

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120**

**Rulemaking to Comply with the  
Competitive Classification of  
Telecommunications Retail Services  
Under 66 Pa. C.S. § 3016(a); General  
Review of Regulations 52 Pa. Code,  
Chapter 63 and Chapter 64**

**Public Meeting July 12, 2018  
3001391-LAW  
Docket No. L-2018-3001391**

**STATEMENT OF COMMISSIONER JOHN F. COLEMAN, JR.**

In February 2015, the Commission reclassified stand-alone basic local telephone service as competitive in parts of the Verizon service territories in Pennsylvania.<sup>1</sup> As part of that decision, the Commission also granted Verizon a 5-year waiver of certain of our Chapter 63 and Chapter 64 regulations in competitive wire centers.<sup>2</sup> The waiver was granted, pending a rulemaking to address the status of these regulations in both competitive and noncompetitive wire centers on both a permanent and industry-wide basis.

To initiate the rulemaking, I support issuing an Advanced Notice of Proposed Rulemaking or ANOPR to solicit input from interested parties. This ANOPR, combined with certain data to be collected,<sup>3</sup> should help the Commission in preparing revised regulations and in making an informed and well-reasoned decision here.

The ANOPR seeks input in four main areas regarding our Chapter 63 and 64 regulations: (i) whether to make the previously-granted waivers permanent in any wire center currently classified as competitive or that may be classified as competitive in the future; (ii) whether there are any obsolete or outdated regulations in noncompetitive wire centers that should be modified or eliminated, (iii) whether to create separate chapters in our regulations for competitive versus noncompetitive wire centers; and (iv) whether there are any reasonable alternative regulations or regulatory structure/scheme, other than what is being proposed here, that the Commission should consider.

---

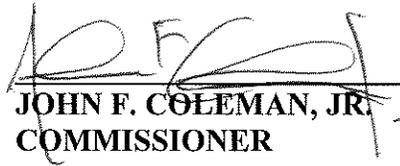
<sup>1</sup> Verizon Pennsylvania LLC and Verizon North LLC (collectively Verizon) filed a petition requesting a competitive classification in 194 of their wire centers in Pennsylvania. The Commission granted the request for 153 of the wire centers. The Commission's decision changed how basic service is regulated in competitive areas in two main ways. First, Verizon no longer is required to maintain a tariff at the Commission containing the rates, terms and conditions of basic service offered in competitive areas. Second, the price that Verizon charges for basic service in competitive areas no longer is subject to Commission approval.

<sup>2</sup> The waiver also applies to competitive local exchange carriers operating in the 153 competitive wire centers.

<sup>3</sup> To help assess the impact of our reclassification decision, the Commission required Verizon to report certain data, including data on quality of service. See *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 September 11, 2015).

I view this rulemaking as a continuation of our efforts to modernize how we regulate telecommunications in Pennsylvania. The telecommunications marketplace continues to be a dynamic and fast changing segment of the economy. The communications options for consumers have expanded beyond traditional voice-only service offered by incumbent carriers. With the proliferation of service bundles and the rise of alternative wireline providers and wireless providers offering competing products and services, consumers have a wide array of choices to meet their communications needs. The initiation of this rulemaking is an important step towards ensuring that our regulations keep pace with these market realities.

**Date: July 12, 2018**

  
**JOHN F. COLEMAN, JR.**  
**COMMISSIONER**