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April 17, 2026

Via Electronic Filing

Secretary Matthew L. Homsher
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: **Cancellation of Certificates of Public Convenience for Telecommunication Utilities; Failure to Operate or Report Any Intrastate Operating Revenue;**

Applications of Southern Light, LLC for approval to offer, render, furnish or supply telecommunication services as a Competitive Access Provider to the Public in the Commonwealth of Pennsylvania;

Docket Nos. M-2026-3059781; A-2018-3001076; A-2018-3001077; A-2018-3001078; A-2018-3001079;

Dear Secretary Homsher,

Enclosed for electronic filing please find Southern Light, LLC ("Southern Light") Comments in Opposition to the Commission's Tentative Order of in the above-referenced matters.

If you have any questions, please contact us.

Sincerely,
Bryce R. Beard
Bryce R. Beard

BRB/dmc
Enclosure

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In the Matters of:	)	
	)	
Cancellation of Certificates of Public	)	M-2026-3059781
Convenience for Telecommunication	)	
Utilities; Failure to Operate or Report	)	
Any Intrastate Operating Revenue	)	
	)	
Applications of Southern Light, LLC	)	A-2018-3001076
for approval to offer, render, furnish or	)	A-2018-3001077
supply telecommunication services as a	)	A-2018-3001078
Competitive Access Provider to the Public	)	A-2018-3001079
in the Commonwealth of Pennsylvania	)	

Opposition of Southern Light, LLC
to the Cancellation of Certificates of Public Convenience
for Telecommunications Public Utilities

Southern Light, LLC ("Southern Light") respectfully submits this opposition to the Pennsylvania Public Utility Commission's ("Commission") Tentative Order proposing to find public utilities that failed to report intrastate revenue for the calendar year 2024 as deemed to be no longer providing public utility service for compensation in Pennsylvania and consequently, no longer entitled to hold a Commission-issued Certificate of Public Convenience and Necessity ("CPCN").[1]

The Tentative Order established a deadline for the submission of comments to challenge the tentative approval of CPCN cancellations within 20 days of the date of publication of the Tentative Order in the Pennsylvania Bulletin. Publication occurred on March 28, 2026, resulting

[1] *See* Tentative Order Finding Cancellation of Certificates of Public Convenience for Telecommunications Public Utilities; Failure to Operate or Report Any Intrastate Operating Revenue, Docket No. M-2026-3059781 (Order entered March 12, 2026) ("Tentative Order").

in a comment deadline of on or before April 17, 2026. As such, these opposition comments are timely filed.

Southern Light opposes the cancellation of its CPCN and respectfully submits that the Commission's tentative conclusion is flawed. As discussed below, service revenues are not synonymous with service classification; private-line carriers are legally prohibited from recharacterizing interstate revenues as intrastate; revocation of Southern Light's CPCN would unlawfully impede the provision of interstate telecommunications services; and such revocation would also obstruct Southern Light's ability to provide intrastate telecommunications services within the Commonwealth.

I. Revenues Are Not Synonymous With Service Classification.

On April 11, 2018, Southern Light filed an application for authority to operate as a Competitive Access Provider ("CAP") in the Commonwealth of Pennsylvania, which the Commission granted on September 20, 2018.[2] Through that authorization, Southern Light submitted itself to the Commission's jurisdiction for purposes of providing CAP services, including private line transmission services to business, enterprise, and wholesale customers:[3]

> The Company undertakes to furnish private line communications service under this Tariff in connection with the transmission of one-way and/or two-way communications which originate and terminate within the State, and are jurisdictionally intrastate.[4]

Consistent with its tariff, Southern Light publicly offers intrastate private line services, subject to the availability of facilities.[5] The fact that customers may elect services that ultimately qualify as

[2] *See* Order Regarding Application of Southern Light, LLC for approval to offer, render, furnish or supply telecommunication services as a Competitive Access Provider to the Public in the Commonwealth of Pennsylvania, Docket No. A-2018-3001079 (Entered September 20, 2018).
[3] *See* Uniti, *Legal & Regulatory* | *Tariffs* | Southern Light Tariff No. 3, https://uniti.com/wp-content/uploads/2022/01/Southern-Light-Pennsylvania-Tariff-No.-3.pdf (Oct. 22, 2018).
[4] *Id.* Original Pg. 8; § 1.2.1.
[5] *Id.* Original Pg. 26; § 3.1

jurisdictionally interstate does not negate Southern Light's offering of intrastate service or its status as a CAP. So long as Southern Light holds itself out to provide intrastate private line service to the public for compensation, it is utilizing its CPCN. By offering such services, Southern Light is subject to the Commission's regulatory, investigative, enforcement, audit and information gathering authority, 66 Pa.C.S. §§ 501, 504, 505, 506, and 516. Southern Light has submitted itself to the Commission's jurisdiction since 2018 and has paid filing fees to the Commission in order to obtain approval for various transactions it has undertaken over the past several years.

Critically, the Commission's jurisdiction turns on *service classification*, not whether intrastate revenues are reported in a particular year. The Public Utility Code authorizes the Commission to "regulate all public utilities doing business within" Pennsylvania.[6] Moreover, the definition of a "public utility" under Pennsylvania law is: "A person, partnership, association or corporation, now or hereafter owning or operating in this Commonwealth, equipment or facilities for conveying or transmitting messages or communications by telephone or telegraph to the public for compensation."[7] The statute does not condition public utility status on the reporting of intrastate revenues.

The Commission has also recognized that jurisdiction does not disappear merely because revenues are classified as interstate for separations purposes. In interpreting *Qwest Corporation v. Scott*,[8] the Commission found that it retains jurisdiction over intrastate services regardless of the classification of revenues for jurisdictional separation purposes.[9] The Commission specifically noted: "Like the Scott court determined, the FCC's expressed intent to preempt state regulation on jurisdictionally-mixed services does not extend to performance measurements and standards."[10]

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[6] 66 Pa.C.S. § 501(b).
[7] 66 Pa.C.S. § 2901.
[8] 380 F. 3d 367 (8th Cir. 2004) *(Scott).*
[9] *See* Policy Statement at 25-26.
[10] *Id.* at 25.

Accordingly, it would be inconsistent to conclude that a CAP provider, like Southern Light, is not utilizing its CPCN due to the lack of reported revenues associated with intrastate services when the Commission correctly determined that it retains jurisdiction, for certain purposes, over jurisdictionally-mixed service offerings.

II. Private-line Carriers are Legally Barred From Recharacterizing Interstate Revenues as Intrastate

a. FCC Rules Require Mixed-Use Line Revenues to Be Classified as Interstate

The FCC requires providers of private line services to report revenues associated with jurisdictional-mixed or mixed-use lines between interstate and intrastate jurisdictions in order to calculate assessments of various federal fees for the federal universal service fund, interstate telecommunications relay services, the administration of the North American Numbering Plan, and the shared costs of local number portability administration. Under the FCC's "ten percent rule," the revenue of a mixed-use line is directly assigned to the interstate jurisdiction when the line carries interstate traffic in a proportion greater than ten percent.[11]

The FCC adopted the ten percent rule to "foster[] administrative simplicity and economic efficiency," and to avoid "disadvantages in terms of administrative complexity, customer confusion, and economic inefficiency inherent in alternative methods."[12] In adopting the ten percent rule, the FCC explicitly declined to adopt usage based allocation for private lines, and instead choose to require providers of private lines on which at least ten percent of usage is interstate to allocate all revenues from these lines as interstate.[13] The FCC did not want carriers to engage in the substantial administrative efforts required by traffic studies and instead chose the

[11] *See* 47 CFR § 36.154(a)-(b); *Special Access 10% Order*, at 556061, paras. 2, 6-7; 2017 *10% Audit Order*, at 2140, para.1.
[12] *Special Access 10% Order,* at 5560-61, para. 6.
[13] *See id*. at 5560, para. 4.

simplicity of customer certifications to satisfy the ten percent rule.[14] As a result, private line providers are required at both the federal and state level to allocate private line revenues as interstate when customers certify to the application of the ten percent rule.[15] Therefore, private line providers, like Southern Light, must report revenues from lines satisfying the ten percent rule as interstate.

The Commission's apparent expectation that Southern Light should nevertheless report "de facto" intrastate operating revenues conflicts directly with FCC requirements. Southern Light cannot, as the Commission suggests, reclassify these revenues to reflect de facto intrastate operating revenues in Pennsylvania. The absence of reported intrastate revenues thus reflects compliance with federal law—not any failure to offer intrastate service within Pennsylvania.

b. Federal Law Requires a Uniform, National Revenue Reporting Approach

FCC revenue reporting rules do not permit Southern Light to apply different jurisdictional allocation methodologies on a state by state basis. Nor may Southern Light or its affiliates use inconsistent revenue allocation methods across jurisdictions. If Southern Light were to use traffic studies or other methods to attribute mixed-use private line revenues to interstate and intrastate as the Commission requests, Southern Light (and its affiliated companies) would have to conduct and report revenues based on traffic studies nationally.[16] This would be administratively burdensome and expensive as well as inconsistent with federal law, which allows Southern Light to use

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[14] *See id.*

[15] *See* FCC, Form 499-A and Instructions, link, at 40 (January 2026) (*FCC Form 499-A*) (applying the ten percent rule to mixed-use private line revenues); *Jurisdictional Separations and Referral to the Federal-State Joint Board,* Report and Order and Waiver, 33 FCC Rcd 12743, 12745, para. 6, fn. 11 (noting that only "wholly intrastate" private line costs and revenues are subject to intrastate jurisdiction under the separations rules).

[16] *See FCC Form 499-A* at 40-41 (discussing the use of safe harbors versus reporting actual revenues through the use of corporate records or traffic studies and stating that a single election must be made for all affiliated entities, each quarter whether to use a safe harbor and, further, filers are required to use a consistent methodology for determining interstate revenues); *Federal-State Joint Board on Universal Service et al.,* CC Docket No. 96-45 et al., Order and Order on Reconsideration, 18 FCC Rcd 1421, 1424-25, para. 6 (2003).

customer certifications for purposes of jurisdictionally separating revenues between interstate and intrastate services. Even if such studies were conducted, any line with more than ten percent interstate traffic would still be required to be reported as entirely interstate. Federal law therefore precludes Southern Light from filing revised revenue figures attributing private line revenues to intrastate service in Pennsylvania, and it likewise prohibits the use of a Pennsylvania specific methodology that differs from the company's federally compliant national approach.

c. Assessing "De Facto" Intrastate Revenues Would Create Duplicative Regulation and Increase Customer Costs

Treating federally classified interstate revenues as intrastate for Commission assessment purposes would also result in duplicative regulatory assessments. Revenues reported as interstate are already subject to federal assessments, which carriers are permitted to recover from customers. If the Commission were to impose additional assessments on the same revenue stream, customers would face duplicative charges for the same services. Such an outcome would undermine the Commission's stated goals of encouraging competition and efficient deployment of telecommunications services and would penalize carriers for complying with federal law.

III. Revocation of Southern Light's CPCN Would Unlawfully Impede the Provision of Interstate Telecommunications Services

The Commission's legal analysis fails to recognize that cancellation of CPCNs would create unlawful barriers to interstate service prohibited by Section 253 of the Communications Act.[17] States are not permitted to enact any "statute or regulation, or other State or local legal requirement, [which] may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service."[18] Courts have found that

[17] *See* 47 U.S.C. § 253.
[18] 47 U.S.C. § 253(a).

Section 253 represents a "broad preemption of laws that inhibit competition."[19] Cancellation of Southern Light's CPCN would erect precisely such a barrier. Southern Light maintains Commission approved tariffs offering intrastate services, and customers may request such services at any time. If a customer were to request a wholly intrastate service—or adjust existing usage such that the service becomes intrastate—Southern Light would be unable to provide that service absent a CPCN. The Commission's CPCN approval process routinely spans three to six months, placing Southern Light at a competitive disadvantage relative to providers that retain CPCNs solely because they report intrastate revenues from other service offerings.

Revocation would also jeopardize Southern Light's interconnection rights. Incumbent local exchange carriers require evidence of licensure before entering interconnection agreements pursuant to Section 252 of the Act. Loss of a CPCN would therefore threaten existing interconnection arrangements and risk disruption of ongoing customer services.

a. Cancellation Would Prevent Southern Light from Providing Intrastate Services and Undermine Competitive Neutrality

Even assuming, *arguendo*, intrastate revenues were required to maintain a CPCN—an assumption that is incorrect—revocation would prevent Southern Light from serving customers seeking intrastate services and would disrupt services where customer usage evolves over time. This approach arbitrarily distinguishes among providers based on revenue classification compelled by federal law and violates principles of competitive neutrality. Southern Light would be forced to undergo a lengthy CPCN application process solely because it complies with federal revenue separations rules, placing it at a structural disadvantage

[19] *See*, e.g., Puerto Rico Tel. Co. v. Telecomm. Reg. Bd. of Puerto Rico, 189 F.3d 1, 11 n.7 (1st Cir. 1999).

relative to competitors. Southern Light cannot lawfully certify the same revenues as interstate to the FCC and intrastate to the Commission. Conditioning CPCN retention on such conflicting treatment creates an unlawful barrier to service in violation of Section 253.

Adopting such an interpretation of relevant law would also competitively disadvantage certain providers and violate competitive neutrality. Specifically, and as applied to Southern Light, Southern Light's CPCN would be cancelled due to its lack of *reported* intrastate revenues as a result of Southern Light complying with federal law. In order to provide intrastate services, Southern Light would need to obtain a new CPCN, a process that takes a minimum of three to six months. For instance, Southern Light's initial CPCN took from April 11, 2018, until September 20, 2018 before approval. This approval timeline appears to be consistent across all providers seeking authority to provide public utility services in the Commonwealth. This places Southern Light at a competitive disadvantage to providers retaining CPCNs who could more quickly offer service to customers seeking wholly intrastate services.

b. *Loss of CPCN Would Restrict Access to Public Rights of Way*

Southern Light provides private line services and wholesale services to other carriers. Revoking Southern Light's CPCN would prevent it from engaging with municipalities to obtain access to public rights of way in order to offer such services in support of wholesale offerings. It is Southern Light's experience that having a CPCN is a necessary pre-condition to access the rights-of-way and some customers even require producing evidence of such prior to working with companies offering telecommunications services.[20] Further, Pennsylvania law grants public utilities the right to deploy their facilities in the public rights-of-way without being subject to local government zoning requirements, but instead the less restrictive municipal

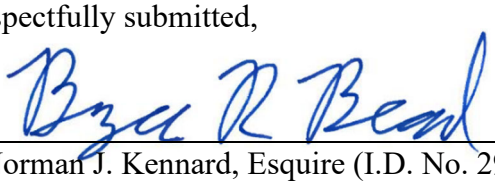
[20] *See, e.g., Crown Castle NG East LLC v. Pennsylvania Pub. Util. Comms'n*, 188 A.3d 617, 622 (2018).

rights-of-way permitting process.[21] Thus, revoking Southern Light's CPCN would prevent it from engaging with municipalities to obtain access to public rights-of-way and would also impair Southern Light's ability to solicit certain customers that require evidence of such prior to engaging services providers like Southern Light. Revocation of its CPCN could result in Southern Light having to remove facilities it has already placed as it would no longer be considered a "public utility" negatively impacting its substantial investment in these facilities and its existing customers.

IV. Conclusion

For the foregoing reasons, Southern Light respectfully requests that the Commission reject the Tentative Order as applied to Southern Light and confirm that Southern Light continues to provide public utility service for compensation within the Commonwealth and is entitled to retain its Commission issued CPCN as a Competitive Access Provider throughout Pennsylvania.

Respectfully submitted,



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Date: April 17, 2026

Counsel for Southern Light, LLC

[21] *See* 15 Pa.C.S. § 1511(e); *see, e.g., Duquesne Light Co. v. Upper St. Clair Twp.,* 105 A.2d 287 (Pa. 1954); *South Coventry Twp. v. Philadelphia Elec. Co.,* 504 A.2d 368 (Pa. Cmwlth. 1986); *Heintzel v. Zoning Hearing Bd. of Millcreek Twp.*, 533 A.2d 832, 833 (Pa. Cmwlth. 1987).

VERIFICATION

I, Nicole Winters, hereby state that: (1) I am the Senior Director – Regulatory Counsel of Uniti Group Inc. ("Uniti Group"); (2) I am authorized to make this Verification on behalf of Uniti Group and its subsidiary Southern Light LLC (collectively, the "Company"); (3) the facts set forth in the enclosed Comments in Opposition are true and correct (or are true and correct to the best of my knowledge, information and belief); and, (4) that the foregoing comments were prepared under by direction and supervision. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: April 16, 2026

Nicole Winters
Senior Director – Regulatory Counsel
Uniti Group Inc.