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INDEPENDENT REGULATORY
REVIEW COMMISSION

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July 31, 2008

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VIA HAND DELIVERY

James McNulty
Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
2nd Fl., 400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Dear Secretary McNulty:

On behalf of Full Service Network enclosed for filing is an original and 15 copies of its
Additional Comments with regard to the above-referenced matter.

Sincerely,



Deanne M. O'Dell

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

DMO/lww
Enclosure

cc: Elizabeth Lion Januzzi (via email only)
Holly Frymoyer (via email only)
Certificate of Service w/enc.

HAR:81790.1/FUL022-148147

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Full Service Network's Additional Comments upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

VIA EMAIL AND FIRST CLASS MAIL

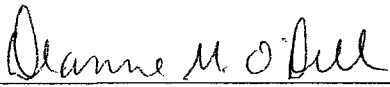
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Harrisburg, PA 17108

Leigh A. Hyer, Esq.
Cynthia L. Randall, Esq.
Verizon
1717 Arch St., 10th Fl.
Philadelphia, PA 19103

Dated: July 31, 2008



Deanne M. O'Dell, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

ADDITIONAL COMMENTS OF FULL SERVICE NETWORK

Full Service Network ("FSN") submits these Additional Comments in response to the request of the Public Utility Commission ("Commission") regarding its Proposed Rulemaking Order entered on July 3, 2006.¹ As FSN detailed in its initial comments, the intent of the Commission's regulations as proposed is unclear and, as written, has the potential to impose significant unnecessary costs and burdens on FSN.² For these reasons, FSN's initial comments proposed specific revisions to the Commission's proposal intended to make clear: (1) that carriers will list the amount due for basic service separately; (2) that any payment will be applied first to basic service; and, (3) that carriers can suspend unpaid basic charges in the currently established intervals without having to reverse engineer the account, re-bill the basic charges, and re-age the balances.³ FSN continues to believe that its revisions should be incorporated into the final regulations. Doing so will ensure that carriers are not burdened with unnecessary costs which in the end only harm consumers by making bundled packages too costly for companies to offer.

Assuming, however, that the intent of the Commission's regulations is to require companies to move every customer on a bundled package to a basic plan as soon as the customer

¹ 38 Pa.B. 2658 (June 7, 2008). The Proposed Rulemaking was published on March 3, 2007 in the Pennsylvania Bulletin. 37 Pa.B. 1032 (Mar. 3, 2007).

² FSN Comments dated April 2, 2007 at 3-6.

³ *Id.* at Appendix A.

misses a payment, then FSN offers the following in response to the Commission's request for a "detailed explanation of industry costs and technical difficulty associated with implementation of the proposed regulations, if any."⁴

First, the system changes that FSN would need to undertake to accomplish the goal of returning every late-paying bundled package customer to a basic service plan would be complex, time-consuming and very costly. At a very high level, these changes would involve:

1. Design and implement a process to determine whether a package due for suspension contains a basic component;
2. Reverse engineer the bundle;
3. Re-bill the basic charges separate from the other charges that were in the bundle;
4. Cancel the original invoices;
5. Re-age the new invoices;
6. Test system; and,
7. Train employees

FSN estimates that the software changes needed to implement this process would cost between \$10,000 and \$20,000. For a small company like FSN, which has approximately 65 employees, undertaking these changes could result in the single most costly billing change that FSN has ever made and would require significant man hours to design, implement, test, and ultimately train employees.


Second, and perhaps most important from FSN's perspective, is the significant long-term financial cost the Commission's proposal threatens to impose on FSN. In addition to the start-up costs to initially implement the regulations is the fact that – as written – the Commission's regulations do not make clear when carriers are able to pursue collection activities related to non-paying customers. As set out in detail in FSN's initial comments, the Commission's regulations could be interpreted to provide non-paying customers with the opportunity to receive almost

⁴ 38 Pa.B. 2658 (June 7, 2008).

three months of ultimately free services before the carrier is able to terminate the account.⁵ The costs incurred during these three months is significant. They involve free use of the carrier's facilities by the customer as well as the costs to track, issue and maintain all the bills and notices that the carrier must continue to generate for that non-paying customer. FSN estimates that permitting non-paying customers to utilize service for an additional three months before allowing FSN to terminate service could cost FSN in excess of \$300,000. Small companies like FSN are dependent on getting paid timely for services rendered and it is critical to their continued operations to be able to timely pursue collection of money owed for services rendered.

In conclusion, imposing additional costs to redesign a billing system that will ultimately place FSN in a position of not being able to collect payment for services rendered does not strike the appropriate balance between the need for consumer protections and the ability of carriers to meet the needs of their customers by providing the desired local packages. Rather, it threatens to end the offering of bundled packages altogether because the regulatory costs associated with them are simply too costly for carriers to justify. For these reasons, FSN respectfully asks the Commission to revise its current proposed rules as suggested in FSN's initial comments.

Respectfully submitted,



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Dated: July 31, 2008

Counsel for Full Service Network

⁵ FSN Comments at 4-5.