

APPENDIX A

Follow the numbering pattern when you answer the questions below. Provide rationales for each of your responses; do not merely respond “yes” or “no.” Include suggested regulatory language. If you have additional points to make, do so after you have answered the questions.

1. Definitions at 52 Pa. Code § 63.162:
 - a. Should the Pennsylvania Public Utility Commission (PUC) amend the Section 63.162 definition of “basic universal service” to reach beyond *telephone* service, which would align it with federally applicable principles (e.g., *Connect America Fund et al., Report and Order and Further Notice of Proposed Rulemaking*, 26 FCC Rcd 17663 (2011))?
 - b. Should the PUC amend the definition of “contributing telecommunications providers”?
 - i. Should the definition include interconnected VoIP under 73 P.S. § 2251.6?
 - ii. Should the definition include wireless providers?
 - c. Should the PUC establish its own definition of “telecommunications carrier” independent of federal law as interpreted by the Federal Communications Commission (FCC)?
2. Carrier of last resort (COLR) or provider of last resort (POLR)
 - a. Should the regulations clarify or define COLR or POLR obligations for Fund Recipients? If so, what do you suggest?
 - b. Should there be only one provider with COLR or POLR obligation in a designated area and how should they be chosen?
3. Competitive market for basic universal service
 - a. Does requiring some, but not all, federally defined telecommunications carriers to contribute to the Pa. USF support a competitive market for basic universal service? Why or why not?
 - b. Is such a regime non-discriminatory under state or federal law?

- c. Should the classification of the contributing entities to the Pa. USF be aligned with FCC Form 499 classifications?
4. Should the Commission model its own approach to universal service using the current federal approach which requires a recipient of universal service to construct a voice network that can provide voice but also internet service at federal speeds and requires recipients to stand ready to provide voice and internet service at a required speed as a condition of receiving universal service as a POLR service and COLR network obligations?
5. Would Federal USF and intercarrier compensation reforms under *the Connect America Fund Order* and the *Universal Service Reform Order* affect the need for continuing and/or expanding the operational scope and the purposes of the Pa. USF? Why or why not?
6. Would state law or Federal law prohibit the PUC from expanding the scope of the Pa. USF to high cost or low-income support? Why or why not?
7. Should the Commission's proposed provision of universal service support be conditioned on a recipient providing voice and internet services at federal speeds to all consumers in a designated area, particularly if VoIP and Broadband Internet Access Service (BIAS) are classified as telecommunications under federal law?
8. Should the Commission alter its current structure, in which support is provided in the entire service territory (service area) of an Incumbent Local Exchange Carrier (ILEC) service territory, in favor of another approach? If so, how could the Commission achieve that consistent with federal law?
9. Should the Pa. USF have a dedicated purpose or designation for providing support to eligible recipient carriers? Why or why not? What criteria should the PUC use for this purpose?
 - a. Should the PUC use a cost model or other method for ascertaining the level of support distributions to eligible carriers? Why or why not? If so, how should the model operate?
 - b. Should such a cost model or other method be already generally acceptable and in use, e.g., used by the FCC in ascertaining federal USF high-cost support for eligible carriers? Why or why not?

- c. Should the level of support to eligible carriers be determined based on revenue, e.g., because of intrastate intercarrier compensation reforms, rate rebalancing, residential rate benchmarks, etc.? Why or why not?
- d. Should the level of support to eligible carriers operate as “supplemental support” to any Federal high-cost support? Why or why not?
- e. Should Pa. USF support continue even if a corresponding Federal support mechanism expires? Why or why not?
- f. Should the level of Pa. USF support to eligible carriers be ascertained on the basis of need and associated criteria, including but not limited to:
 - i. An overall rate of return benchmark that is periodically adjusted and applicable on both the regulated and unregulated operations of the eligible Pa. USF recipient carriers?
 - ii. An overall rate of return benchmark that is periodically adjusted and applicable only on the intrastate jurisdictional operations of the eligible Pa. USF recipient carriers?
 - iii. A cost and revenue relationship where network access costs are determined by cost model or other acceptable method and revenues are inclusive of retail and wholesale telecommunications services and unregulated services?
 - iv. Should unregulated services and operations exclude both costs and revenues of video content delivery?
 - v. A cost and revenue relationship that is limited to the eligible recipient’s intrastate regulated telecommunications operations?
 - vi. Other criteria?
- g. What reporting requirements should exist?
 - i. Should reporting be in conjunction with, or supplemental to, Federal USF (inclusive of CAF fund use) reporting requirements as revised by the *Universal Service Reform Order*?
 - ii. Should PUC reporting requirements ensure that carriers utilize Pa. USF support distributions for intended and relevant purposes, and not for the support of

unrelated operations or activities of the recipient carrier? For example, should recipients provide details on how Pa. USF distributions are used for the support of network facilities that are jointly utilized by both regulated and unregulated retail and wholesale services that are provided by the recipient carrier?

10. Is it prudent to augment the Pa. USF by providing support so that consumers can purchase voice and/or internet service to further the federal universal service mandate of Section 254, 47 U.S.C.A. § 254, that there must be comparable rates for comparable services in rural and urban areas and Pennsylvania's universal mandate set out in Chapter 30, Pa.C.S. §§ 3001 *et. seq.*
11. Should the Pa. USF provide low-income residential service support?
 - a. If no, why not?
 - b. If yes, in what form?
 - i. How might this support be coordinated with Federal USF low-income support already provided by eligible carriers that are recipients of Pa. USF disbursements and the federal eligibility requirements for low-income end-user consumers?
 - ii. What eligibility rules or limitations should apply?
12. Should the P.a USF provide high-cost support?
 - a. Should the PUC use a cost model or other method for ascertaining whether eligible carriers require support? If a cost model is proposed, provide public access to a web or excel-based template.
 - b. Should such a cost model or other method be already generally acceptable and in use?
 - c. Should the level of high-cost support be based on revenue, e.g., because of intrastate intercarrier compensation reforms, rate rebalancing, residential rate benchmarks, etc.?
 - d. Should the level of high-cost support to eligible carriers operate as "supplemental support" to any Federal high-cost support?
 - e. Should Pennsylvania high-cost support continue even if corresponding Federal USF high-cost support mechanisms expire?

- f. Should the level of Pa. USF high-cost support to eligible carriers be ascertained on the basis of need and associated criteria including:
 - i. An overall rate of return benchmark that is periodically adjusted and applicable on *both* the regulated and unregulated operations of the eligible Pa. USF recipient carriers?
 - ii. An overall rate of return benchmark that is periodically adjusted and applicable only on the intrastate regulated operations of the eligible Pa. USF recipient carriers?
 - iii. A cost and revenue relationship where network access costs are determined by cost model or other acceptable method and revenues are inclusive of retail and wholesale telecommunications services and unregulated services?
 - iv. Unregulated services and operations exclusive of costs and revenues of video content delivery?
 - v. A cost and revenue relationship that is limited to the eligible recipient's intrastate regulated telecommunications operations?
 - vi. Other criterion or criteria?
 - g. Reporting requirements
 - i. Should reporting be in conjunction with, or supplemental to, Federal USF (inclusive of CAF fund use) reporting requirements, as revised by the *Universal Service Reform Order*? Why or why not?
 - ii. Should reporting requirements ensure that Pa. USF support distributions are utilized for the intended and relevant purposes and not for the support of unrelated operations or activities of the recipient carrier? For example, should recipients provide details on how Pa. USF distributions are used for the support of network facilities that are jointly utilized by both regulated and unregulated retail and wholesale services that are provided by the recipient carrier? Why or why not?
13. Should a recipient of Pa. USF support be required to document its network and service cost costs in a public on-the-record proceeding to ensure an accurate demonstration of the support to be draw from the Fund?

14. Size of the Pa. USF
 - a. Should the Pa.USF continue to use the support floor contained in the November 10, 1997 Joint Petition In Settlement adopted in the *Global Order*, Docket Nos. P-00991648, P-0991649, (September 30, 1999)? Why or why not?
 - b. Should the PUC adjust the support floor for each eligible recipient carrier based on factors such as intrastate carrier access charge reform or additional proposed uses of the Pa. USF? Why or why not? What factors should be used?
15. Computational formula of 52 Pa. Code § 63.165
 - a. Should the PUC alter the computational formula of 52 Pa. Code § 63.165?
 - b. Should the formula allow for negative access line growth? If so, how?
 - c. Should the calculation reflect current Fund Recipient access line counts?
 - d. Should the calculation be adjusted for exogenous events for each eligible recipient carrier for factors such as intrastate access charge reform or additional proposed uses of the Pa. USF?
 - e. Should the computational formula be modified so that the levels of Pa. USF support distributions to each eligible carrier can be periodically adjusted within a calendar year with corresponding adjustments to the Pa. USF contribution levels? For example, other state-specific USFs and the Federal USF permit for quarterly adjustments in both the contribution payments and support payment disbursements during a calendar year.
16. How may the regulations address technological advances, especially regarding contributing telecommunications provider and fund recipient reporting procedures?
17. What are the linkages and interactions of the existing Federal and Pa. USF. Address at a minimum the following areas:
 - a. Should the Pa. USF contribution mechanism align with the corresponding contribution mechanism of the revised Federal USF? If they do not align, provide concise discussion of what legal and technical issues may arise and how such issues may be resolved.

- b. If the FCC adopted a telephone numbers-based contribution system for the Federal USF, should the Pa. USF contribution mechanism follow that approach?¹
- c. Describe the legal and technical issues that may arise for the operation of the Pa. USF if, as a result of the FCC Federal USF Contribution Base FNPRM, the Federal USF contribution mechanism crosses jurisdictional boundaries through, e.g., assessment of intrastate revenues. Provide a concise discussion of the relevant issues for the Pa. USF mechanism and their potential resolution.
18. How would alterations to the Pa. USF affect broadband deployment under current obligations?
19. Are non-jurisdictional services provided by affiliates of telecommunications providers that hold certificates of public convenience (CPCs) for regulated services within Pennsylvania relevant to the size or scope of the Pa. USF? Why or why not? Is provision of VoIP services relevant? Why or why not?
20. Should the Commission's support for the networks and services needed to advance universal service in Pennsylvania continue to be recovered via assessments on services from retail intrastate revenues alone, or should the contribution base be expanded to include revenues from all regulated and unregulated services provided over a supported network, including wholesale revenues and other services, given that the supported network can provide, among other things, regulated and unregulated services such as wireless backhaul transport and internet service?
21. Should the Commission continue prohibiting a stand-alone surcharge on individual consumers to recover the cost of universal service?
22. Should the 1% uncollectable additive referenced in 52 Pa. Code § 63.165 be moved from 1% to 5% to reflect the PUC's current practice? Why or why not?

¹ See generally, *In re Universal Service Contribution Methodology, et al.*, (FCC, Rel. April 30, 2012), WC Docket No. 06-122, GN Docket No. 09-51, Further Notice of Proposed Rulemaking, FCC 12-46 (FCC Federal USF Contribution Base FNPRM).

23. Should the PUC establish a monetary penalty for those companies that do not timely submit an assessment form? Why or why not? If so, what would an appropriate fee be for a late filing? Would other enforcement action be appropriate?
24. Should the PUC consider revising the current late payment fee of 1.5% per month for failure to make timely payments? Why or why not? If so, what should the fee be going forward? Should there be a built-in adjustment factor?
25. Should the PUC revise the regulations to require a lump sum, quarterly or monthly payment of Pa. USF assessments? What thresholds would be appropriate for each remittance interval?
26. Should the PUC revise the regulations to change the de minimis threshold from \$120 as set forth in 52 Pa Code § 63.169(c) to another amount? Why or why not? If so, to what amount?
27. Should the PUC require a contributing carrier to the Pa. USF to provide documentation when reporting a certain minimum threshold? Why or why not? What would be an appropriate threshold? What should the mechanism be?
28. What should be done to address the current practice whereby only currently-certificated carriers and certain eligible telecommunications carriers are required to report and pay Pa. USF assessments on intrastate VoIP revenues?
29. What would be an appropriate process to ensure that all intrastate VoIP providers are properly reporting and being assessed?
30. What mechanism, other than certification of VoIP providers, can the Commission use to implement the universal support provisions of the VoIP Freedom Bill and ensure compliance with the provisions of the Code and the VoIP Freedom Bill?
31. Should the PUC allow VoIP providers that do not hold a CPC to voluntarily contribute to the USF? Why or why not? If so, what should the mechanism be?
32. Should a company that has abandoned jurisdictional service but that continues to provide VoIP service be required to contribute to the USF? Why or why not? If so, how?

33. How should the Commission address the issues outlined in Chairman Dutrieuille's statement in the *Application of Sprint Communications Company L.P. for approval of abandonment of services*, Docket No. A-2021-3028993 (August 25, 2022) in this proceeding?

34. Does competition remain a valid focus when it comes to supporting networks and services given that over 95% of today's consumers are served by the "last mile" network owned by two industries, i.e., telephone and cable, with cable and fiber networks lacking an open access mandate for competitors under federal law and precedent?