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April 2, 2007

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James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

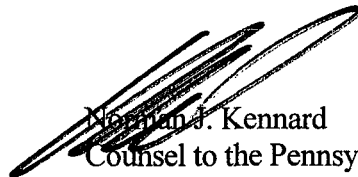
Re: Provision of Bundled Service Package Plans at a Single Monthly Rate by Local Exchange Carriers; Docket No. L-00060179; **COMMENTS OF THE PENNSYLVANIA TELEPHONE ASSOCIATION TO COMMISSION PROPOSED RULEMAKING**

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and ten (10) copies of the Pennsylvania Telephone Association's Comments in the above-captioned matter.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Norman J. Kennard
Counsel to the Pennsylvania Telephone
Association

NJK/ajt
Enclosure
cc: Steve Samara

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**BEFORE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Provision of Bundled Service Package :
Plans at a Single Monthly Rate by : Docket No. L-00060179
Local Exchange Carriers :

**COMMENTS OF THE
PENNSYLVANIA TELEPHONE ASSOCIATION TO
COMMISSION PROPOSED RULEMAKING**

I. INTRODUCTION

At its Public Meeting of June 22, 2006, the Pennsylvania Public Utility Commission ("Commission") adopted a Proposed Rulemaking Order, which was subsequently entered on July 3, 2006, allowing for a limited exception to Chapter 64's billing requirements and authorizing local exchange carriers ("LECs") to offer single-priced bundled service packages. Notice of the Proposed Rulemaking was published in the Pennsylvania Bulletin.¹

The Pennsylvania Telephone Association ("PTA")² appreciates the opportunity to present these Comments to the Commission for its consideration.

II. PTA COMMENTS

A. The Proposed Regulation Should Only Apply to Companies Unable to Comply with the Commission's Regulations at 52 Pa. Code Section 64.17 and 64.21

The PTA seeks clarification that the proposed regulations do not apply to LECs that offer bundled service packages, but separate the service categories for internal billing purposes. These

¹ 37 Pa.B. 1032 (March 3, 2007).

² The Pennsylvania Telephone Association is the state's oldest trade organization for the local exchange carrier industry. PTA represents more than 30 telecommunications companies that provide a full array of services over wire line networks. PTA members support the concept of universal service and are leaders in the deployment of advanced telecommunications capabilities. As referenced herein, PTA represents its member companies that have not filed comments individually on this topic.

LECs comply with the FCC's Truth in Billing requirements and all payments are applied to the customer's accounts in accordance with Chapter 64.

That is, while these companies offer bundled rates to customers, the internal bills are separated by basic, non-basic, and toll charges, which allows the companies to apply payments just as if the customer had non-bundled services. By maintaining separate billing "pots" and otherwise complying with Chapter 64's payment application requirements, there is no risk that a customer's basic service will be suspended or terminated for nonpayment of non-basic or toll services, or that their basic service will be terminated before or concurrently with non-basic and toll services. In other words, customers of these companies receive the same protections under Chapter 64 that they would if they were not receiving a bundled rate.

To that end, the PTA suggests changing the wording of the introductory paragraph of proposed Section 64.24 as follows, with the suggested addition appearing in italics:

An LEC may offer bundled packages of services including nontariffed, competitive, noncompetitive, basic service or services of an affiliate, combined in a single package plan at a single monthly rate. *LECs unable to offer bundled packages in compliance with 52 Pa. Code Sections 64.17 and 64.21 may only do so* under the following conditions:

The PTA believes that this language balances the Commission's responsibility to protect consumers while not placing an undue administrative burden on LECs.

B. Companies Should Not Be Required to Provide a Second Notice of the Conversion of the Bundled Offering in the Event of Nonpayment

The PTA second concern is with Section (3), Subsection (ii), which currently requires companies to provide a disclosure statement advising customers that, in the event of nonpayment, they will "receive a notice of suspension for the bundled service package advising [them] that the bundled service package will be converted to a basic service plan [.]"

Under this wording, in effect, a customer will receive two notices that their bundled package will be converted to a basic service plan: once in the disclosure statement and again in the suspension notice. This would require companies to reprogram their billing systems to add additional language to suspension notices that would be sent only to bundled package customers, at costs that could reach the hundreds of thousands of dollars.

In addition, it appears that companies would be required to send two separate suspension notices to customers. One providing notice of the unbundling of the service package in order to comply with the language contained in Section (3), Subsection (ii), and a second once the unbundling has been accomplished providing notice of the actual suspension of the appropriate services. This allows non-paying customers additional time to accumulate higher balances, which will only lead to higher uncollectible amounts for the companies.

The PTA requests that the Commission remove the phrase “a customer shall receive a notice of suspension for the bundled service package advising the customer” from Subsection (ii) of Section (3). The removal of the requested language will not lessen customers’ protection from loss of basic service for nonpayment. Customers will still receive notice in the disclosure statement that the bundled package will be converted to a basic service plan in the event of nonpayment but companies will be relieved of the significant fiscal and administrative burdens associated with changing their suspension notice systems.

C. Companies Operating Under an Existing Waiver Should be Grandfathered

Lastly, the PTA requests that the Commission allow those companies already offering bundled plans pursuant to a waiver sought from, and granted by, the Commission to continue operating under the terms of that waiver. Because each company currently offering bundled packages requested a waiver tailored to the manner in which their respective bundled plans are

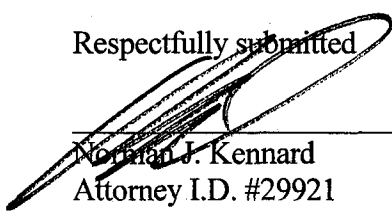
offered, many of the waivers granted by the Commission vary in form, but not in substance. That is, customers all receive equal protection under these waivers, regardless of any difference in the language contained therein. Not allowing the affected companies to continue operating otherwise could result in those companies being forced to restructure the way they offer their bundled plans, thereby placing an unnecessary burden on those companies. This would be needlessly raising form over substance as the only outcome would be an increased burden on the companies without any elevation in the protections provided to customers.

Thus, allowing companies already operating under Commission-granted waivers to continue operating under the terms of those waivers (to the extent they differ from the proposed regulation) is clearly in the public interest, and language to this effect should be added to the proposed Regulation.

III. CONCLUSION

The Pennsylvania Telephone Association thanks the Commission for the opportunity to participate in this proceeding and respectfully requests that the Commission consider the foregoing comments.

Respectfully submitted



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DATED: March 28, 2007