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**Suzan DeBusk Paiva  
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July 25, 2022

**VIA ELECTRONIC FILING**

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

RE: Petition Requesting Initiation of a Proceeding On Federal Funding  
Opportunities for Utilities Under the Infrastructure Investment and Jobs Act  
Docket No. P-2022-3032929

Dear Secretary Chiavetta:

Enclosed please find Verizon's Response to the Petition of the Office of Consumer Advocate, the Office of Small Business Advocate, and the Pennsylvania Utility Law Project, in the above-referenced proceeding.

Please do not hesitate to contact me with any questions.

Very truly yours,

A handwritten signature in blue ink that reads "Suzan D. Paiva/sau". The signature is written in a cursive, flowing style.

Suzan D. Paiva

SDP/sau  
Enclosure

Via Email

cc: Certificate of Service

## CERTIFICATE OF SERVICE

Re: Petition Requesting Initiation of a :  
Proceeding on Federal Funding : Docket No. P-2022-3032929  
Opportunities for Utilities under the :  
Infrastructure Investment and Jobs Act :

I Suzan D. Paiva, hereby certify that I have this day served a copy of Verizon's Response to the Petition of the Office of Consumer Advocate, the Office of Small Business Advocate and the Pennsylvania Utility Law Project, upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (related to service by a participant) and 1.55 (related to service upon attorneys).

Dated at Philadelphia, Pennsylvania this 25<sup>th</sup> day of July, 2022.

### **SERVICE BY E-MAIL ONLY**

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition Requesting Initiation of a Proceeding :  
On Federal Funding Opportunities for Utilities : Docket No. P-2022-3032929  
Under the Infrastructure Investment and Jobs Act :

**VERIZON’S RESPONSE TO PETITION**

Pursuant to the Commission’s June 23, 2022 Secretarial Letter, Verizon<sup>1</sup> responds to the Petition of the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), and the Pennsylvania Utility Law Project (“PULP”) asking the Commission to open a proceeding and require regulated utilities to report on their efforts to obtain federal funds available under the Infrastructure Investment and Jobs Act (“IIJA”).<sup>2</sup> Verizon’s response is for the limited purpose of clarifying that, if the requested proceeding is opened, it should not include any issues relating to federal funding to expand broadband service. While the Petition does not explicitly mention broadband, and its examples relate to programs to improve energy and water infrastructure, the Petition’s broad reference to “all possible programs under the IIJA available to Commission regulated utilities” could be read to encompass broadband deployment since regulated telecommunications companies are eligible to bid for federally funded programs.<sup>3</sup>

Broadband funding should not be included in any Commission proceeding because it is addressed by the Pennsylvania Broadband Development Authority (“Authority”) recently created by the General Assembly. Through Act 96 (Act of Dec. 22, 2021, P.L. 459, No. 96) the General

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<sup>1</sup> These comments are submitted by Verizon Pennsylvania LLC and Verizon North LLC (“Verizon”).

<sup>2</sup> Infrastructure Investment and Jobs Act or “IIJA,” Pub. L. No. 117-58, 135 Stat. 429 (2021).

<sup>3</sup> Retail broadband service is not regulated by this Commission. *See Daskalakis v. Verizon Pennsylvania Inc.*, Docket No. C-2010-2172222, 2011 Pa. PUC LEXIS 2042 (Opinion and Order entered March 17, 2011); *A. Moses, Inc. v. Verizon Pennsylvania Inc.*, Docket No. C-2010-2205259 (Opinion and Order entered November 4, 2011). However, many providers of regulated voice service also offer unregulated broadband service and could be expected to bid for federal funding to build out broadband facilities in unserved or underserved areas.

Assembly established the Authority to develop a statewide broadband plan and distribute federal and state funds for broadband expansion, including funding from the IIJA.<sup>4</sup> The Authority is intended to be “a single point of contact for entities wishing to engage in broadband development and deployment in this Commonwealth.” (Act 96, Section 6122(a)). Other state agencies are to “cooperate with the authority” and “avoid duplication of efforts.” (Act 96, Section 6122(c)). The Chairman of this Commission is a member of the Authority’s board.<sup>5</sup> Therefore there is no need for a Commission proceeding to address broadband funding.

Also, requiring providers of regulated voice service to report the details of their efforts to obtain broadband funding would undermine the competitive bidding process and place these companies at a disadvantage versus their unregulated competitors. The entities eligible to receive federal funding for broadband expansion programs administered by the Authority are not limited to Commission-regulated telecommunications companies. Act 96 recognizes that “eligible entities” for broadband projects include any applicant “with the technical, managerial and financial expertise to design, build and operate high-speed broadband service infrastructure within this Commonwealth” that will “commit to investing a minimum amount of the entity’s capital to finance a proposed high-speed broadband service infrastructure project as determined by the authority in accordance with Federal law or guidance.” (Act 96, Section 6123(b)). Entities that provide Commission-regulated voice service should not be required to report information or be subjected to regulatory burdens that cannot be required of the unregulated competitors that will be bidding for the same funds. Information gathering should be left to the

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<sup>4</sup> The sources of federal funding to be administered by the Authority, including the IIJA, are described on the Authority’s website. <https://dced.pa.gov/broadband-resources/pennsylvania-broadband-development-authority/>

<sup>5</sup> By statute, the membership of the board includes “[t]he chair of the Pennsylvania Public Utility Commission or a designee who shall be an employee of the Pennsylvania Public Utility Commission.” (Act 96, Section 6112(a)(5)).

Authority, which can request information it deems relevant from the participating bidders in a nondiscriminatory fashion. Additionally, any new Commission reporting requirements for local exchange telecommunications companies would run afoul of 66 Pa. C.S. § 3015(e) and (f)(1), limiting the reports the Commission is authorized to require.

For the forgoing reasons, Verizon respectfully requests that, if the Commission determines to initiate a proceeding as requested in the Petition, then it should clarify that broadband funding is not included within the scope of the proceeding and will be overseen by the Pennsylvania Broadband Development Authority.

Date: July 25, 2022

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

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