. The Commission has already rejected that premise when it recognized that the competitive market provides sufficient incentive for providers to maintain the quality of service their customers expect. If the Commission wishes to keep

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<sup>33</sup> *Id.* at 37.

<sup>34</sup> 66 Pa. C.S § 3019(b)(2).

regulated basic telephone service available as an option for customers as long as possible, then adopting permanent regulations setting in stone artificial standards of performance that may not even comport with consumers rapidly changing demands is counterproductive because it will only hasten the decline of regulated landline services by putting them at more of a competitive disadvantage. An unthinking maintenance of the *status quo* with respect to service quality regulation is not in the public interest. Rather, “it is important that this Commission not unnecessarily distort the marketplace by perpetuating asymmetrical regulations” that serve no useful purpose.<sup>35</sup>

The following Chapter 63 service quality regulations should be eliminated or modified as indicated below:<sup>36</sup>

- **Section 63.20 (Line Extensions).** This regulation was adopted in 1946 and last amended in 1969. The Commission contends that it is necessary to keep this regulation in place to state the “carrier of last resort” or “COLR” obligation. (NPRM at 37). But whatever COLR obligation might still exist today for regulated telecommunications providers derives from the Public Utility Code and cannot be created or expanded by this Commission without statutory support. Therefore it is unnecessary to attempt to restate this concept in a regulation.
- **Section 63.24 (Service Interruptions).** This regulation, originally adopted in 1946 and last amended in 1982, provides a schedule of mandatory credits for service interruptions. It was waived for Verizon’s competitive exchanges in 2015 based on the Commission’s finding that “the market is sufficiently competitive such that a dissatisfied customer can obtain service from other providers if Verizon’s service quality to the customer is unacceptable and Verizon does not adequately address the customer’s concerns by fixing the problem and/or providing appropriate financial compensation for any resulting service

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<sup>35</sup> *Joint Petition of Verizon Pennsylvania Inc. and Verizon North Inc. for a Waiver of the Commission’s Regulation Governing Toll Presubscription*, 52 Pa. Code Section 64.191(e), P-00072348 (Opinion and Order entered September 24, 2008) at 7, 9.

<sup>36</sup> Verizon agrees with the Commission’s proposal to eliminate some Chapter 63 provisions entirely and does not specifically discuss the ones the Commission proposes to eliminate. Verizon also does not oppose the retention for now of some subchapters and provisions in Chapter 63 that were enacted more recently and/or address industry issues that seem to be beyond the scope of the current undertaking (although all regulations should be reviewed regularly). Unless there was a wording change to these sections, they are not included in Verizon’s Attachment 1, but a placeholder is noted to be clear that these sections would remain.



interruption.”<sup>37</sup> The Commission now proposes to reinstate it statewide, including restoring it for the competitive locations where it has not been effective for the past six years. There is no basis for this regulation in today’s competitive market and it does not survive scrutiny under the Chapter 30 regulatory standard. The Commission was correct the first time in concluding that this regulation is unnecessary and it should not reverse course, and certainly should not reinstate it in competitive wire centers.

- **Section 63.51 (Purpose).** This regulation was waived for Verizon’s competitive exchanges in 2015 but the Commission now proposes to reinstate it statewide, including reapplying it in locations where it has not applied for the past six years. This rule establishes no standard or requirement. It is just a general statement of an outdated regulatory purpose originally adopted in the 1980s and is not necessary.
- **Section 63.53 (General Provisions).** This regulation was waived for Verizon’s competitive exchanges in 2015 but the Commission now proposes to reinstate it statewide, although with some modifications. Verizon does not believe this regulation is necessary, but has proposed a modified version in Attachment 1 to state that service quality is subject to Section 1501 of the Public Utility Code and to preserve the unreasonable hardship section.
- **Section 63.55 (Surveillance Levels).** The Commission apparently intends to keep this provision, adopted in 1988, unchanged, but it has not established that these prescriptive “surveillance level” standards reflect customer expectations or are needed in today’s competitive market. Verizon has proposed a modified version in Attachment 1 to reflect the fact that service quality performance should be subject to the flexible standard of Section 1501 rather than outdated and prescriptive regulatory standards, but preserving the Commission’s ability to request a report on the investigation of any failures to meet Section 1501’s standard.
- **Section 63.57 (Customer Trouble Reports).** This regulation adopted 33 years ago establishing a prescriptive standard for responding to service troubles, meeting commitments, etc., is a prime example of micro-managing that is unnecessary and counterproductive in a competitive market. The Commission does propose some modifications to the rule “in an effort to minimize utility burdens.” (NPRM at 53). The best outcome would be to eliminate this rule entirely, but if that is not done immediately then Verizon suggests limiting this rule to the service that is of primary concern to the Commission – basic stand-alone residential service in noncompetitive areas of the state. Also, the rule should sunset for that service by the end of 2023.

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<sup>37</sup> *Reclassification Order* at 80.

- **Section 63.58 (Installation of Service).** This 33 year old regulation was waived for Verizon's competitive exchanges in 2015, but now the Commission proposes to reinstate it statewide, including the areas where it has not applied for the past six years. It mandates specific times for installing service, an artificial regulatory prescription that is unnecessary, not based on real world customer expectations and not applicable to unregulated competitors. It has not been demonstrated that there is any problem with regulated providers meeting their customers' expectations for installing service. This regulation should be eliminated immediately, but if it is not then it should be limited to basic stand-alone residential service in noncompetitive areas of the state and should sunset by the end of 2023.
- **Section 63.59 (Operator-Handled Calls).** The Commission essentially proposes to replace its call answer time metrics (which it recognized years ago were outdated) with the terms of a waiver granted to Verizon in 2012 that incorporates a record retention and reporting requirement modeled on the regulations applicable to electric providers. While the Commission's modifications are an improvement over the original Section 63.59, continued monitoring of call answer times in perpetuity is not necessary. This rule should sunset by the end of 2023.
- **Section 63.63 (Transmission Requirements and Standards).** This regulation was waived for Verizon's competitive exchanges in 2015 but now the Commission proposes to reinstate it statewide in a modified form, including the areas where it has not applied for the past six years. It basically tells providers to maintain a voice signal clear from interference, including where provided over fiber optic facilities. This rule is completely unnecessary. Section 1501 is sufficient to require regulated service to be of good quality without the need to state this in a rule and if providers do not meet the level of service that customers expect, then customers will abandon them for a competitor. This rule should be eliminated.
- **Section 63.64 (Metering Inspections and Tests).** This 33 year old regulation was waived for Verizon's competitive exchanges in 2015 but now the Commission proposes to reinstate it statewide in a modified form, including the areas where it has not applied for the past six years. This regulatory mandate for metering, testing, inspections and preventative maintenance is intrusive micro-managing that is completely unnecessary. Competitive pressure is sufficient to require regulated providers to conduct whatever inspections and maintenance are necessary to keep service at a level that meets customer expectations without the need to state this in a rule. If providers do not meet the level of service that customers expect, then customers will abandon them for a competitor. Moreover, the Commission still has authority to enforce reasonable service under Section 1501 if that ever becomes an issue. This rule should be eliminated.

#### 4. Recordkeeping and Accounting (§§ 63.22, 63.31, 63.32, 63.35, 63.54)

The following Chapter 63 recordkeeping and accounting regulations should be eliminated or modified as set forth below:

- **Section 63.22 (Service Records).** While the Commission proposes to scale this regulation back slightly, it should eliminate this rule that was originally adopted in 1946 and last amended in 1988. There is no need to require companies to keep certain records. They should be on the same footing as their unregulated competitors in this regard. There is no evidence that competitive providers are failing to keep records sufficient to meet their customers' needs.
- **Section 63.31 (Classification of Public Utilities) and Section 63.32 (Systems of Accounts).** These regulations, which relate to the FCC's Part 32 accounting rules and Uniform System of Accounts (USOA), were waived for Verizon's competitive exchanges in 2015 based on the Commission's finding that these concepts "are applicable under rate base/rate of return regulation" and so "are no longer necessary" under Chapter 30's alternative form of regulation.<sup>38</sup> Now, the Commission proposes to reinstate these admittedly unnecessary rules statewide for all providers. There is no basis for the Commission to attempt to reinstate outdated accounting rules, particularly if it is attempting to apply rules that the FCC itself has eliminated. USOA accounting is not required for price cap carriers such as Verizon, as the FCC concluded that the burdens of USOA accounting are no longer justified:

USOA comes with a cost: Many regulated companies must maintain two sets of books--one for financial reporting and another for regulatory purposes--with the attendant costs of additional training for accountants, creating a second set of customized accounting software, and auditing two sets of processes for compliance. . . . We now conclude that, in light of the Commission's actions in areas of price cap regulation, universal service reform, and intercarrier compensation reform, as well as the advancement of robust intermodal competition in the market for telephone services, the duty to maintain two sets of accounts is generally not necessary for price cap carriers. Moreover, with respect to all carriers, we streamline and eliminate outdated accounting rules no longer needed to fulfill our statutory or regulatory duties. By reducing the costly burden of outdated regulatory requirements placed upon carriers, today's reforms give carriers the ability to better allocate scarce resources toward expanding modern

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<sup>38</sup> *Reclassification Order* at 82.

networks which are critical to bringing economic opportunity, job creation, and civic engagement to all Americans.<sup>39</sup>

The FCC also eliminated the classification of carriers that this Commission seeks to reinstate in Section 63.31.<sup>40</sup> The matter of regulatory accounting is covered by the FCC and there is no need for these separate Commission rules, particularly where they attempt to set in stone outdated and burdensome accounting requirements that the FCC itself has streamlined or eliminated.

- **Section 63.35 (Preservation of Records).** This regulation was waived for Verizon's competitive exchanges in 2015 but now the Commission proposes to reinstate it statewide in a modified form, to state that carriers must comply with requirements of the FCC and applicable Code of Federal Regulations (CFR) sections "as amended from time to time" or an equivalent. This regulation is unnecessary. To the extent FCC rules apply then companies are required to comply with them, whether or not the Commission states this in a regulation. But if the FCC waives or modifies these rules, the Commission's regulations should not be used to attempt to extend them where they would not otherwise apply.
- **Section 63.54 (Record Retention).** This regulation was waived for Verizon's competitive exchanges in 2015 but now the Commission proposes to reinstate it statewide in a modified form. Ordinary businesses routinely retain records as reasonably necessary to do so to meet customer expectations providing good service in the marketplace. There is no need for a regulation specifically telling telecommunications providers what to retain and how long to retain it.

## **5. Provisions that Duplicate FCC Rules (§§ 63.131-137, 63.141-144)**

Certain provisions that the Commission proposes to retain in its rules would regulate in areas that are already fully covered by FCC regulations. If any regulation in these areas is still necessary, it is better to have uniform nation-wide standards rather than imposing the burden of complying with 50 different state specific standards.<sup>41</sup>

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<sup>39</sup> *In the Matter of Comprehensive Review of the Part 32 Unif. Sys. of Accounts Jurisdictional Separations & Referral*, 32 FCC Rcd 1735, 1735, 2017 FCC LEXIS 536 ¶ 1, 2 (F.C.C. February 24, 2017).

<sup>40</sup> *Id.* ¶16.

<sup>41</sup> *See, e.g., Petition for Forbearance of the Verizon Telephone Companies Pursuant to 47U.S.C. § 160(c)*, Memorandum Opinion and Order, 19 FCC Rcd 21496, ¶ 27 (2004), *aff'd*, *EarthLink, Inc. v. FCC*, 462 F.3d 1 (D.C. Cir. 2006) (Requiring carriers to abide by the preferences of fifty different state public utility commissions would harm consumers by "discourag[ing] the . . . building [of] next generation networks).

One example is the Commission’s set of regulations relating to confidentiality of customer information. This issue is amply addressed by a federal statute and FCC regulations. It is unnecessary to have separate state rules relating to customer confidentiality, and to the extent these state rules impose burdens on only a small subset of services to comply with different requirements from the federal rules they are counterproductive and anticompetitive. Therefore the Commission should eliminate Subchapter J, Sections 63.131-137. The Communications Act, 47 U.S.C. §222, and the FCC’s regulations at 47 C.F.R. § 62.2000, et seq. are more than sufficient to protect the confidentiality of customer information and apply more broadly than the small segment of Commission-regulated carriers that would be subject to the proposed regulations. Therefore, Subchapter J should be eliminated in favor of federal law (or at least modified to refer to compliance with federal law rather than stating its own requirements).

Likewise the Commission’s proposed regulations at Subchapter K, Sections 63.141-144 are unnecessary as these issues are already covered by federal law. When the Commission first enacted this subchapter in seventeen years ago in 2003, it was at the height of the period when competitors were expected to use ILEC facilities through resale and unbundled network elements. Much has changed and the competitive landscape has not played out as expected at that time. Today, the competitors that serve the vast majority of voice subscriptions have their own facilities and are not dependent on the ILECs. Rather than dominating the market, the ILECs serve only a tiny fraction of voice connections. The FCC has begun to phase out unbundling and resale discount requirements.<sup>42</sup> Whatever rules are necessary to ensure that

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<sup>42</sup> See, e.g., *Petition of US Telecom for Forbearance Pursuant to 47 U.S.C. § 160(c) to Accelerate Investment in Broadband and Next-Generation Networks*, FCC 19-72 (Aug. 2, 2019) (“*US Telecom Forbearance Order*”) ¶9 (“We forbear from UNE Analog Loop and Avoided-Cost Resale obligations for price cap incumbent LECs throughout their local service areas. This forbearance relief is warranted in light of overwhelming evidence demonstrating the increasing migration from legacy TDM voice service to IP-for the incumbent LECs’ telecommunications services.”)

ILECs treat their CLEC wholesale customers fairly are amply addressed by interconnection agreements and federal law. There is no basis to reinstate Sections 63.141-144 of the Commission's regulations.

### **C. Chapter 64 Regulations Should Be Streamlined And Phased Out No Later Than 2023**

The Commission's proposal to reinstate large portions of its Chapter 64 regulations is not supported by evidence and is contrary to the legislative mandate to take a fresh look and reduce regulations to ensure parity with the emergence of new industry participants.<sup>43</sup> The Commission assumes that almost all of these regulations dating back to the mid-1980's that micromanage customer communications and other interactions are still appropriate, but it does not adequately explain what benefit they provide, why they are needed in today's highly competitive market or how the anti-competitive burden on regulated providers can be justified.

Prescriptive regulations micromanaging customer interactions, such as billing, credit, deposits, order verification, and the like, are not necessary and should not be included in the Commission's new regulations. Providers will still be required by Section 1501 of the Public Utility Code to interact with customers in a reasonable manner. That statute provides sufficient flexibility for the Commission to oversee these matters without dictating the specific content of the communications. The unregulated competitors serving the majority of the market are not subject to these rules relating to their interactions and communications with customers. Yet customers are flocking to those competitors, who are able to provide customer-pleasing service without these rules, demonstrating that there is no need to enforce traditional Chapter 64 regulations in those areas. As the Commission observed when it waived many of these rules in

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<sup>43</sup> 66 Pa. C.S. § 3011(13).

the *Reclassification Order*, while these rules might have been “necessary in a monopoly market where Verizon was the lone, dominant facilities-based provider of basic local exchange service,” “[t]he importance of many of these Regulations has diminished in areas where the competitive market provides sufficient incentive for Verizon to meet reasonable customer expectations” and where the Product Guide for detariffed services informs customers of Verizon’s policies on these issues.<sup>44</sup> The same reasoning holds true generally, for all providers and all locations.

The Commission was careful to note that waiving these rules “does not mean that we are abandoning our oversight of . . . billing and collections practices” because 66 Pa. C.S. § 1501 still requires reasonable service, which “includes ensuring that Verizon will continue to provide reasonable billing services.”<sup>45</sup> The billing statute at 66 Pa. C.S. § 1509 also continues to apply. Beyond those guiding statutory principles, there is no need for additional prescriptive regulations controlling billing, credit, deposits, and customer communications. There is simply no basis to assume that providers will not act reasonably and that consumers need to be protected from their providers, which the Commission’s NPRM assumes.

These regulations are not only unnecessary, but downright harmful and anticompetitive. As the RLECs commented in response to the ANPR, “onerous payment and billing standards inherently limit the RLECs’ ability to interface with their customers and thereby harm the ability to compete against alternative providers. None of the existing alternative providers of voice services are required to present a bill in the arcane billing formats prescribed by these sections. Likewise, customers are often confused with ILEC billing” because of these regulations.<sup>46</sup>

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<sup>44</sup> *Reclassification Order* at 96.

<sup>45</sup> *Id.*

<sup>46</sup> RLEC Comments on ANPR at 21.

The best outcome would be to eliminate these rules altogether. However, if the Commission is concerned with managing the decline of basic residential telephone service it should limit these requirements to noncompetitive stand-alone basic residential service and establish a firm sunset date at the end of 2023.<sup>47</sup> The following Chapter 64 regulations should be eliminated or modified as set forth below:

### **1. Billing and Payment (Subchapter B)**

The Commission waived most of these rules for Verizon's competitive wire centers in 2015, finding that they were "no longer needed in a competitive environment,"<sup>48</sup> and they have not applied in those locations for the past six years. Now the Commission proposes to take a huge step backward by reinstating these unnecessary regulations statewide. But judging from the steep decline in regulated landlines since the original 2015 waiver decision, the market is if anything even more competitive and these rules are even more unnecessary and anti-competitive. Rather than reinstating them, the Commission should eliminate them statewide for all providers. At a minimum it should narrow them to apply only to noncompetitive stand-alone basic residential service and establish a sunset by the end of 2023. Specific changes are included in Verizon's Attachment 1 as follows:

- **Section 64.11 (Method of Payment).** This rule was waived in 2015 for Verizon's competitive wire centers based on the Commission's finding that it is "no longer needed in a competitive environment."<sup>49</sup> Now the Commission proposes to reinstate it statewide, including locations where it has not applied for the past six years, with some modifications. It is not necessary to have a rule stating that customers can pay by check, providers can charge a return check fee, etc., because these are normal business practices that do not need to be micro-

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<sup>47</sup> This narrowing should be reflected in Section 64.1 (Statement of Purpose and Policy). Additionally, unnecessary definitions should be removed from Section 64.2.

<sup>48</sup> *Reclassification Order* at 95.

<sup>49</sup> *Id.*



managed. At a minimum this provision should simply require that those policies be set forth in a product guide or similar document on the provider's website.

- **Section 64.12 (Due Date for Payment), 64.13 (Billing Frequency), and Section 64.14 (Billing Information).** These rules were waived in 2015 for Verizon's competitive wire centers based on the Commission's finding that they are "no longer needed in a competitive environment."<sup>50</sup> Now, the Commission proposes to reinstate them statewide, including locations where they have not applied for the past six years, with some modifications. These rules are not necessary because 66 Pa. C.S. §1509 already addresses the due date for payment and other billing issues and there is no need to attempt to restate or expand upon the statutory requirements. Verizon agrees with the Commission's proposal to make clear that electronic billing in lieu of paper bills is permissible.
- **Section 64.16 (Accrual of late payment charges), Section 64.17 (Partial payments for current bills), Section 64.18 (Application of partial payments between past and current bills), Section 64.19 (Rebilling), and Section 64.20 (Transfer of accounts).** All of these rules were waived in 2015 for Verizon's competitive wire centers based on the Commission's finding that they are "no longer needed in a competitive environment."<sup>51</sup> Now the Commission proposes to reinstate them statewide, including locations where they have not applied for the past six years. These micro-managing billing rules are unnecessary, and certainly are not required for competitive services as the Commission already found six years ago. At a minimum, they should be limited to stand-alone noncompetitive basic residential service and sunset with the rest of the Chapter on December 31, 2023.
- **Section 64.24 (Provision of bundled service packages).** This rule undermines the provision of Chapter 30 that provides ILECs the flexibility to offer bundled services. 66 Pa. C.S. § 3016(e). Moreover, it is unnecessary to effectuate the terms of that statute, which permits bundling of competitive and noncompetitive services at a single price. Unregulated competitors are not subject to these restrictions for their bundled services and there is no evidence demonstrating that it is necessary to have a burdensome and anticompetitive rule requiring regulated providers to continue serving nonpaying customers who subscribe to bundles.

## 2. Credit and Deposit (Subchapter C)

These rules were waived in 2015 for Verizon's competitive wire centers.<sup>52</sup> Now the Commission proposes to reinstate them statewide, including locations where they have not

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<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> Section 64.31 (LEC credit and deposit policies); Section 64.32 (Credit standards); Section 64.33 (Payment of outstanding balance); Section 64.34 (Written procedures); Section 64.35 (Deposit requirements for existing

applied for the past six years. There is no need for these micro-managing rules, which seem to be premised on the assumption that customers must be protected from their telecommunications carriers. Providers have sufficient incentive in the competitive market to meet customer expectations in this area without prescriptive rules, which are burdensome and anti-competitive since they do not apply to the majority of providers and they have not been demonstrated to comport with customer expectations.

In 2015 the Commission stated that “[w]e recognize, especially as we transition to a competitive market for basic local exchange service, that there is value in ensuring that interested customers have access to relevant information about their services, including Verizon’s credit and deposit standards. We believe that making this information readily available will help to manage reasonable customer expectations.” Therefore, Verizon added an explicit requirement to Section 64.31 in its Attachment 1 stating that “a LEC shall describe its credit and deposit policies for noncompetitive stand-alone basic services in in a product guide, tariff or similar document made available on the carrier’s website” and also made clear that “such policies shall comply with applicable state and federal law regarding credit and deposits.” The remaining rules in this subchapter should be deleted.

### **3. Discontinuance, Suspension and Termination of Service (Subchapters D, E, F and H)**

The Commission proposes to retain virtually all of this complex and highly micromanaging set of rules for suspension, termination, and restoration of service for non-payment and other reasons. The Commission waived many of these rules in its *Reclassification Order* but now proposes to go backward and reinstate waived rules statewide, but it fails to

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customers); Section 64.36 (Method of making deposit); Section 64.37 (Refund of deposits); Section 64.38 (Application of deposit to bills); Section 64.39 (Periodic review); Section 64.40 (Refund statement); and Section 64.41 (Interest).

explain adequately how these cumbersome rules are needed or helpful, especially in light of the fact that customers are willingly flocking to unregulated competitors that are not subject to these rules. The NPRM has not established a benefit from these overly complicated rules, much less a benefit that outweighs the significant burdens. Even if these rules were eliminated, providers would still be required to act reasonably with respect to service termination issues under Section 1501 of the Public Utility Code. As with the other regulations micromanaging customer communications, this cumbersome process is not only unneeded, but also harmful and anticompetitive.

In response to the ANPR Verizon proposed a streamlined framework to replace the Commission's suspension, termination, and restoral regulations that would make clear that all regulated service is subject to the standard set forth in 66 Pa. C.S. § 1501 to furnish and maintain adequate, efficient, safe, and reasonable service and establish a transition period for residential stand-alone basic service classified as non-competitive until the rules sunset. There is no need for regulation of termination and restoral of service beyond this reasonable framework.

#### **4. Complaint Procedures (Subchapter G)**

The customer dispute and complaint process in Chapter 64 is unnecessarily complex and confusing to customers and diverts resources away from meeting customer needs. The Commission proposes to retain with very minimal changes these rules that were originally adopted in 1984. This subchapter should be eliminated in favor of a much simpler and customer friendly dispute resolution framework. Verizon proposes to phase out the informal complaint process by providing that BCS will continue to accept informal complaints only with respect to residential, stand-alone basic service classified as non-competitive, and then only until December 31, 2023, after which the whole informal complaint process is eliminated for the telecommunications industry. During the transition period, BCS should make the “warm

transfer” option available. For complaints received regarding any other regulated service (and for all complaints after December 31, 2023), BCS should refer the complaint to the service provider, which will respond to that customer and no further Commission action or reporting by the provider will be required.

The formal complaint process, which requires ordinary customers to engage in pleading and evidentiary hearing practices more suitable for attorneys, should be circumvented in favor of a process that will actually help customers get the resolution they seek. All formal complaints related to regulated retail telecommunications service should be subject to a mandatory mediation period. Simplifying the process in the competitive telecommunications industry would free Commission resources to address customer issues in other industries that may be more in need of attention at the present time, and would allow telecommunications providers to devote their resources to the customer. The current process is not particularly helpful to the customers, who normally only want a prompt resolution of their issues instead of the confusing and time-consuming series of reports, complaint forms, pleadings and the like that the Commission proposes to re-enact.

## **5. Reporting and Record Maintenance (Subchapters I and J)**

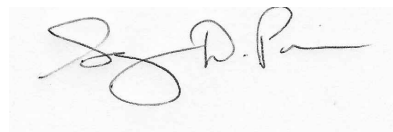
The Commission does not provide any good reason for retaining these antiquated rules. For example, there is no evidence that consumers actually want or need the prescriptive order confirmation and information requirements of Section 64.191. To the contrary consumers today value the streamlined interactions typical of unregulated providers. Forcing regulated providers to communicate in an annoying and confusing manner, and to incur the costs to do so, places regulated companies at a competitive disadvantage that will continue to hasten the customer exodus to wireless and VoIP providers that have the flexibility to meet their customers’ needs.

Likewise the reporting requirements required by Section 64.201 relating to residential customer accounts, average bills, suspensions, terminations, overdue bills, revenues, write-offs, etc. belong to the now nonexistent rate-of-return structure and impose burdens on regulated providers without any real benefit to consumers. Unregulated providers who serve the large majority of residential customers are not required to file this information. The Commission will still be able to monitor the affordability of basic residential service because prices will be publicly available in tariffs and product guides (and also subject to pricing constraints where classified noncompetitive).

**V. Conclusion**

Verizon supports the Commission's proposal to revise its regulations for telecommunications services but urges the Commission to go beyond the modest changes to its existing rules proposed in the NPRM and instead to adopt the form of rules set forth in Verizon's Attachment 1, which would provide a lighter, streamlined regulatory touch more appropriate for today's environment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Suzan D. Paiva", is written over a light gray rectangular background.

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Attorney for the Verizon Companies

Dated: May 25, 2021

ANNEX A

TITLE 52. PUBLIC UTILITIES

PART I. PUBLIC UTILITY COMMISSION

Subpart C. FIXED SERVICE UTILITIES

CHAPTER 53. TARIFFS FOR NONCOMMON CARRIERS

TARIFF FILING REQUIREMENTS FOR TELECOMUNICATIONS SERVICES

§ 53.57. Definitions.

The following words and terms, when used in this section and §§ 53.58—53.60, have the following meanings, unless the context clearly indicates otherwise:

*Competitive telecommunications carrier*—An entity that provides telecommunications services in competition with a local exchange telecommunications company.

*Competitive service*—The term as defined in 66 Pa.C.S. § 3012 (relating to definitions).

*Competitive wire center*—A wire center or other geographic area that is defined and served by a local exchange telecommunications company where all of its retail telecommunications services have been determined to be competitive by the Commission under section 3016 of the Public Utility Code (66 Pa.C.S. § 3016) (relating to competitive services).

*Dwelling*—A house, apartment or other location where a person resides.

*Enterprise and large business customer*—Any legal entity organized by charter, agreement or other similar instrument, including corporations, partnerships, limited liability companies or other similar organizations of more than one person, including, but not limited to hospitals, schools, government agencies and correctional institutions with annual revenues that exceeds \$10,000 gross revenue or that employs more than 50 full-time equivalent employees.

*Local exchange telecommunications company*—The term as defined in 66 Pa.C.S. § 3012 (relating to definitions).

*Noncompetitive service*—The term as defined in 66 Pa.C.S. § 3012 (relating to definitions).

*Noncompetitive stand-alone basic residential service*—Telecommunications service to a dwelling in a noncompetitive wire center that is classified as a noncompetitive service, provides the ability to transmit and receive voice communications, and is not bundled or packaged with any other service.

*Noncompetitive wire center*—A wire center or other geographic area that is not a competitive wire center.

*Protected service*—The term as defined in 66 Pa.C.S. § 3012 (relating to definitions).

*Telecommunications service*—The offering of the transmission of messages or communications for a fee to the public subject to the jurisdiction of the Commission.

**§ 53.58. Offering of competitive services.**

(a) All retail telecommunications services offered by competitive telecommunications carriers are classified as competitive services.

(b) All local exchange telecommunications company retail telecommunications services to enterprise and large business customers are classified as competitive services.

(c) All retail telecommunications services offered by local exchange telecommunication companies and competitive telecommunications carriers in competitive wire centers are classified as competitive services.

(1) A local exchange telecommunications company shall file a price list for stand-alone basic residential service that is classified as a competitive service.

(2) The requirement to file a price list for stand-alone basic residential service that is classified as a competitive service shall sunset on December 31, 2023.

(d) Local exchange telecommunication companies and competitive telecommunications carriers are not required to file tariffs with the Commission for competitive services, but the carrier may be required to maintain price lists with the terms and conditions in a product guide or similar document made available on the carrier's website.

**§ 53.59. Offering of noncompetitive services.**

(a) A local exchange telecommunications company is not required to file tariffs for retail noncompetitive services except noncompetitive stand-alone basic residential service.

(1) A local exchange telecommunications company shall maintain price lists with the terms and conditions in a product guide or similar document made available on the carrier's website for all retail noncompetitive services that are not tariffed.

(2) The requirement to tariff noncompetitive stand-alone basic residential service shall sunset on December 31, 2023.

(b) The Commission may require local exchange telecommunications companies and competitive telecommunications carriers to file tariffs for switched access service, consistent with federal law.

(c) Tariff filings for noncompetitive services.

- (1) A tariff filing for noncompetitive services that contains a rate increase will become effective as filed if the Commission does not take any action within 30 days from the date when all consumers subject to the rate increase shall have received individual notice. A tariff filing for noncompetitive services that contains a rate decrease will become effective as filed if the Commission does not take any action within 10 days after filing. All other tariff filings for noncompetitive service will become effective one day after filing.
- (2) The tariff filings in this subsection shall be received by the Office of Consumer Advocate, the Office of Small Business Advocate and the Commission's Bureau of Investigation and Enforcement on the date of filing with the Commission's Secretary's Bureau.
- (3) The Commission may extend the review period in this subsection by up to an additional 30 days upon notice to the Office of Consumer Advocate, the Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement and the affected telecommunications carrier.

**§ 53.60. Promotional offerings, and joint or bundled service packages**

- (a) *Promotional offerings.* Local exchange telecommunications companies and competitive telecommunications carriers are not required to make tariff filings involving promotional service offerings.
- (b) *Joint or bundled service packages.* Local exchange telecommunications companies and competitive telecommunications carriers are not required to make tariff filings for the offering of joint or bundled service packages, but shall comply with State law regarding the pricing of any joint or bundled service packages containing noncompetitive services.

**CHAPTER 63. TELECOMMUNICATIONS SERVICE**

**Subchapter A. GENERAL PROVISIONS**

**§ 63.1. Definitions.**

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

*Applicant*—A person, association, partnership, corporation or government agency making a written or oral request for the commencement of or changes in its telecommunications service.

*Application*—A written or oral request to a telecommunications carrier for the commencement of or changes in telecommunications service.



Attachment 1 to Verizon Comments  
Verizon Proposed Regulations

*Automatic Customer Transfer* — The process through which the Commission’s Bureau of Consumer Services is able to immediately and contemporaneously transfer a customer inquiry or service or billing complaint to a telecommunications carrier that has voluntarily elected to participate in such an arrangement.

*Competitive telecommunications carrier*—An entity that provides telecommunications services in competition with a local exchange telecommunications company.

*Competitive service*—The term as defined in 66 Pa.C.S. § 3012 (relating to definitions).

*Competitive wire center*—A wire center or other geographic area that is defined and served by a local exchange telecommunications company where all of its retail telecommunications services have been determined to be competitive by the Commission under section 3016 of the Public Utility Code (66 Pa.C.S. § 3016) (relating to competitive services).

*Customer*—A person, association, partnership, corporation or government agency provided with telecommunications service by a regulated telecommunications carrier.

*Dwelling*—A house, apartment or other location where a person resides.

*Local exchange Carrier or LEC*—A local exchange telecommunications company or a competitive telecommunications carrier.

*Local exchange telecommunications company*—The term as defined in 66 Pa.C.S. § 3012 (relating to definitions).

*Noncompetitive service*—The term as defined in 66 Pa.C.S. § 3012 (relating to definitions).

*Noncompetitive stand-alone basic residential service*—Telecommunications service to a dwelling in a noncompetitive wire center that is classified as a noncompetitive service, provides the ability to transmit and receive voice communications and is not bundled or packaged with any other service.

*Noncompetitive service*—The term as defined in 66 Pa.C.S. § 3012 (relating to definitions).

*Noncompetitive wire center*—A wire center or other geographic area that is defined and served by a local exchange telecommunications company that is not a competitive wire center.

*Nonprimary service order*—An application for simple residential or business, voice grade, public utility service which is not primary service.

*Primary service order*—An application for simple residential or business, voice grade, public utility service to be provided at a customer location which does not have public utility service including, but not limited to, the initial connection of a new customer or the transfer of public utility service of an existing customer’s service to a new location.

*Subscriber*—A person, firm or corporation designated on telecommunications carrier records as the party responsible for payment of bills for telecommunications service.

*Telecommunications carrier*—An entity that provides telecommunications services subject to the jurisdiction of the commission.

*Telecommunications service*—The offering of the transmission of messages or communications for a fee to the public subject to the jurisdiction of the commission.

*Working day*—A day except Saturday, Sunday or legal holiday.

## **Subchapter B. SERVICE AND FACILITIES**

### **§ 63.12. (Reserved).**

### **§ 63.13. (Reserved).**

### **§ 63.14. Emergency equipment and personnel.**

*Emergencies.* A telecommunications carrier shall take reasonable measures to meet emergencies, such as fire, storm, illness of personnel, power failure or sudden increase in traffic.

### **§ 63.15. Complaint procedures.**

#### *(a) Informal Complaints.*

- (1)* The Bureau of Consumer Services of the Commission shall only accept informal complaints relating to noncompetitive stand-alone basic residential service.
- (2)* All other complaints received shall be referred directly to the service provider. The service provider shall investigate and respond to that customer and no further Commission action or reporting by the provider to the Commission or the Bureau of Consumer Services will be required.
- (3)* After December 31, 2023 the Bureau of Consumer Services of the Commission shall no longer accept informal complaints relating to any issue or service by a telecommunications carrier and those complaints shall be subject to subsection (a)(2).

*(b) Automatic Customer Transfer.* From the effective date of this section until December 31, 2023 the following process shall apply to customer complaints related to noncompetitive stand-alone basic residential service. The Bureau of Consumer Services of the Commission shall seek to immediately and contemporaneously transfer the customer to a telecommunications carrier for resolution to address the inquiry or service complaint in the following manner:

- (1)* The transfer will occur with the customer's explicit consent.

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Verizon Proposed Regulations

- (2) The transfer will be made to a live telecommunications carrier operator or customer service representative.
- (3) The telecommunications carrier shall maintain a dedicated toll-free telephone number for the automatic customer transfer process.
- (4) In the event that the customer inquiry or service or billing complaint cannot be resolved, it will be referred back to the Bureau of Consumer Services of the Commission for resolution in accordance with the provisions of subsection (c).
- (5) The Bureau of Consumer Services of the Commission and participating telecommunications carriers may establish automated electronic communication links, electronic data interfaces, or appropriate web page access, for the exchange of information and data in the automatic customer transfer. These links shall be used only by authorized Commission and telecommunications carrier personnel and shall safeguard the customer's personal data and billing information from public disclosure.

(c) *Investigations.* From the effective date of this section until December 31, 2023, if the customer declines to participate in automatic customer transfer resolution process set forth in subsection (b) above, the telecommunications carrier shall make a full and prompt investigation of the service or billing complaint and inform the Bureau of Consumer Services of the action taken by the telecommunications carrier to resolve the service or billing complaint. When complaints are referred to the telecommunications carrier through the Commission, the telecommunications carrier and the Commission shall work to process and resolve all complaints.

(d) *Records of complaints.* From the effective date of this section until December 31, 2023, a telecommunications carrier shall preserve written or recorded service or billing complaints relating to noncompetitive stand-alone basic residential service showing the name and address of the subscriber or complainant, the date and character of the complaint, the action taken and the date of final disposition.

**§ 63.16. (Reserved).**

**§ 63.18. (Reserved).**

**§ 63.19. (Reserved).**

**§ 63.20. (Reserved).**

**§ 63.21. (Reserved).**

**§ 63.22. Service records.**

From the effective date of this section until December 31, 2023, a telecommunications carrier shall keep sufficient records to reflect service complaints and trouble reports relating to (a)

noncompetitive stand-alone basic residential service and (b) any telecommunications service interruptions affecting 300 or more customers, including the date, cause, extent and duration of the interruption.

**§ 63.23. Construction and maintenance safety standards for facilities.**

Overhead and underground telecommunications carrier equipment or facilities and crossings of the wires or cables of every telecommunications carrier over or under the facilities of other public utilities, cooperative associations or electric utilities—including parallel or random installation of underground electric supply and communication conductors or cable—shall be constructed and maintained in accordance with safe and reasonable standards as set forth in the currently effective version of the Institute of Electrical and Electronics Engineers' (IEEE) *National Electrical Safety Code* (NESC).

**§ 63.24. (Reserved).**

**Subchapter C. ACCOUNTS AND RECORDS**

**§ 63.31. (Reserved).**

**§ 63.32. (Reserved).**

**§ 63.33. (Reserved).**

**§ 63.34. (Reserved).**

**§ 63.35. (Reserved).**

**§ 63.36. Filing of annual financial reports.**

The Commission may require a telecommunications carrier to file the following reports, and invoke penalties for failure to file those reports, as follows:

- (1) The Commission may require a telecommunications carrier to file annual financial reports with sufficient information regarding regulated revenues and line counts necessary to allow the Commission to assess and/or administer its annual regulatory assessments, the universal service fund, and the telecommunications relay service fund on due dates established by the Commission. A request for an extension of time for filing an annual report shall be submitted to the Commission prior to the due date.
- (2) If a telecommunications carrier fails to file its annual report in compliance with paragraph (1), the telecommunications carrier may be subject to a penalty as provided under 66 Pa.C.S. § 3301. Continued failure to file annual reports may result in additional penalties.

**§ 63.37. Operation of the Telecommunications Relay Service System and Relay Service Fund.**

*(a) General.*

(1) The Pennsylvania Telecommunications Relay Service (TRS), the Telecommunications Devices for the Deaf Program and the Print Media Access System Program are codified in the Universal Telecommunications and Print Media Access Act (35 P. S. § § 6701.1—6701.4). The Relay Service Fund (Fund) covers eligible intrastate costs associated with the operation of the three programs. The costs are recovered from residential and business wireline access line end-users by a monthly surcharge on local service telephone bills.

(2) To permit the Commission to effectively monitor and evaluate the revenue and cost data associated with the Fund, each local exchange carrier (LEC) shall file an annual tracking report delineating monthly revenues collected and remittances for late payments for the preceding 12-month year and an annual access line summary report detailing its access line count as of December 31 of the preceding year. The tracking data are used for periodic audits of the Fund. The access line counts are used to calculate the next year's TRS surcharge.

*(b) Timely remittance of revenues.*

(1) LECs shall remit the TRS surcharge revenues to the Fund administrator by the 20th of each month for revenues collected during the prior month.

(2) Delays or inaccuracies in remitting revenues to the Fund result in lost earnings by the Fund. An LEC that is late in remitting surcharge revenues shall remit an additional contribution to the Fund to make up for lost Fund earnings. The additional contribution shall be based upon the published prime rate in effect at the time of the missed due date and shall cover the period beginning at the date of the occurrence of the failure to remit and continue until the surcharge revenues are properly remitted to the Fund.

*(c) Filing of TRS reports.*

(1) *Annual tracking report.* An LEC shall submit its annual tracking report to the Secretary's Bureau by March 31 of each year, in the format and detail specified on the Commission's web site ([www.puc.state.pa.us](http://www.puc.state.pa.us)).

(2) *Annual access line summary report.* An LEC shall submit its annual access line summary report to the Secretary's Bureau by March 1 of each year, in the format and detail specified on the Commission's web site.

*(d) Failure to remit TRS revenues or to file TRS reports.* An LEC that fails to timely and accurately submit a tracking report or an access line summary report or that fails to timely and accurately submit TRS surcharge revenues may need to reimburse the Fund under subsection (b). The Commission will utilize all available remedies to ensure reporting and remittance compliance including fines and the revocation of Certificates of Public Convenience.

**Subchapter D. Reserved. [UNDERGROUND SERVICE]**

**§ 63.41. (Reserved).**

**Subchapter E. TELECOMMUNICATIONS QUALITY SERVICE STANDARDS**

**§ 63.51. (Reserved).**

**§ 63.52. (Reserved).**

**§ 63.53. General provisions.**

(a) A telecommunications carrier shall provide telecommunications service to the public in its service area in accordance with the quality of service standards set forth in Chapter 15 of the Public Utility Code.

(b) If unreasonable hardship to a person or to a utility results from compliance within this subchapter, application may be made to the Commission for modification of the section or for temporary exemption from its requirements. The adoption of this subchapter by the Commission will not preclude the altering or amending of the provisions in a manner consistent with applicable statutory procedures, nor will the adoption of this subchapter preclude the Commission from granting temporary exemptions in exceptional cases. A person or utility that files an application under this section shall provide notice to a person who may be affected by the modification or temporary exemption. Notice may be made by a bill insert or in another reasonable manner.

**§ 63.54. (Reserved).**

**§ 63.55. Service reporting.**

On request from the Commission, a telecommunications carrier shall provide to the Commission a report detailing the results of any investigation into a failure to meet the quality of service standards set forth in Chapter 15 of the Public Utility Code and any steps, studies and further action undertaken or commenced by the telecommunications carrier to determine the cause and to remedy the inadequate performance

**§ 63.56. (Reserved).**

**§ 63.57. Customer trouble reports.**

From the effective date of this subsection until December 31, 2023 a telecommunications carrier shall comply with the following requirements for noncompetitive stand-alone basic residential service. This subsection sunsets after December 31, 2023.

- (a) A telecommunications carrier shall make best efforts to respond to out-of-service trouble reports within 24 hours unless a different period of time is agreed to by the customer.
- (b) A telecommunications carrier shall keep commitments made to its customers and applicants, unless timely notice of changes is given to the customer or applicant or a reasonable attempt is made to convey the notice.
- (c) If unusual repairs are required or other factors preclude the prompt clearing of reported trouble, reasonable efforts shall be made to notify affected customers.

**§ 63.58. Installation of service.**

From the effective date of this subsection until December 31, 2023 a telecommunications carrier shall comply with the following requirements for noncompetitive stand-alone basic residential service. This subsection sunsets after December 31, 2023.

- (a) Ninety-five percent of a telecommunications carrier's primary service order installation shall be completed within 5 working days of receipt of an application unless the customer agrees to a later date or when construction is required.
- (b) Ninety percent of a telecommunications carrier's nonprimary service orders shall be completed no later than 20 days of receipt of an application unless the customer agrees to a later date or construction is required. If the telecommunications carrier is unable to fill a nonprimary service order within the requisite time, the telecommunications carrier shall so inform the applicant and provide the applicant with the date nonprimary service will be available.
- (c) Ninety percent of a telecommunications carrier's commitments to applicants as to date of installation of service orders shall be met, except for applicant-caused delays, adverse weather conditions and other supervening causes beyond the telecommunications carrier's control.

**§ 63.59. Call Answering Measurements.**

From the effective date of this subsection until December 31, 2023 a telecommunications carrier shall comply with the following requirements. This subsection sunsets after December 31, 2023. A telecommunications carrier shall take measures necessary and keep sufficient call answering records to monitor answering times for calls as follows:

- (a) The percent of calls answered at each telecommunications carrier's call center or business office, or both, within 30 seconds with the telecommunications carrier representative ready to render assistance and to accept information necessary to process the call. An acknowledgment that the customer or applicant is waiting on the line does not constitute an answer. If the telecommunications carrier records data for more than one call center or business office, the telecommunications carrier should also record the combined percent of calls answered within 30 seconds for the telecommunications carrier as a whole.
- (b) The average busy-out rate for each call center business office, or both. If the telecommunications carrier records data for more than one call center or business office, the telecommunications carrier should also record the combined busy-out rate for the telecommunications carrier as a whole.
- (c) The call abandonment rate for each call center or business office, or both. If the telecommunications carrier records data for more than one call center or business office, the telecommunications carrier should also record the combined call abandonment rate for the telecommunications carrier as a whole.

**§ 63.60. (Reserved).**

**§ 63.61. (Reserved).**

**§ 63.62. (Reserved).**

**§ 63.63. (Reserved).**

**§ 63.64. (Reserved).**

**§ 63.65. Safety.**

A telecommunications carrier shall adopt and implement a safety program fitted to the size and type of its operation and shall conform to the Occupational Safety Health Act (OSHA) standards, 29 CFR Parts 1910—1999 as amended from time to time.



**Subchapter F. [Reserved]. [EXTENDED AREA SERVICE]**

§ 63.71. (Reserved).

§ 63.72. (Reserved).

§ 63.72a. (Reserved).

§ 63.73. (Reserved).

§ 63.74. (Reserved).

§ 63.76. (Reserved).

§ 63.77. (Reserved).

**Subchapter G. (Reserved). [PUBLIC COIN TELEPHONE SERVICE]**

§ 63.91. (Reserved).

§ 63.92. (Reserved).

§ 63.93. (Reserved).

§ 63.94. (Reserved).

§ 63.95. (Reserved).

§ 63.96. (Reserved).

§ 63.98. (Reserved).

**Subchapter H. (Reserved). [INTEREXCHANGE  
TELECOMMUNICATIONS CARRIERS]**

§ 63.101. (Reserved).

§ 63.102. (Reserved).

§ 63.103. (Reserved).

§ 63.104. (Reserved).

§ 63.105. (Reserved).

§ 63.106. (Reserved).

§ 63.107. (Reserved).

§ 63.108. (Reserved).

§ 63.109. (Reserved).

#### **Subchapter J. CONFIDENTIALITY OF CUSTOMER COMMUNICATIONS AND INFORMATION**

##### **§ 63.131. General provisions.**

(a) A telecommunications carrier subject to this subchapter shall comply with 47 U.S.C. § 222 and the Federal Communications Commission's regulations at 47 C.F.R. §§ 64.2001, et seq., or any successor federal statutes or regulations relating to the confidentiality of telecommunications customer information.

(b) Nothing in this subchapter supersedes the Wiretap Act, or permits a telecommunications company service or activity which is otherwise prohibited by Title 18 of the *Pennsylvania Consolidated Statutes* §§ 5701—5781 (relating to Wiretapping and Electronic Surveillance Control Act) (Wiretap Act).

§ 63.132. (Reserved).

§ 63.133. (Reserved).

§ 63.134. (Reserved).

§ 63.135. (Reserved).

§ 63.136. (Reserved).

**§ 63.137. (Reserved).**

**Subchapter K. (Reserved) [COMPETITIVE SAFEGUARDS]**

**§ 63.141. (Reserved).**

**§ 63.142. (Reserved).**

**§ 63.143. (Reserved).**

**§ 63.144. (Reserved).**

**(Chapter 63 Provisions Retained)**

- Chapter 63 L, Sections 63.161, etc. ( Universal Service)
- Chapter 63 M, Sections 63.191, etc. (Changing Local Service Providers)
- Chapter 63 N, Sections 63.301, etc. (Local Service Provider Abandonment Process)
- Chapter 63 O, Sections 63.321, etc. (Abbreviated Procedures for Review and Approval of Transfer of Control for Telecommunications Public Utilities)

**CHAPTER 64. STANDARDS AND BILLING PRACTICES FOR NONCOMPETITIVE  
STAND-ALONE BASIC RESIDENTIAL TELECOMMUNICATIONS SERVICE**

**Subchapter A. PRELIMINARY PROVISIONS**

**§ 64.1. Statement of purpose and policy and sunset.**

- (a) The purpose of this chapter is to establish and enforce uniform, fair and equitable residential telecommunications service standards governing account payment and billing, credit and deposit practices, suspension, termination and customer complaint procedures for noncompetitive stand-alone basic residential service.
- (b) This chapter shall apply to noncompetitive stand-alone basic residential service from the effective date of this chapter until December 31, 2023, after which the requirements of this chapter shall sunset.

- (c) After December 31, 2023 a LEC shall include in its tariff, product guide or similar document its policies and procedures for account payment and billing, credit and deposits, suspension, termination and customer complaint procedures for noncompetitive stand-alone basic residential service.

#### **§ 64.2. Definitions.**

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

*Applicant*—A person who applies for noncompetitive stand-alone basic residential telecommunications service, other than a transfer of service from one dwelling to another within the service area of the LEC or a reinstatement of service following a discontinuation or suspension.

*Basic service*—The transmission of messages or communications by a telephone device between points within a local calling area as established in the tariff of a LEC, including installation service and providing and restoring access lines. The term includes charges for 911 service, telecommunications relay service and subscriber line service, but does not include premises visits for installation of new service.

*Bundled service package*—A package of services offered and billed on one bill by a LEC, as defined in this section, which includes nontariffed, competitive, noncompetitive or protected services, including services of an affiliate, in combinations and at a single price selected by the LEC.

*Competitive telecommunications carrier*—An entity that provides telecommunications services in competition with a local exchange telecommunications company.

*Competitive wire center*—A wire center or other geographic area that is defined and served by a local exchange telecommunications company where all of its retail telecommunications services have been declared or determined to be competitive by the Commission as competitive under section 3016 of the Public Utility Code (66 Pa.C.S. § 3016) (relating to competitive services).

*Cramming*—The submission or inclusion of unauthorized, misleading or deceptive charges for products or services on an end-user customer's local telephone bill.

*Customer*—An applicant in whose name a residential service account is billed.

*Delinquent account*—Charges for telecommunications service which have not been paid in full by the due date stated on the bill or otherwise agreed upon.

*Dwelling*—A house, apartment or other location where a person resides.

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Verizon Proposed Regulations

*Emergency*—An unforeseen combination of circumstances requiring temporary discontinuation of service either to effect repairs or maintenance or to eliminate an imminent threat to life, health, safety or property.

*Local exchange Carrier or LEC*—A local exchange telecommunications company or a competitive telecommunications carrier.

*Local exchange telecommunications company*—The term as defined in 66 Pa.C.S. § 3012 (relating to definitions).

*Nonbasic service*—A service or a product other than telecommunications service which is either offered or billed for by a LEC. The term includes the sale or lease of customer premises equipment, inside wiring maintenance plans, repair services, premises visits for service installation, nonrecurring charges for nonbasic services, restoral charges for nonbasic services, custom calling services, audiotex services, pay-per-call services and international information or entertainment services.

*Noncompetitive service*—The term as defined in 66 Pa.C.S. § 3012 (relating to definitions).

*Noncompetitive stand-alone basic residential service*—Telecommunications service to a dwelling in a noncompetitive wire center that is classified as a noncompetitive service, provides the ability to transmit and receive voice communications and is not bundled or packaged with any other service.

*Noncompetitive wire center*—A wire center or other geographic area that is not a competitive wire center.

*Occupant*—A person who resides at a location to which residential service is supplied.

*Payment agreement*—A mutually satisfactory agreement between the customer and the LEC whereby a customer who admits liability for billed service is permitted to pay the unpaid balance of the account in one or more payments over a reasonable period.

*Physician*—An individual permitted under the statutes of the Commonwealth to engage in the practice of medicine and surgery or in the practice of osteopathy or osteopathic surgery.

*Residential service*—Telecommunications service supplied to a dwelling, including service provided to a location used for both residential and commercial purposes if no concurrent commercial service is provided. The term does not include telecommunications service provided to a hotel or motel.

*Slamming*—The unauthorized changing of a customer's telecommunications provider, whether for local exchange service, intraLATA toll or interLATA toll.

*Suspension of service*—A temporary cessation of service without the consent of the customer.

*Telecommunications carrier*—A public utility which provides telecommunications service subject to Commission jurisdiction.

*Telecommunications service*—The transmission of messages or communications by telephone subject to the jurisdiction of the Commission.

*Termination of service*—Permanent cessation of service after a suspension without the consent of the customer.

*Toll service*—The transmission of messages or communications by telephone between points which are not both within a local calling area as established in the tariff of a LEC. The term includes service that is either billed by or provided by a LEC.

## **Subchapter B. PAYMENT AND BILLING STANDARDS**

### **§ 64.11. Method of payment for noncompetitive stand-alone basic residential service.**

A telecommunications carrier shall state its terms and conditions for the method of payment for noncompetitive stand-alone basic residential service, including any policies for accepting checks and for returned checks or fees, in a product guide or similar document made available on the carrier's website.

### **§ 64.12. Due date for payment.**

The due date for payment of a monthly bill shall be governed by 66 Pa. C.S. § 1509 where that statute applies. The bill rendered by a telecommunications carrier may be either a paper bill or an electronic bill generated instead of a paper bill.

### **§ 64.13. Billing frequency.**

A LEC shall render either a paper bill or shall generate an electronic billing in lieu of paper bills once every billing period to customers in accordance with 66 Pa. C.S. § 1509. The provisions of 52 Pa. Code § 53.85 shall not apply to billing for any telecommunications services.

### **§ 64.14. Billing information.**

The billing information required for a monthly bill shall be governed by 66 Pa. C.S. § 1509 where that statute applies.

### **§ 64.15. (Reserved).**

**§ 64.16. Accrual of late payment charges for noncompetitive stand-alone basic residential service.**

A telecommunications carrier shall state its terms and conditions for assessing a late payment charge for an overdue bill for noncompetitive stand-alone basic residential service in a product guide or similar document made available on the carrier's website.

**§ 64.17. Partial payments for current bills for noncompetitive stand-alone basic residential service.**

From the effective date of this chapter through December 31, 2023, the following applies for noncompetitive stand-alone basic service.

- (a) Payments received by an LEC which are insufficient to pay the total amount due for the current bill, when there is no past due balance, shall first be applied to basic service.
- (b) This section does not apply when the customer supplies instructions specifying how a partial payment should be applied.

**§ 64.18. Application of partial payments between past and current bills for noncompetitive stand-alone basic residential service.**

From the effective date of this chapter through December 31, 2023, the following applies for noncompetitive stand-alone residential basic service. In the absence of instructions from a customer, or a disputed bill or a payment arrangement, payments received by the LEC which are insufficient to pay a balance due for both past and current bills shall first be applied to the balance due for past due basic service, then to other past due charges, including late payment charges.

**§ 64.19. Rebilling for noncompetitive stand-alone basic residential service.**

From the effective date of this chapter through December 31, 2023, the following applies for noncompetitive stand-alone residential basic service.

- (a) *Underbilling.* A LEC may issue a make-up bill for unbilled services resulting from a billing error accrued within 4 years of the date of the bill under the following conditions:
  - (1) The LEC shall provide the ratepayer with a written explanation of the reason for the make-up bill and a statement that the customer may spread the payments over a period, as described in paragraph (2).
  - (2) The payment period may, at the option of the customer, be at least as long as the period during which the excess amount accrued or at least as long as necessary so that the total amount billed in 1 month is not greater than the average amount billed for 1 month plus 50%, whichever period is greater. A late payment charge may not be assessed on unbilled service when payments are made as described in this paragraph.

- (b) *Overbilling.* When an overbilling occurs, the LEC shall credit the customer's account in the amount of the overbilling, including applicable taxes, for up to 4 years before discovery of the overbilling, unless the customer requests reimbursement in one lump sum. A charge, in the amount stated in § 64.16 (relating to accrual of late payment charges), shall be paid on the overbilled amount where at least 30 days have elapsed between payment of the overbilled amount and the credit or refund thereof.
- (c) *Rebilling.* The LEC shall notify the Commission of rebilling affecting more than 10% of its residential customers within 90 days of the rebilling.

**§ 64.20. Transfer of account for noncompetitive stand-alone basic residential service.**

From the effective date of this chapter through December 31, 2023, the following applies for noncompetitive stand-alone basic residential service.

- (a) In the event of termination or discontinuance of service within the last 4 years, the LEC may transfer an outstanding amount due to a new or existing residential service account of the same customer.
- (b) In the event of discontinuance of service, the LEC may continue pending termination procedures at a new or existing residential service account of the same customer.
- (c) In the event of a termination of service, the LEC may transfer to the account of a third party guarantor an amount not to exceed the limit of the guarantee.

**§ 64.21. (Reserved).**

**§ 64.22. (Reserved).**

**§ 64.23. Standardizing LEC responses to customer contacts alleging unauthorized charges added to the customer's bill (cramming) and unauthorized changes to the customer's long distance carrier (slamming).**

- (a) *Cramming.* Upon contact from a customer alleging that cramming has occurred on the bill rendered to the customer by the LEC, the LEC shall do the following:
  - (1) Identify the charges, and clarify that the customer's complaint is that the customer did not authorize the charges or order or use the services or products associated with the charges.
  - (2) Inform the customer that the charges will be removed from the LEC bill and that basic local service cannot be disconnected for failure to pay cramming charges.
  - (3) Inform the customer that the LEC will instruct the billing agent or service provider, or both, to take the steps necessary to prevent further billing of those charges or types of charges to the customer's account.
  - (4) Inform the customer that removal of the charges from the LEC bill does not guarantee that the service provider or its billing agent will not use other collection remedies, including direct billing of the removed charges or use of a collection agency.



Attachment 1 to Verizon Comments  
Verizon Proposed Regulations

- (5) Provide notice of a customer's right to pursue a complaint. To customers who indicate a desire to receive complaint disclosure information, the LEC shall provide information about how to pursue the complaint against the service provider or billing agent by contacting the Bureau of Consumer Protection, (800) 441-2555, of the Pennsylvania Office of Attorney General, the Federal Communications Commission (FCC), and the Federal Trade Commission.
- (6) Maintain for a minimum of 3 years records of all customer complaints of cramming in order to monitor adherence to the terms of the billing contract the LEC has with the service provider or billing agent, or both, relating to cancellation of the contract for excessive cramming complaints.

(b) *Slamming*. Upon contact from a customer alleging that slamming has occurred on one or both of the past two bills rendered to the customer by the LEC, regardless of dates of charges, the LEC shall do the following:

- (1) Identify the name of the alleged unauthorized service provider, isolate the charge, and clarify that the customer's complaint is that the customer did not authorize the switch to that particular service provider.
- (2) Offer to restore the customer's account, at no charge, to the service provider the customer had received service from prior to the unauthorized switch, and inform the customer of the option to request that a safeguard be placed on the customer's account to prevent the LEC from processing a service provider request for a switch without the LEC obtaining express consent from the customer, consistent with FCC rules or procedures for lifting preferred carrier freezes.
- (3) Inform the customer that the isolated charges will be removed from the LEC bill.
- (4) Inform the customer that the LEC will instruct the service provider or billing agent, or both, to take the steps necessary to prevent further billing to the customer's account.
- (5) Inform the customer that removal of the charges from the LEC bill does not guarantee that the service provider or its billing agent will not use other collection remedies, including direct billing of the charges or use of a collection agency.
- (6) Provide notice of a customer's right to pursue a complaint against the service provider or billing agent and, to customers who indicate a desire to receive complaint disclosure information, information about how to pursue a complaint against the service provider or billing agent, or both, by contacting the FCC, the Commission or the Bureau of Consumer Protection, (800) 441-2555, of the Office of Attorney General.
- (7) Maintain for a minimum of 3 years records of all customer allegations of slamming.

**§ 64.24. (Reserved).**

**Subchapter C. CREDIT AND DEPOSIT STANDARDS POLICY**

**§ 64.31. LEC credit and deposit policies.**

A LEC shall describe its credit and deposit policies for noncompetitive stand-alone basic residential services in a product guide, tariff or similar document made available on the carrier's website. Such policies shall comply with applicable state and federal law regarding credit and deposits.

**§ 64.32. (Reserved).**

**§ 64.33. (Reserved).**

**§ 64.34. (Reserved).**

**§ 64.35. (Reserved).**

**§ 64.36. (Reserved).**

**§ 64.37. (Reserved).**

**§ 64.38. (Reserved).**

**Subchapter D. INTERRUPTION AND DISCONTINUATION OF  
SERVICE**

**§ 64.51. Temporary interruption.**

A LEC shall describe its policies for interruptions and discontinuance of noncompetitive stand-alone basic residential services when necessary to effect repairs or maintenance or in an emergency situation in a product guide, tariff or similar document made available on the carrier's website.

**§ 64.52. (Reserved).**

**§ 64.53. (Reserved).**

**Subchapter E. SUSPENSION OF SERVICE  
GROUNDS FOR SUSPENSION**

**§ 64.61. Authorized suspension of service.**

A LEC shall state the grounds upon which it will suspend or terminate noncompetitive stand-alone basic residential service in a tariff, product guide or similar document available on the carrier's website.

**§ 64.62. Days suspension or termination of service are prohibited.**

From the effective date of this chapter through December 31, 2023, the following applies for noncompetitive stand-alone basic residential service. Except for emergency situations, suspension or termination of noncompetitive stand-alone basic residential service for nonpayment of charges may not commence on any of the following:

- (1) Saturday or Sunday.
- (2) A bank holiday.
- (3) A holiday observed by the LEC. A holiday observed by the LEC means a day when the business office of the company is closed.

**§ 64.63. Unauthorized suspension of service.**

From the effective date of this subchapter until December 31, 2023, unless expressly and specifically authorized by the Commission, noncompetitive stand-alone basic residential service may not be suspended and a suspension notice may not be sent for any of the following reasons:

- (1) Nonpayment for nonbasic services.
- (2) Nonpayment of delinquent fees for toll service where the LEC is technically capable of terminating toll service without also terminating basic service.
- (3) Nonpayment for commercial service received at the same or different location.
- (4) Nonpayment of delinquent charges based on previously unbilled telephone service resulting from LEC billing error if these charges exceed the otherwise normal, average bill by 50%. This paragraph may not prohibit suspension when the LEC reviews the charges with the customer and offers to enter into a payment agreement which, at the option of the customer, may extend at least as long as necessary to ensure that the bill in one billing period will not be greater than the normal, average bill for the period plus 50%.
- (5) Noncompliance with the payment agreement before the date set for payment in the payment agreement.
- (6) Nonpayment of charges for telephone service furnished more than 4 years before the date the bill is rendered.
- (7) Nonpayment for residential service already furnished in the name of persons other than the customer unless a court, district justice, or administrative agency has determined that the customer is legally obligated to pay for the service previously furnished. This paragraph may not affect the creditor's rights and remedies of the LEC otherwise permitted by law.
- (8) Nonpayment of a delinquent account which accrued within the two most recent billing periods and which amounts to a total arrearage of less than \$20 unless the arrearage represents the balance of a broken payment agreement.
- (9) Evidence that full payment of all delinquent accounts has been made.

- (10) Certification in accordance with § § 64.101—64.103 (relating to general provision; postponement of suspension pending receipt of certificate; and medical certification).

**§ 64.71. General notice provisions.**

From the effective date of this chapter through December 31, 2023, the LEC shall mail or deliver written notice to the customer at least 7 days before the date of proposed suspension of noncompetitive basic stand-alone residential service.

**§ 64.72. Suspension notice information.**

From the effective date of this chapter through December 31, 2023, the following applies for noncompetitive stand-alone basic residential service. A notice of suspension must clearly and fully include the sufficient information to inform the customer what needs to be done to restore service.

**§ 64.73. (Reserved).**

**§ 64.74. (Reserved).**

**§ 64.75. Exception for suspension based on occurrences harmful to person or property.**

Notwithstanding another provision of this chapter, when a suspension is based on an occurrence which endangers the safety of a person or appears likely to prove physically harmful to the service delivery system of the LEC, the telecommunications carrier need give no written notice before suspension if the LEC honestly and reasonably believes the grounds do exist. At the time of suspension, the LEC shall mail a notice of suspension to the customer's billing address.

**§ 64.81. (Reserved).**

**§ 64.101. (Reserved).**

**§ 64.102. (Reserved).**

**§ 64.103. Medical certification.**

From the effective date of this chapter through December 31, 2023, the following applies for noncompetitive stand-alone basic residential service. A telecommunications carrier shall restore or refrain from suspending service if it receives a medical certification stating that that an occupant is seriously ill or is affected with a medical condition and that the occupant will be endangered by a cessation of service. Certifications initially may be written or oral, subject to the right of the LEC to verify the certification by calling the physician or to require written confirmation within 7 days. All certifications, whether written or oral, shall include all of the following information.

- (1) The name, address and telephone number of the customer in whose name the account is registered.
- (2) The name and address of the afflicted person and the afflicted person's relationship to the customer.
- (3) The nature and anticipated length of the affliction.
- (4) The name, office address and telephone number of the certifying physician.

- (5) The specific reason why access to telephone service must be maintained.

**§ 64.104. Length of postponement; renewals.**

From the effective date of this chapter through December 31, 2023, the following applies for noncompetitive stand-alone residential basic service. Service may not be suspended for the period specified in the medical certification; however, the maximum length of the certification shall be 30 days.

**§ 64.105. (Reserved).**

**§ 64.106. Duty of customer to pay bills.**

From the effective date of this chapter through December 31, 2023, the following applies for noncompetitive stand-alone basic residential service. Whenever service is restored or suspension postponed under the medical emergency procedures, the customer shall:

- (1) Make timely payment for all service provided by the LEC after the date on which service is restored or suspension postponed.
- (2) Restrict toll usage to an amount no greater than \$25 in a billing period while the medical certification is in effect.

**§ 64.107. Suspension upon expiration of medical certification.**

From the effective date of this chapter through December 31, 2023, the following applies for noncompetitive stand-alone basic residential service. When the certification has expired, the original grounds for suspension shall be revived and the LEC may suspend service without additional written notice, if notice previously has been mailed or delivered, if the customer has failed to make or to maintain an agreement on payment arrangements, and if the LEC makes a reasonable attempt to contact the customer at least 24 hours before suspension.

**§ 64.108. (Reserved).**

**§ 64.109. Suspension prior to expiration of medical certification.**

From the effective date of this chapter through December 31, 2023, the following applies for noncompetitive stand-alone basic residential service. A telephone company may suspend service prior to the expiration of the medical certification when the customer fails to make timely payments for service provided by the LEC after the date on which service is restored or suspension postponed. The company must follow notice procedures prior to suspension according to § 64.71—64.72.

**§ 64.111. (Reserved).**

**Subchapter F. TERMINATION OF SERVICE**

**§ 64.121. Authorized termination of service.**

- (a) A telecommunications carrier shall state the grounds upon which it will terminate telecommunications service and the procedures for notice of termination in a tariff, product guide or similar document available on the carrier's website.
- (b) From the effective date of this subchapter until December 31, 2023, noncompetitive basic stand-alone residential service to a dwelling may be terminated when at least 10 days have passed since suspension of service and the customer has failed to remedy the original grounds for suspension.

**§ 64.122. (Reserved).**

**§ 64.123. Termination notice.**

From the effective date of this subchapter until December 31, 2023, immediately after noncompetitive basic stand-alone residential service is suspended, a termination notice which conforms substantially to the suspension notice and which indicates how the customer may arrange to have service restored shall be mailed to the customer's billing address. The termination notice must include:

- (1) The amount past due for basic service which the customer shall pay to avoid the termination of basic service.
- (2) Information regarding the process to submit a medical certification.
- (3) A statement that service will be terminated on or after a specified date and a clear explanation that the customer shall request service as a new applicant, subject to additional charges, if termination occurs.

**Subchapter G. DISPUTES; INFORMAL AND FORMAL COMPLAINTS**

**§ 64.131. (Reserved).**

**§ 64.132. (Reserved).**

**§ 64.133. (Reserved).**

**§ 64.134. (Reserved).**

**§ 64.141. (Reserved).**

**§ 64.142. (Reserved).**

**§ 64.151. (Reserved).**

**§ 64.152. Informal complaint filing procedures.**

- (a) The Bureau of Consumer Services of the Commission shall only accept informal complaints relating to noncompetitive stand-alone basic residential service.
- (b) All other complaints received shall be referred directly to the service provider. The service provider shall investigate and respond to that customer and no further Commission action or reporting by the provider to the Commission or the Bureau of Consumer Services will be required.
- (c) After December 31, 2023 the Bureau of Consumer Services of the Commission shall no longer accept informal complaints relating to any issue or service by a telecommunications carrier and those complaints shall be subject to subsection (b).

**§ 64.153. Commission informal complaint procedures.**

- (a) The timely filing of an informal complaint relating to noncompetitive stand-alone basic residential service acts as a limited stay and the LEC may not suspend or terminate service based on the complaining party's nonpayment of any billed amount which is contested in the informal complaint until the complaint is resolved. This limited stay does not prevent the LEC from suspending or terminating service based on the complaining party's nonpayment of other billed amounts, where the suspension or termination is otherwise permitted under this chapter.
- (b) *Automatic Customer Transfer.* From the effective date of this section until December 31, 2023 the automatic customer transfer process set forth in 52 Pa. Code § 63.15 shall apply to customer complaints related to noncompetitive stand-alone basic residential service.

**§ 64.154. Bureau of Consumer Services.**

The Bureau of Consumer Services shall have primary jurisdiction over all complaints arising under this chapter until December 31, 2023.

**§ 64.161. General rule.**

Formal complaint proceedings shall proceed according to Chapters 3 and 5 (relating to special provisions; and formal proceedings). Formal complaint proceedings relating to regulated retail telecommunications services shall also be subject to the following:

- (a) All formal complaints related to regulated retail telecommunications service shall be referred to the mediation program of the Office of Administrative Law Judge under 52 Pa. Code § 69.391 without the need for formal pleadings or attorney representation for any party for a period of at least 2 months, to continue indefinitely by agreement of the parties, unless emergency circumstances exist.
- (b) If the matter is not resolved by the mediation, then the Commission will provide due process and resolve the dispute as a contested matter.

**§ 64.162. (Reserved).**

§ 64.163. (Reserved).

§ 64.171. (Reserved).

#### **Subchapter H. RESTORATION OF SERVICE**

§ 64.181. Restoration of service after suspension.

From the effective date of this chapter through December 31, 2023, the following applies for noncompetitive stand-alone basic residential service. If service has been suspended, the LEC shall reconnect service by the end of the first full working day after the customer has complied with or provided adequate assurance of compliance with an applicable provision of Subchapter C (relating to credit and deposit standards policy) and one of the following:

- (1) Full payment of outstanding charges plus the reconnection fee listed in the LEC's lawful tariff, pricing guide or similar document. The payment may not exceed the total of applicable rates and reconnection fees specified in the LEC's tariff, pricing guide or similar document. Payment of outstanding charges and the reconnection fee may be spread out over a reasonable period. Factors to be taken into account include the size of the unpaid balance, the payment history of the ratepayer and the length of time over which the bill accumulated.
- (2) Payment of amounts currently due according to a payment agreement, plus a reconnection fee, which may be a part of the settlement or payment agreement.
- (3) Payment of an amount deemed appropriate by Commission staff upon its review of an informal complaint.
- (4) Adequate assurances that unauthorized use or practice will cease, plus full payment of the reconnection fee of the LEC, which reconnection fee may be subject to a payment agreement.

§ 64.182. (Reserved).

#### **Subchapter I. PUBLIC INFORMATION; RECORD MAINTENANCE**

§ 64.191. (Reserved).

#### **Subchapter J. ANNUAL LEC REPORTING REQUIREMENTS**

§ 64.201. (Reserved).

#### **Subchapter K. GENERAL PROVISIONS**

§ 64.211. (Reserved).