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August 14, 2008

Via Overnight Delivery

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

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AUG 14 2008

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

Dear Mr. McNulty:

Please find enclosed an original and three (3) copies of the Comments of AT&T in the above-referenced matter.

Please also find enclosed a proof of filing copy that I ask you to date stamp and return to me in the enclosed self-addressed postage pre-paid envelope.

Please contact me if you have any questions or concerns with this matter.

Very truly yours,


Michelle Painter

cc: Certificate of Service
Elizabeth Lion Januzzi, Law Bureau
Holly Frymoyer, BCS

INDEPENDENT REGULATORY
COMMISSION

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of AT&T's Comments upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (related to service by a participant) and 1.55 (related to service upon attorneys).

Dated at Fairfax, Virginia, this 14th day of August 2008.

VIA FIRST CLASS MAIL

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU


Michelle Painter

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

COMMENTS OF AT&T

AT&T Communications of Pennsylvania, LLC ("AT&T") submits these Comments in response to the Commission's extension of the public comment period relating to its proposed rulemaking to amend Chapter 64 of its regulations to permit all local exchange carriers ("LECs") to offer bundled service packages, subject to certain billing requirements. *See* 38 Pa. Bulletin 2658. AT&T requests that the Commission accept its Comments even though they are being filed beyond the July 31, 2008 date provided in the Bulletin. AT&T was not involved in the original round of Comments, but upon learning about this case and reviewing the other parties' Comments, AT&T recognized that it had an interest in the subject matter of this rulemaking.

The legislature has made clear that bundled services are something that should be permitted, and in fact promoted in Pennsylvania. The Commission's proposed regulations do not honor the legislative intent and should not be implemented.

The language, and legislative intent, of 66 Pa. C.S. § 3016(e)(2) is quite clear. Specifically, the legislature codified into law that telecommunications carriers may offer and bill customers on one bill bundled packages of services, which includes both competitive and protected services. As the Independent Regulatory Review Commission ("IRRC") pointed out in their May 2, 2007 Comments, the Commission's attempt to regulate bundled services is not consistent with the statute.

The telecommunications industry continues to become increasingly competitive.¹ In particular, traditional wireline carriers are facing increasing competition from wireless, cable and Voice over Internet Protocol (“VoIP”) providers. While wireline carriers are saddled with traditional and outdated regulatory burdens, the alternative providers are free of the same regulatory constraints. It is not tenable to continue to have a completely different set of rules and regulations for different types of providers, and the legislature recognized this when passing Act 183. Specifically, the legislature codified their intent to set a level playing field in Pennsylvania and to promote the provision of competitive services “by a variety of service providers on equal terms” throughout the Commonwealth. 66 Pa. C.S. § 3011(8). More importantly, the legislature stated that it is the policy of the Commonwealth to reduce regulatory burdens imposed upon incumbent telephone companies “to levels more consistent with those imposed upon competing alternative service providers.” 66 Pa. C.S. §3011(13).²

While cable, wireless and VoIP providers are free to offer bundled services and disconnect customers who do not pay for those services, the Commission’s proposed regulations would apply a completely different set of rules to the wireline ILECs and CLECs. This type of discriminatory treatment and additional regulation on wireline carriers cannot be reconciled with the explicit policy of the legislature in Act 183.

The Commission’s proposed regulations also run directly counter to the statute and the legislative intent promoting bundled service offerings. The legislature recognized that the industry as a whole was moving towards the bundling of services, and therefore

¹ See Verizon’s July 31, 2008 Supplemental Comments at 9-10.

² Although the statute states that the intent is to reduce regulation on incumbents, the intent is clearly to create a level playing field among all types of providers, and to the extent the Commission is imposing the same additional regulations on CLECs that it is imposing on ILECs, the legislative intent should apply equally to the CLECs.

specifically permitted carriers to offer such services without regulatory conditions. The Commission's regulations permit carriers to offer bundled services, but place a number of conditions on the carriers' abilities to offer and bill such services. The legislature stated that carriers may place bundled services *on one bill*. The Commission negated this and found that if a customer does not pay his or her bundled service bill, the wireline carrier must convert the bundled service customer to a non-bundled product. As IRRC stated in its May 2007 comments, the Commission must "explain why it is consistent with the statute to impose in regulation restrictions not stated in 66 Pa. C.S. §3016(e)(2)." AT&T submits that these restrictions cannot be explained in a manner that is consistent with the express language of the statute and the legislative intent.

It is AT&T's position that wireline carriers should be permitted to suspend and terminate customers who do not pay their bundled package bills in full so long as the customer is given prior notice of the consequence of nonpayment. This is consistent with what other types of providers are permitted to do, and ensures that the regulatory obligations of all types of providers are on equal footing. No customer is forced to choose a bundled package and all customers have the option of choosing a local service offering that contains only basic local service. If a customer voluntarily chooses to purchase a bundled package, the legislature has made it clear that all providers may bill that bundled package on one bill, and the customer must abide by the consequences of his or her failure to pay that bill.

AT&T respectfully requests that the Commission accept these late-filed Comments, and for the reasons stated herein, it is AT&T's position that the Commission should not enact its proposed regulations.

Respectfully submitted,



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Date: August 14, 2008