

April 19, 2012

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**Via Overnight Delivery**

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

Re: Investigation Regarding Intrastate Access Charges and  
IntraLATA Toll Rates of Rural Carriers and  
The Pennsylvania Universal Service Fund,  
Docket No. I-00040105

AT&T Communications of Pennsylvania, LLC et al. v.  
Armstrong Telephone Company-Pennsylvania, et al.,  
Docket Nos. C-2009-2098380, et al.

Dear Ms. Chiavetta:

Enclosed for filing in the above-captioned dockets please find an original and nine copies of the "Answer to Updated Petitions" on behalf of Comcast Phone of Pennsylvania, LLC d/b/a Comcast Digital Phone and Comcast Business Communications, LLC (collectively "Comcast").

Kindly date-stamp as received the additional copy included herewith and return to the undersigned in the postage prepaid envelope.

Copies have been served in accordance with the attached Certificate of Service.

Do not hesitate to contact the undersigned with any questions regarding this matter.

Sincerely,

  
John C. Dodge

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation Regarding Intrastate Access  
Charges and IntraLATA Toll Rates of Rural  
Carriers and the Pennsylvania Universal  
Service Fund

I-00040105

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AT&T Communications of Pennsylvania,  
*et al.*

v.

C-2009-2098380, *et al.*

Armstrong Telephone Company-  
Pennsylvania, *et al.*

**COMCAST PHONE OF PENNSYLVANIA, LLC D/B/A  
COMCAST DIGITAL PHONE AND COMCAST BUSINESS COMMUNICATIONS, LLC  
ANSWER TO UPDATED PETITIONS**

Comcast Phone of Pennsylvania, LLC d/b/a Comcast Digital Phone and Comcast Business Communications, LLC (collectively "Comcast") hereby respectfully submits its Answer to Updated Petitions in the above-captioned matters.

**INTRODUCTION**

On April 9, 2012, The Pennsylvania Telephone Association ("PTA") and The United Telephone Company of Pennsylvania LLC d/b/a CenturyLink ("CenturyLink") (collectively the "Rural Local Exchange Companies" or "RLECs") and AT&T Communications of Pennsylvania, LLC, TCG Pittsburgh and TCG New Jersey, Inc. (collectively "AT&T") filed updated petitions for reconsideration and stay, and for reconsideration and comments, respectively. Each pleading raised the issue of the Carrier Common Line Charge, or "CCLC," which the Commission

adopted in its *July 2011 Order* in the above-captioned matters. Comcast answers both the RLECs and AT&T with respect to the CCLC.

## DISCUSSION

### **A. The Pennsylvania CCLC Cannot Apply to VoIP Traffic.**

The RLECs and AT&T addressed the CCLC in their respective petitions. For example, the RLECs noted that the *CAF Order*<sup>1</sup> “schedule for achieving parity between intrastate and interstate switched access rates . . . obtains the objective of complete parity (i.e., no carrier common line charge”<sup>2</sup> and although this “Commission retained a uniform \$2.50 CCL per access line per month . . . the *Connect America Fund Order* has no CCL on terminating access charges . . .”<sup>3</sup> AT&T argued for the outright elimination of the CCLC, stating that “[t]he FCC has taken responsibility for reforming intrastate charges for terminating access” and “[a]s a result, the Commission should . . . eliminate the \$2.50 Carrier Charge benchmark . . .”<sup>4</sup>

In response to the RLEC and AT&T comments, Comcast draws the Commission’s attention to the Federal Commission Commission’s (“FCC”) adoption of a new intercarrier compensation (“ICC”) regime for Voice over Internet Protocol (“VoIP”)-to-Public Switched Telephone Network (“PSTN”) traffic. The FCC has assumed exclusive jurisdiction over VoIP-PSTN ICC, bringing *all* such traffic under the ambit of 47 U.S.C. § 251(b)(5).<sup>5</sup> Under the FCC’s transitional ICC framework, default intercarrier compensation rates for toll VoIP-PSTN traffic

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<sup>1</sup> Report and Order and Further Notice of Proposed Rulemaking, *In the Matter of Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*, 2011 FCC LEXIS 4859 (rel. Nov. 18, 2011) (“*CAF Order*”).

<sup>2</sup> Joint Petition for Reconsideration and Stay of the Pennsylvania Telephone Association and at ¶9 CenturyLink (“Joint Petition”) citing *CAF Order*.

<sup>3</sup> *Id.* at ¶ 20.

<sup>4</sup> Updated Petition for Reconsideration and Comments of AT&T in response to Commission’s Opinion and Order entered March 20, 2012 at pp. 3-4 (“AT&T Updated Petition”).

<sup>5</sup> *CAF Order* at ¶ 933 (“We bring all VoIP-PSTN traffic within the section 251(b)(5) framework”).

are equal to interstate access rates, and default intercarrier compensation rates for other VoIP-PSTN traffic are the otherwise-applicable reciprocal compensation rates.<sup>6</sup> Ultimately, like other 251(b)(5) traffic, VoIP-PSTN traffic will be subject to bill-and-keep.<sup>7</sup> The FCC's transitional ICC plan does not adopt or admit to a CCLC—federal or state—on VoIP-PSTN traffic.<sup>8</sup> Thus, in its order on reconsideration the Commission should state that the CCLC—if retained—shall not apply to VoIP-PSTN traffic as a matter of federal law.

#### **B. The Commission Should Not Expand the PaUSF.**

The RLECs and AT&T, explicitly and implicitly, discussed the interrelationship of the *CAF Order* and the PaUSF. For example, the RLECs raised the prospect of offsetting state-specific rate reductions that are faster than FCC-mandated reductions “provided that states provide any additional recovery support that may be needed as a result of a faster transition.”<sup>9</sup> Further, the RLECs noted that, “under the FCC’s Order, universal service fund support is provided whereas Pennsylvania USF recovery was denied by the Commission.”<sup>10</sup> Similarly the RLECs argued that—

[t]he *Rural Access Investigation Order*’s assignment of a \$2.50/month CCL per access line without additional revenue-neutral recovery through the state universal service fund is patently inconsistent with the *Connect America Fund Order*, particularly given that the FCC’s Order parity objectives include additional federal support.<sup>11</sup>

AT&T argued that the “Commission cannot give carriers some mechanism for recovering federally-related access reductions outside of the mechanisms specified by the FCC.”<sup>12</sup>

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<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at ¶ 934.

<sup>8</sup> 47 C.F.R. § 51.913 (2012).

<sup>9</sup> Joint Petition at ¶ 17 (emphases omitted).

<sup>10</sup> *Id.* at ¶ 18.

<sup>11</sup> *Id.* at ¶ 20.

<sup>12</sup> AT&T Updated Petition at 16.

Just as funding for the PaUSF should not be increased to accommodate RLEC's Chapter 30 annual revenues increases, the PaUSF should not be increased to fund intrastate access rate reductions that precede FCC-mandated originating access reductions, for the reasons Comcast previously stated in this docket.<sup>13</sup> Moreover, such a move likely contravenes the *CAF Order*, as argued by AT&T: "The FCC has established a uniform nationwide plan for access reductions and the associated recovery."<sup>14</sup> Nor should the Commission interpret the FCC's decision to further investigate reduction of originating access rates<sup>15</sup> as an invitation to expand the PaUSF to offset such originating reductions made at the Pennsylvania level. The FCC clearly expressed its intention to delegate to states only the responsibility of transitioning originating access to bill-and-keep, not to permit regulatory arbitrage.<sup>16</sup>

Comcast has demonstrated, too, that the PaUSF deserves significant reform, to direct support to truly needy rural carriers and/or subscribers in need, an analysis which must incorporate the totality of RLEC operations and financials.<sup>17</sup> Further, the Commission also should expand the contributor base to include wireless providers. The *CAF Order* makes clear that wireless service has grown rapidly and has eclipsed wireline service.<sup>18</sup> Yet wireless carriers make no contributions to the PaUSF, leaving that responsibility to a dwindling number of

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<sup>13</sup> Comcast Initial Brief at 5-6 (pointing out from Dr. Pelcovits' testimony that expanding the PaUSF could provide the RLECs a double subsidy under Chapter 30, enshrine a "make-whole paradigm" (now clearly rejected by the FCC) and ignore fundamental changes to the RLECs' business plans).

<sup>14</sup> AT&T Updated Petition at 19. *See also CAF Order* at ¶¶ 741-759 ("We find that a bill-and-keep framework for intercarrier compensation best advances the Commission's policy goals and the public interest, driving greater efficiency in the operation of telecommunications networks and promoting the deployment of IP-based networks." (Citations omitted.)) Indeed, given the transformational nature of the *CAF Order* the Commission may wish to initiate a new docket to determine whether the PaUSF remains relevant or necessary.

<sup>15</sup> *See, e.g., CAF Order* at ¶ 653, 1298-99.

<sup>16</sup> *Id.* at ¶ 1302.

<sup>17</sup> *See, e.g., Comcast Initial Brief* at 7-8.

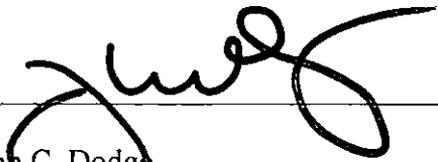
<sup>18</sup> *CAF Order* at ¶ 748 ("[T]oday there are approximately 300 million wireless devices, compared to approximately 117 million fixed lines, in the United States.") (Footnote omitted).

wireline customers. This distortion of the competitive market must not be allowed to continue, as Comcast has previously argued.<sup>19</sup>

### CONCLUSION

For the reasons articulated herein, Comcast respectfully requests that the Commission affirmatively rule that the CCLC shall not apply to VoIP-PSTN traffic; affirmatively decline to expand the size of the PaUSF to fund its own or FCC-mandated access charge reductions; initiate a proceeding to investigate the continuing need for the PaUSF and, presuming continuation of the PaUSF, expanding the contributor base to include wireless carriers.

• Respectfully submitted,



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April 19, 2012

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<sup>19</sup> See Comcast Initial Brief, n. 42.

CERTIFICATE OF SERVICE

I, hereby certify that a copy of the foregoing Comcast Phone of Pennsylvania, LLC d/b/a Comcast Digital Phone and Comcast Business Communications LLC's Answer to Updated Petitions was served upon these parties via E-Mail and First Class Mail this 19<sup>th</sup> day of April 2012.

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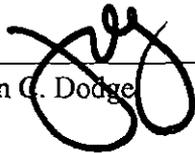
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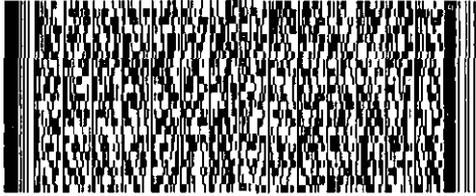
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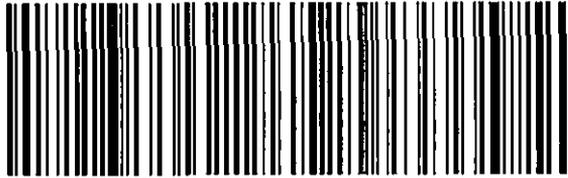
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