



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE  
L-00050173

#2534.

June 3, 2008

The Honorable Arthur Coccodrilli  
Chairman  
IRRC  
14<sup>th</sup> Floor Harristown II  
333 Market Street  
Harrisburg, PA 17101

INDEPENDENT REGULATORY  
COMMISSION  
OF PENNSYLVANIA

2008 JUN -9 AM 9:52

RECEIVED

Re: Pennsylvania Public Utility Commission Docket No. L-00050173/57-242  
Independent Regulatory Review Commission Docket No. 57-242.  
Rulemaking Re: Proposed Revision to Commission Regulations  
Governing Extended Area Service (EAS) at 52 Pa.Code §§ 63.71-63.77

Dear Chairman Coccodrilli:

This staff letter informs you that the Pennsylvania Public Utility Commission, pursuant to Commission Motion on May 22, 2008, at Public Meeting, officially terminated the proposed rulemaking addressing Extended Area Service Regulations, 52 Pa.Code §§ 63.71-63.77 listed as Independent Regulatory Review Docket No. 57-242. A copy of the Commission Order that implemented this action is attached.

If you have any further questions, please contact Assistant Counsel, Joseph K. Witmer in the Law Bureau at 717-787-3663.

Very truly yours,

Joseph K. Witmer  
Assistant Counsel

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg PA 17105-3265**

Public Meeting held May 22, 2008

Commissioners Present:

Wendell F. Holland, Chairman  
James H. Cawley, Vice Chairman,  
Tyrone J. Christy  
Kim Pizzingrilli

Rulemaking Re: Proposed Revision to  
Commission Regulations Governing  
Extended Area Service (EAS) at  
52 Pa.Code §§63.71-63.77

Docket No. L-00050173

Report and Recommendation of the  
Extended Area Service Task Force

Docket No. M-00031703

**FINAL RULEMAKING ORDER**

**BY THE COMMISSION:**

Before the Commission for disposition are the proposed Final Rules for Extended Area Service (EAS)<sup>1</sup> modifying the current regulations set forth in the Public Utility Code at 52 Pa.Code §§ 63.71-63.77. The rulemaking was initiated by the Commission in November 2005 with the intention of updating our current regulations so as to reflect changes in the regulatory environment for providing telecommunications services in Pennsylvania. The Commission received comments from the Office of Consumer

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<sup>1</sup> EAS is a term of art referring to a procedure in which the Commission expands a basic local calling area. EAS converts an in-state (intrastate) toll route, in which consumers typically pay for a call on a minute of use (MOU) basis, into a local calling area route. When the consumers get EAS, they typically pay a flat rate for unlimited local calling or, in the case of an Optional Calling Plan (OCP), pay a discounted toll rate.

Advocate, the Pennsylvania Telephone Association, and the Independent Regulatory Review Commission.

### **Discussion**

Staff has dedicated significant time and effort in the preparation of proposed and final regulations for our review and they are commended for their efforts. However, pursuant to the Regulatory Review Act, regulations must be submitted in final-form within two years of the close of the public comment period. In light of the June 6, 2008 regulatory deadline for submission of these regulations to legislative standing committees and the Independent Regulatory Review Commission, the Commission does not believe that there is sufficient time remaining to give the proposed final rulemaking proper consideration. Consequently, the Commission concludes that this rulemaking proceeding be closed.

Since receiving public comments over two years ago, there have been considerable changes in the structure of the telecommunications industry with the implementation of bundled service packages; the emergence of competition, cable telephony, wireless competition and innovative technologies such as Voice over Internet Protocol (VoIP). All of these changes in the market have limited the number of EAS cases coming before us. Although the number of EAS cases has diminished, it does not minimize the relevancy of EAS in areas where true competition is not yet a reality. The Commission should take these changes into consideration and ensure that any modification to our existing regulations accurately reflect the current marketplace.

The closing of this rulemaking does not negate a local exchange carrier's duty to comply with our existing regulations and the Commission will continue to apply these regulations to any EAS cases coming before us. In light of the continued effectiveness of

the current regulations, the suspension of the biennial traffic studies requirement of 52 Pa.Code § 63.72 shall remain in effect.<sup>2</sup>

The closing of the rulemaking does not preclude the Commission from further exploring EAS issues and instituting a new rulemaking, as deemed necessary, at a future date. The Commission will convene a working group of stakeholders to solicit comments on the future direction of EAS given the changes in the market since this rulemaking was initiated over two years ago. **THEREFORE,**  
**IT IS ORDERED:**

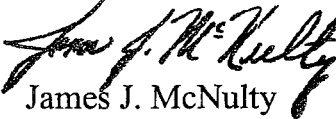
1. That the instant rulemaking be closed.
2. That a copy of the entered Final Rulemaking Order be served upon the Office of Consumer Advocate, the Office of Small Business Advocate, and the Pennsylvania Telephone Association and published in the *Pennsylvania Bulletin*.
3. That the Commission provide notice to the Office of Attorney General, the Governor's Budget Office, the Legislative Standing Committees, and the Independent Regulatory Review Commission that this rulemaking has been closed.

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<sup>2</sup> This requirement was suspended by Commission Order entered June 30, 1999 at Docket No. I-000940035.

4. That the Law Bureau, in conjunction with the Bureau of Fixed Utility Services, convene a stakeholders' working group and develop for Commission consideration within 120 days an updated recommendation regarding possible amendment of our current EAS regulations.

**BY THE COMMISSION,**



James J. McNulty

Secretary

(SEAL)

ORDER ADOPTED: May 22, 2008

ORDER ENTERED: JUN 02 2008