
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 30

Session of
2003

INTRODUCED BY ADOLPH, PRESTON, BUNT, DeWEESE, McILHATTAN,
LaGROTTA, FICHTER, FRANKEL, DiGIROLAMO, CRAHALLA, HARHAI,
KENNEY, LAUGHLIN, LEH, RAYMOND, READSHAW, REICHLEY, RUBLEY,
SAINATO, SEMMEL, TRUE, WOJNAROSKI, WRIGHT, YEWCIC, ZUG,
ALLEN, ARMSTRONG, BAKER, BARD, BARRAR, BASTIAN, BEBKO-JONES,
BELARDI, BELFANTI, BENNINGHOFF, BIANCUCCI, BISHOP, BOYES,
BROWNE, BUTKOVITZ, CALTAGIRONE, CAPPELLI, CASORIO, CAUSER,
CAWLEY, CIVERA, CLYMER, COHEN, COLEMAN, CORNELL, CORRIGAN,
COSTA, COY, CREIGHTON, CRUZ, DAILEY, DALEY, DALLY, DeLUCA,
DERMODY, DIVEN, DONATUCCI, EACHUS, EGOLF, FABRIZIO, FLEAGLE,
FLICK, FORCIER, GABIG, GANNON, GEIST, GERGELY, GILLESPIE,
GODSHALL, GOODMAN, GRUITZA, HALUSKA, HANNA, HARHART, HARPER,
HARRIS, HASAY, HENNESSEY, HERMAN, HERSHEY, HESS, HICKERNELL,
JAMES, KELLER, KIRKLAND, KOTIK, LEACH, LEDERER, LESCOVITZ,
LEWIS, LYNCH, MAITLAND, MAJOR, MANN, MARKOSEK, MARSICO,
McCALL, McGEEHAN, McGILL, McILHINNEY, McNAUGHTON, METCALFE,
MICOZZIE, R. MILLER, S. MILLER, NAILOR, NICKOL, OLIVER,
PALLONE, PETRI, PETRONE, PHILLIPS, PISTELLA, RIEGER, ROBERTS,
ROEBUCK, RUFFING, SANTONI, SAYLOR, SCAVELLO, SCHRODER,
B. SMITH, SOLOBAY, STABACK, STAIRS, STEIL, STERN,
R. STEVENSON, T. STEVENSON, TANGRETTI, E. Z. TAYLOR,
J. TAYLOR, TIGUE, VANCE, WALKO, WANSACZ, WASHINGTON, WATERS,
WATSON, WEBER, WILLIAMS, YOUNGBLOOD, YUDICHAK, PICKETT,
BIRMELIN, TRAVAGLIO, O'NEILL, ROHRER, DENLINGER, WILT,
MACKERETH AND REED, APRIL 30, 2003

SENATOR THOMPSON, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, NOVEMBER 15, 2004

AN ACT

1 ~~Amending Title 66 (Public Utilities) of the Pennsylvania~~ <—
2 ~~Consolidated Statutes, further providing for residential~~
3 ~~telephone service rates based on duration or distance of call~~
4 ~~and for local exchange service increases and limitations;~~
5 ~~adding and repealing provisions relating to alternative form~~
6 ~~of regulation of telecommunications services; establishing~~
7 ~~the Advanced Services Education and Aggregation Fund;~~
8 ~~providing for Voice Over Internet Protocol; and making a~~

1 ~~repeal.~~
2 AMENDING TITLE 66 (PUBLIC UTILITIES) OF THE PENNSYLVANIA
3 CONSOLIDATED STATUTES, FURTHER PROVIDING FOR RESIDENTIAL
4 TELEPHONE SERVICE RATES BASED ON DURATION OR DISTANCE OF CALL
5 AND FOR LOCAL EXCHANGE SERVICE INCREASES AND LIMITATIONS;
6 ADDING AND REPEALING PROVISIONS RELATING TO ALTERNATIVE FORM
7 OF REGULATION OF TELECOMMUNICATIONS SERVICES; ESTABLISHING
8 THE BROADBAND OUTREACH AND AGGREGATION FUND; PROVIDING FOR
9 VOICE OVER INTERNET PROTOCOL; AND MAKING A REPEAL.

<—

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 ~~Section 1. Sections 1325, 3001, 3002, 3003, 3004, 3005,~~
13 ~~3006, 3007, 3008 and 3009 of Title 66 of the Pennsylvania~~
14 ~~Consolidated Statutes are repealed.~~

<—

15 ~~Section 2. Title 66 is amended by adding sections to read:~~
16 ~~§ 3010. (Reserved).~~

17 ~~§ 3011. Declaration of policy.~~

18 ~~The General Assembly finds and declares that it is the policy~~
19 ~~of this Commonwealth to:~~

20 ~~(1) Strike a balance between mandated deployment and~~
21 ~~market driven deployment of broadband facilities and advanced~~
22 ~~services throughout this Commonwealth and to continue~~
23 ~~alternative regulation of local exchange telecommunications~~
24 ~~companies.~~

25 ~~(2) Maintain universal telecommunications service at~~
26 ~~affordable rates while encouraging the accelerated provision~~
27 ~~of advanced services and deployment of a universally~~
28 ~~available, state of the art, interactive broadband~~
29 ~~telecommunications network in rural, suburban and urban~~
30 ~~areas, including deployment of broadband facilities in or~~
31 ~~adjacent to public rights of way abutting public schools,~~
32 ~~including the administrative offices supporting public~~
33 ~~schools, industrial parks and health care facilities.~~

34 ~~(3) Ensure that customers pay only reasonable charges~~

1 ~~for protected services, which shall be available on a~~
2 ~~nondiscriminatory basis.~~

3 ~~(4) Ensure that rates for protected services do not~~
4 ~~subsidize the competitive ventures of telecommunications~~
5 ~~carriers.~~

6 ~~(5) Provide diversity in the supply of existing and~~
7 ~~future telecommunications services and products in~~
8 ~~telecommunications markets throughout this Commonwealth by~~
9 ~~ensuring that rates, terms and conditions for protected~~
10 ~~services are reasonable and do not impede the development of~~
11 ~~competition.~~

12 ~~(6) Ensure the efficient delivery of technological~~
13 ~~advances and new services throughout this Commonwealth in~~
14 ~~order to improve the quality of life for all Commonwealth~~
15 ~~residents.~~

16 ~~(7) Encourage the provision of telecommunications~~
17 ~~products and services that enhance the quality of life of~~
18 ~~people with disabilities.~~

19 ~~(8) Promote and encourage the provision of competitive~~
20 ~~services by a variety of service providers on equal terms~~
21 ~~throughout all geographic areas of this Commonwealth without~~
22 ~~jeopardizing the provision of universal telecommunications~~
23 ~~service at affordable rates.~~

24 ~~(9) Encourage the competitive supply of any service in~~
25 ~~any region where there is market demand.~~

26 ~~(10) Encourage joint ventures between local exchange~~
27 ~~telecommunications companies and other entities where such~~
28 ~~joint ventures accelerate, improve or otherwise assist a~~
29 ~~local exchange telecommunications company in carrying out its~~
30 ~~network modernization implementation plan.~~

1 ~~(11) Establish a bona fide retail request program to~~
2 ~~aggregate and make advanced services available in areas where~~
3 ~~sufficient market demand exists and to supplement existing~~
4 ~~network modernization plans.~~

5 ~~(12) Promote and encourage the provision of advanced~~
6 ~~services and broadband deployment in the service territories~~
7 ~~of local exchange telecommunications companies without~~
8 ~~jeopardizing the provision of universal service.~~

9 ~~(13) Recognize that the regulatory obligations imposed~~
10 ~~upon the incumbent local exchange telecommunications~~
11 ~~companies should be reduced to levels more consistent with~~
12 ~~those imposed upon competing alternative service providers.~~

13 ~~§ 3012. Definitions.~~

14 ~~The following words and phrases when used in this chapter~~
15 ~~shall have the meanings given to them in this section unless the~~
16 ~~context clearly indicates otherwise:~~

17 ~~"Advanced service." A retail service that, regardless of~~
18 ~~transmission medium or technology, is capable of supporting a~~
19 ~~minimum speed of 200 kilobits per second (kbps) in at least one~~
20 ~~direction at the network demarcation point of the customer's~~
21 ~~premises.~~

22 ~~"Aggregator telephone." A telephone which is made available~~
23 ~~to the transient public, customers or patrons, including, but~~
24 ~~not limited to, coin telephones, credit card telephones and~~
25 ~~telephones located in hotels, motels, hospitals and~~
26 ~~universities.~~

27 ~~"Alternative form of regulation." A form of regulation of~~
28 ~~telecommunications services other than the traditional rate~~
29 ~~base/rate of return regulation, including a streamlined form of~~
30 ~~regulation, as approved by the commission.~~

1 ~~"Alternative service provider."—An entity that provides~~
2 ~~telecommunications services in competition with a local exchange~~
3 ~~telecommunications company.~~

4 ~~"Bona fide retail request."—A written request for service~~
5 ~~which meets the requirements of section 3014(c)(1), (relating to~~
6 ~~network modernization plans), is received by a local exchange~~
7 ~~telecommunications company, and through which end users commit~~
8 ~~to subscribing to an advanced service.~~

9 ~~"Bona fide retail request program."—A program established by~~
10 ~~a local exchange telecommunications company pursuant to section~~
11 ~~3014(c) (relating to network modernization plans).~~

12 ~~"Broadband."—A communication channel using any technology~~
13 ~~and having a bandwidth equal to or greater than 1.544 megabits~~
14 ~~per second in at least one direction.~~

15 ~~"Broadband availability."—Access to broadband service by a~~
16 ~~retail telephone customer of a local exchange telecommunications~~
17 ~~company.~~

18 ~~"Central office."—A building containing one or more local~~
19 ~~exchange telecommunications company switches used to provide~~
20 ~~local exchange telecommunications service.~~

21 ~~"Community."—Those customers of a local exchange~~
22 ~~telecommunications company served by an existing or planned~~
23 ~~remote terminal or, where no remote terminal exists or is~~
24 ~~planned, a central office switch.~~

25 ~~"Competitive service."—A service or business activity~~
26 ~~declared to be competitive by the commission on or prior to~~
27 ~~December 31, 2003, and a service or business activity declared~~
28 ~~to be competitive pursuant to section 3016 (relating to~~
29 ~~competitive services).~~

30 ~~"Department."—The Department of Community and Economic~~

1 ~~Development of the Commonwealth.~~

2 ~~"Eligible telecommunications carrier."—A carrier designated~~
3 ~~by the Pennsylvania Public Utility Commission pursuant to 47 CFR~~
4 ~~54.201 (relating to definition of eligible telecommunications~~
5 ~~carriers, generally) or successor regulation, as eligible to~~
6 ~~receive support from the Federal Universal Service Fund.~~

7 ~~"Eligible telecommunications customer."—A customer of an~~
8 ~~eligible telecommunications carrier who qualifies for Lifeline~~
9 ~~service discounts pursuant to the requirements of 47 CFR 54.409~~
10 ~~(relating to consumer qualification for Lifeline) or successor~~
11 ~~regulation.~~

12 ~~"Fund."—The Advanced Services Education and Aggregation Fund~~
13 ~~established under section 3014 (relating to network~~
14 ~~modernization plans).~~

15 ~~"Gross Domestic Product Price Index" or "GDP PI."—The Gross~~
16 ~~Domestic Product Fixed Weight Price Index as calculated by the~~
17 ~~United States Department of Commerce.~~

18 ~~"Health care facility."—The term shall have the same meaning~~
19 ~~given to it in the act of July 19, 1979 (P.L.130, No.48), known~~
20 ~~as the Health Care Facilities Act.~~

21 ~~"Inflation offset."—The part of the price change formula in~~
22 ~~the price stability mechanism that reflects an offset to the~~
23 ~~Gross Domestic Product Price Index.~~

24 ~~"Interexchange services."—The transmission of interLATA or~~
25 ~~intraLATA toll messages or data outside the local calling area.~~

26 ~~"Interexchange telecommunications carrier."—A carrier other~~
27 ~~than a local exchange telecommunications company authorized by~~
28 ~~the commission to provide interexchange services.~~

29 ~~"Lifeline service."—A discounted rate local service~~
30 ~~offering, as defined in 47 CFR 54.401 (relating to Lifeline~~

1 ~~defined) or successor regulation, but excluding any offering~~
2 ~~funded in part by Federal Universal Service Fund Tier Three~~
3 ~~funding under 47 CFR 54.403 (relating to Lifeline support~~
4 ~~amount) or successor regulation.~~

5 ~~"Local exchange telecommunications company."—An incumbent~~
6 ~~carrier authorized by the commission to provide local exchange~~
7 ~~telecommunications services. The term includes a rural~~
8 ~~telecommunications carrier and a nonrural telecommunications~~
9 ~~carrier.~~

10 ~~"Local exchange telecommunications service."—The~~
11 ~~transmission of messages or communications that originate and~~
12 ~~terminate within a prescribed local calling area.~~

13 ~~"Noncompetitive service."—A regulated service that is not~~
14 ~~declared competitive and, as to interexchange telecommunications~~
15 ~~carriers, those services included in section 3018(a) (relating~~
16 ~~to interexchange telecommunications carriers).~~

17 ~~"Nonrural telecommunications carrier."—A local exchange~~
18 ~~telecommunications company that is not a rural telephone company~~
19 ~~as defined in section 3 of the Telecommunications Act of 1996~~
20 ~~(Public Law 104 104, 110 Stat. 56).~~

21 ~~"Optional calling plan."—A discounted toll plan offered by~~
22 ~~either a local exchange telecommunications company or an~~
23 ~~interexchange telecommunications carrier.~~

24 ~~"Price stability mechanism."—A formula which may be included~~
25 ~~in a commission approved alternative form of regulation plan~~
26 ~~that permits rates for noncompetitive services to be adjusted~~
27 ~~upward or downward.~~

28 ~~"Protected service."—The following telecommunications~~
29 ~~services provided by a local exchange telecommunications~~
30 ~~company, unless the commission determines that such service is~~

1 competitive:

2 (1) Service provided to residential consumers or small
3 business consumers subscribing to four or fewer access lines
4 only to the extent that the service is necessary for
5 completing any local exchange call for which dial tone is
6 necessary.

7 (2) Touch tone service.

8 (3) Switched access service.

9 (4) Special access service.

10 (5) Ordering, installation, restoration and
11 disconnection of the services specified in paragraphs (1)
12 through (4).

13 "Remote terminal." A structure located outside of a central
14 office which houses electronic equipment and which provides
15 transport for telecommunications services to and from a central
16 office switch.

17 "Rural telecommunications carrier." A local exchange
18 telecommunications company that is a rural telephone company as
19 defined in section 3 of the Telecommunications Act of 1996
20 (Public Law 104-104, 110 Stat. 56).

21 "Small business." A business consumer that subscribes to
22 four or fewer access lines.

23 "Special access service." Service provided over dedicated,
24 nonswitched facilities by local exchange telecommunications
25 companies to interexchange carriers or other large volume users
26 which provide connection between an interexchange carrier or
27 private network and a customer's premises.

28 "Switched access service." A service which provides for the
29 use of common terminating, switching and trunking facilities of
30 a local exchange telecommunications company's public switched

1 ~~network. The term includes, but is not limited to, the rates for~~
2 ~~local switching, common and dedicated transport and the carrier~~
3 ~~charge.~~

4 ~~"Telecommunications Act of 1996." The Telecommunications Act~~
5 ~~of 1996 (Public Law 104 104, 110 Stat. 56).~~

6 ~~"Telecommunications carrier." An entity that provides~~
7 ~~telecommunications services subject to the jurisdiction of the~~
8 ~~commission.~~

9 ~~"Telecommunications service." The offering of the~~
10 ~~transmission of messages or communications for a fee to the~~
11 ~~public.~~

12 ~~"Voice Over Internet Protocol" or "VOIP." The provision of~~
13 ~~voice communications and related features and functions by means~~
14 ~~of encoding voice and related signals into packetized form and~~
15 ~~transmission of those packets using Internet Protocol or any~~
16 ~~successor protocol for some or all of the transmission.~~

17 ~~§ 3013. Continuation of commission approved alternative~~
18 ~~regulation and network modernization plans.~~

19 ~~(a) General rule. An alternative form of regulation plan~~
20 ~~and network modernization plan approved by the commission for a~~
21 ~~local exchange telecommunications company as of December 31,~~
22 ~~2003 shall remain valid and effective, except as may be amended~~
23 ~~at the election of the local exchange telecommunications company~~
24 ~~as authorized by this chapter. The commission shall allow a~~
25 ~~previously approved plan to be amended to conform to any changes~~
26 ~~made under this chapter, and shall not require any other changes~~
27 ~~to the plan.~~

28 ~~(b) Limitation on changes to plans. Except for changes to~~
29 ~~existing alternative form of regulation and network~~
30 ~~modernization plans as authorized by this chapter, no change to~~

~~1 any alternative form of regulation or network modernization plan
2 may be made without the express agreement of both the commission
3 and the local exchange telecommunications company.~~

~~4 (c) Grandfather provision. All services previously declared
5 competitive as of December 31, 2003, under a local exchange
6 telecommunications company's alternative form of regulation plan
7 shall remain competitive.~~

~~8 (d) Commission oversight. The commission will continue to
9 exercise oversight of alternative form of regulation and network
10 modernization plans for local exchange telecommunications
11 companies as provided in this chapter.~~

~~12 § 3014. Network modernization plans.~~

~~13 (a) Continuation of approved plan. A local exchange
14 telecommunications company that does not elect an option under
15 subsection (b) shall remain subject to its network modernization
16 plan in effect as of December 31, 2003, without revision or
17 modification except by agreement under section 3013(b) (relating
18 to continuation of commission approved alternative regulation
19 and network modernization plans) and as provided in this
20 section, through December 31, 2015.~~

~~21 (b) Options for amendment of network modernization plan.
22 Local exchange telecommunications companies shall have the
23 following options:~~

~~24 (1) (i) A rural telecommunications carrier that elects
25 to amend its network modernization plan pursuant to this
26 subsection shall remain subject to the carrier's network
27 modernization plan in effect as of December 31, 2003, as
28 amended pursuant to this subsection, through December 31,
29 2008. Prior to implementation of such election, the rural
30 telecommunications carrier shall comply with the~~

~~notification requirements of subsection (d).~~

~~(ii) The rural telecommunications carrier shall commit to accelerate 100% broadband availability by December 31, 2008, in its amended network modernization plan. Any rural telecommunications carrier electing this option shall not be required to offer a bona fide retail request program.~~

~~(2) (i) A rural telecommunications carrier that elects to amend its network modernization plan pursuant to this subsection shall remain subject to the carrier's network modernization plan in effect as of December 31, 2003, as amended pursuant to this subsection, through December 31, 2010. Prior to implementation of such election, the rural telecommunications carrier shall comply with the notification requirements of subsection (d).~~

~~(ii) The rural telecommunications carrier shall commit:~~

~~(A) to accelerate broadband availability to at least 80% of its total retail access lines in its distribution network by December 31, 2010, and may also commit to further deployment by 2015 as set forth in section 3015(a) (relating to alternative forms of regulation); and~~

~~(B) to offer a bona fide retail request program pursuant to subsection (c).~~

~~Under no circumstances may the rural telecommunications carrier reduce its existing broadband availability commitment.~~

~~(3) (i) A local exchange telecommunications company that elects to amend its network modernization plan~~

~~pursuant to this subsection shall remain subject to such company's network modernization plan in effect as of December 31, 2003, as amended pursuant to this subsection, including meeting its 100% broadband availability commitment. Prior to implementation of such election, the local exchange telecommunications company shall comply with the notification requirements of subsection (d).~~

~~(ii) The local exchange telecommunications company shall commit:~~

~~(A) to provide broadband availability to 100% of its total retail access lines in its distribution network by December 31, 2013 or December 31, 2015;~~

~~and~~

~~(B) to offer a bona fide retail request program pursuant to subsection (c).~~

~~Under no circumstances may such local exchange telecommunications company reduce its existing broadband availability commitment.~~

~~(4) A local exchange telecommunications company that elects under paragraph (1), (2) or (3) shall also commit to universal broadband deployment in or adjacent to public rights of way abutting all public schools, including the administration offices supporting public schools, industrial parks and health care facilities in its service territory on or before December 31, 2004, except that a local exchange telecommunications company serving more than ten exchanges in this Commonwealth may elect to extend this commitment from December 31, 2004, to December 31, 2005, for any exchange with less than 4,000 access lines.~~

1 ~~(5) A local exchange telecommunications company that~~
2 ~~elects under paragraph (1), (2) or (3) may amend its network~~
3 ~~modernization plan to define "universal broadband~~
4 ~~availability" as the provision of broadband capability within~~
5 ~~ten business days of notice to the company of the request by~~
6 ~~a bona fide customer. If a local exchange telecommunications~~
7 ~~company does not elect under paragraph (1), (2) or (3), then~~
8 ~~the provisioning interval shall remain and be within five~~
9 ~~business days after a request for broadband service is~~
10 ~~received, as stated in the company's currently effective~~
11 ~~network modernization plan. The amended network modernization~~
12 ~~plan may also be modified to remove any interim commitments~~
13 ~~contained in the network modernization plan in effect as of~~
14 ~~December 31, 2003, or as later modified.~~

15 ~~(6) A local exchange telecommunications company that~~
16 ~~elects under paragraph (1), (2) or (3) may subsequently~~
17 ~~petition the commission for further modification of its~~
18 ~~amended network modernization plan, which the commission may~~
19 ~~grant upon good cause shown.~~

20 ~~(7) A rural telecommunications carrier making an~~
21 ~~election pursuant to paragraph (1), (2) or (3) and filing its~~
22 ~~amended network modernization plan with the commission~~
23 ~~pursuant to subsection (d) shall be granted by the commission~~
24 ~~a suspension of its section 251(c)(2), (3), (4), (5) and (6)~~
25 ~~obligations under the Telecommunications Act of 1996. This~~
26 ~~suspension of obligations shall expire on December 31, 2010,~~
27 ~~unless extended by the commission. Should the commission,~~
28 ~~following a hearing, determine that the rural~~
29 ~~telecommunications carrier has failed to timely meet its~~
30 ~~commitments pursuant to this paragraph the suspension of~~

~~obligations shall expire upon entry of the commission order making such determination. Expiration of the suspension of obligations shall not impact the rural telephone company exemption of the rural telecommunications carrier under section 251(f)(1) of the Telecommunications Act of 1996.~~

~~(8) A local exchange telecommunications company may accelerate its broadband availability commitment by electing an additional option pursuant to paragraph (1), (2) or (3), as applicable, at a later date. The local exchange telecommunications company shall be subject to the applicable modified inflation offset in its price stability mechanism as set forth in section 3015(a)(1), effective upon the filing of an amended network modernization plan under subsection (d).~~

~~(c) Bona fide retail request program. A local exchange telecommunications company that elects to amend its network modernization plan pursuant to subsection (b)(1), (2) or (3) shall notify the commission no later than one year after the effective date of its election that it is implementing a bona fide retail request program which shall continue through December 31, 2015, or such earlier date as the local telecommunications company achieves 100% broadband availability throughout its service territory. A bona fide retail request program shall consist of the following:~~

~~(1) Persons or entities seeking advanced services pursuant to a bona fide retail request program shall submit a written request for such services to the local exchange telecommunications company. The written request may be in the form of a petition which includes the information required by this paragraph or in the form of individual requests each of which includes the information required by this paragraph. If~~

~~individual requests are received, the local exchange telecommunications company shall aggregate requests for the same or comparable service and initiate appropriate action pursuant to this subsection when the required number of requests have been received. To be considered a bona fide retail request, the written request must include:~~

~~(i) a request that a minimum of 50 retail access lines be provided the same or comparable advanced service within a community or a request that 25% of retail access lines be provided the same or comparable advanced service within a community, whichever is less;~~

~~(ii) the name, address, telephone number and signature of each existing retail customer seeking the advanced service, the advanced service being requested, the number of access lines for which the advanced service is requested, a commitment by each retail customer who signs the request to subscribe to the requested advanced service for a minimum of one year at the local exchange telecommunications company's applicable rate for the service; and~~

~~(iii) the name, address and telephone number of a designated contact person.~~

~~Customers making the request shall agree to take the service for a one year period, but shall not be required to make such a commitment until the price and terms of the service are specified by the local exchange telecommunications company and shall not be required to make any payments until the service is actually provided.~~

~~(2) In administering the bona fide retail request program, the local exchange telecommunications company shall:~~

1 ~~(i) establish a World Wide Web site and toll free~~
2 ~~telephone number to address customer inquiries regarding~~
3 ~~the program;~~

4 ~~(ii) mail a request form to a customer upon request;~~

5 ~~(iii) confirm its receipt of any completed request~~
6 ~~in writing to the customer; such confirmation to identify~~
7 ~~the service requested, the applicable rate, the expected~~
8 ~~contract term, the status of the request and a term~~
9 ~~subscription agreement for execution; and~~

10 ~~(iv) notify the customers in a community, within 45~~
11 ~~days, of the expected implementation date once the~~
12 ~~requisite number of requests has been received and the~~
13 ~~expected date of the availability of service.~~

14 ~~(3) When a bona fide retail request has been received~~
15 ~~that meets the requirements of paragraph (1), the local~~
16 ~~exchange telecommunications company shall provide the~~
17 ~~requested advanced service or other reasonably comparable~~
18 ~~service that meets the data speed of the requested service to~~
19 ~~the community as soon as practicable, but in no event later~~
20 ~~than 365 days of the date the requirements of paragraph (1)~~
21 ~~have been met or within the period approved by the commission~~
22 ~~under paragraph (4) where:~~

23 ~~(i) the local exchange telecommunications company~~
24 ~~provides the requested advanced service to other~~
25 ~~customers in its service territory;~~

26 ~~(ii) there is no advanced service using any~~
27 ~~technology available to the requesting customers that~~
28 ~~offers data speeds reasonably comparable to that~~
29 ~~requested; and~~

30 ~~(iii) the community is situated within the service~~

~~territory of the local exchange telecommunications
company.~~

~~(4) Where the total number of bona fide retail requests
received by any local exchange telecommunications company or
affiliated companies that meet the requirements of paragraphs
(1) and (3) exceed 40 customers in any 12 month period, or
where there are more than 20 such requests that require
property acquisition, including acquiring rights of way, or
new construction in any 12 month period, the local exchange
telecommunications company or companies may provide a
verified certification to the commission that one or both of
the previously stated criteria are met. Upon receipt of the
certification, the commission, or the commission through its
designated staff, shall permit the local exchange
telecommunications company or companies to extend the time
for such deployments for a period of no more than 12 months,
unless the commission determines an additional time period to
be just and reasonable.~~

~~(5) With regard to requests submitted under this
subsection, a retail customer may challenge the action of a
local exchange telecommunications company pursuant to section
701 (relating to complaints).~~

~~(6) Local exchange telecommunications companies with
bona fide retail request programs shall provide semiannual
reports to the commission of the number of requests for
advanced services received during the reporting period by
exchange and the action taken on requests meeting the
requirements of subsection (c). Local exchange
telecommunications companies, within 30 days after initiating
a bona fide retail request program, shall also provide the~~

~~commission with the form of any advanced services term
subscription agreements customers will be required to execute
in connection with receiving the requested services.~~

~~(d) Notice and filing of amendments. A local exchange
telecommunications company that elects to amend its network
modernization plan pursuant to subsection (b) shall notify the
commission in writing of such election and, within 60 days
following such notification, file its amended network
modernization plan with the commission. Copies of the written
notice of election and of the amended network modernization plan
shall be served by the local exchange telecommunications company
on the Office of Consumer Advocate and the Office of Small
Business Advocate. Concurrent with the filing of the amended
plan with the commission, the local exchange telecommunications
company shall publish notice of such filing in a newspaper or
newspapers of general circulation in its service territory or by
bill message or insert. The amended network modernization plan
shall become effective upon filing with the commission.~~

~~(c) Network modernization plan report.—~~

~~(1) A local exchange telecommunications company that
files an amended network modernization plan with the
commission shall also file with the commission a report on
its provision of broadband availability. The first report
shall be filed no later than April 30, 2004, and shall be
based upon the 12 months ending December 31, 2003.~~

~~Thereafter, reports shall be filed biennially no later than
April 30. To the extent applicable to the local exchange
telecommunications company's amended network modernization
plan, reports shall be limited to:~~

~~(i) The status of broadband deployment in or~~

1 ~~adjacent to public rights of way abutting all public~~
2 ~~schools, including the administration offices supporting~~
3 ~~public schools, industrial parks and health care~~
4 ~~facilities.~~

5 ~~(ii) The percentage of access lines with broadband~~
6 ~~availability from the local exchange telecommunications~~
7 ~~company.~~

8 ~~(iii) The number of written bona fide retail~~
9 ~~requests received by exchange.~~

10 ~~(iv) A general description of any technologies or~~
11 ~~media utilized by the local exchange telecommunications~~
12 ~~company to offer or provide advanced services and~~
13 ~~broadband availability.~~

14 ~~(2) (i) The report shall be submitted in the form~~
15 ~~determined by the commission. Should the commission~~
16 ~~request any additional network reports or information, a~~
17 ~~local exchange telecommunications company may oppose such~~
18 ~~requirement, by petition, on the grounds that the report~~
19 ~~or information will be detrimental to the security of its~~
20 ~~network or that the benefits of the report will not~~
21 ~~exceed the attendant expense or administrative time~~
22 ~~requirements associated therewith. The commission shall~~
23 ~~grant the petition upon such showing by the local~~
24 ~~exchange telecommunications company.~~

25 ~~(ii) Nothing in this paragraph shall be construed to~~
26 ~~impede the ability of the commission to require the~~
27 ~~submission of further information to support the accuracy~~
28 ~~of or to seek an explanation of the reports specified in~~
29 ~~this subsection.~~

30 ~~(iii) Under no circumstances shall the commission~~

~~compel the public release of maps or other information describing the actual location of a local exchange communications company's facilities.~~

~~(f) Assistance to political subdivisions.~~

~~(1) In an effort to assist political subdivisions with economic revitalization projects, a local exchange telecommunications company shall commit, in its modified alternative form of regulation plan and its network modernization plan, to make technical assistance for such projects available to political subdivisions located in its service territory in pursuing the deployment of additional telecommunications infrastructure or services by the local exchange telecommunications company.~~

~~(2) (i) Except as otherwise provided for under subparagraph (ii), a political subdivision or any entity established by a political subdivision, including a municipal authority, may not provide any telecommunications services to the public for compensation within the service territory of a local exchange telecommunications company operating under a network modernization plan.~~

~~(ii) A political subdivision may offer advanced or broadband services if the political subdivision has submitted a written request for the provision of such service to the local exchange telecommunications company serving the area and, within six months of the request, the local exchange telecommunications company has not agreed to provide the data speeds requested. If the local exchange telecommunications company agrees to provide the data speeds requested, then it must do so within 18~~

1 ~~months of the request.~~

2 ~~(3) The prohibition in paragraph (2) shall not be~~
3 ~~construed to preclude the continued provision of any~~
4 ~~municipally provided telecommunications services of the same~~
5 ~~type and scope as were being provided on the effective date~~
6 ~~of this section.~~

7 ~~(g) Advanced Services Education and Aggregation Fund.~~

8 ~~(1) The Advanced Services Education and Aggregation Fund~~
9 ~~is established as a separate fund in the State Treasury and~~
10 ~~shall be funded by the payments that may be required under~~
11 ~~section 3015(c) (relating to alternative forms of~~
12 ~~regulation).~~

13 ~~(2) The department shall authorize expenditures from the~~
14 ~~fund for two purposes:~~

15 ~~(i) educational outreach programs for political~~
16 ~~subdivisions, economic development entities, public~~
17 ~~schools, health care facilities and businesses and for~~
18 ~~residential customers concerning the benefits, use and~~
19 ~~procurement of advanced services and broadband~~
20 ~~telecommunication services from local exchange~~
21 ~~telecommunications companies; and~~

22 ~~(ii) seed grants to aggregate customer demand for~~
23 ~~advanced services or broadband in communities without~~
24 ~~such services and permit customers in such communities to~~
25 ~~request such services under a local exchange~~
26 ~~telecommunications company bona fide retail request~~
27 ~~program.~~

28 ~~(3) The fund shall continue until December 31, 2015, at~~
29 ~~which time the department shall terminate the fund and return~~
30 ~~the remaining funds on a pro rata basis to the local exchange~~

1 ~~telecommunications companies that contributed to the fund.~~

2 ~~(h) Balanced deployment. A local exchange~~
3 ~~telecommunications company shall reasonably balance deployment~~
4 ~~of its broadband network between rural, urban and suburban areas~~
5 ~~within its service territory, as those areas are applicable,~~
6 ~~according to its approved network modernization plan.~~

7 ~~(i) Impact of competition. Notwithstanding any provision of~~
8 ~~this section or any network modernization plan to the contrary,~~
9 ~~if one or more alternative service providers, excluding service~~
10 ~~providers using satellite based systems, have made advanced~~
11 ~~services or broadband available at reasonably comparable data~~
12 ~~speeds throughout a particular exchange served by a rural~~
13 ~~telecommunications carrier, the rural telecommunications~~
14 ~~carrier's commitment to provide advanced services and broadband~~
15 ~~availability in that exchange shall be deemed met and shall be~~
16 ~~credited to its deployment obligation. To obtain such credit,~~
17 ~~the rural telecommunications carrier must provide verification~~
18 ~~of such service availability to the commission.~~

19 ~~(j) Study of Statewide education network.~~

20 ~~(1) The Legislative Budget and Finance Committee in~~
21 ~~consultation with all advanced broadband service providers,~~
22 ~~telecommunications carriers and alternative service providers~~
23 ~~operating in this Commonwealth, irrespective of the~~
24 ~~technology used, and the Department of Education shall~~
25 ~~perform a feasibility study on the development of a Statewide~~
26 ~~education network to promote the effective use of information~~
27 ~~technology that enhances education, promotes community~~
28 ~~partnerships and supports economic growth in a knowledge-~~
29 ~~based society. In conducting the study, the committee shall~~
30 ~~consider cost benefit analyses associated with the~~

1 ~~development and implementation of a Statewide education~~
2 ~~network. At a minimum, the committee shall inquire into and~~
3 ~~make recommendations with respect to:~~

4 ~~(i) The impact on public and private schools,~~
5 ~~vocational technical schools, intermediate units and~~
6 ~~institutions of higher education in this Commonwealth~~
7 ~~that would be linked together with functional levels of~~
8 ~~broadband throughout this Commonwealth.~~

9 ~~(ii) Competition in the telecommunications industry~~
10 ~~of this Commonwealth and the ability for the public and~~
11 ~~private schools, vocational technical schools,~~
12 ~~intermediate units and institutions of higher education~~
13 ~~in this Commonwealth's network on intermediate units,~~
14 ~~school districts and individual schools to procure~~
15 ~~telecommunications services.~~

16 ~~(iii) The impact on local exchange~~
17 ~~telecommunications service providers that have amended~~
18 ~~their network modernization plan to accelerate the~~
19 ~~deployment of broadband and advanced services as provided~~
20 ~~for within the provisions of this chapter.~~

21 ~~(iv) Funding mechanisms to support the development~~
22 ~~and implementation of a Statewide education network and~~
23 ~~the availability of Federal and State funding assistance~~
24 ~~programs to rural school districts to procure high speed~~
25 ~~telecommunications services.~~

26 ~~(v) A comparison of the efficiency and effectiveness~~
27 ~~of Statewide education networks implemented in other~~
28 ~~states.~~

29 ~~(2) The committee shall submit a final report with~~
30 ~~recommendations to the General Assembly no later than May 31,~~

~~2005, and publish notice of the final report in the Pennsylvania Bulletin within 30 days of the submission of the final report.~~

~~(k) Inventory of available services.—~~

~~(1) The department shall compile, periodically update and publish, including at its World Wide Web site, a listing of advanced and broadband services, by general location, available from all advanced and broadband service providers operating in this Commonwealth irrespective of the technology used.~~

~~(2) All providers of advanced and broadband services shall cooperate with the department.~~

~~(3) The department may not disclose maps or other information describing the specific location of any provider's facilities.~~

~~(l) Construction.— Nothing in this section shall be construed:~~

~~(1) As giving the commission the authority to require a local exchange telecommunications company to provide specific services or to deploy a specific technology to retail customers seeking broadband or advanced services.~~

~~(2) As prohibiting a local exchange telecommunications company from participating in joint ventures with other entities in meeting its advanced services and broadband deployment commitments under its network modernization plan.~~

~~§ 3015. Alternative forms of regulation.~~

~~(a) Inflation offset.—~~

~~(1) Except as otherwise provided in paragraphs (2) and (3), a local exchange telecommunications company with an alternative form of regulation containing a price stability~~

~~mechanism that files an amended network modernization plan under section 3014(b)(1), (2) or (3) (relating to network modernization plans) shall be subject to a modified inflation offset in its price stability mechanism in adjusting its rates for noncompetitive services, effective upon the filing of an amended network modernization plan under section 3014(d), as follows:~~

~~(i) If a nonrural telecommunications carrier files an amended network modernization plan under section 3014(b)(3) that commits to deploy 100% broadband availability by December 31, 2013, then the inflation offset shall be zero.~~

~~(ii) If a nonrural telecommunications carrier files an amended network modernization plan under section 3014(b)(3) that commits to deploy 100% broadband availability by December 31, 2015, then the inflation offset shall be equal to 0.5%.~~

~~(iii) If a rural telecommunications carrier files an amended network modernization plan under section 3014(b)(1) or (3), then the inflation offset shall be zero.~~

~~(iv) If a rural telecommunications carrier files an amended network modernization plan under section 3014(b)(2) that commits to deploy 95% broadband availability by December 31, 2013, then the inflation offset shall be equal to 10% of the inflation offset contained in the rural telecommunications carrier's original alternative regulation plan.~~

~~(v) If a rural telecommunications carrier files an amended network modernization plan under section~~

~~3014(b)(2) that commits to deploy 90% broadband availability by December 31, 2012, then the inflation offset shall be equal to 25% of the inflation offset contained in the rural telecommunications carrier's original alternative regulation plan.~~

~~(vi) If a rural telecommunications carrier files an amended network modernization plan under section 3014(b)(2) that commits to deploy 85% broadband availability by December 31, 2011, then the inflation offset shall be equal to 50% of the inflation offset contained in the rural telecommunications carrier's original alternative regulation plan.~~

~~(vii) If a rural telecommunications carrier files an amended network modernization plan under section 3014(b)(2) that commits to deploy 80% or less broadband availability by December 31, 2010, then the inflation offset shall be equal to the inflation offset contained in the rural telecommunications carrier's original alternative regulation plan.~~

~~In the event that a local exchange telecommunications company is found by the commission, after notice and evidentiary hearings, to have failed to meet its network commitment for final broadband availability, then the commission shall require the local exchange telecommunications company to refund to customers in its next price stability filing an amount that is just and reasonable under the circumstances, but not to exceed a revenue amount determined by multiplying the percentage shortfall of the broadband availability commitment on an access line basis times the revenue that was obtained as a result of the modified inflation offset~~

~~provided in this section plus interest calculated under section 1308(d) (relating to voluntary changes in rates).~~

~~(2) Each protected service of a nonrural telecommunications carrier shall be subject to an inflation offset and that no rate adjustment for any such protected service shall exceed the inflation offset.~~

~~(3) Through December 31, 2015:~~

~~(i) In any year in which revenue neutral rate changes are ordered by the commission for a nonrural telecommunications carrier, any increase in residential and small business protected service rates under that carrier's price stability mechanism in that year shall be offset against any revenue neutral rate increase for those services.~~

~~(ii) (A) A rural telecommunications carrier may not separately propose, as part of a rate rebalancing filing, to increase the rates for residential or small business local exchange telecommunications service in the same calendar year as rates for residential or small business local exchange telecommunications service are increased under the annual price stability index, where the rate rebalancing proposal is not submitted to the commission as part of the annual price stability mechanism filing. Any cap contained in the rate rebalancing section of a rural telecommunications carrier's existing alternative form of regulation plan that restricts the level of annual rate increases to a local exchange telecommunications service shall also be applied to limit any rate~~

1 ~~increase that occurs as a result of elimination of~~
2 ~~the offset.~~

3 ~~(B) These limitations shall not apply where~~
4 ~~rates are changed as a result of a generic~~
5 ~~investigation or when the rebalancing does not~~
6 ~~increase the weighted average rates respectively of~~
7 ~~residential and small business local exchange~~
8 ~~telecommunications service.~~

9 ~~(b) Rate changes for rural telecommunications carriers.~~

10 ~~(1) In addition to the rate change provisions in its~~
11 ~~alternative form of regulation plan, a rural~~
12 ~~telecommunications carrier operating without a price~~
13 ~~stability mechanism that files with the commission an amended~~
14 ~~network modernization plan under section 3014(b)(1), (2) or~~
15 ~~(3) shall be permitted at any time to file with the~~
16 ~~commission proposed tariff changes, effective 45 days after~~
17 ~~filing, setting forth miscellaneous changes, including~~
18 ~~increases and decreases, in rates for noncompetitive~~
19 ~~services, excluding basic residential and business rates,~~
20 ~~provided such rate changes do not increase the rural~~
21 ~~telecommunications carrier's annual intrastate revenues by~~
22 ~~more than 2%.~~

23 ~~(2) The commission tariff filing requirements and review~~
24 ~~associated with such proposed rate changes shall be limited~~
25 ~~to schedules submitted by the rural telecommunications~~
26 ~~carrier detailing the impact of the rate changes on the~~
27 ~~carrier's annual intrastate revenues.~~

28 ~~(3) A rural telecommunications carrier that implements~~
29 ~~noncompetitive rate changes consistent with the procedure set~~
30 ~~forth in its alternative form of regulation plan shall be~~

1 ~~required only to file such financial and cost data with the~~
2 ~~commission to justify such changes as is required under its~~
3 ~~commission approved alternative form of regulation plan.~~

4 ~~(4) Notwithstanding the provisions of paragraph (1), (2)~~
5 ~~or (3), for any rural telecommunications carrier serving less~~
6 ~~than 50,000 access lines in this Commonwealth and operating~~
7 ~~under an alternative form of regulation plan, a formal~~
8 ~~complaint to deny rate changes for noncompetitive services,~~
9 ~~unless signed by at least 20 customers of the rural~~
10 ~~telecommunications carrier, shall not prevent implementation~~
11 ~~of the rate changes pending the adjudication of the formal~~
12 ~~complaint by the commission.~~

13 ~~(c) Payments to fund.~~

14 ~~(1) A local exchange telecommunications company that~~
15 ~~files an amended network modernization plan under section~~
16 ~~3014(b)(2) or (3) may be required by the department to~~
17 ~~contribute up to, but no more than, 10% of the first year's~~
18 ~~annual revenue effect:~~

19 ~~(i) of any rate increases permitted by the~~
20 ~~elimination of the offset under subsection (a); or~~

21 ~~(ii) if the local exchange telecommunications~~
22 ~~company is operating without a price stability mechanism,~~
23 ~~of any rate increases under subsection (b)(1), to the~~
24 ~~fund established under section 3014(g).~~

25 ~~(2) The contribution shall be payable in equal quarterly~~
26 ~~installments and calculated on projected increased revenues~~
27 ~~for the first year of the rate change. The contributions~~
28 ~~shall also be made in connection with each subsequent~~
29 ~~noncompetitive service rate increase until the local exchange~~
30 ~~telecommunications company fulfills the higher percentage~~

~~deployment obligation set forth in its amended network modernization plan.~~

~~(3) In no event shall the fund exceed \$5,000,000 and, in the event of such overfunding, the department shall credit the overcollection to the next year's contribution amount.~~

~~(4) A local exchange telecommunications company that elects to amend its network modernization plan pursuant to section 3014(b)(1) shall not be required to contribute to the fund.~~

~~(d) General filing requirements. For a local exchange telecommunications company that files an amended network modernization plan under section 3014(b)(1), (2) or (3), the commission's filing and audit requirements shall be limited to the following submissions by the company:~~

~~(1) Network modernization plan reports filed pursuant to section 3014(e).~~

~~(2) An annual financial report consisting of a balance sheet and income statement.~~

~~(3) An annual deaf, speech impaired and hearing impaired relay information report.~~

~~(4) An annual service report.~~

~~(5) Universal service reports.~~

~~(6) An annual access line report.~~

~~(7) An annual statement of gross intrastate operating revenues for purposes of calculating assessments for regulatory expenses.~~

~~(8) An annual State tax adjustment computation for years in which a tax change has occurred, if applicable.~~

~~(9) For those companies with a bona fide retail request program, a bona fide retail request report under section~~

1 ~~3014(c)(6).~~

2 ~~These reports shall be submitted in the form determined by the~~
3 ~~commission.~~

4 ~~(c) Other reports.—~~

5 ~~(1) Notwithstanding any other provision of this title to~~
6 ~~the contrary, no report, statement, filing or other document~~
7 ~~or information, except as specified in subsection (d), shall~~
8 ~~be required of any local exchange telecommunications company~~
9 ~~unless the commission, upon notice to the affected local~~
10 ~~exchange telecommunications company and an opportunity to be~~
11 ~~heard, has first made specific written findings supporting~~
12 ~~conclusions in an entered order that:~~

13 ~~(i) The report is necessary to ensure that the local~~
14 ~~exchange telecommunications company is charging rates~~
15 ~~that are in compliance with this chapter and its~~
16 ~~effective alternative form of regulation.~~

17 ~~(ii) The benefits of the report substantially~~
18 ~~outweigh the attendant expense and administrative time~~
19 ~~and effort required of the local exchange~~
20 ~~telecommunications company to prepare it.~~

21 ~~(2) Nothing in this subsection shall be construed to~~
22 ~~impede the ability of the commission to require the~~
23 ~~submission of further information to support the accuracy of~~
24 ~~or to seek an explanation of the reports specified in~~
25 ~~subsection (d).~~

26 ~~(f) Rate change limitations.— Nothing in this chapter shall~~
27 ~~be construed to limit the requirement of section 1301 (relating~~
28 ~~to rates to be just and reasonable) that rates shall be just and~~
29 ~~reasonable. The annual rate change limitations set forth in a~~
30 ~~local exchange telecommunications company's effective~~

1 ~~commission approved alternative form of regulation plan or any~~
2 ~~other commission approved annual rate change limitation shall~~
3 ~~remain applicable.~~

4 ~~(g) Small business customers. Local exchange~~
5 ~~telecommunications companies operating under an alternative form~~
6 ~~of regulation plan with small business customers defined as~~
7 ~~"three lines or less" shall amend such definition to "four or~~
8 ~~fewer lines."~~

9 ~~(h) Conformance of plan. Upon the filing by a local~~
10 ~~exchange telecommunications company of network modernization~~
11 ~~plan amendments pursuant to section 3014(d), the local exchange~~
12 ~~telecommunications company's alternative form of regulation plan~~
13 ~~shall be deemed amended consistent with this section.~~

14 ~~§ 3016. Competitive services.~~

15 ~~(a) Declaration of services as competitive. A service or~~
16 ~~business activity provided by a local exchange~~
17 ~~telecommunications company, including a protected service, not~~
18 ~~previously declared by the commission as competitive may be~~
19 ~~declared competitive by the commission under the following~~
20 ~~provisions:~~

21 ~~(1) The local exchange telecommunications company may~~
22 ~~petition the commission for a determination of whether a~~
23 ~~service is competitive. The commission shall enter an order~~
24 ~~approving or disapproving the petition within 60 days of the~~
25 ~~filing date or 90 days where a protest is timely filed, or~~
26 ~~the petition shall be deemed approved. In making the~~
27 ~~determination, the commission shall consider all relevant~~
28 ~~information submitted to it.~~

29 ~~(2) Simultaneously with the filing by the local exchange~~
30 ~~telecommunications company of a petition with the commission~~

1 ~~for a declaration of a service as competitive, the local~~
2 ~~exchange telecommunications company shall serve a copy of the~~
3 ~~petition on the Office of Consumer Advocate and the Office of~~
4 ~~Small Business Advocate and give notice to the public of the~~
5 ~~filing of its petition in a newspaper or newspapers of~~
6 ~~general circulation in the company's service territory.~~

7 ~~(3) In a proceeding to declare a service competitive,~~
8 ~~the commission shall consider the availability of like or~~
9 ~~substitute services or other business activities in the~~
10 ~~relevant geographic area.~~

11 ~~(4) The burden of proving that a protected service is~~
12 ~~competitive rests on the party seeking to have the service~~
13 ~~declared competitive. Hearings shall not be required, unless~~
14 ~~a protesting party has raised relevant and material factual~~
15 ~~issues.~~

16 ~~(b) Optional declaration of nonprotected services as~~
17 ~~competitive. Notwithstanding the provisions of subsection (a),~~
18 ~~a local exchange telecommunications company that has filed an~~
19 ~~amended network modernization plan pursuant to section~~
20 ~~3014(b)(1), (2) or (3) (relating to network modernization~~
21 ~~plans), at its option, may declare services which are not~~
22 ~~protected as competitive by filing notice of its election of~~
23 ~~this option with the commission.~~

24 ~~(c) Rural exchange specific pricing.~~

25 ~~(1) When an alternative service provider is providing~~
26 ~~local exchange telecommunications services within an exchange~~
27 ~~of a rural telecommunications carrier that has filed an~~
28 ~~amended network modernization plan under section 3014(b)(1),~~
29 ~~(2) or (3), the rural telecommunications carrier may petition~~
30 ~~the commission for approval to begin pricing its services in~~

1 ~~the exchange at its discretion.~~

2 ~~(2) The commission, following public notice, shall~~
3 ~~approve the petition within 60 days if shown by the rural~~
4 ~~telecommunications carrier that the alternative service~~
5 ~~provider is providing local exchange telecommunications~~
6 ~~services in the exchange.~~

7 ~~(3) Any party with standing shall have the right to~~
8 ~~challenge the lawfulness of any petition filed or of any rate~~
9 ~~change pursuant to section 701 (relating to complaints).~~

10 ~~(4) Following approval of a petition, the rural~~
11 ~~telecommunications carrier shall tariff any changes in~~
12 ~~noncompetitive rates effective one day after filing.~~

13 ~~(5) The rural telecommunications carrier shall give~~
14 ~~notice to all customers impacted by any rate increases in the~~
15 ~~form of a bill insert, bill message, written notice or~~
16 ~~newspaper notice at least ten days prior to the tariff~~
17 ~~filing.~~

18 ~~(d) Reclassification.—~~

19 ~~(1) The commission may reclassify a telecommunications~~
20 ~~service or other service or business activity that has~~
21 ~~previously been found to be competitive if, after notice and~~
22 ~~hearing, it determines, upon application of the criteria set~~
23 ~~forth in this chapter, that:~~

24 ~~(i) sufficient competition is no longer present;~~

25 ~~(ii) the local exchange telecommunications company~~
26 ~~has engaged in unfair competition with respect to the~~
27 ~~service; or~~

28 ~~(iii) the local exchange telecommunications company~~
29 ~~has failed to provide nondiscriminatory access in the~~
30 ~~provision of the service.~~

1 ~~(2) If the commission finds that a reclassification is~~
2 ~~necessary, the commission shall determine whether the rate~~
3 ~~for the telecommunications service or other service or~~
4 ~~business activity is just and reasonable in accordance with~~
5 ~~section 1301 (relating to rates to be just and reasonable).~~

6 ~~(3) If the telecommunications service or other service~~
7 ~~or business activity subsequently becomes competitive, the~~
8 ~~local exchange telecommunications company shall petition the~~
9 ~~commission to make a determination of competitiveness for the~~
10 ~~service under the provisions of this chapter.~~

11 ~~(4) The burden of proving that a competitive service~~
12 ~~should be declared noncompetitive rests on the party seeking~~
13 ~~to have the service declared noncompetitive.~~

14 ~~(c) Additional requirements.—~~

15 ~~(1) The prices which a local exchange telecommunications~~
16 ~~company charges for competitive services shall not be less~~
17 ~~than the costs to provide the services.~~

18 ~~(2) The commission may not require tariffs for~~
19 ~~competitive service offerings to be filed with the~~
20 ~~commission.~~

21 ~~(3) A local exchange telecommunications company, at its~~
22 ~~option, may tariff its rates, subject to rules and~~
23 ~~regulations applicable to the provision of competitive~~
24 ~~services.~~

25 ~~(4) The commission may require a local exchange~~
26 ~~telecommunications company to maintain price lists with the~~
27 ~~commission applicable to its competitive services.~~

28 ~~(f) Pricing flexibility and bundling.—~~

29 ~~(1) Subject to the requirements of subsection (c)(1), a~~
30 ~~local exchange telecommunications company may price~~

1 ~~competitive services at the company's discretion.~~

2 ~~(2) A local exchange telecommunications company may~~
3 ~~offer and bill to customers on one bill bundled packages of~~
4 ~~services which include nontariffed, competitive,~~
5 ~~noncompetitive or protected services, including services of~~
6 ~~an affiliate, in combinations and at a single price selected~~
7 ~~by the company.~~

8 ~~(3) If a customer subscribes to a bundled package of~~
9 ~~services which include nontariffed, competitive,~~
10 ~~noncompetitive or protected services as provided in paragraph~~
11 ~~(2) and does not make payment on a billing due date, the~~
12 ~~local exchange telecommunications company may first suspend~~
13 ~~all of the customer's services subscribed to in the bundled~~
14 ~~package following written notice to the customer of such~~
15 ~~suspension at least seven days prior to the suspension and~~
16 ~~thereafter may terminate all the customer's bundled package~~
17 ~~services following written notice to the customer of such~~
18 ~~termination at least ten days prior to the termination.~~

19 ~~(g) Prohibitions.—~~

20 ~~(1) A local exchange telecommunications company shall be~~
21 ~~prohibited from using revenues earned or expenses incurred in~~
22 ~~conjunction with protected services to subsidize competitive~~
23 ~~services.~~

24 ~~(2) Paragraph (1) shall not be construed to prevent the~~
25 ~~marketing and billing of noncompetitive and competitive~~
26 ~~services as packages to customers.~~

27 ~~§ 3017. Access charges.~~

28 ~~(a) General rule.— The commission may not require a local~~
29 ~~exchange telecommunications company to reduce access rates~~
30 ~~except on a revenue neutral basis and may not order decreases in~~

~~1 access rates for a nonrural telecommunications carrier more than
2 once every two years.~~

~~3 (b) Refusal to pay access charges prohibited. No person or
4 entity may refuse to pay tariffed access charges for
5 interexchange services provided by a local exchange
6 telecommunications company.~~

~~7 (c) Limitation. No telecommunications carrier providing
8 competitive local exchange telecommunications service may charge
9 access rates higher than those charged by the incumbent local
10 exchange telecommunications company in the same service
11 territory, unless such carrier can demonstrate, by substantial
12 evidence, that the higher access rates are cost justified.~~

~~13 § 3018. Interexchange telecommunications carriers.~~

~~14 (a) Competitive and noncompetitive services. Interexchange
15 services provided by interexchange telecommunications carriers
16 shall continue to be competitive services after December 31,
17 2003, except for the provision of the following interexchange
18 services which shall be noncompetitive services unless declared
19 otherwise by the commission pursuant to section 3016 (relating
20 to competitive services):~~

~~21 (1) Interexchange service to aggregator telephones.~~

~~22 (2) Optional calling plans required by the commission to
23 be offered when justified by usage over an interexchange
24 route.~~

~~25 (b) Rate regulation.~~

~~26 (1) The commission may not fix or prescribe the rates,
27 tolls, charges, rate structures, rate base, rate of return,
28 operating margin or earnings for interexchange competitive
29 services or otherwise regulate interexchange competitive
30 services except as set forth in this chapter.~~

1 ~~(2) An interexchange telecommunications carrier may file~~
2 ~~and maintain tariffs or price lists with the commission for~~
3 ~~competitive telecommunications services.~~

4 ~~(3) Nothing in this chapter shall be construed to limit~~
5 ~~the authority of the commission to regulate the privacy of~~
6 ~~interexchange service and the ordering, installation,~~
7 ~~restoration and disconnection of interexchange service to~~
8 ~~customers.~~

9 ~~(c) Reclassification. The commission may reclassify~~
10 ~~telecommunications services provided by an interexchange~~
11 ~~telecommunications carrier as noncompetitive if, after notice~~
12 ~~and hearing, it determines, upon application of the criteria set~~
13 ~~forth in this chapter, that sufficient competition is no longer~~
14 ~~present.~~

15 ~~(d) Construction. Nothing in this chapter shall be~~
16 ~~construed:~~

17 ~~(1) To limit the authority of the commission to resolve~~
18 ~~complaints regarding the quality of interexchange~~
19 ~~telecommunications carrier service.~~

20 ~~(2) To limit the authority of the commission to~~
21 ~~determine whether an interexchange telecommunications carrier~~
22 ~~should be extended the privilege of operating within this~~
23 ~~Commonwealth or to order the filing of such reports,~~
24 ~~documents and information as may be necessary to monitor the~~
25 ~~market for and competitiveness of interexchange~~
26 ~~telecommunications services.~~

27 ~~§ 3019. Additional powers and duties.~~

28 ~~(a) General rule. The commission may certify more than one~~
29 ~~telecommunications carrier to provide local exchange~~
30 ~~telecommunications service in a specific geographic location.~~

1 ~~The certification shall be granted upon a showing that it is in~~
2 ~~the public interest and that the applicant possesses sufficient~~
3 ~~technical, financial and managerial resources.~~

4 ~~(b) Powers and duties retained. The commission shall retain~~
5 ~~the following powers and duties relating to the regulation of~~
6 ~~all telecommunications carriers and interexchange~~
7 ~~telecommunications carriers:~~

8 ~~(1) To audit the accounting and reporting systems of~~
9 ~~telecommunications carriers relating to their transactions~~
10 ~~with affiliates pursuant to Chapter 21 (relating to relations~~
11 ~~with affiliated interests). A telecommunications carrier~~
12 ~~shall file affiliated interest and affiliated transaction~~
13 ~~agreements, unless such agreements involve services declared~~
14 ~~to be competitive. The filings shall constitute notice to the~~
15 ~~commission only and shall not require approval by the~~
16 ~~commission.~~

17 ~~(2) To review and revise quality of service standards~~
18 ~~contained in 52 Pa. Code (relating to public utilities) that~~
19 ~~address the safety, adequacy, reliability and privacy of~~
20 ~~telecommunications services and the ordering, installation,~~
21 ~~suspension, termination and restoration of any~~
22 ~~telecommunications service. Any review or revision shall take~~
23 ~~into consideration the emergence of new industry~~
24 ~~participants, technological advancements, service standards~~
25 ~~and consumer demand.~~

26 ~~(3) Subject to the provisions of section 3015(d)~~
27 ~~(relating to alternative forms of regulation), to establish~~
28 ~~such additional requirements as are consistent with this~~
29 ~~chapter as the commission determines to be necessary to~~
30 ~~ensure the protection of customers.~~

1 ~~(4) Condition the sale, merger or acquisition of a local~~
2 ~~exchange telecommunications company or any facilities used to~~
3 ~~provide telecommunications services to ensure that there is~~
4 ~~no reduction in the advanced service or broadband deployment~~
5 ~~obligations for the sold, merged or acquired property.~~

6 ~~(c) Privacy of customer information.—~~

7 ~~(1) Except as otherwise provided in this subsection, a~~
8 ~~telecommunications carrier may not disclose to any person~~
9 ~~information relating to any customer's patterns of use,~~
10 ~~equipment and network information and any accumulated records~~
11 ~~about customers.~~

12 ~~(2) A telecommunications carrier may disclose such~~
13 ~~information:~~

14 ~~(i) Pursuant to a court order or where otherwise~~
15 ~~required by law.~~

16 ~~(ii) To the carrier's affiliates, agents,~~
17 ~~contractors or vendors and other telecommunications~~
18 ~~carriers or interexchange telecommunications carriers, as~~
19 ~~permitted by law.~~

20 ~~(iii) Where the information consists of aggregate~~
21 ~~data which does not identify individual customers.~~

22 ~~(d) Unreasonable preferences.— Nothing in this chapter shall~~
23 ~~be construed to limit the authority of the commission to ensure~~
24 ~~that local exchange telecommunications companies do not make or~~
25 ~~impose unreasonable preferences, discriminations or~~
26 ~~classifications for protected services and other noncompetitive~~
27 ~~services.~~

28 ~~(e) Lifeline service.—~~

29 ~~(1) All eligible telecommunications carriers~~
30 ~~certificated to provide local exchange telecommunications~~

1 ~~service shall provide Lifeline service to all eligible~~
2 ~~telecommunications customers who subscribe to such service.~~

3 ~~(2) All eligible telecommunications customers who~~
4 ~~subscribe to Lifeline service shall be permitted to subscribe~~
5 ~~to up to two other eligible telecommunications carrier~~
6 ~~telecommunications services at the tariffed rates for such~~
7 ~~services.~~

8 ~~(3) Whenever a prospective customer seeks to subscribe~~
9 ~~to local service from an eligible telecommunications carrier,~~
10 ~~the carrier shall explicitly advise the customer of the~~
11 ~~availability of Lifeline service and shall make reasonable~~
12 ~~efforts where appropriate to determine whether the customer~~
13 ~~qualifies for such service and, if so, whether the customer~~
14 ~~wishes to subscribe to the service.~~

15 ~~(4) Eligible telecommunications carriers shall inform~~
16 ~~existing customers of the availability of Lifeline service~~
17 ~~twice annually by bill insert or message. The notice shall be~~
18 ~~conspicuous and shall provide appropriate eligibility,~~
19 ~~benefits and contact information for customers who wish to~~
20 ~~learn of the Lifeline service subscription requirements.~~

21 ~~(5) No eligible telecommunications carrier shall be~~
22 ~~required to provide after the effective date of this section~~
23 ~~any new Lifeline service discount that is not fully~~
24 ~~subsidized by the Federal Universal Service Fund.~~

25 ~~(f) Caller identification service.—~~

26 ~~(1) A telecommunications carrier that offers a caller~~
27 ~~identification service that identifies the name and telephone~~
28 ~~number of a caller for an additional fee may not charge a~~
29 ~~residential customer within this Commonwealth more than \$3.50~~
30 ~~per month for basic caller identification service that~~

1 ~~identifies the name and the telephone number of a caller~~
2 ~~unless:~~

3 ~~(i) the telecommunications carrier requests a waiver~~
4 ~~from the monthly dollar limitation set forth in this~~
5 ~~paragraph; and~~

6 ~~(ii) the commission determines that the monthly~~
7 ~~dollar limitation set forth in this paragraph is not just~~
8 ~~and reasonable in relation to the actual cost to the~~
9 ~~telecommunications carrier for the service.~~

10 ~~(2) Paragraph (1) shall not apply to the bundling or~~
11 ~~pricing of multiple services that include caller~~
12 ~~identification service in a single offer.~~

13 ~~(g) Method for fixing rates. The commission may not fix or~~
14 ~~prescribe the rates, tolls, charges, rate structures, rate base,~~
15 ~~rate of return or earnings of competitive services or otherwise~~
16 ~~regulate competitive services except as set forth in this~~
17 ~~chapter.~~

18 ~~(h) Implementation. The terms of a local exchange~~
19 ~~telecommunications company's alternative form of regulation and~~
20 ~~network modernization plans shall govern the regulation of the~~
21 ~~local exchange telecommunications company and, consistent with~~
22 ~~the provisions of this chapter, shall supersede any conflicting~~
23 ~~provisions of this title or other laws of this Commonwealth and~~
24 ~~shall specifically supersede all provisions of Chapter 13~~
25 ~~(relating to rates and rate making) other than sections 1301~~
26 ~~(relating to rates to be just and reasonable), 1302 (relating to~~
27 ~~tariffs; filing and inspection), 1303 (relating to adherence to~~
28 ~~tariffs), 1304 (relating to discrimination in rates), 1305~~
29 ~~(relating to advance payment of rates; interest on deposits),~~
30 ~~1309 (relating to rates fixed on complaint; investigation of~~

1 ~~costs of production) and 1312 (relating to refunds).~~

2 ~~(i) Protection of employees.—~~

3 ~~(1) No telecommunications carrier may discharge,~~
4 ~~threaten, discriminate or retaliate against an employee~~
5 ~~because the employee made a good faith report to the~~
6 ~~commission, the Office of Consumer Advocate or the Office of~~
7 ~~Attorney General regarding wrongdoing, waste or a potential~~
8 ~~violation of the commission's orders or regulations or of~~
9 ~~this title.~~

10 ~~(2) A person who alleges a violation of this section~~
11 ~~must bring a civil action in a court of competent~~
12 ~~jurisdiction for appropriate injunctive relief or damages~~
13 ~~within 180 days after the occurrence of the alleged~~
14 ~~violation.~~

15 ~~§ 3019.1. Voice Over Internet Protocol regulation exemption.~~

16 ~~Voice Over Internet Protocol service shall not be subject to~~
17 ~~commission regulation, nor shall any provider of VOIP service be~~
18 ~~a public utility subject to commission regulation by virtue of~~
19 ~~providing such service. However, this exemption from commission~~
20 ~~regulation shall not affect the rights and obligations of any~~
21 ~~entity related to the payment of switched network access rates~~
22 ~~or other intercarrier compensation, if any, related to VOIP~~
23 ~~service.~~

24 ~~§ 3019.2. Voice Over Internet Protocol tax exemption.~~

25 ~~The provision of Voice Over Internet Protocol services by any~~
26 ~~person or corporation and the provision of telecommunications~~
27 ~~services used to provide VOIP services shall be exempt from the~~
28 ~~following taxes and fees commencing on the effective date of~~
29 ~~this section.~~

30 ~~(1) Notwithstanding the act of December 31, 1965~~

1 ~~(P.L.1257, No.511), known as The Local Tax Enabling Act, no~~
2 ~~political subdivision shall impose or collect any tax, charge~~
3 ~~or other fee upon the provision of VOIP services.~~

4 ~~(2) Notwithstanding Article XXXI B of the act of July~~
5 ~~28, 1953 (P.L.723, No.230), known as the Second Class County~~
6 ~~Code, and the act of June 5, 1991 (P.L.9, No.6), known as the~~
7 ~~Pennsylvania Intergovernmental Cooperation Authority Act for~~
8 ~~Cities of the First Class, no local sales and use tax shall~~
9 ~~be imposed on any VOIP services.~~

10 ~~§ 3020. Expiration of chapter.~~

11 ~~(a) Expiration. Except as provided in subsection (b), this~~
12 ~~chapter shall expire on December 31, 2015.~~

13 ~~(b) Exception. A local exchange telecommunications~~
14 ~~company's alternative form of regulation in effect on December~~
15 ~~31, 2015, and the VOIP exemption from commission regulation~~
16 ~~under section 3019.1 (relating to Voice Over Internet Protocol~~
17 ~~regulation exemption) shall not expire on December 31, 2015.~~

18 ~~Section 3. The provisions of this act are severable. If any~~
19 ~~provision of this act or its application to any person or~~
20 ~~circumstance is held invalid, the invalidity shall not affect~~
21 ~~other provisions or applications of this act which can be given~~
22 ~~effect without the invalid provision or application.~~

23 ~~Section 4. Section 2471 of the act of February 1, 1966 (1965~~
24 ~~P.L.1656, No.581), known as The Borough Code, is repealed to the~~
25 ~~extent it is inconsistent with this act.~~

26 ~~Section 5. This act shall take effect January 1, 2004, or~~
27 ~~immediately, whichever occurs later.~~

28 SECTION 1. SECTIONS 1325, 3001, 3002, 3003, 3004, 3005, <—
29 3006, 3007, 3008 AND 3009 OF TITLE 66 OF THE PENNSYLVANIA
30 CONSOLIDATED STATUTES ARE REPEALED.

1 SECTION 2. TITLE 66 IS AMENDED BY ADDING SECTIONS TO READ:

2 § 3010. (RESERVED).

3 § 3011. DECLARATION OF POLICY.

4 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IT IS THE POLICY
5 OF THIS COMMONWEALTH TO:

6 (1) STRIKE A BALANCE BETWEEN MANDATED DEPLOYMENT AND
7 MARKET-DRIVEN DEPLOYMENT OF BROADBAND FACILITIES AND ADVANCED
8 SERVICES THROUGHOUT THIS COMMONWEALTH AND TO CONTINUE
9 ALTERNATIVE REGULATION OF LOCAL EXCHANGE TELECOMMUNICATIONS
10 COMPANIES.

11 (2) MAINTAIN UNIVERSAL TELECOMMUNICATIONS SERVICE AT
12 AFFORDABLE RATES WHILE ENCOURAGING THE ACCELERATED PROVISION
13 OF ADVANCED SERVICES AND DEPLOYMENT OF A UNIVERSALLY
14 AVAILABLE, STATE-OF-THE-ART, INTERACTIVE BROADBAND
15 TELECOMMUNICATIONS NETWORK IN RURAL, SUBURBAN AND URBAN
16 AREAS, INCLUDING DEPLOYMENT OF BROADBAND FACILITIES IN OR
17 ADJACENT TO PUBLIC RIGHTS-OF-WAY ABUTTING PUBLIC SCHOOLS,
18 INCLUDING THE ADMINISTRATIVE OFFICES SUPPORTING PUBLIC
19 SCHOOLS, INDUSTRIAL PARKS AND HEALTH CARE FACILITIES.

20 (3) ENSURE THAT CUSTOMERS PAY ONLY REASONABLE CHARGES
21 FOR PROTECTED SERVICES, WHICH SHALL BE AVAILABLE ON A
22 NONDISCRIMINATORY BASIS.

23 (4) ENSURE THAT RATES FOR PROTECTED SERVICES DO NOT
24 SUBSIDIZE THE COMPETITIVE VENTURES OF TELECOMMUNICATIONS
25 CARRIERS.

26 (5) PROVIDE DIVERSITY IN THE SUPPLY OF EXISTING AND
27 FUTURE TELECOMMUNICATIONS SERVICES AND PRODUCTS IN
28 TELECOMMUNICATIONS MARKETS THROUGHOUT THIS COMMONWEALTH BY
29 ENSURING THAT RATES, TERMS AND CONDITIONS FOR PROTECTED
30 SERVICES ARE REASONABLE AND DO NOT IMPEDE THE DEVELOPMENT OF

1 COMPETITION.

2 (6) ENSURE THE EFFICIENT DELIVERY OF TECHNOLOGICAL
3 ADVANCES AND NEW SERVICES THROUGHOUT THIS COMMONWEALTH IN
4 ORDER TO IMPROVE THE QUALITY OF LIFE FOR ALL COMMONWEALTH
5 RESIDENTS.

6 (7) ENCOURAGE THE PROVISION OF TELECOMMUNICATIONS
7 PRODUCTS AND SERVICES THAT ENHANCE THE QUALITY OF LIFE OF
8 PEOPLE WITH DISABILITIES.

9 (8) PROMOTE AND ENCOURAGE THE PROVISION OF COMPETITIVE
10 SERVICES BY A VARIETY OF SERVICE PROVIDERS ON EQUAL TERMS
11 THROUGHOUT ALL GEOGRAPHIC AREAS OF THIS COMMONWEALTH WITHOUT
12 JEOPARDIZING THE PROVISION OF UNIVERSAL TELECOMMUNICATIONS
13 SERVICE AT AFFORDABLE RATES.

14 (9) ENCOURAGE THE COMPETITIVE SUPPLY OF ANY SERVICE IN
15 ANY REGION WHERE THERE IS MARKET DEMAND.

16 (10) ENCOURAGE JOINT VENTURES BETWEEN LOCAL EXCHANGE
17 TELECOMMUNICATIONS COMPANIES AND OTHER ENTITIES WHERE SUCH
18 JOINT VENTURES ACCELERATE, IMPROVE OR OTHERWISE ASSIST A
19 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY IN IMPLEMENTING ITS
20 NETWORK MODERNIZATION PLAN.

21 (11) ESTABLISH A BONA FIDE RETAIL REQUEST PROGRAM TO
22 AGGREGATE AND MAKE ADVANCED SERVICES AVAILABLE IN AREAS WHERE
23 SUFFICIENT MARKET DEMAND EXISTS AND TO SUPPLEMENT EXISTING
24 NETWORK MODERNIZATION PLANS.

25 (12) PROMOTE AND ENCOURAGE THE PROVISION OF ADVANCED
26 SERVICES AND BROADBAND DEPLOYMENT IN THE SERVICE TERRITORIES
27 OF LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES WITHOUT
28 JEOPARDIZING THE PROVISION OF UNIVERSAL SERVICE.

29 (13) RECOGNIZE THAT THE REGULATORY OBLIGATIONS IMPOSED
30 UPON THE INCUMBENT LOCAL EXCHANGE TELECOMMUNICATIONS

1 COMPANIES SHOULD BE REDUCED TO LEVELS MORE CONSISTENT WITH
2 THOSE IMPOSED UPON COMPETING ALTERNATIVE SERVICE PROVIDERS.
3 § 3012. DEFINITIONS.

4 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
5 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
6 CONTEXT CLEARLY INDICATES OTHERWISE:

7 "ADVANCED SERVICE." A RETAIL TELECOMMUNICATIONS SERVICE
8 THAT, REGARDLESS OF TRANSMISSION MEDIUM OR TECHNOLOGY, IS
9 CAPABLE OF SUPPORTING A MINIMUM SPEED OF 200 KILOBITS PER SECOND
10 (KBPS) IN AT LEAST ONE DIRECTION AT THE NETWORK DEMARCATION
11 POINT OF THE CUSTOMER'S PREMISES.

12 "AGGREGATOR TELEPHONE." A TELEPHONE WHICH IS MADE AVAILABLE
13 TO THE TRANSIENT PUBLIC, CUSTOMERS OR PATRONS, INCLUDING, BUT
14 NOT LIMITED TO, COIN TELEPHONES, CREDIT CARD TELEPHONES AND
15 TELEPHONES LOCATED IN HOTELS, MOTELS, HOSPITALS AND
16 UNIVERSITIES.

17 "ALTERNATIVE FORM OF REGULATION." A FORM OF REGULATION OF
18 TELECOMMUNICATIONS SERVICES OTHER THAN THE TRADITIONAL RATE BASE
19 OR RATE OF RETURN REGULATION, INCLUDING A STREAMLINED FORM OF
20 REGULATION, AS APPROVED BY THE COMMISSION.

21 "ALTERNATIVE SERVICE PROVIDER." AN ENTITY THAT PROVIDES
22 TELECOMMUNICATIONS SERVICES IN COMPETITION WITH A LOCAL EXCHANGE
23 TELECOMMUNICATIONS COMPANY.

24 "BONA FIDE RETAIL REQUEST." A WRITTEN REQUEST FOR SERVICE
25 WHICH MEETS THE REQUIREMENTS OF SECTION 3014(C)(1) (RELATING TO
26 NETWORK MODERNIZATION PLANS), IS RECEIVED BY A LOCAL EXCHANGE
27 TELECOMMUNICATIONS COMPANY, AND THROUGH WHICH END USERS COMMIT
28 TO SUBSCRIBE TO AN ADVANCED SERVICE.

29 "BONA FIDE RETAIL REQUEST PROGRAM." A PROGRAM ESTABLISHED BY
30 A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY PURSUANT TO SECTION

1 3014(C) (RELATING TO NETWORK MODERNIZATION PLANS).

2 "BROADBAND." A COMMUNICATION CHANNEL USING ANY TECHNOLOGY
3 AND HAVING A BANDWIDTH EQUAL TO OR GREATER THAN 1.544 MEGABITS
4 PER SECOND (MBPS) IN THE DOWNSTREAM DIRECTION AND EQUAL TO OR
5 GREATER THAN 128 KILOBITS PER SECOND (KBPS) IN THE UPSTREAM
6 DIRECTION.

7 "BROADBAND AVAILABILITY." ACCESS TO BROADBAND SERVICE BY A
8 RETAIL TELEPHONE CUSTOMER OF A LOCAL EXCHANGE TELECOMMUNICATIONS
9 COMPANY.

10 "BROADBAND OUTREACH AND AGGREGATION PROGRAM." A PROGRAM
11 ESTABLISHED BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC
12 DEVELOPMENT PURSUANT TO SECTION 3014(I) (RELATING TO NETWORK
13 MODERNIZATION PLANS).

14 "BUSINESS ATTRACTION OR RETENTION PROGRAM." A PROGRAM
15 ESTABLISHED BY A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
16 PURSUANT TO SECTION 3014(D) (RELATING TO NETWORK MODERNIZATION
17 PLANS).

18 "CENTRAL OFFICE." A LOCAL EXCHANGE TELECOMMUNICATIONS
19 COMPANY SWITCH USED TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS
20 SERVICE.

21 "COMMUNITY." THOSE CUSTOMERS OF A LOCAL EXCHANGE
22 TELECOMMUNICATIONS COMPANY SERVED BY AN EXISTING OR PLANNED
23 REMOTE TERMINAL OR, WHERE NO REMOTE TERMINAL EXISTS OR IS
24 PLANNED, A CENTRAL OFFICE SWITCH.

25 "COMPETITIVE SERVICE." A SERVICE OR BUSINESS ACTIVITY
26 DETERMINED TO BE COMPETITIVE BY THE COMMISSION ON OR PRIOR TO
27 DECEMBER 31, 2003, AND A SERVICE OR BUSINESS ACTIVITY DETERMINED
28 OR DECLARED TO BE COMPETITIVE PURSUANT TO SECTION 3016 (RELATING
29 TO COMPETITIVE SERVICES).

30 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC

1 DEVELOPMENT OF THE COMMONWEALTH.

2 "EDUCATION TECHNOLOGY FUND" OR "E-FUND." THE FUND
3 ESTABLISHED UNDER SECTION 3015(D) (RELATING TO ALTERNATIVE FORMS
4 OF REGULATION).

5 "EDUCATION TECHNOLOGY PROGRAM." THE PROGRAM ESTABLISHED BY
6 THE DEPARTMENT OF EDUCATION PURSUANT TO SECTION 3014(J)
7 (RELATING TO NETWORK MODERNIZATION PLANS).

8 "ELIGIBLE TELECOMMUNICATIONS CARRIER." A CARRIER DESIGNATED
9 BY THE PENNSYLVANIA PUBLIC UTILITY COMMISSION PURSUANT TO 47 CFR
10 54.201 (RELATING TO DEFINITION OF ELIGIBLE TELECOMMUNICATIONS
11 CARRIERS, GENERALLY) OR SUCCESSOR REGULATION, AS ELIGIBLE TO
12 RECEIVE SUPPORT FROM THE FEDERAL UNIVERSAL SERVICE FUND.

13 "ELIGIBLE TELECOMMUNICATIONS CUSTOMER." A CUSTOMER OF AN
14 ELIGIBLE TELECOMMUNICATIONS CARRIER WHO QUALIFIES FOR LIFELINE
15 SERVICE DISCOUNTS PURSUANT TO THE REQUIREMENTS OF 47 CFR 54.409
16 (RELATING TO CONSUMER QUALIFICATION FOR LIFELINE) OR SUCCESSOR
17 REGULATION.

18 "FUND." THE BROADBAND OUTREACH AND AGGREGATION FUND
19 ESTABLISHED UNDER SECTION 3015(C) (RELATING TO ALTERNATIVE FORMS
20 OF REGULATION).

21 "GROSS DOMESTIC PRODUCT PRICE INDEX" OR "GDP-PI." THE GROSS
22 DOMESTIC PRODUCT FIXED WEIGHT PRICE INDEX AS CALCULATED BY THE
23 UNITED STATES DEPARTMENT OF COMMERCE OR A SUCCESSOR PRICE INDEX.

24 "HEALTH CARE FACILITY." THE TERM SHALL HAVE THE SAME MEANING
25 GIVEN TO IT IN THE ACT OF JULY 19, 1979 (P.L.130, NO.48), KNOWN
26 AS THE HEALTH CARE FACILITIES ACT.

27 "INDUSTRIAL DEVELOPMENT AGENCY." AN INDUSTRIAL DEVELOPMENT
28 AGENCY UNDER THE ACT OF MAY 17, 1956 (1955 P.L.1609, NO.537),
29 KNOWN AS THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY ACT,
30 THAT HAS BEEN CERTIFIED BY THE PENNSYLVANIA INDUSTRIAL

1 DEVELOPMENT AUTHORITY UNDER SECTION 5.2 OF THAT ACT.

2 "INFLATION OFFSET." THE PART OF THE PRICE CHANGE FORMULA IN
3 THE PRICE STABILITY MECHANISM THAT REFLECTS AN OFFSET TO THE
4 GROSS DOMESTIC PRODUCT PRICE INDEX OR SUCCESSOR PRICE INDEX.

5 "INTEREXCHANGE SERVICES." THE TRANSMISSION OF INTERLATA OR
6 INTRALATA TOLL MESSAGES OR DATA OUTSIDE THE LOCAL CALLING AREA.

7 "INTEREXCHANGE TELECOMMUNICATIONS CARRIER." A CARRIER OTHER
8 THAN A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY AUTHORIZED BY
9 THE COMMISSION TO PROVIDE INTEREXCHANGE SERVICES.

10 "LIFELINE SERVICE." A DISCOUNTED RATE LOCAL SERVICE
11 OFFERING, AS DEFINED IN 47 CFR 54.401 (RELATING TO LIFELINE
12 DEFINED) OR SUCCESSOR REGULATION, BUT EXCLUDING ANY OFFERING
13 FUNDED IN PART BY FEDERAL UNIVERSAL SERVICE FUND TIER THREE
14 FUNDING UNDER 47 CFR 54.403 (RELATING TO LIFELINE SUPPORT
15 AMOUNT) OR SUCCESSOR REGULATION.

16 "LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY." AN INCUMBENT
17 CARRIER AUTHORIZED BY THE COMMISSION TO PROVIDE LOCAL EXCHANGE
18 TELECOMMUNICATIONS SERVICES. THE TERM INCLUDES A RURAL
19 TELECOMMUNICATIONS CARRIER AND A NONRURAL TELECOMMUNICATIONS
20 CARRIER.

21 "LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE." THE
22 TRANSMISSION OF MESSAGES OR COMMUNICATIONS THAT ORIGINATE AND
23 TERMINATE WITHIN A PRESCRIBED LOCAL CALLING AREA.

24 "NETWORK MODERNIZATION PLAN." A PLAN FOR THE DEPLOYMENT OF
25 BROADBAND SERVICE BY A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
26 UNDER THIS CHAPTER OR ANY PRIOR LAW OF THIS COMMONWEALTH.

27 "NONCOMPETITIVE SERVICE." A REGULATED TELECOMMUNICATIONS
28 SERVICE OR BUSINESS ACTIVITY THAT HAS NOT BEEN DETERMINED OR
29 DECLARED TO BE COMPETITIVE.

30 "NONPROTECTED SERVICE." ANY TELECOMMUNICATIONS SERVICE

1 PROVIDED BY A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY THAT IS
2 NOT A PROTECTED SERVICE.

3 "NONRURAL TELECOMMUNICATIONS CARRIER." A LOCAL EXCHANGE
4 TELECOMMUNICATIONS COMPANY THAT IS NOT A RURAL TELEPHONE COMPANY
5 AS DEFINED IN SECTION 3 OF THE TELECOMMUNICATIONS ACT OF 1996
6 (PUBLIC LAW 104-104, 110 STAT. 56).

7 "OPTIONAL CALLING PLAN." A DISCOUNTED TOLL PLAN OFFERED BY
8 EITHER A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY OR AN
9 INTEREXCHANGE TELECOMMUNICATIONS CARRIER.

10 "POLITICAL SUBDIVISION." ANY COUNTY, CITY, BOROUGH,
11 INCORPORATED TOWN, TOWNSHIP, MUNICIPALITY, MUNICIPAL AUTHORITY
12 OR COUNTY INSTITUTION DISTRICT.

13 "PRICE STABILITY MECHANISM." A FORMULA WHICH MAY BE INCLUDED
14 IN A COMMISSION-APPROVED ALTERNATIVE FORM OF REGULATION PLAN
15 THAT PERMITS RATES FOR NONCOMPETITIVE SERVICES TO BE ADJUSTED
16 UPWARD OR DOWNWARD.

17 "PROTECTED SERVICE." THE FOLLOWING TELECOMMUNICATIONS
18 SERVICES PROVIDED BY A LOCAL EXCHANGE TELECOMMUNICATIONS
19 COMPANY, UNLESS THE COMMISSION HAS DETERMINED THE SERVICE TO BE
20 COMPETITIVE:

21 (1) SERVICE PROVIDED TO RESIDENTIAL CONSUMERS OR
22 BUSINESS CONSUMERS THAT IS NECESSARY TO ORIGINATE COMPLETE A <—
23 LOCAL EXCHANGE CALL.

24 (2) TOUCH-TONE SERVICE.

25 (3) SWITCHED ACCESS SERVICE.

26 (4) SPECIAL ACCESS SERVICE.

27 (5) ORDERING, INSTALLATION, RESTORATION AND
28 DISCONNECTION OF THESE SERVICES.

29 "REMOTE TERMINAL." A STRUCTURE LOCATED OUTSIDE OF A CENTRAL
30 OFFICE WHICH HOUSES ELECTRONIC EQUIPMENT AND WHICH PROVIDES

1 TRANSPORT FOR TELECOMMUNICATIONS SERVICES TO AND FROM A CENTRAL
2 OFFICE.

3 "RURAL TELECOMMUNICATIONS CARRIER." A LOCAL EXCHANGE
4 TELECOMMUNICATIONS COMPANY THAT IS A RURAL TELEPHONE COMPANY AS
5 DEFINED IN SECTION 3 OF THE TELECOMMUNICATIONS ACT OF 1996
6 (PUBLIC LAW 104-104, 110 STAT. 56).

7 "SCHOOL ENTITY." AN INTERMEDIATE UNIT, SCHOOL DISTRICT,
8 JOINT SCHOOL DISTRICT, AREA VOCATIONAL-TECHNICAL SCHOOL,
9 INDEPENDENT SCHOOL, LICENSED PRIVATE ACADEMIC SCHOOL, ACCREDITED
10 SCHOOL AND ANY OTHER PUBLIC OR NONPUBLIC SCHOOL SERVING STUDENTS
11 IN ANY GRADE FROM KINDERGARTEN THROUGH 12TH GRADE.

12 "SPECIAL ACCESS SERVICE." SERVICE PROVIDED OVER DEDICATED,
13 NONSWITCHED FACILITIES BY LOCAL EXCHANGE TELECOMMUNICATIONS
14 COMPANIES TO INTEREXCHANGE TELECOMMUNICATIONS CARRIERS OR OTHER
15 LARGE VOLUME USERS WHICH ~~PROVIDE~~ PROVIDES CONNECTION BETWEEN AN ←
16 INTEREXCHANGE TELECOMMUNICATIONS CARRIER OR PRIVATE NETWORK AND
17 A CUSTOMER'S PREMISES.

18 "SWITCHED ACCESS SERVICE." A SERVICE WHICH PROVIDES FOR THE
19 USE OF COMMON TERMINATING, SWITCHING AND TRUNKING FACILITIES OF
20 A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY'S PUBLIC SWITCHED
21 NETWORK. THE TERM INCLUDES, BUT IS NOT LIMITED TO, THE RATES FOR
22 LOCAL SWITCHING, COMMON AND DEDICATED TRANSPORT AND THE CARRIER
23 CHARGE.

24 "TELECOMMUNICATIONS ACT OF 1996." THE TELECOMMUNICATIONS ACT
25 OF 1996 (PUBLIC LAW 104-104, 110 STAT. 56).

26 "TELECOMMUNICATIONS CARRIER." AN ENTITY THAT PROVIDES
27 TELECOMMUNICATIONS SERVICES SUBJECT TO THE JURISDICTION OF THE
28 COMMISSION.

29 "TELECOMMUNICATIONS SERVICE." THE OFFERING OF THE
30 TRANSMISSION OF MESSAGES OR COMMUNICATIONS FOR A FEE TO THE

1 PUBLIC.

2 "UNIVERSAL BROADBAND AVAILABILITY." ACCESS TO BROADBAND
3 SERVICE BY EACH TELEPHONE CUSTOMER OF A LOCAL EXCHANGE
4 TELECOMMUNICATIONS COMPANY.

5 ~~"VOICE OVER INTERNET PROTOCOL APPLICATION." THE USE OF~~ <—
6 ~~SOFTWARE, HARDWARE OR NETWORK EQUIPMENT FOR REAL TIME TWO WAY OR~~
7 ~~MULTIDIRECTIONAL VOICE COMMUNICATIONS OVER THE PUBLIC INTERNET~~
8 ~~OR A PRIVATE NETWORK UTILIZING INTERNET PROTOCOL, OR ANY~~
9 ~~SUCCESSOR PROTOCOL, IN WHOLE OR IN PART, TO CONNECT USERS~~
10 ~~NOTWITHSTANDING THE FOLLOWING:~~

11 ~~(1) THE UNDERLYING TRANSMISSION TECHNOLOGY USED TO~~
12 ~~TRANSMIT THE COMMUNICATIONS.~~

13 ~~(2) WHETHER THE PACKETIZING AND DEPACKETIZING OF THE~~
14 ~~COMMUNICATIONS OCCURS AT THE CUSTOMER PREMISES OR NETWORK~~
15 ~~LEVEL.~~

16 ~~(3) THE SOFTWARE, HARDWARE OR NETWORK EQUIPMENT USED TO~~
17 ~~CONNECT USERS.~~

18 ~~THE TERM DOES NOT INCLUDE AN APPLICATION THAT IS USED FOR VOICE~~
19 ~~COMMUNICATIONS THAT BOTH ORIGINATE AND TERMINATE ON THE PUBLIC~~
20 ~~SWITCHED TELEPHONE NETWORK.~~

21 § 3013. CONTINUATION OF COMMISSION-APPROVED ALTERNATIVE
22 REGULATION AND NETWORK MODERNIZATION PLANS.

23 (A) GENERAL RULE.--AN ALTERNATIVE FORM OF REGULATION PLAN
24 AND NETWORK MODERNIZATION PLAN APPROVED BY THE COMMISSION FOR A
25 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY AS OF DECEMBER 31,
26 2003, SHALL REMAIN VALID AND EFFECTIVE, EXCEPT AS MAY BE AMENDED
27 AT THE ELECTION OF THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
28 AS AUTHORIZED BY THIS CHAPTER. THE COMMISSION SHALL ALLOW A
29 PREVIOUSLY APPROVED PLAN TO BE AMENDED TO CONFORM TO ANY CHANGES
30 MADE UNDER THIS CHAPTER, AND SHALL NOT REQUIRE ANY OTHER CHANGES

1 TO THE PLAN.

2 (B) LIMITATION ON CHANGES TO PLANS.--EXCEPT FOR CHANGES TO
3 EXISTING ALTERNATIVE FORM OF REGULATION AND NETWORK
4 MODERNIZATION PLANS AS AUTHORIZED BY THIS CHAPTER, NO CHANGE TO
5 ANY ALTERNATIVE FORM OF REGULATION OR NETWORK MODERNIZATION PLAN
6 MAY BE MADE WITHOUT THE EXPRESS AGREEMENT OF BOTH THE COMMISSION
7 AND THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY.

8 (C) GRANDFATHER PROVISION.--ALL SERVICES PREVIOUSLY
9 DETERMINED TO BE COMPETITIVE AS OF DECEMBER 31, 2003, SHALL
10 REMAIN COMPETITIVE SERVICES UNLESS RECLASSIFIED BY THE
11 COMMISSION UNDER SECTION 3016(C) (RELATING TO COMPETITIVE
12 SERVICES.)

13 (D) COMMISSION OVERSIGHT.--THE COMMISSION WILL CONTINUE TO
14 EXERCISE OVERSIGHT OF ALTERNATIVE FORM OF REGULATION AND NETWORK
15 MODERNIZATION PLANS FOR LOCAL EXCHANGE TELECOMMUNICATIONS
16 COMPANIES AS PROVIDED IN THIS CHAPTER.

17 § 3014. NETWORK MODERNIZATION PLANS.

18 (A) CONTINUATION OF APPROVED PLAN.--A LOCAL EXCHANGE
19 TELECOMMUNICATIONS COMPANY THAT DOES NOT ELECT AN OPTION UNDER
20 SUBSECTION (B) SHALL REMAIN SUBJECT TO ITS NETWORK MODERNIZATION
21 PLAN IN EFFECT AS OF DECEMBER 31, 2003, WITHOUT REVISION OR
22 MODIFICATION EXCEPT BY AGREEMENT UNDER SECTION 3013(B) (RELATING
23 TO CONTINUATION OF COMMISSION-APPROVED ALTERNATIVE REGULATION
24 AND NETWORK MODERNIZATION PLANS) AND AS PROVIDED IN THIS
25 SECTION, THROUGH DECEMBER 31, 2015.

26 (B) OPTIONS FOR AMENDMENT OF NETWORK MODERNIZATION PLAN.--
27 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES SHALL HAVE THE
28 FOLLOWING OPTIONS:

29 (1) (I) A RURAL TELECOMMUNICATIONS CARRIER THAT ELECTS
30 TO AMEND ITS NETWORK MODERNIZATION PLAN PURSUANT TO THIS

1 SUBSECTION SHALL REMAIN SUBJECT TO THE CARRIER'S NETWORK
2 MODERNIZATION PLAN IN EFFECT AS OF DECEMBER 31, 2003, AS
3 AMENDED PURSUANT TO THIS SUBSECTION, THROUGH DECEMBER 31,
4 2008. PRIOR TO IMPLEMENTATION OF SUCH ELECTION, THE RURAL
5 TELECOMMUNICATIONS CARRIER SHALL COMPLY WITH THE
6 NOTIFICATION REQUIREMENTS OF SUBSECTION (E).

7 (II) THE RURAL TELECOMMUNICATIONS CARRIER SHALL
8 COMMIT TO ACCELERATE 100% BROADBAND AVAILABILITY BY
9 DECEMBER 31, 2008, IN ITS AMENDED NETWORK MODERNIZATION
10 PLAN. ANY RURAL TELECOMMUNICATIONS CARRIER ELECTING THIS
11 OPTION SHALL NOT BE REQUIRED TO OFFER A BONA FIDE RETAIL
12 REQUEST PROGRAM OR A BUSINESS ATTRACTION OR RETENTION
13 PROGRAM.

14 (2) (I) A RURAL TELECOMMUNICATIONS CARRIER THAT ELECTS
15 TO AMEND ITS NETWORK MODERNIZATION PLAN PURSUANT TO THIS
16 SUBSECTION SHALL REMAIN SUBJECT TO THE CARRIER'S NETWORK
17 MODERNIZATION PLAN IN EFFECT AS OF DECEMBER 31, 2003, AS
18 AMENDED PURSUANT TO THIS SUBSECTION, THROUGH DECEMBER 31,
19 2013 OR DECEMBER 31, 2015, AS APPLICABLE. PRIOR TO
20 IMPLEMENTATION OF SUCH ELECTION, THE RURAL
21 TELECOMMUNICATIONS CARRIER SHALL COMPLY WITH THE
22 NOTIFICATION REQUIREMENTS OF SUBSECTION (E).

23 (II) THE RURAL TELECOMMUNICATIONS CARRIER SHALL
24 COMMIT:

25 (A) TO ACCELERATE BROADBAND AVAILABILITY TO AT
26 LEAST 80% OF ITS TOTAL RETAIL ACCESS LINES IN ITS
27 DISTRIBUTION NETWORK BY DECEMBER 31, 2010, AND 100%
28 OF ITS TOTAL RETAIL ACCESS LINES IN ITS DISTRIBUTION
29 NETWORK BY DECEMBER 31, 2013; OR

30 (B) TO ACCELERATE BROADBAND AVAILABILITY TO AT

1 LEAST 80% OF ITS TOTAL RETAIL ACCESS LINES IN ITS
2 DISTRIBUTION NETWORK BY DECEMBER 31, 2010, AND 100%
3 OF ITS TOTAL RETAIL ACCESS LINES IN ITS DISTRIBUTION
4 NETWORK BY DECEMBER 31, 2015; AND

5 (C) TO OFFER A BONA FIDE RETAIL REQUEST PROGRAM
6 AND A BUSINESS ATTRACTION OR RETENTION PROGRAM
7 PURSUANT TO SUBSECTIONS (C) AND (D). UNDER NO
8 CIRCUMSTANCES MAY THE RURAL TELECOMMUNICATIONS
9 CARRIER REDUCE ITS EXISTING BROADBAND AVAILABILITY
10 COMMITMENT.

11 (3) (I) A NONRURAL ~~LOCAL EXCHANGE~~ TELECOMMUNICATIONS <—
12 CARRIER THAT ELECTS TO AMEND ITS NETWORK MODERNIZATION
13 PLAN PURSUANT TO THIS SUBSECTION SHALL REMAIN SUBJECT TO
14 SUCH CARRIER'S NETWORK MODERNIZATION PLAN IN EFFECT AS OF
15 DECEMBER 31, 2003, AS AMENDED PURSUANT TO THIS
16 SUBSECTION, INCLUDING MEETING ITS 100% BROADBAND
17 AVAILABILITY COMMITMENT. PRIOR TO IMPLEMENTATION OF SUCH
18 ELECTION, THE NONRURAL ~~LOCAL EXCHANGE~~ TELECOMMUNICATIONS <—
19 CARRIER SHALL COMPLY WITH THE NOTIFICATION REQUIREMENTS
20 OF SUBSECTION (E).

21 (II) THE NONRURAL ~~LOCAL EXCHANGE~~ TELECOMMUNICATIONS <—
22 CARRIER SHALL COMMIT:

23 (A) TO PROVIDE BROADBAND AVAILABILITY TO 100% OF
24 ITS TOTAL RETAIL ACCESS LINES IN ITS DISTRIBUTION
25 NETWORK BY DECEMBER 31, 2013 OR DECEMBER 31, 2015;
26 AND

27 (B) TO OFFER A BONA FIDE RETAIL REQUEST PROGRAM
28 AND A BUSINESS ATTRACTION OR RETENTION PROGRAM
29 PURSUANT TO SUBSECTIONS (C) AND (D). UNDER NO
30 CIRCUMSTANCES MAY SUCH NONRURAL ~~LOCAL EXCHANGE~~ <—

1 TELECOMMUNICATIONS CARRIER REDUCE ITS EXISTING
2 BROADBAND AVAILABILITY COMMITMENT.

3 (4) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY THAT
4 ELECTS UNDER PARAGRAPH (1), (2) OR (3) SHALL ALSO COMMIT TO
5 UNIVERSAL BROADBAND DEPLOYMENT IN OR ADJACENT TO PUBLIC
6 RIGHTS-OF-WAY ABUTTING ALL PUBLIC SCHOOLS, INCLUDING THE
7 ADMINISTRATION OFFICES SUPPORTING PUBLIC SCHOOLS, INDUSTRIAL
8 PARKS AND HEALTH CARE FACILITIES IN ITS SERVICE TERRITORY ON
9 OR BEFORE DECEMBER 31, 2005, EXCEPT THAT A LOCAL EXCHANGE
10 TELECOMMUNICATIONS COMPANY SERVING MORE THAN TEN EXCHANGES IN
11 THIS COMMONWEALTH MAY ELECT TO EXTEND THIS COMMITMENT FROM
12 DECEMBER 31, 2005, TO DECEMBER 31, 2006, FOR ANY EXCHANGE
13 WITH LESS THAN 4,000 ACCESS LINES.

14 (5) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY THAT
15 ELECTS UNDER PARAGRAPH (1), (2) OR (3) MAY AMEND ITS NETWORK
16 MODERNIZATION PLAN TO EXTEND THE PERIOD OF TIME WITHIN WHICH
17 BROADBAND SERVICE MUST BE MADE AVAILABLE TO A CUSTOMER TO UP
18 TO TEN BUSINESS DAYS AFTER THE CUSTOMER'S REQUEST FOR
19 BROADBAND SERVICE.

20 (6) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
21 OPERATING UNDER AN AMENDED NETWORK MODERNIZATION PLAN MAY
22 SUBSEQUENTLY PETITION THE COMMISSION FOR APPROVAL OF FURTHER
23 MODIFICATION OF ITS AMENDED NETWORK MODERNIZATION PLAN, WHICH
24 THE COMMISSION MAY GRANT UPON GOOD CAUSE SHOWN.

25 (7) A RURAL TELECOMMUNICATIONS CARRIER SERVING LESS THAN ←
26 50,000 ACCESS LINES IN THIS COMMONWEALTH MAKING AN ELECTION
27 PURSUANT TO PARAGRAPH (1) AND FILING ITS AMENDED NETWORK
28 MODERNIZATION PLAN WITH THE COMMISSION PURSUANT TO SUBSECTION
29 (D) SHALL BE GRANTED BY THE COMMISSION A SUSPENSION OF
30 SECTION 251(C)(2), (3), (4), (5) AND (6) OBLIGATIONS UNDER

1 THE TELECOMMUNICATIONS ACT OF 1996. THIS SUSPENSION OF
2 OBLIGATIONS SHALL EXPIRE DECEMBER 31, 2008, UNLESS EXTENDED
3 BY THE COMMISSION. SHOULD THE COMMISSION, FOLLOWING A
4 HEARING, DETERMINE THAT THE RURAL TELECOMMUNICATIONS CARRIER
5 HAS FAILED TO TIMELY MEET ITS COMMITMENTS PURSUANT TO THIS
6 PARAGRAPH, THE SUSPENSION OF OBLIGATIONS SHALL EXPIRE UPON
7 ENTRY OF THE COMMISSION ORDER MAKING SUCH DETERMINATION.
8 EXPIRATION OF THE SUSPENSION OF OBLIGATIONS SHALL NOT IMPACT
9 THE RURAL TELEPHONE COMPANY EXEMPTION OF THE RURAL
10 TELECOMMUNICATIONS CARRIER UNDER SECTION 251(F)(1) OF THE
11 TELECOMMUNICATIONS ACT OF 1996.

12 ~~(7)~~ (8) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY MAY ←
13 ACCELERATE ITS BROADBAND AVAILABILITY COMMITMENT BY ELECTING
14 AN ADDITIONAL OPTION PURSUANT TO PARAGRAPH (1), (2) OR (3),
15 AS APPLICABLE, AT A LATER DATE. THE LOCAL EXCHANGE
16 TELECOMMUNICATIONS COMPANY SHALL BE SUBJECT TO THE APPLICABLE
17 MODIFIED INFLATION OFFSET IN ITS PRICE STABILITY MECHANISM AS
18 SET FORTH IN SECTION 3015(A)(1) (RELATING TO ALTERNATIVE
19 FORMS OF REGULATION), EFFECTIVE UPON THE FILING OF AN AMENDED
20 NETWORK MODERNIZATION PLAN UNDER SUBSECTION (E).

21 (C) BONA FIDE RETAIL REQUEST PROGRAM.--A LOCAL EXCHANGE
22 TELECOMMUNICATIONS COMPANY THAT ELECTS TO AMEND ITS NETWORK
23 MODERNIZATION PLAN PURSUANT TO SUBSECTION (B)(2) OR (3) SHALL NO
24 LATER THAN 90 DAYS AFTER THE EFFECTIVE DATE OF ITS AMENDED PLAN
25 IMPLEMENT A BONA FIDE RETAIL REQUEST PROGRAM IN AREAS WHERE IT
26 DOES NOT PROVIDE BROADBAND. NOT LATER THAN 30 DAYS IN ADVANCE OF
27 PROGRAM IMPLEMENTATION, THE LOCAL EXCHANGE TELECOMMUNICATIONS
28 COMPANY SHALL FILE WITH THE COMMISSION AND PROVIDE THE
29 DEPARTMENT WITH A WRITTEN DESCRIPTION OF THE PROGRAM, A SAMPLE
30 REQUEST FOR ADVANCED SERVICES FORM FOR USE IN THE PROGRAM AND

1 THE FORM OF ANY ADVANCED SERVICES TERM SUBSCRIPTION AGREEMENTS
2 CUSTOMERS WILL BE REQUIRED TO EXECUTE IN CONNECTION WITH
3 RECEIVING THE REQUESTED SERVICES. A BONA FIDE RETAIL REQUEST
4 PROGRAM SHALL CONSIST OF THE FOLLOWING:

5 (1) ANY PERSON, BUSINESS, INDUSTRIAL DEVELOPMENT AGENCY
6 OR OTHER ENTITY SEEKING ADVANCED SERVICES PURSUANT TO A BONA
7 FIDE RETAIL REQUEST PROGRAM SHALL SUBMIT A WRITTEN REQUEST
8 FOR SUCH SERVICES TO THE LOCAL EXCHANGE TELECOMMUNICATIONS
9 COMPANY OR TO THE DEPARTMENT IN ACCORDANCE WITH SUBSECTION
10 (D). THE WRITTEN REQUEST MAY BE IN THE FORM OF A PETITION
11 WHICH INCLUDES THE INFORMATION REQUIRED BY PARAGRAPH (2), OR
12 IN THE FORM PROVIDED BY THE DEPARTMENT UNDER SUBSECTION (D)
13 WHICH INCLUDES THE INFORMATION REQUIRED BY PARAGRAPH (2), OR
14 IN THE FORM OF INDIVIDUAL REQUESTS EACH OF WHICH INCLUDES THE
15 INFORMATION REQUIRED BY PARAGRAPH (2). IF INDIVIDUAL REQUESTS
16 ARE RECEIVED, THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
17 SHALL AGGREGATE REQUESTS FOR THE SAME SERVICE AND INITIATE
18 APPROPRIATE ACTION PURSUANT TO THIS SUBSECTION WHEN THE
19 REQUIRED NUMBER OF REQUESTS HAVE BEEN RECEIVED.

20 (2) TO BE CONSIDERED A BONA FIDE RETAIL REQUEST, THE
21 WRITTEN REQUEST MUST INCLUDE:

22 (1) A REQUEST THAT A MINIMUM OF 50 RETAIL ACCESS
23 LINES, OR 25% OF RETAIL ACCESS LINES WITHIN A COMMUNITY,
24 WHICHEVER IS LESS, EACH BE PROVIDED THE SAME ADVANCED
25 SERVICE OR COMPARABLE ADVANCED SERVICES HAVING A
26 BANDWIDTH WITHIN 100 KILOBITS PER SECOND (KBPS) OF EACH
27 OTHER. NOTWITHSTANDING THE FOREGOING COMPARABLE BANDWIDTH
28 LIMITATION, WHERE A REQUEST INCLUDES INDIVIDUAL CUSTOMER
29 REQUESTS FOR ADVANCED SERVICES HAVING EQUAL TO OR LESS
30 THAN 1.544 MEGABITS PER SECOND (MBPS) BANDWIDTH IN THE

1 DOWNSTREAM DIRECTION, ALL LINES IN THE REQUEST SHALL BE
2 COUNTED IN MEETING THE MINIMUM LINE REQUIREMENT OF THIS
3 SUBPARAGRAPH;

4 (II) THE NAME, ADDRESS, TELEPHONE NUMBER AND
5 SIGNATURE OF EACH EXISTING RETAIL CUSTOMER REQUESTING THE
6 ADVANCED SERVICE, THE ADVANCED SERVICE BEING REQUESTED
7 AND THE NUMBER OF ACCESS LINES FOR WHICH THE ADVANCED
8 SERVICE IS BEING REQUESTED;

9 (III) THE NAME, ADDRESS AND TELEPHONE NUMBER OF A
10 DESIGNATED CONTACT PERSON, WHERE THE REQUEST IS MADE BY
11 OR ON BEHALF OF MORE THAN ONE PERSON OR BUSINESS; AND

12 (IV) A COMMITMENT BY EACH CUSTOMER WHO SIGNS THE
13 REQUEST TO SUBSCRIBE TO THE REQUESTED SERVICE FOR ONE
14 YEAR, SUBJECT TO THE LOCAL EXCHANGE TELECOMMUNICATIONS
15 COMPANY'S IDENTIFICATION OF THE PRICE AND TERMS OF THE
16 SERVICE AND THE CUSTOMER'S AGREEMENT TO THE PRICE AND
17 TERMS.

18 (3) IN ADMINISTERING THE BONA FIDE RETAIL REQUEST
19 PROGRAM, THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY SHALL:

20 (I) ESTABLISH AN INTERNET WEBSITE AND TOLL-FREE
21 TELEPHONE NUMBER TO ADDRESS CUSTOMER INQUIRIES REGARDING
22 THE PROGRAM;

23 (II) MAIL A REQUEST FORM TO A CUSTOMER UPON REQUEST;

24 (III) CONFIRM ITS RECEIPT OF ANY COMPLETED REQUEST
25 IN WRITING TO THE CUSTOMER AND IDENTIFY THE SERVICE
26 REQUESTED;

27 (IV) AS PART OF THE WRITTEN CONFIRMATION, IF
28 AVAILABLE, OR IN A SUBSEQUENT WRITTEN COMMUNICATION TO
29 THE CUSTOMER, PROVIDE THE CUSTOMER THE APPLICABLE RATE,
30 THE CONTRACT TERM, THE STATUS OF THE REQUEST AND A TERM

1 SUBSCRIPTION AGREEMENT FOR EXECUTION; AND

2 (V) NOTIFY THE CUSTOMERS IN A COMMUNITY, WITHIN 30
3 DAYS OF RECEIPT OF A BONA FIDE REQUEST, OF THE EXPECTED
4 DATE OF THE AVAILABILITY OF THE REQUESTERS' SERVICE.

5 (4) WHEN A BONA FIDE RETAIL REQUEST HAS BEEN RECEIVED
6 THAT MEETS THE REQUIREMENTS OF PARAGRAPH (2), THE LOCAL
7 EXCHANGE TELECOMMUNICATIONS COMPANY SHALL PROVIDE THE
8 REQUESTED ADVANCED SERVICE, OR OTHER REASONABLY COMPARABLE
9 SERVICE HAVING A BANDWIDTH WITHIN 100 KILOBITS PER SECOND
10 (KBPS) OF THE REQUESTED SERVICE, TO THE COMMUNITY AS SOON AS
11 PRACTICABLE, BUT IN NO EVENT LATER THAN 365 DAYS OF THE DATE
12 THE REQUIREMENTS OF PARAGRAPH (2) HAVE BEEN MET OR WITHIN THE
13 PERIOD APPROVED BY THE COMMISSION UNDER PARAGRAPH (5) OR (6)

14 WHERE:

15 (I) THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
16 PROVIDES THE REQUESTED ADVANCED SERVICE TO OTHER
17 CUSTOMERS IN ITS SERVICE TERRITORY;

18 (II) NO SERVICE IS AVAILABLE TO THE REQUESTING
19 CUSTOMERS FROM AN ALTERNATIVE SERVICE PROVIDER AT OR
20 WITHIN 100 KILOBITS PER SECOND (KBPS) OF THE DATA SPEED
21 REQUESTED OR SUCH SERVICE IS AVAILABLE AT A PRICE THAT
22 EXCEEDS THE THEN CURRENT PRICE OFFERED BY THE LOCAL
23 EXCHANGE TELECOMMUNICATIONS COMPANY BY MORE THAN 50%;

24 (III) THE COMMUNITY IS SITUATED WITHIN THE SERVICE
25 TERRITORY OF THE LOCAL EXCHANGE TELECOMMUNICATIONS
26 COMPANY; AND

27 (IV) THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
28 DOES NOT HAVE TO PROVIDE FIBER TO THE CUSTOMER'S PREMISES
29 TO FURNISH THE REQUESTED ADVANCED SERVICE.

30 (5) WHERE, AS A RESULT OF PROPERTY ACQUISITION,

1 INCLUDING ACQUIRING RIGHTS-OF-WAY, OR NEW CONSTRUCTION A
2 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY IS UNABLE TO
3 PROVIDE THE REQUESTED ADVANCED SERVICE WITHIN THE ONE-YEAR
4 PERIOD SET FORTH IN PARAGRAPH (4), THE COMPANY MAY PETITION
5 THE COMMISSION FOR AN EXTENSION OF UP TO SIX MONTHS, WITH
6 SERVICE UPON THE CUSTOMER OR CUSTOMERS WHO MADE THE BONA FIDE
7 RETAIL REQUEST AND THE DEPARTMENT IF THE DEPARTMENT SUBMITTED
8 THE REQUEST ON BEHALF OF THE CUSTOMER OR CUSTOMERS. THE
9 COMMISSION MAY DELEGATE ITS AUTHORITY TO RULE ON SUCH
10 PETITIONS TO A BUREAU DIRECTOR OR OTHER APPROPRIATE EMPLOYEE
11 WHO SHALL GRANT THE PETITION FOR GOOD CAUSE SHOWN.

12 (6) WHERE THE TOTAL NUMBER OF BONA FIDE RETAIL REQUESTS
13 RECEIVED BY ANY LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY OR
14 AFFILIATED COMPANIES THAT MEET THE REQUIREMENTS OF PARAGRAPHS
15 (2) AND (4) EXCEED 40 REQUESTS IN ANY 12-MONTH PERIOD, OR
16 WHERE THERE ARE MORE THAN 20 SUCH REQUESTS THAT REQUIRE
17 PROPERTY ACQUISITION, INCLUDING ACQUIRING RIGHTS-OF-WAY, OR
18 NEW CONSTRUCTION IN ANY 12-MONTH PERIOD, THE LOCAL EXCHANGE
19 TELECOMMUNICATIONS COMPANY OR COMPANIES MAY PROVIDE A
20 VERIFIED CERTIFICATION TO THE COMMISSION THAT ONE OR BOTH OF
21 THE PREVIOUSLY STATED CRITERIA ARE MET, WITH SERVICE UPON THE ←
22 CUSTOMER OR CUSTOMERS WHO MADE THE ADDITIONAL REQUESTS AND
23 UPON THE DEPARTMENT IF THE DEPARTMENT SUBMITTED ANY SUCH
24 REQUESTS. UPON RECEIPT OF THE CERTIFICATION, THE COMMISSION,
25 OR THE COMMISSION THROUGH ITS DESIGNATED STAFF, SHALL PERMIT
26 THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY OR COMPANIES TO
27 EXTEND THE TIME FOR SUCH DEPLOYMENTS FOR A PERIOD OF NO MORE
28 THAN 12 MONTHS UNLESS THE COMMISSION DETERMINES AN ADDITIONAL
29 TIME PERIOD TO BE JUST AND REASONABLE. IF A DEPLOYMENT IS
30 EXTENDED, IT SHALL BE COUNTED IN DETERMINING THE MAXIMUM

1 NUMBER OF DEPLOYMENTS PROVIDED FOR UNDER THIS SUBSECTION IN
2 ANY 12-MONTH PERIOD COVERING THE MONTH TO WHICH IT IS
3 EXTENDED.

4 (7) NO ADVANCED SERVICE REQUESTED AND DEPLOYED BY A
5 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY UNDER THE BONA FIDE
6 RETAIL REQUEST PROGRAM WHICH HAS A BANDWIDTH OF LESS THAN
7 1.544 MEGABITS PER SECOND (MBPS) IN THE DOWNSTREAM DIRECTION
8 SHALL BE COUNTED AS A CREDIT TOWARD THE LOCAL EXCHANGE
9 TELECOMMUNICATIONS COMPANY'S BROADBAND DEPLOYMENT OBLIGATION
10 UNDER ITS NETWORK MODERNIZATION PLAN AMENDED PURSUANT TO
11 SUBSECTION (B)(2) OR (3).

12 (8) WITH REGARD TO REQUESTS SUBMITTED UNDER THIS
13 SUBSECTION, A RETAIL CUSTOMER MAY CHALLENGE THE ACTION OF A
14 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY PURSUANT TO SECTION
15 701 (RELATING TO COMPLAINTS).

16 (9) LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES WITH
17 BONA FIDE RETAIL REQUEST PROGRAMS SHALL PROVIDE SEMIANNUAL
18 REPORTS TO THE COMMISSION AND THE DEPARTMENT OF THE NUMBER OF
19 REQUESTS FOR ADVANCED SERVICES RECEIVED DURING THE REPORTING
20 PERIOD BY EXCHANGE OR DENSITY CELL AND THE ACTION TAKEN ON
21 REQUESTS MEETING THE REQUIREMENTS OF THIS SUBSECTION.

22 (10) A LOCAL EXCHANGE TELECOMMUNICATION COMPANY'S BONA
23 FIDE RETAIL REQUEST PROGRAM ESTABLISHED UNDER THIS SUBSECTION
24 SHALL CONTINUE THROUGH DECEMBER 31, 2015, OR SUCH EARLIER
25 DATE AS THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
26 ACHIEVES 100% BROADBAND AVAILABILITY THROUGHOUT ITS SERVICE
27 TERRITORY.

28 (11) IN ADDITION TO ADJUDICATING ANY COMPLAINTS BROUGHT
29 BY CUSTOMERS UNDER PARAGRAPH (8), THE COMMISSION SHALL
30 MONITOR AND ENFORCE THE COMPLIANCE OF PARTICIPATING LOCAL

<—

1 EXCHANGE TELECOMMUNICATIONS COMPANIES WITH THEIR OBLIGATIONS
2 UNDER THIS SUBSECTION.

3 (D) BUSINESS ATTRACTION OR RETENTION PROGRAM.--

4 (1) NOT LATER THAN 90 DAYS AFTER AMENDING ITS NETWORK
5 MODERNIZATION PLAN UNDER SUBSECTION (B)(2) OR (3), THE LOCAL
6 EXCHANGE TELECOMMUNICATIONS COMPANY SHALL ESTABLISH A
7 BUSINESS ATTRACTION OR RETENTION PROGRAM TO AGGREGATE
8 CUSTOMER DEMAND WHERE NECESSARY AND FACILITATE THE DEPLOYMENT
9 OF ADVANCED SERVICES TO QUALIFYING BUSINESSES WHICH THE
10 DEPARTMENT SEEKS TO ATTRACT TO OR RETAIN IN THIS COMMONWEALTH
11 AND WHICH SUBMIT REQUESTS FOR SUCH SERVICES THROUGH THE
12 DEPARTMENT.

13 (2) THE DEPARTMENT SHALL WORK WITH INDUSTRIAL
14 DEVELOPMENT AGENCIES AND OTHER ECONOMIC DEVELOPMENT ENTITIES
15 IN THIS COMMONWEALTH TO AGGREGATE BUSINESS CUSTOMER DEMAND
16 WHERE NECESSARY AND SOLICIT THE SUBMISSION OF REQUESTS FOR
17 ADVANCED SERVICES THROUGH THE DEPARTMENT TO PARTICIPATING
18 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES, GIVING PRIORITY
19 ATTENTION TO BUSINESSES THAT THE DEPARTMENT WISHES TO ATTRACT
20 TO OR RETAIN IN KEYSTONE OPPORTUNITY ZONES, KEYSTONE
21 OPPORTUNITY EXPANSION ZONES, KEYSTONE OPPORTUNITY IMPROVEMENT
22 ZONES, ENTERPRISE ZONES AND OTHER AREAS IDENTIFIED BY THE
23 DEPARTMENT AS LACKING ADEQUATE ADVANCED SERVICES ACCESS TO
24 PROMOTE ECONOMIC DEVELOPMENT.

25 (3) EACH LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY WHICH
26 AMENDS ITS NETWORK MODERNIZATION PLAN UNDER SUBSECTION (B)(2)
27 OR (3) NOT LATER THAN 90 DAYS AFTER THE EFFECTIVE DATE OF ITS
28 AMENDED PLAN SHALL DESIGNATE A SINGLE POINT OF CONTACT TO
29 RECEIVE ALL WRITTEN ADVANCED SERVICES REQUESTS FORWARDED BY
30 THE DEPARTMENT, PROVIDE ASSOCIATED CONTACT INFORMATION TO THE

1 DEPARTMENT AND PROVIDE THE DEPARTMENT AND THE COMMISSION WITH
2 A WRITTEN DESCRIPTION OF ITS PARTICIPATION IN THE PROGRAM AND
3 A SAMPLE REQUEST FOR ADVANCED SERVICES FORM FOR USE IN THE
4 PROGRAM.

5 (4) BUSINESSES, WHICH ALONE OR COLLECTIVELY QUALIFY TO
6 SUBMIT A BONA FIDE RETAIL REQUEST, MAY SUBMIT WRITTEN
7 REQUESTS FOR ADVANCED SERVICES TO THE DEPARTMENT. THE
8 DEPARTMENT SHALL FORWARD EACH REQUEST TO THE LOCAL EXCHANGE
9 TELECOMMUNICATIONS COMPANY'S SINGLE POINT OF CONTACT. THE
10 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY SHALL DETERMINE
11 WHETHER THE REQUEST CAN BETTER BE PROCESSED AS A DEPARTMENT-
12 ORIGINATED BONA FIDE RETAIL REQUEST OR, IF IT DEEMS THE
13 DEMAND LARGE OR VARIED ENOUGH, AS A MAJOR ADVANCED SERVICES
14 ORDER THAT SHOULD BE PROCESSED OUTSIDE OF THE BONA FIDE
15 RETAIL REQUEST PROGRAM. THE SINGLE POINT OF CONTACT SHALL
16 ADVISE THE DEPARTMENT AND THE QUALIFYING BUSINESS OR
17 BUSINESSES OF THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY'S
18 DECISION.

19 (5) QUALIFYING BUSINESS OR BUSINESSES' REQUESTS FOR
20 ADVANCED SERVICES SUBMITTED BY THE DEPARTMENT THAT ARE
21 PROVISIONED THROUGH THE BONA FIDE RETAIL REQUEST PROGRAM
22 SHALL BE PROCESSED IN ACCORDANCE WITH SUBSECTION (C) AND
23 SHALL BE ALLOCATED 50% OF THE MAXIMUM NUMBER OF ANNUAL
24 DEPLOYMENTS REFERENCED IN SUBSECTION (C)(6). OTHER REQUESTS
25 SHALL BE ALLOCATED 50% OF THE NUMBER OF SUCH DEPLOYMENTS,
26 PROVIDED, HOWEVER, THAT ANY ALLOCATED DEPLOYMENTS THAT ARE
27 UNUSED MAY BE UTILIZED BY THE DEPARTMENT OR NONDEPARTMENT
28 APPLICANTS, AS APPLICABLE.

29 (6) FOR QUALIFYING BUSINESS OR BUSINESSES WHOSE REQUEST
30 FOR ADVANCED SERVICES IS DETERMINED TO BE BETTER PROCESSED

1 OUTSIDE OF THE BONA FIDE RETAIL REQUEST PROGRAM, THE LOCAL
2 EXCHANGE TELECOMMUNICATIONS COMPANY SHALL MAKE A PROPOSAL TO
3 THE REQUESTING BUSINESS OR BUSINESSES TO PROVIDE THE
4 REQUESTED ADVANCED SERVICE OR SERVICES, AND SUBSEQUENTLY
5 SHALL PROVISION SUCH SERVICE OR SERVICES WITHIN ONE YEAR
6 AFTER THE BUSINESS OR BUSINESSES SIGN A CONTRACT FOR THE
7 SERVICE OR SERVICES, UNLESS THE BUSINESS OR BUSINESSES AGREE
8 TO A LONGER PERIOD, OR THE LOCAL EXCHANGE TELECOMMUNICATIONS
9 COMPANY OBTAINS COMMISSION APPROVAL OF AN EXTENSION UNDER THE
10 SAME PROCEDURE SET FORTH IN SUBSECTION (C)(5).

11 (7) NO ADVANCED SERVICE REQUESTED AND DEPLOYED BY A
12 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY UNDER THE BUSINESS
13 ATTRACTION OR RETENTION PROGRAM WHICH HAS A BANDWIDTH OF LESS
14 THAN 1.544 MEGABITS PER SECOND (MBPS) IN THE DOWNSTREAM
15 DIRECTION SHALL BE COUNTED AS A CREDIT TOWARD THE LOCAL
16 EXCHANGE TELECOMMUNICATION COMPANY'S BROADBAND DEPLOYMENT
17 OBLIGATION UNDER ITS NETWORK MODERNIZATION PLAN AMENDED UNDER
18 SUBSECTION (B)(2) OR (3).

19 (8) EACH LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY,
20 WHICH IS REQUIRED TO PARTICIPATE IN THE DEPARTMENT'S BUSINESS
21 ATTRACTION OR RETENTION PROGRAM, SHALL CONTINUE ITS
22 PARTICIPATION THROUGH DECEMBER 31, 2015, OR SUCH EARLIER DATE
23 AS IT ACHIEVES 100% BROADBAND AVAILABILITY THROUGHOUT ITS
24 SERVICE TERRITORY.

25 (9) THE DEPARTMENT SHALL OVERSEE LOCAL EXCHANGE
26 TELECOMMUNICATIONS COMPANY PARTICIPATION IN THE BUSINESS
27 ATTRACTION OR RETENTION PROGRAM, INCLUDING THE TIMELY
28 COMPLETION OF QUALIFYING ADVANCED SERVICES REQUESTS SUBMITTED
29 THROUGH THE DEPARTMENT, WHICH ARE PROCESSED WITHIN OR OUTSIDE
30 OF THE PARTICIPATING LOCAL EXCHANGE TELECOMMUNICATIONS

1 COMPANIES' BONA FIDE RETAIL REQUEST PROGRAMS.

2 (10) THE COMMISSION SHALL MONITOR AND ENFORCE THE
3 COMPLIANCE OF PARTICIPATING LOCAL EXCHANGE TELECOMMUNICATIONS
4 COMPANIES WITH THEIR OBLIGATIONS UNDER THE BUSINESS
5 ATTRACTION OR RETENTION PROGRAM.

6 (E) NOTICE OF FILING OF AMENDMENTS.--A LOCAL EXCHANGE
7 TELECOMMUNICATIONS COMPANY THAT ELECTS TO AMEND ITS NETWORK
8 MODERNIZATION PLAN UNDER SUBSECTION (B) SHALL NOTIFY THE
9 COMMISSION IN WRITING OF SUCH ELECTION AND, WITHIN 60 DAYS
10 FOLLOWING SUCH NOTIFICATION, FILE ITS AMENDED NETWORK
11 MODERNIZATION PLAN WITH THE COMMISSION. COPIES OF THE WRITTEN
12 NOTICE OF ELECTION AND OF THE AMENDED NETWORK MODERNIZATION PLAN
13 SHALL BE SERVED BY THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
14 ON THE OFFICE OF CONSUMER ADVOCATE AND THE OFFICE OF SMALL
15 BUSINESS ADVOCATE. CONCURRENT WITH THE FILING OF THE AMENDED
16 PLAN WITH THE COMMISSION, THE LOCAL EXCHANGE TELECOMMUNICATIONS
17 COMPANY SHALL PUBLISH NOTICE OF SUCH FILING IN A NEWSPAPER OR
18 NEWSPAPERS OF GENERAL CIRCULATION IN ITS SERVICE TERRITORY OR BY
19 BILL MESSAGE OR INSERT. THE AMENDED NETWORK MODERNIZATION PLAN
20 SHALL BECOME EFFECTIVE UPON FILING WITH THE COMMISSION.

21 (F) NETWORK MODERNIZATION PLAN REPORT.--

22 (1) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
23 OPERATING UNDER A NETWORK MODERNIZATION PLAN SHALL CONTINUE
24 TO FILE WITH THE COMMISSION, BIENNIAL REPORTS ON ITS
25 PROVISION OF BROADBAND AVAILABILITY IN THE FORM AND DETAIL
26 REQUIRED BY THE COMMISSION AS OF JULY 1, 2004, UNLESS SUCH
27 REPORTING REQUIREMENTS ARE SUBSEQUENTLY REDUCED BY THE
28 COMMISSION.

29 (2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
30 IMPEDE THE ABILITY OF THE COMMISSION TO REQUIRE THE

1 SUBMISSION OF FURTHER INFORMATION TO SUPPORT THE ACCURACY OF
2 OR TO SEEK AN EXPLANATION OF THE REPORTS SPECIFIED IN THIS
3 SUBSECTION.

4 (3) UNDER NO CIRCUMSTANCES SHALL THE COMMISSION COMPEL
5 THE PUBLIC RELEASE OF MAPS OR OTHER INFORMATION DESCRIBING
6 THE ACTUAL LOCATION OF A LOCAL EXCHANGE COMMUNICATIONS ←
7 TELECOMMUNICATIONS COMPANY'S FACILITIES. ←

8 (G) ASSISTANCE TO POLITICAL SUBDIVISIONS.--A LOCAL EXCHANGE
9 TELECOMMUNICATIONS COMPANY SHALL COMMIT, IN ITS AMENDED NETWORK
10 MODERNIZATION PLAN, TO MAKE TECHNICAL ASSISTANCE AVAILABLE TO
11 POLITICAL SUBDIVISIONS LOCATED IN ITS SERVICE TERRITORY IN
12 PURSUING THE DEPLOYMENT OF ADDITIONAL TELECOMMUNICATIONS
13 INFRASTRUCTURE OR SERVICES BY THE LOCAL EXCHANGE
14 TELECOMMUNICATIONS COMPANY.

15 (H) PROHIBITION AGAINST POLITICAL SUBDIVISION ADVANCED AND
16 BROADBAND SERVICES DEPLOYMENT.--

17 (1) EXCEPT AS OTHERWISE PROVIDED FOR UNDER PARAGRAPH
18 (2), A POLITICAL SUBDIVISION OR ANY ENTITY ESTABLISHED BY A
19 POLITICAL SUBDIVISION MAY NOT PROVIDE TO THE PUBLIC FOR
20 COMPENSATION ANY TELECOMMUNICATIONS SERVICES, INCLUDING
21 ADVANCED AND BROADBAND SERVICES, WITHIN THE SERVICE TERRITORY
22 OF A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY OPERATING
23 UNDER A NETWORK MODERNIZATION PLAN.

24 (2) A POLITICAL SUBDIVISION MAY OFFER ADVANCED OR
25 BROADBAND SERVICES IF THE POLITICAL SUBDIVISION HAS SUBMITTED
26 A WRITTEN REQUEST FOR THE DEPLOYMENT OF SUCH SERVICE TO THE
27 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY SERVING THE AREA
28 AND, WITHIN TWO MONTHS OF RECEIPT OF THE REQUEST, THE LOCAL
29 EXCHANGE TELECOMMUNICATIONS COMPANY OR ONE OF ITS AFFILIATES
30 HAS NOT AGREED TO PROVIDE THE DATA SPEEDS REQUESTED. IF THE

1 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY OR ONE OF ITS
2 AFFILIATES AGREES TO PROVIDE THE DATA SPEEDS REQUESTED, THEN
3 IT MUST DO SO WITHIN 14 MONTHS OF RECEIPT OF THE REQUEST.

4 (3) THE PROHIBITION IN PARAGRAPH (1) SHALL NOT BE
5 CONSTRUED TO PRECLUDE THE CONTINUED PROVISION OR OFFERING OF
6 TELECOMMUNICATIONS SERVICES BY A POLITICAL SUBDIVISION OF THE
7 SAME TYPE AND SCOPE AS WERE BEING PROVIDED ON THE EFFECTIVE
8 DATE OF THIS SECTION.

9 (I) BROADBAND OUTREACH AND AGGREGATION PROGRAM.--

10 (1) THE DEPARTMENT SHALL ESTABLISH A BROADBAND OUTREACH
11 AND AGGREGATION PROGRAM FOR THE PURPOSE OF MAKING
12 EXPENDITURES AND PROVIDING GRANTS FROM THE BROADBAND OUTREACH
13 AND AGGREGATION FUND ESTABLISHED UNDER SECTION 3015(C)
14 (RELATING TO ALTERNATIVE FORMS OF REGULATION) FOR:

15 (I) OUTREACH PROGRAMS FOR POLITICAL SUBDIVISIONS,
16 ECONOMIC DEVELOPMENT ENTITIES, SCHOOLS, HEALTH CARE
17 FACILITIES, BUSINESSES AND RESIDENTIAL CUSTOMERS
18 CONCERNING THE BENEFITS, USE AND PROCUREMENT OF BROADBAND
19 SERVICES; AND

20 (II) SEED GRANTS TO AGGREGATE CUSTOMER DEMAND FOR
21 BROADBAND SERVICES IN COMMUNITIES OR POLITICAL
22 SUBDIVISIONS WITH LIMITED ACCESS TO SUCH SERVICES AND
23 PERMIT CUSTOMERS IN SUCH COMMUNITIES OR POLITICAL
24 SUBDIVISIONS TO REQUEST SUCH SERVICES FROM A
25 TELECOMMUNICATIONS PROVIDER.

26 (2) THE DEPARTMENT SHALL ANNUALLY REPORT TO THE
27 COMMISSION ON ALL PAYMENTS TO AND EXPENDITURES FROM THE
28 BROADBAND OUTREACH AND AGGREGATION FUND AND THE COMMISSION
29 SHALL VERIFY THE ACCURACY OF THE CONTRIBUTIONS FROM THE
30 PARTICIPATING LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES.

1 (J) EDUCATION TECHNOLOGY PROGRAM.--

2 (1) THE DEPARTMENT OF EDUCATION SHALL ESTABLISH AN
3 EDUCATION TECHNOLOGY PROGRAM FOR THE PURPOSE OF PROVIDING
4 GRANTS TO SCHOOL ENTITIES FROM THE EDUCATION TECHNOLOGY FUND
5 (E-FUND) ESTABLISHED UNDER SECTION 3015(D).

6 (2) THE DEPARTMENT OF EDUCATION SHALL AUTHORIZE GRANTS
7 FROM THE E-FUND FOR THE FOLLOWING PURPOSES:

8 (I) PURCHASE OR LEASE OF TELECOMMUNICATIONS
9 SERVICES, INFRASTRUCTURE OR FACILITIES TO ESTABLISH AND
10 SUPPORT BROADBAND NETWORKS BETWEEN, AMONG AND WITHIN
11 SCHOOL ENTITIES AND NOT FOR THE PROVISION OF
12 TELECOMMUNICATIONS SERVICES TO THE PUBLIC FOR
13 COMPENSATION.

14 (II) PURCHASE OR LEASE OF PREMISES
15 TELECOMMUNICATIONS NETWORK EQUIPMENT AND END-USER
16 EQUIPMENT TO ENABLE THE EFFECTIVE USE OF BROADBAND
17 NETWORKS BETWEEN, AMONG AND WITHIN SCHOOL ENTITIES AND
18 NOT FOR THE PROVISION OF TELECOMMUNICATIONS SERVICES TO
19 THE PUBLIC FOR COMPENSATION.

20 (III) DISTANCE LEARNING INITIATIVES THAT USE THE
21 FOREGOING BROADBAND NETWORKS.

22 (IV) TECHNICAL SUPPORT SERVICES FOR THE ACTIVITIES
23 DESCRIBED IN SUBPARAGRAPHS (I) THROUGH (III).

24 (3) EACH APPLICANT SCHOOL ENTITY SHALL BE REQUIRED TO
25 PROVIDE 100% MATCHING FUNDS TO SUPPORT EACH E-FUND GRANT
26 REQUEST. FUNDS RECEIVED FROM FEDERAL TECHNOLOGY PROGRAMS SUCH
27 AS THE UNIVERSAL SERVICE SUPPORT MECHANISM FOR SCHOOLS AND
28 LIBRARIES SET FORTH IN 47 CFR PT. 54 (RELATING TO UNIVERSAL
29 SERVICE OR SUCCESSOR REGULATIONS) AND ANY OTHER TECHNOLOGY
30 EXPENDITURES SHALL BE APPLIED TOWARD THE MATCHING FUND

1 REQUIREMENT.

2 (4) NO LATER THAN 90 DAYS AFTER THE EFFECTIVE DATE OF
3 THIS SECTION, THE DEPARTMENT OF EDUCATION SHALL PRESCRIBE THE
4 GRANT PROCESS AND THE FORM AND MANNER OF THE E-FUND
5 APPLICATION. GRANTS SHALL BE LIMITED TO THE FUNDS AVAILABLE
6 IN THE EDUCATION TECHNOLOGY FUND. IN AWARDING GRANTS, THE
7 DEPARTMENT OF EDUCATION SHALL GIVE PRIORITY TO APPLICATIONS:

8 (I) THAT ARE SUBMITTED BY SCHOOL ENTITIES THAT SEEK
9 FUNDS FOR DISCOUNTED BROADBAND SERVICES UNDER SUBSECTION
10 (L) OR FOR BROADBAND INFRASTRUCTURE, FACILITIES OR
11 EQUIPMENT FROM LOCAL EXCHANGE TELECOMMUNICATIONS
12 COMPANIES WHICH CONTRIBUTE TO THE E-FUND;

13 (II) THAT SEEK FUNDS FOR REGIONAL NETWORKS THAT
14 SERVE MULTIPLE SCHOOL DISTRICTS WHICH ARE FILED ON BEHALF
15 OF MULTIPLE SCHOOL DISTRICTS AND SCHOOL ENTITIES; OR

16 (III) THAT SEEK FUNDS FOR TELECOMMUNICATIONS
17 SERVICES, INFRASTRUCTURE OR FACILITIES THAT PROVIDE
18 BROADBAND BANDWIDTHS OF GREATER THAN 1.544 MEGABITS PER
19 SECOND (MBPS).

20 (K) BALANCED DEPLOYMENT.--A LOCAL EXCHANGE
21 TELECOMMUNICATIONS COMPANY SHALL REASONABLY BALANCE DEPLOYMENT
22 OF ITS BROADBAND NETWORK BETWEEN RURAL, URBAN AND SUBURBAN AREAS
23 WITHIN ITS SERVICE TERRITORY, AS THOSE AREAS ARE APPLICABLE, IN
24 ACCORDANCE WITH ITS APPROVED NETWORK MODERNIZATION PLAN.

25 (L) BROADBAND DISCOUNTS TO SCHOOLS.--EACH LOCAL EXCHANGE
26 TELECOMMUNICATIONS COMPANY THAT ELECTS TO AMEND ITS NETWORK
27 MODERNIZATION PLAN PURSUANT TO THIS SECTION:

28 (1) SHALL OFFER SCHOOL CUSTOMERS WHICH MEET THE
29 ELIGIBILITY STANDARDS DESCRIBED IN 47 CFR 54.501 (RELATING TO
30 ELIGIBILITY FOR SERVICES PROVIDED BY TELECOMMUNICATIONS

1 CARRIERS) AND WHICH AGREE TO ENTER INTO A MINIMUM THREE-YEAR
2 CONTRACT, A 30% DISCOUNT, OR GREATER DISCOUNT AT THE LOCAL
3 EXCHANGE TELECOMMUNICATIONS COMPANY'S DISCRETION, IN THE
4 OTHERWISE APPLICABLE TARIFFED DISTANCE SENSITIVE PER-MILE
5 RATE ELEMENT AND ALSO WILL WAIVE THE ASSOCIATED NONRECURRING
6 CHARGES FOR AVAILABLE INTRASTATE BROADBAND SERVICES WHERE
7 USED FOR EDUCATIONAL PURPOSES AND NOT FOR THE PROVISION OF
8 TELECOMMUNICATIONS SERVICES TO THE PUBLIC FOR COMPENSATION.
9 THE DISCOUNT OR WAIVER SHALL NOT BE REQUIRED WHERE
10 APPLICATION OF IT TO A PARTICULAR SERVICE WOULD CONFLICT WITH
11 APPLICABLE LAW.

12 (2) WILL ASSIST SCHOOL CUSTOMERS IN APPLYING FOR E-RATE
13 FUNDING UNDER 47 CFR 54.505 (RELATING TO DISCOUNTS).

14 (M) INVENTORY OF AVAILABLE SERVICES.--

15 (1) THE DEPARTMENT SHALL COMPILE, PERIODICALLY UPDATE
16 AND PUBLISH, INCLUDING AT ITS INTERNET WEBSITE, A LISTING OF
17 ADVANCED AND BROADBAND SERVICES, BY GENERAL LOCATION,
18 AVAILABLE FROM ALL ADVANCED AND BROADBAND SERVICE PROVIDERS
19 OPERATING IN THIS COMMONWEALTH IRRESPECTIVE OF THE TECHNOLOGY
20 USED.

21 (2) ALL PROVIDERS OF ADVANCED AND BROADBAND SERVICES
22 SHALL COOPERATE WITH THE DEPARTMENT.

23 (3) THE DEPARTMENT MAY NOT DISCLOSE MAPS OR OTHER
24 INFORMATION DESCRIBING THE SPECIFIC LOCATION OF ANY
25 TELECOMMUNICATIONS CARRIER'S OR ALTERNATIVE SERVICE
26 PROVIDER'S FACILITIES.

27 (N) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE

28 CONSTRUED:

29 (1) AS GIVING THE COMMISSION THE AUTHORITY TO REQUIRE A
30 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY TO PROVIDE SPECIFIC

1 SERVICES OR TO DEPLOY A SPECIFIC TECHNOLOGY TO RETAIL
2 CUSTOMERS SEEKING BROADBAND OR ADVANCED SERVICES.

3 (2) AS PROHIBITING A LOCAL EXCHANGE TELECOMMUNICATIONS
4 COMPANY FROM PARTICIPATING IN JOINT VENTURES WITH OTHER
5 ENTITIES IN MEETING ITS ADVANCED SERVICES AND BROADBAND
6 DEPLOYMENT COMMITMENTS UNDER ITS NETWORK MODERNIZATION PLAN.

7 § 3015. ALTERNATIVE FORMS OF REGULATION.

8 (A) INFLATION OFFSET.--

9 (1) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPHS (2) AND
10 (3), A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY WITH AN
11 ALTERNATIVE FORM OF REGULATION CONTAINING A PRICE STABILITY
12 MECHANISM THAT FILES AN AMENDED NETWORK MODERNIZATION PLAN
13 UNDER SECTION 3014(B)(1), (2) OR (3) (RELATING TO NETWORK
14 MODERNIZATION PLANS) SHALL BE SUBJECT TO A MODIFIED INFLATION
15 OFFSET IN ITS PRICE STABILITY MECHANISM IN ADJUSTING ITS
16 RATES FOR NONCOMPETITIVE SERVICES, EFFECTIVE UPON THE FILING
17 OF AN AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION
18 3014(E), AS FOLLOWS:

19 (I) IF A NONRURAL TELECOMMUNICATIONS CARRIER FILES
20 AN AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION
21 3014(B)(3) THAT COMMITS TO DEPLOY 100% BROADBAND
22 AVAILABILITY BY DECEMBER 31, 2013, THEN THE CARRIER'S
23 INFLATION OFFSET SHALL BE ZERO.

24 (II) IF A NONRURAL TELECOMMUNICATIONS CARRIER FILES
25 AN AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION
26 3014(B)(3) THAT COMMITS TO DEPLOY 100% BROADBAND
27 AVAILABILITY BY DECEMBER 31, 2015, THEN THE CARRIER'S
28 INFLATION OFFSET SHALL BE EQUAL TO 0.5%.

29 (III) IF A RURAL TELECOMMUNICATIONS CARRIER FILES AN
30 AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION

1 3014(B)(1) THAT COMMITS TO DEPLOY 100% BROADBAND
2 AVAILABILITY BY DECEMBER 31, 2008, OR UNDER SECTION
3 3014(B)(2)(II)(A) THAT COMMITS TO DEPLOY 100% BROADBAND
4 AVAILABILITY BY DECEMBER 31, 2013, THEN THE CARRIER'S
5 INFLATION OFFSET SHALL BE ZERO.

6 (IV) IF A RURAL TELECOMMUNICATIONS CARRIER FILES AN
7 AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION
8 3014(B)(2)(II)(B) THAT COMMITS TO DEPLOY 100% BROADBAND
9 AVAILABILITY BY DECEMBER 31, 2015, THEN THE CARRIER'S
10 INFLATION OFFSET SHALL BE EQUAL TO 0.5%.

11 (2) IN THE EVENT THAT A LOCAL EXCHANGE
12 TELECOMMUNICATIONS COMPANY IS FOUND BY THE COMMISSION, AFTER
13 NOTICE AND EVIDENTIARY HEARINGS, TO HAVE FAILED TO MEET ITS
14 COMMITMENT FOR BROADBAND AVAILABILITY UNDER ITS AMENDED
15 NETWORK MODERNIZATION PLAN, THEN THE COMMISSION SHALL REQUIRE
16 THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY TO REFUND TO
17 CUSTOMERS IN ITS NEXT PRICE STABILITY FILING, AN AMOUNT THAT
18 IS JUST AND REASONABLE UNDER THE CIRCUMSTANCES, BUT NOT TO
19 EXCEED AN AMOUNT DETERMINED BY MULTIPLYING THE PERCENTAGE
20 SHORTFALL OF THE BROADBAND AVAILABILITY COMMITMENT ON AN
21 ACCESS LINE BASIS TIMES THE INCREASED REVENUE THAT WAS
22 OBTAINED AS A RESULT OF THE MODIFIED INFLATION OFFSET
23 PROVIDED IN THIS SECTION THAT REDUCED THE INFLATION OFFSET
24 APPLICABLE IN THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY'S
25 ALTERNATIVE REGULATION PLAN IN EFFECT ON THE EFFECTIVE DATE
26 OF THIS SECTION, PLUS INTEREST CALCULATED UNDER SECTION
27 1308(D) (RELATING TO VOLUNTARY CHANGES IN RATES).

28 (3) WHERE ANNUAL RATE ADJUSTMENTS MADE UNDER A NONRURAL
29 TELECOMMUNICATIONS CARRIER'S PRICE STABILITY MECHANISM ARE
30 CALCULATED USING ONLY REVENUES FROM PROTECTED SERVICES, AN

1 AVERAGE RATE ADJUSTMENT FOR PROTECTED RESIDENTIAL CUSTOMER
2 LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE LINES SHALL BE
3 DETERMINED BY DIVIDING THE TOTAL PROTECTED SERVICE REVENUES
4 ASSOCIATED WITH SUCH LINES, AS ADJUSTED BY THE PRICE
5 STABILITY FORMULA, BY THE NUMBER OF SUCH LINES, AND THE RATE
6 ADJUSTMENT FOR ANY INDIVIDUAL LINE SHALL NOT VARY FROM THIS
7 AVERAGE RATE ADJUSTMENT BY MORE THAN 20%.

8 (B) RATE CHANGES FOR RURAL TELECOMMUNICATIONS CARRIERS.--

9 (1) IN ADDITION TO THE RATE CHANGE PROVISIONS IN ITS
10 ALTERNATIVE FORM OF REGULATION PLAN, A RURAL
11 TELECOMMUNICATIONS CARRIER OPERATING WITHOUT A PRICE
12 STABILITY MECHANISM THAT FILES WITH THE COMMISSION AN AMENDED
13 NETWORK MODERNIZATION PLAN UNDER SECTION 3014(B)(1) OR (2)
14 SHALL BE PERMITTED AT ANY TIME TO FILE PROPOSED TARIFF
15 CHANGES WITH THE COMMISSION, EFFECTIVE 45 DAYS AFTER FILING,
16 SETTING FORTH MISCELLANEOUS CHANGES, INCLUDING INCREASES AND
17 DECREASES, IN RATES FOR NONCOMPETITIVE SERVICES, EXCLUDING
18 BASIC RESIDENTIAL AND BUSINESS RATES, PROVIDED SUCH RATE
19 CHANGES DO NOT INCREASE THE RURAL TELECOMMUNICATIONS
20 CARRIER'S ANNUAL INTRASTATE REVENUES BY MORE THAN 3%.

21 (2) THE COMMISSION TARIFF FILING REQUIREMENTS AND REVIEW
22 ASSOCIATED WITH SUCH PROPOSED RATE CHANGES SHALL BE LIMITED
23 TO SCHEDULES SUBMITTED BY THE RURAL TELECOMMUNICATIONS
24 CARRIER DETAILING THE IMPACT OF THE RATE CHANGES ON THE
25 CARRIER'S ANNUAL INTRASTATE REVENUES.

26 (3) A RURAL TELECOMMUNICATIONS CARRIER THAT IMPLEMENTS
27 NONCOMPETITIVE RATE CHANGES CONSISTENT WITH THE PROCEDURE SET
28 FORTH IN ITS ALTERNATIVE FORM OF REGULATION PLAN SHALL BE
29 REQUIRED ONLY TO FILE SUCH FINANCIAL AND COST DATA WITH THE
30 COMMISSION TO JUSTIFY SUCH CHANGES AS IS REQUIRED UNDER ITS

1 COMMISSION-APPROVED ALTERNATIVE FORM OF REGULATION PLAN.

2 (4) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1), (2)
3 OR (3), FOR ANY RURAL TELECOMMUNICATIONS CARRIER SERVING LESS
4 THAN 50,000 ACCESS LINES IN THIS COMMONWEALTH AND OPERATING
5 UNDER AN ALTERNATIVE FORM OF REGULATION PLAN, A FORMAL
6 COMPLAINT TO DENY RATE CHANGES FOR NONCOMPETITIVE SERVICES,
7 UNLESS SIGNED BY AT LEAST 20 CUSTOMERS OF THE RURAL
8 TELECOMMUNICATIONS CARRIER, SHALL NOT PREVENT IMPLEMENTATION
9 OF THE RATE CHANGES PENDING THE ADJUDICATION OF THE FORMAL
10 COMPLAINT BY THE COMMISSION.

11 (C) BROADBAND OUTREACH AND AGGREGATION FUND.--

12 (1) THERE IS HEREBY ESTABLISHED WITHIN THE STATE
13 TREASURY A SPECIAL FUND TO BE KNOWN AS THE BROADBAND OUTREACH
14 AND AGGREGATION FUND FOR THE PURPOSES ENUMERATED IN SECTION
15 3014(I).

16 (2) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY THAT
17 FILES AN AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION
18 3014(B)(2) OR (3) SHALL CONTRIBUTE TO THE FUND UP TO, BUT NOT
19 MORE THAN, 10% OF THE FIRST YEAR'S ANNUAL REVENUE EFFECT:

20 (I) OF ANY RATE INCREASE PERMITTED BY THE
21 ELIMINATION OR REDUCTION OF THE OFFSET UNDER SUBSECTION
22 (A) AND PLACED INTO EFFECT; OR

23 (II) OF ANY RATE INCREASE PLACED INTO EFFECT UNDER
24 SUBSECTION (B)(1), IF THE LOCAL EXCHANGE
25 TELECOMMUNICATIONS COMPANY IS OPERATING WITHOUT A PRICE
26 STABILITY MECHANISM.

27 (3) THE CONTRIBUTION SHALL BE PAYABLE IN EQUAL QUARTERLY
28 INSTALLMENTS AND CALCULATED ON PROJECTED INCREASED REVENUES
29 FOR THE FIRST YEAR OF THE RATE CHANGE. THE CONTRIBUTIONS
30 SHALL ALSO BE MADE IN CONNECTION WITH EACH SUBSEQUENT

1 NONCOMPETITIVE SERVICE RATE INCREASE UNTIL THE LOCAL EXCHANGE
2 TELECOMMUNICATIONS COMPANY ACHIEVES 100% BROADBAND
3 AVAILABILITY THROUGHOUT ITS SERVICE TERRITORY.

4 (4) IN NO EVENT SHALL THE TOTAL AMOUNT OF THE FUND
5 EXCEED \$5,000,000 ANNUALLY AND IN THE EVENT OF SUCH
6 OVERFUNDING, THE DEPARTMENT SHALL CREDIT THE OVERCOLLECTION
7 TO THE NEXT YEAR'S CONTRIBUTION AMOUNT.

8 (5) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY THAT
9 ELECTS TO AMEND ITS NETWORK MODERNIZATION PLAN PURSUANT TO
10 SECTION 3014 (B)(1) SHALL NOT BE REQUIRED TO CONTRIBUTE TO
11 THE FUND.

12 (6) THE MONEYS IN THE BROADBAND OUTREACH AND AGGREGATION
13 FUND ARE HEREBY APPROPRIATED, UPON APPROVAL OF THE GOVERNOR,
14 TO THE DEPARTMENT FOR THE PURPOSES ENUMERATED IN PARAGRAPH
15 (1). THE DEPARTMENT MAY USE UP TO 3% OF THE MONEY IN THE FUND
16 FOR ADMINISTRATION.

17 (7) THE FUND SHALL CONTINUE UNTIL JULY 1, 2016, AT WHICH
18 TIME THE FUND SHALL TERMINATE, AND THE DEPARTMENT SHALL
19 RETURN ANY FUNDS REMAINING IN THE FUND, ON A PRO RATA BASIS,
20 TO THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES THAT
21 CONTRIBUTED TO THE FUND.

22 (D) EDUCATION TECHNOLOGY FUND (E-FUND).--

23 (1) THERE IS HEREBY ESTABLISHED WITHIN THE STATE
24 TREASURY A SPECIAL FUND TO BE KNOWN AS THE EDUCATION
25 TECHNOLOGY FUND (E-FUND) FOR THE PURPOSES ENUMERATED IN
26 PARAGRAPH (4).

27 (2) ALL ASSESSMENTS COLLECTED BY THE COMMISSION UNDER
28 PARAGRAPH (3), MONEYS SPECIFICALLY APPROPRIATED BY THE
29 GENERAL ASSEMBLY FOR THE PURPOSES OF THIS SUBSECTION, AND ANY
30 FUNDS, CONTRIBUTIONS OR PAYMENTS WHICH MAY BE MADE AVAILABLE

1 TO THE FUND BY THE FEDERAL GOVERNMENT, ANOTHER STATE AGENCY
2 OR ANY PUBLIC OR PRIVATE SOURCE FOR THE PURPOSE OF
3 IMPLEMENTING THIS SUBSECTION SHALL BE DEPOSITED IN THE E-
4 FUND.

5 (3) BEGINNING IN 2005 AND CONTINUING THROUGH 2010, THE
6 COMMISSION SHALL, NO LATER THAN JUNE 30, ANNUALLY ASSESS EACH
7 NONRURAL TELECOMMUNICATIONS CARRIER THAT FILES AN AMENDED
8 NETWORK MODERNIZATION PLAN UNDER SECTION 3014(B)(3), AN
9 AMOUNT TO BE DEPOSITED IN THE E-FUND. EACH CARRIER'S ANNUAL
10 ASSESSMENT SHALL BE PAYABLE IN TWO EQUAL INSTALLMENTS DUE ON
11 OCTOBER 31 OF EACH YEAR, AND JANUARY 31 OF THE FOLLOWING
12 YEAR, AND SHALL BE BASED ON THE RELATIVE PROPORTION OF THE
13 RETAIL ACCESS LINES SERVED BY THE NONRURAL TELECOMMUNICATIONS
14 CARRIER IN RELATION TO THE NUMBER OF RETAIL ACCESS LINES
15 SERVED BY ALL NONRURAL TELECOMMUNICATIONS CARRIERS THAT HAVE
16 FILED AN AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION
17 3014(B)(3). A RURAL TELECOMMUNICATIONS CARRIER SHALL NOT BE
18 REQUIRED TO CONTRIBUTE TO THE E-FUND. FOR FISCAL YEARS 2005
19 AND 2006, THE TOTAL ANNUAL ASSESSMENT AMOUNT SHALL BE
20 \$7,000,000. FOR FISCAL YEARS 2007 THROUGH 2010, THE TOTAL
21 ANNUAL ASSESSMENT AMOUNT SHALL BE THE DIFFERENCE BETWEEN
22 \$7,000,000 AND ANY AMOUNT REMAINING IN THE E-FUND FROM PRIOR
23 FISCAL YEARS WHICH REMAINS UNENCUMBERED OR UNEXPENDED. A
24 NONRURAL TELECOMMUNICATIONS CARRIER'S ASSESSMENTS REQUIRED
25 UNDER THIS PARAGRAPH MAY NOT BE RECOVERED VIA A SURCHARGE ON
26 CUSTOMERS' BILLS OR IN RATES FOR NONCOMPETITIVE SERVICES AS
27 EXOGENOUS CHANGE ADJUSTMENT UNDER THE PROVISIONS OF THE
28 CARRIER'S PRICE STABILITY MECHANISM AND SUBSECTION (A)(3)
29 WHERE APPLICABLE.

30 (4) THE DEPARTMENT OF EDUCATION SHALL EXPEND THE MONEYS

1 OF THE E-FUND FOR THE PURPOSE OF PROVIDING GRANTS TO SCHOOL
2 ENTITIES AS PRESCRIBED BY SECTION 3014(J).

3 (5) THE MONEYS OF THE EDUCATION TECHNOLOGY FUND ARE
4 HEREBY APPROPRIATED, UPON APPROVAL OF THE GOVERNOR, TO THE
5 DEPARTMENT OF EDUCATION FOR THE PURPOSES ENUMERATED IN
6 PARAGRAPH (4). THE DEPARTMENT OF EDUCATION MAY USE UP TO 3%
7 OF THE MONEY FOR ADMINISTRATION. APPROPRIATIONS BY THE
8 GENERAL ASSEMBLY TO THE FUND SHALL BE CONTINUING
9 APPROPRIATIONS AND SHALL NOT LAPSE AT THE CLOSE OF ANY FISCAL
10 YEAR.

11 (6) THE E-FUND SHALL CONTINUE UNTIL JUNE 30, 2011, AT
12 WHICH TIME THE FUND SHALL TERMINATE AND THE DEPARTMENT OF
13 EDUCATION SHALL RETURN ANY FUNDS REMAINING THEREIN, ON A PRO
14 RATA BASIS, TO THE LOCAL EXCHANGE TELECOMMUNICATIONS
15 COMPANIES THAT CONTRIBUTED TO THE FUND.

16 (E) GENERAL FILING REQUIREMENTS.--THE COMMISSION'S FILING
17 REQUIREMENTS FOR A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
18 THAT IS OPERATING UNDER AN AMENDED NETWORK MODERNIZATION PLAN
19 SHALL BE LIMITED TO THE FOLLOWING:

20 (1) NETWORK MODERNIZATION PLAN REPORTS FILED PURSUANT TO
21 SECTION 3014(F).

22 (2) AN ANNUAL FINANCIAL REPORT CONSISTING OF A BALANCE
23 SHEET AND INCOME STATEMENT.

24 (3) AN ANNUAL DEAF, SPEECH-IMPAIRED AND HEARING-IMPAIRED
25 RELAY INFORMATION REPORT.

26 (4) AN ANNUAL SERVICE REPORT.

27 (5) UNIVERSAL SERVICE REPORTS.

28 (6) AN ANNUAL ACCESS LINE REPORT.

29 (7) AN ANNUAL STATEMENT OF GROSS INTRASTATE OPERATING
30 REVENUES FOR PURPOSES OF CALCULATING ASSESSMENTS FOR

1 REGULATORY EXPENSES.

2 (8) AN ANNUAL STATE TAX ADJUSTMENT COMPUTATION FOR YEARS
3 IN WHICH A TAX CHANGE HAS OCCURRED, IF APPLICABLE.

4 (9) FOR THOSE COMPANIES WITH A BONA FIDE RETAIL REQUEST
5 PROGRAM, A BONA FIDE RETAIL REQUEST REPORT UNDER SECTION
6 3014(C)(9). THESE REPORTS SHALL BE SUBMITTED IN THE FORM
7 DETERMINED BY THE COMMISSION.

8 (F) OTHER REPORTS.--

9 (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE TO
10 THE CONTRARY, NO REPORT, STATEMENT, FILING OR OTHER DOCUMENT
11 OR INFORMATION, EXCEPT AS SPECIFIED IN SUBSECTION (E), SHALL
12 BE REQUIRED OF ANY LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
13 UNLESS THE COMMISSION, UPON NOTICE TO THE AFFECTED LOCAL
14 EXCHANGE TELECOMMUNICATIONS COMPANY AND AN OPPORTUNITY TO BE
15 HEARD, HAS FIRST MADE SPECIFIC WRITTEN FINDINGS SUPPORTING
16 CONCLUSIONS IN AN ENTERED ORDER THAT:

17 (I) THE REPORT IS NECESSARY TO ENSURE THAT THE LOCAL
18 EXCHANGE TELECOMMUNICATIONS COMPANY IS CHARGING RATES
19 THAT ARE IN COMPLIANCE WITH THIS CHAPTER AND ITS
20 EFFECTIVE ALTERNATIVE FORM OF REGULATION.

21 (II) THE BENEFITS OF THE REPORT SUBSTANTIALLY
22 OUTWEIGH THE ATTENDANT EXPENSE AND ADMINISTRATIVE TIME
23 AND EFFORT REQUIRED OF THE LOCAL EXCHANGE
24 TELECOMMUNICATIONS COMPANY TO PREPARE IT.

25 (2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
26 IMPEDE THE ABILITY OF THE COMMISSION TO REQUIRE THE
27 SUBMISSION OF FURTHER INFORMATION TO SUPPORT THE ACCURACY OF
28 OR TO SEEK AN EXPLANATION OF THE REPORTS SPECIFIED IN
29 SUBSECTION (E).

30 (G) RATE CHANGE LIMITATIONS.--NOTHING IN THIS CHAPTER SHALL

1 BE CONSTRUED TO LIMIT THE REQUIREMENT OF SECTION 1301 (RELATING
2 TO RATES TO BE JUST AND REASONABLE) THAT RATES SHALL BE JUST AND
3 REASONABLE. THE ANNUAL RATE CHANGE LIMITATIONS SET FORTH IN A
4 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY'S EFFECTIVE
5 COMMISSION-APPROVED ALTERNATIVE FORM OF REGULATION PLAN OR ANY
6 OTHER COMMISSION-APPROVED ANNUAL RATE CHANGE LIMITATION SHALL
7 REMAIN APPLICABLE AND SHALL BE DEEMED JUST AND REASONABLE UNDER
8 SECTION 1301.

9 (H) CONFORMANCE OF PLAN.--UPON THE FILING BY A LOCAL
10 EXCHANGE TELECOMMUNICATIONS COMPANY OF NETWORK MODERNIZATION
11 PLAN AMENDMENTS PURSUANT TO SECTION 3014(E), THE LOCAL EXCHANGE
12 TELECOMMUNICATIONS COMPANY'S ALTERNATIVE FORM OF REGULATION PLAN
13 SHALL BE DEEMED AMENDED CONSISTENT WITH THIS SECTION.

14 § 3016. COMPETITIVE SERVICES.

15 (A) COMMISSION DETERMINATION OF PROTECTED, NONPROTECTED AND
16 NONCOMPETITIVE SERVICES AS COMPETITIVE.--

17 (1) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY MAY
18 PETITION THE COMMISSION FOR A DETERMINATION OF WHETHER A
19 PROTECTED OR NONCOMPETITIVE SERVICE OR OTHER BUSINESS
20 ACTIVITY IN ITS SERVICE TERRITORY OR A PARTICULAR GEOGRAPHIC
21 AREA, EXCHANGE OR GROUP OF EXCHANGES, OR DENSITY CELL WITHIN
22 ITS SERVICE TERRITORY IS COMPETITIVE BASED ON THE
23 DEMONSTRATED AVAILABILITY OF LIKE OR SUBSTITUTE SERVICES OR
24 OTHER BUSINESS ACTIVITIES PROVIDED OR OFFERED BY ALTERNATIVE
25 SERVICE PROVIDERS. THE COMMISSION, AFTER NOTICE AND HEARING,
26 SHALL ENTER AN ORDER GRANTING OR DENYING THE PETITION WITHIN
27 60 DAYS OF THE FILING DATE, OR WITHIN 90 DAYS OF THE FILING
28 DATE WHERE A PROTEST IS TIMELY FILED, OR THE PETITION SHALL
29 BE DEEMED GRANTED.

30 (2) THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY SHALL

1 SERVE A COPY OF ITS PETITION ON THE OFFICE OF CONSUMER
2 ADVOCATE, THE OFFICE OF SMALL BUSINESS ADVOCATE AND EACH OF
3 THE PARTIES TO THE COMMISSION'S PROCEEDING IN WHICH THE
4 COMPANY'S NETWORK MODERNIZATION PLAN THAT WAS IN EFFECT ON
5 DECEMBER 31, 2003, WAS APPROVED BY THE COMMISSION.

6 (3) IN MAKING ITS DETERMINATION, THE COMMISSION SHALL
7 CONSIDER ALL RELEVANT INFORMATION SUBMITTED TO IT, INCLUDING
8 THE AVAILABILITY OF LIKE OR SUBSTITUTE SERVICES OR OTHER
9 BUSINESS ACTIVITIES, AND SHALL LIMIT ITS DETERMINATION TO THE
10 SERVICE TERRITORY OR THE PARTICULAR GEOGRAPHIC AREA, EXCHANGE
11 OR GROUP OF EXCHANGES OR DENSITY CELL IN WHICH THE SERVICE OR
12 OTHER BUSINESS ACTIVITY HAS BEEN PROVED TO BE COMPETITIVE.

13 (4) THE BURDEN OF PROVING THAT A PROTECTED OR
14 NONCOMPETITIVE SERVICE OR OTHER BUSINESS ACTIVITY IS
15 COMPETITIVE RESTS ON THE LOCAL EXCHANGE TELECOMMUNICATIONS
16 COMPANY.

17 (B) DECLARATION OF NONPROTECTED SERVICES AS COMPETITIVE.--
18 NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A), A LOCAL
19 EXCHANGE TELECOMMUNICATIONS COMPANY MAY DECLARE ANY NONPROTECTED
20 SERVICE AS COMPETITIVE BY FILING ITS DECLARATION WITH THE
21 COMMISSION AND SERVING IT ON THE OFFICE OF CONSUMER ADVOCATE,
22 OFFICE OF SMALL BUSINESS ADVOCATE AND EACH OF THE PARTIES TO THE
23 COMMISSIONS PROCEEDING IN WHICH THE COMPANY'S NETWORK
24 MODERNIZATION PLAN THAT WAS IN EFFECT ON DECEMBER 31, 2003, WAS
25 APPROVED BY THE COMMISSION, PROVIDED THAT A LOCAL EXCHANGE
26 TELECOMMUNICATIONS COMPANY MAY NOT USE THIS DECLARATION PROCESS
27 FOR ANY SERVICE THAT THE COMMISSION PREVIOUSLY HAS RECLASSIFIED
28 AS NONCOMPETITIVE UNDER EITHER SUBSECTION (C) OR PRIOR LAW. A
29 DECLARATION OF A NONPROTECTED SERVICE AS COMPETITIVE SHALL BE
30 EFFECTIVE UPON FILING BY THE LOCAL EXCHANGE TELECOMMUNICATIONS

1 COMPANY WITH THE COMMISSION.

2 (C) RECLASSIFICATION.--

3 (1) A PARTY MAY PETITION THE COMMISSION FOR A
4 DETERMINATION OF WHETHER A SERVICE OR OTHER BUSINESS ACTIVITY
5 PREVIOUSLY DETERMINED OR DECLARED TO BE COMPETITIVE IS
6 NONCOMPETITIVE. THE COMMISSION, AFTER NOTICE AND HEARING,
7 SHALL ENTER AN ORDER DECIDING THE PETITION WITHIN 60 DAYS OF
8 THE FILING DATE OR 90 DAYS OF THE FILING DATE WHERE A PROTEST
9 IS TIMELY FILED, OR THE PETITION SHALL BE APPROVED.

10 (2) THE PETITIONER SHALL SERVE A COPY OF THE PETITION ON
11 THE AFFECTED LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY, IF
12 THE PETITIONER IS NOT THE COMPANY, THE OFFICE OF CONSUMER
13 ADVOCATE, THE OFFICE OF SMALL BUSINESS ADVOCATE, AND EACH OF
14 THE PARTIES TO THE COMMISSION'S PROCEEDING IN WHICH THE
15 COMPANY'S NETWORK MODERNIZATION PLAN THAT WAS IN EFFECT ON
16 DECEMBER 31, 2003, WAS APPROVED BY THE COMMISSION.

17 (3) IN MAKING ITS DETERMINATION, THE COMMISSION SHALL
18 CONSIDER ALL RELEVANT INFORMATION SUBMITTED TO IT, INCLUDING
19 THE AVAILABILITY OF LIKE OR SUBSTITUTE SERVICES OR OTHER
20 BUSINESS ACTIVITIES, AND SHALL LIMIT ITS DETERMINATION TO THE
21 PARTICULAR GEOGRAPHIC AREA, EXCHANGE OR DENSITY CELL IN WHICH
22 THE SERVICE OR OTHER BUSINESS ACTIVITY HAS BEEN PROVED TO BE
23 NONCOMPETITIVE.

24 (4) THE BURDEN OF PROVING THAT A COMPETITIVE SERVICE OR
25 OTHER BUSINESS ACTIVITY SHOULD BE RECLASSIFIED AS
26 NONCOMPETITIVE RESTS ON THE PARTY SEEKING THE
27 RECLASSIFICATION.

28 (5) IF THE COMMISSION RECLASSIFIES A SERVICE OR OTHER
29 BUSINESS ACTIVITY AS NONCOMPETITIVE, THE COMMISSION SHALL
30 DETERMINE A JUST AND REASONABLE RATE FOR THE RECLASSIFIED

1 SERVICE OR BUSINESS ACTIVITY IN ACCORDANCE WITH SECTION 1301
2 (RELATING TO RATES TO BE JUST AND REASONABLE).

3 (D) ADDITIONAL REQUIREMENTS.--

4 (1) THE PRICES WHICH A LOCAL EXCHANGE TELECOMMUNICATIONS
5 COMPANY CHARGES FOR COMPETITIVE SERVICES SHALL NOT BE LESS
6 THAN THE COSTS TO PROVIDE THE SERVICES.

7 (2) THE COMMISSION MAY NOT REQUIRE TARIFFS FOR
8 COMPETITIVE SERVICE OFFERINGS TO BE FILED WITH THE
9 COMMISSION.

10 (3) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY, AT ITS
11 OPTION, MAY TARIFF ITS RATES, SUBJECT TO RULES AND
12 REGULATIONS APPLICABLE TO THE PROVISION OF COMPETITIVE
13 SERVICES.

14 (4) THE COMMISSION MAY REQUIRE A LOCAL EXCHANGE
15 TELECOMMUNICATIONS COMPANY TO MAINTAIN PRICE LISTS WITH THE
16 COMMISSION APPLICABLE TO ITS COMPETITIVE SERVICES. PRICE
17 CHANGES THAT ARE FILED IN A COMPANY'S TARIFF FOR COMPETITIVE
18 SERVICES WILL GO INTO EFFECT ON A ONE-DAY NOTICE.

19 (E) PRICING FLEXIBILITY AND BUNDLING.--

20 (1) SUBJECT TO THE REQUIREMENTS OF SUBSECTION (D)(1), A
21 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY MAY PRICE
22 COMPETITIVE SERVICES AT THE COMPANY'S DISCRETION.

23 (2) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY MAY
24 OFFER AND BILL TO CUSTOMERS ON ONE BILL BUNDLED PACKAGES OF
25 SERVICES WHICH INCLUDE NONTARIFFED, COMPETITIVE,
26 NONCOMPETITIVE OR PROTECTED SERVICES, INCLUDING SERVICES OF
27 AN AFFILIATE, IN COMBINATIONS AND AT A SINGLE PRICE SELECTED
28 BY THE COMPANY. A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY
29 MAY FILE AN INFORMATIONAL TARIFF FOR A BUNDLED PACKAGE
30 EFFECTIVE ON A ONE-DAY NOTICE.

1 ~~(3) IF A CUSTOMER SUBSCRIBES TO A BUNDLED PACKAGE OF~~
2 ~~SERVICES WHICH INCLUDE NONTARIFFED, COMPETITIVE,~~
3 ~~NONCOMPETITIVE OR PROTECTED SERVICES AS PROVIDED IN PARAGRAPH~~
4 ~~(2) AND DOES NOT MAKE PAYMENT OF THE PACKAGE CHARGES ON OR~~
5 ~~BEFORE A BILLING DUE DATE, THE LOCAL EXCHANGE~~
6 ~~TELECOMMUNICATIONS COMPANY MAY SUSPEND ALL OF THE CUSTOMER'S~~
7 ~~SERVICES SUBSCRIBED TO IN THE BUNDLED PACKAGE FOLLOWING~~
8 ~~WRITTEN NOTICE TO THE CUSTOMER OF SUCH SUSPENSION AT LEAST~~
9 ~~SEVEN DAYS PRIOR TO THE SUSPENSION AND THEREAFTER MAY~~
10 ~~TERMINATE ALL THE CUSTOMER'S BUNDLED PACKAGE SERVICES~~
11 ~~FOLLOWING WRITTEN NOTICE TO THE CUSTOMER OF SUCH TERMINATION~~
12 ~~AT LEAST TEN DAYS PRIOR TO THE TERMINATION, PROVIDED THAT THE~~
13 ~~CUSTOMER HAS NOT ADVISED THE LOCAL EXCHANGE~~
14 ~~TELECOMMUNICATIONS COMPANY THAT THE CUSTOMER IS REASONABLY~~
15 ~~DISPUTING ALL OR PART OF THE PACKAGE CHARGES. IN THE EVENT~~
16 ~~THAT THE CUSTOMER LODGES SUCH A DISPUTE, THE LOCAL EXCHANGE~~
17 ~~TELECOMMUNICATIONS COMPANY SHALL NOT INITIATE OR CONTINUE~~
18 ~~SUSPENSION OR TERMINATION ACTION PENDING RESOLUTION OF THE~~
19 ~~DISPUTE.~~

20 ~~(4) (3) WHEN AN ALTERNATIVE SERVICE PROVIDER IS OFFERING~~
21 ~~LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES WITHIN AN EXCHANGE~~
22 ~~OF A RURAL TELECOMMUNICATIONS CARRIER, THE RURAL~~
23 ~~TELECOMMUNICATIONS CARRIER MAY REDUCE ITS PRICES ON SERVICES~~
24 ~~OFFERED WITHIN THE EXCHANGE BELOW THE RATES SET FORTH IN ITS~~
25 ~~OTHERWISE APPLICABLE TARIFF IN ORDER TO MEET SUCH~~
26 ~~COMPETITION. A RURAL TELECOMMUNICATIONS CARRIER MAY NOT~~
27 ~~OFFSET REVENUE REDUCTIONS RESULTING FROM SUCH COMPETITIVE~~
28 ~~PRICING BY INCREASING RATES CHARGED TO OTHER CUSTOMERS~~
29 ~~THROUGH ITS PRICE STABILITY MECHANISM OR OTHERWISE.~~

30 ~~(F) PROHIBITIONS.--~~

1 (1) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY SHALL BE
2 PROHIBITED FROM USING REVENUES EARNED OR EXPENSES INCURRED IN
3 CONJUNCTION WITH NONCOMPETITIVE SERVICES TO SUBSIDIZE
4 COMPETITIVE SERVICES.

5 (2) PARAGRAPH (1) SHALL NOT BE CONSTRUED TO PREVENT THE
6 MARKETING AND BILLING OF PACKAGES CONTAINING BOTH
7 NONCOMPETITIVE AND COMPETITIVE SERVICES TO CUSTOMERS.

8 § 3017. ACCESS CHARGES.

9 (A) GENERAL RULE.--THE COMMISSION MAY NOT REQUIRE A LOCAL
10 EXCHANGE TELECOMMUNICATIONS COMPANY TO REDUCE ACCESS RATES
11 EXCEPT ON A REVENUE-NEUTRAL BASIS. ~~AND MAY NOT ORDER DECREASES~~ ←
12 ~~IN ACCESS RATES FOR A NONRURAL TELECOMMUNICATIONS CARRIER.~~

13 (B) REFUSAL TO PAY ACCESS CHARGES PROHIBITED.--NO PERSON OR
14 ENTITY MAY REFUSE TO PAY TARIFFED ACCESS CHARGES FOR
15 INTEREXCHANGE SERVICES PROVIDED BY A LOCAL EXCHANGE
16 TELECOMMUNICATIONS COMPANY.

17 (C) LIMITATION.--NO TELECOMMUNICATIONS CARRIER PROVIDING
18 COMPETITIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE MAY CHARGE
19 ACCESS RATES HIGHER THAN THOSE CHARGED BY THE INCUMBENT LOCAL
20 EXCHANGE TELECOMMUNICATIONS COMPANY IN THE SAME SERVICE
21 TERRITORY, UNLESS SUCH CARRIER CAN DEMONSTRATE THAT THE HIGHER
22 ACCESS RATES ARE COST JUSTIFIED.

23 § 3018. INTEREXCHANGE TELECOMMUNICATIONS CARRIERS.

24 (A) COMPETITIVE AND NONCOMPETITIVE SERVICES.--INTEREXCHANGE
25 SERVICES PROVIDED BY INTEREXCHANGE TELECOMMUNICATIONS CARRIERS
26 SHALL BE COMPETITIVE SERVICES.

27 (B) RATE REGULATION.--

28 (1) THE COMMISSION MAY NOT FIX OR PRESCRIBE THE RATES,
29 TOLLS, CHARGES, RATE STRUCTURES, RATE BASE, RATE OF RETURN,
30 OPERATING MARGIN OR EARNINGS FOR INTEREXCHANGE COMPETITIVE

1 SERVICES OR OTHERWISE REGULATE INTEREXCHANGE COMPETITIVE
2 SERVICES EXCEPT AS SET FORTH IN THIS CHAPTER.

3 (2) AN INTEREXCHANGE TELECOMMUNICATIONS CARRIER MAY FILE
4 AND MAINTAIN TARIFFS OR PRICE LISTS WITH THE COMMISSION FOR
5 COMPETITIVE TELECOMMUNICATIONS SERVICES.

6 (3) NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO LIMIT
7 THE AUTHORITY OF THE COMMISSION TO REGULATE THE PRIVACY OF
8 INTEREXCHANGE SERVICE AND THE ORDERING, INSTALLATION,
9 RESTORATION AND DISCONNECTION OF INTEREXCHANGE SERVICE TO
10 CUSTOMERS.

11 (C) RECLASSIFICATION.--THE COMMISSION MAY RECLASSIFY
12 TELECOMMUNICATIONS SERVICES PROVIDED BY AN INTEREXCHANGE
13 TELECOMMUNICATIONS CARRIER AS NONCOMPETITIVE IF, AFTER NOTICE
14 AND HEARING, IT DETERMINES, UPON APPLICATION OF THE CRITERIA SET
15 FORTH IN THIS CHAPTER, THAT SUFFICIENT COMPETITION IS NO LONGER
16 PRESENT.

17 (D) CONSTRUCTION.--NOTHING IN THIS CHAPTER SHALL BE
18 CONSTRUED:

19 (1) TO LIMIT THE AUTHORITY OF THE COMMISSION TO RESOLVE
20 COMPLAINTS REGARDING THE QUALITY OF INTEREXCHANGE
21 TELECOMMUNICATIONS CARRIER SERVICE.

22 (2) TO LIMIT THE AUTHORITY OF THE COMMISSION TO
23 DETERMINE WHETHER AN INTEREXCHANGE TELECOMMUNICATIONS CARRIER
24 SHOULD BE EXTENDED THE PRIVILEGE OF OPERATING WITHIN THIS
25 COMMONWEALTH OR TO ORDER THE FILING OF SUCH REPORTS,
26 DOCUMENTS AND INFORMATION AS MAY BE NECESSARY TO MONITOR THE
27 MARKET FOR AND COMPETITIVENESS OF INTEREXCHANGE
28 TELECOMMUNICATIONS SERVICES.

29 § 3019. ADDITIONAL POWERS AND DUTIES.

30 (A) GENERAL RULE.--THE COMMISSION MAY CERTIFY MORE THAN ONE

1 TELECOMMUNICATIONS CARRIER TO PROVIDE LOCAL EXCHANGE
2 TELECOMMUNICATIONS SERVICE IN A SPECIFIC GEOGRAPHIC LOCATION.
3 THE CERTIFICATION SHALL BE GRANTED UPON A SHOWING THAT IT IS IN
4 THE PUBLIC INTEREST AND THAT THE APPLICANT POSSESSES SUFFICIENT
5 TECHNICAL, FINANCIAL AND MANAGERIAL RESOURCES.

6 (B) POWERS AND DUTIES RETAINED.--THE COMMISSION SHALL RETAIN
7 THE FOLLOWING POWERS AND DUTIES RELATING TO THE REGULATION OF
8 ALL TELECOMMUNICATIONS CARRIERS AND INTEREXCHANGE
9 TELECOMMUNICATIONS CARRIERS, INCLUDING THE POWER TO SEEK
10 INFORMATION NECESSARY TO FACILITATE THE EXERCISE OF THESE POWERS
11 AND DUTIES:

12 (1) TO AUDIT THE ACCOUNTING AND REPORTING SYSTEMS OF
13 TELECOMMUNICATIONS CARRIERS RELATING TO THEIR TRANSACTIONS
14 WITH AFFILIATES PURSUANT TO CHAPTER 21 (RELATING TO RELATIONS
15 WITH AFFILIATED INTERESTS). A TELECOMMUNICATIONS CARRIER
16 SHALL FILE AFFILIATED INTEREST AND AFFILIATED TRANSACTION
17 AGREEMENTS UNLESS SUCH AGREEMENTS INVOLVE SERVICES DECLARED
18 TO BE COMPETITIVE. THE FILINGS SHALL CONSTITUTE NOTICE TO THE
19 COMMISSION ONLY AND SHALL NOT REQUIRE APPROVAL BY THE
20 COMMISSION.

21 (2) TO REVIEW AND REVISE QUALITY OF SERVICE STANDARDS
22 CONTAINED IN 52 PA. CODE (RELATING TO PUBLIC UTILITIES) THAT
23 ADDRESS THE SAFETY, ADEQUACY, RELIABILITY AND PRIVACY OF
24 TELECOMMUNICATIONS SERVICES AND THE ORDERING, INSTALLATION,
25 SUSPENSION, TERMINATION AND RESTORATION OF ANY
26 TELECOMMUNICATIONS SERVICE. ANY REVIEW OR REVISION SHALL TAKE
27 INTO CONSIDERATION THE EMERGENCE OF NEW INDUSTRY
28 PARTICIPANTS, TECHNOLOGICAL ADVANCEMENTS, SERVICE STANDARDS
29 AND CONSUMER DEMAND.

30 (3) SUBJECT TO THE PROVISIONS OF SECTION 3015(E)

1 (RELATING TO ALTERNATIVE FORMS OF REGULATION), TO ESTABLISH
2 SUCH ADDITIONAL REQUIREMENTS AS ARE CONSISTENT WITH THIS
3 CHAPTER AS THE COMMISSION DETERMINES TO BE NECESSARY TO
4 ENSURE THE PROTECTION OF CUSTOMERS.

5 (4) TO CONDITION THE SALE, MERGER ~~OR ACQUISITION,~~ <—
6 ACQUISITION OR OTHER TRANSACTION REQUIRED TO BE APPROVED
7 UNDER SECTION 1102(A)(3), LOCAL EXCHANGE TELECOMMUNICATIONS
8 COMPANY OR ANY FACILITIES USED TO PROVIDE TELECOMMUNICATIONS
9 SERVICES TO ENSURE THAT THERE IS NO REDUCTION IN THE ADVANCED
10 SERVICE OR BROADBAND DEPLOYMENT OBLIGATIONS FOR THE ~~SOLD,~~ <—
11 ~~MERGED OR ACQUIRED PROPERTY.~~ AFFECTED PROPERTY OR FACILITIES. <—

12 (C) AUDITS OF NONRURAL TELECOMMUNICATIONS CARRIERS.--AUDITS
13 OF NONRURAL TELECOMMUNICATIONS CARRIERS SHALL BE CONDUCTED ONCE
14 EVERY FOUR YEARS UNLESS THE COMMISSION FINDS THAT A SPECIFIC
15 AUDIT IS UNNECESSARY, BUT IN NO EVENT SHALL SUCH AUDITS BE
16 CONDUCTED LESS THAN ONCE EVERY SEVEN YEARS. AUDITS OF NONRURAL
17 TELECOMMUNICATIONS CARRIERS SHALL INCLUDE AN EXAMINATION OF THE
18 COMPANIES' COMPLIANCE WITH COMMISSION ORDERS AND REGULATIONS,
19 AND AT LEAST ONE SUCH AUDIT SHALL BE CONDUCTED FOR EACH COMPANY
20 BEFORE THE COMPLETION OF THE COMPANY'S NETWORK MODERNIZATION
21 PLAN, UNLESS AN AUDIT OF THE COMPANY HAS BEEN COMPLETED WITHIN
22 ONE YEAR PRIOR TO THE COMPANY'S COMPLETION OF ITS PLAN.
23 NOTWITHSTANDING ANY LAW TO THE CONTRARY, RURAL
24 TELECOMMUNICATIONS CARRIERS AS DEFINED IN SECTION 3012 (RELATING
25 TO DEFINITIONS) SHALL NOT BE SUBJECT TO ANY AUDIT. A SUMMARY OF
26 THE AUDITS MANDATED BY THIS SUBSECTION SHALL BE RELEASED TO THE
27 PUBLIC, AND A COMPLETE COPY OF THE AUDITS SHALL BE PROVIDED TO
28 THE OFFICE OF TRIAL STAFF AND THE OFFICE OF CONSUMER ADVOCATE,
29 OFFICE OF SMALL BUSINESS ADVOCATE, THE CHAIRMAN OF THE CONSUMER
30 PROTECTION AND PROFESSIONAL LICENSURE COMMITTEE OF THE SENATE

1 AND CHAIRMAN OF THE CONSUMER AFFAIRS COMMITTEE OF THE HOUSE OF
2 REPRESENTATIVES.

3 (D) PRIVACY OF CUSTOMER INFORMATION.--

4 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A
5 TELECOMMUNICATIONS CARRIER MAY NOT DISCLOSE TO ANY PERSON
6 INFORMATION RELATING TO ANY CUSTOMER'S PATTERNS OF USE,
7 EQUIPMENT AND NETWORK INFORMATION AND ANY ACCUMULATED RECORDS
8 ABOUT CUSTOMERS WITH THE EXCEPTION OF NAME, ADDRESS AND
9 TELEPHONE NUMBER.

10 (2) A TELECOMMUNICATIONS CARRIER MAY DISCLOSE SUCH
11 INFORMATION:

12 (I) PURSUANT TO A COURT ORDER OR WHERE OTHERWISE
13 REQUIRED BY FEDERAL OR STATE LAW.

14 (II) TO THE CARRIER'S AFFILIATES, AGENTS,
15 CONTRACTORS OR VENDORS AND OTHER TELECOMMUNICATIONS
16 CARRIERS OR INTEREXCHANGE TELECOMMUNICATIONS CARRIERS, AS
17 PERMITTED BY FEDERAL OR STATE LAW.

18 (III) WHERE THE INFORMATION CONSISTS OF AGGREGATE
19 DATA WHICH DOES NOT IDENTIFY INDIVIDUAL CUSTOMERS.

20 (E) UNREASONABLE PREFERENCES.--NOTHING IN THIS CHAPTER SHALL
21 BE CONSTRUED TO LIMIT THE AUTHORITY OF THE COMMISSION TO ENSURE
22 THAT LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES DO NOT MAKE OR
23 IMPOSE UNREASONABLE PREFERENCES, DISCRIMINATIONS OR
24 CLASSIFICATIONS FOR PROTECTED SERVICES AND OTHER NONCOMPETITIVE
25 SERVICES.

26 (F) LIFELINE SERVICE.--

27 (1) ALL ELIGIBLE TELECOMMUNICATIONS CARRIERS
28 CERTIFICATED TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS
29 SERVICE SHALL PROVIDE LIFELINE SERVICE TO ALL ELIGIBLE
30 TELECOMMUNICATIONS CUSTOMERS WHO SUBSCRIBE TO SUCH SERVICE.

1 (2) ALL ELIGIBLE TELECOMMUNICATIONS CUSTOMERS WHO
2 SUBSCRIBE TO LIFELINE SERVICE SHALL BE PERMITTED TO SUBSCRIBE
3 TO UP TO TWO OTHER ELIGIBLE TELECOMMUNICATIONS CARRIER
4 TELECOMMUNICATIONS SERVICES AT THE TARIFFED RATES FOR SUCH
5 SERVICES.

6 (3) WHENEVER A PROSPECTIVE CUSTOMER SEEKS TO SUBSCRIBE
7 TO LOCAL SERVICE FROM AN ELIGIBLE TELECOMMUNICATIONS CARRIER,
8 THE CARRIER SHALL EXPLICITLY ADVISE THE CUSTOMER OF THE
9 AVAILABILITY OF LIFELINE SERVICE AND SHALL MAKE REASONABLE
10 EFFORTS WHERE APPROPRIATE TO DETERMINE WHETHER THE CUSTOMER
11 QUALIFIES FOR SUCH SERVICE AND, IF SO, WHETHER THE CUSTOMER
12 WISHES TO SUBSCRIBE TO THE SERVICE.

13 (4) ELIGIBLE TELECOMMUNICATIONS CARRIERS SHALL INFORM
14 EXISTING CUSTOMERS OF THE AVAILABILITY OF LIFELINE SERVICE
15 TWICE ANNUALLY BY BILL INSERT OR MESSAGE. THE NOTICE SHALL BE
16 CONSPICUOUS AND SHALL PROVIDE APPROPRIATE ELIGIBILITY,
17 BENEFITS AND CONTACT INFORMATION FOR CUSTOMERS WHO WISH TO
18 LEARN OF THE LIFELINE SERVICE SUBSCRIPTION REQUIREMENTS.

19 (5) WHEN A PERSON ENROLLS IN A LOW-INCOME PROGRAM
20 ADMINISTERED BY THE DEPARTMENT OF PUBLIC WELFARE THAT
21 QUALIFIES THE PERSON FOR LIFELINE SERVICE, THE DEPARTMENT OF
22 PUBLIC WELFARE SHALL AUTOMATICALLY NOTIFY THAT PERSON AT THE
23 TIME OF ENROLLMENT OF HIS OR HER ELIGIBILITY FOR LIFELINE
24 SERVICE. THIS NOTIFICATION ALSO SHALL PROVIDE INFORMATION
25 ABOUT LIFELINE SERVICE INCLUDING A TELEPHONE NUMBER OF AND
26 LIFELINE SUBSCRIPTION FORM FOR THE PERSON'S CURRENT ELIGIBLE
27 TELECOMMUNICATIONS CARRIER OR, IF THE PERSON DOES NOT HAVE
28 TELEPHONE SERVICE, TELEPHONE NUMBERS OF ELIGIBLE
29 TELECOMMUNICATIONS CARRIERS SERVING THE PERSON'S AREA, THAT
30 THE PERSON CAN CALL TO OBTAIN LIFELINE SERVICE. ELIGIBLE

1 TELECOMMUNICATIONS CARRIERS SHALL PROVIDE THE DEPARTMENT OF
2 PUBLIC WELFARE WITH LIFELINE SERVICE DESCRIPTIONS AND
3 SUBSCRIPTION FORMS, CONTACT TELEPHONE NUMBERS, AND A LISTING
4 OF THE GEOGRAPHIC AREA OR AREAS THEY SERVE, FOR USE BY THE
5 DEPARTMENT OF PUBLIC WELFARE IN PROVIDING THE NOTIFICATIONS
6 REQUIRED BY THIS PARAGRAPH.

7 (6) NO ELIGIBLE TELECOMMUNICATIONS CARRIER SHALL BE
8 REQUIRED TO PROVIDE AFTER THE EFFECTIVE DATE OF THIS SECTION
9 ANY NEW LIFELINE SERVICE DISCOUNT THAT IS NOT FULLY
10 SUBSIDIZED BY THE FEDERAL UNIVERSAL SERVICE FUND.

11 (G) METHOD FOR FIXING RATES.--THE COMMISSION MAY NOT FIX OR
12 PRESCRIBE THE RATES, TOLLS, CHARGES, RATE STRUCTURES, RATE BASE,
13 RATE OF RETURN OR EARNINGS OF COMPETITIVE SERVICES OR OTHERWISE
14 REGULATE COMPETITIVE SERVICES EXCEPT AS SET FORTH IN THIS
15 CHAPTER.

16 (H) IMPLEMENTATION.--THE TERMS OF A LOCAL EXCHANGE
17 TELECOMMUNICATIONS COMPANY'S ALTERNATIVE FORM OF REGULATION AND
18 NETWORK MODERNIZATION PLANS SHALL GOVERN THE REGULATION OF THE
19 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY AND, CONSISTENT WITH
20 THE PROVISIONS OF THIS CHAPTER, SHALL SUPERSEDE ANY CONFLICTING
21 PROVISIONS OF THIS TITLE OR OTHER LAWS OF THIS COMMONWEALTH AND
22 SHALL SPECIFICALLY SUPERSEDE ALL PROVISIONS OF CHAPTER 13
23 (RELATING TO RATES AND RATE MAKING) OTHER THAN SECTIONS 1301
24 (RELATING TO RATES TO BE JUST AND REASONABLE), 1302 (RELATING TO
25 TARIFFS; FILING AND INSPECTION), 1303 (RELATING TO ADHERENCE TO
26 TARIFFS), 1304 (RELATING TO DISCRIMINATION IN RATES), 1305
27 (RELATING TO ADVANCE PAYMENT OF RATES; INTEREST ON DEPOSITS),
28 1309 (RELATING TO RATES FIXED ON COMPLAINT; INVESTIGATION OF
29 COSTS OF PRODUCTION) AND 1312 (RELATING TO REFUNDS).

30 (I) PROTECTION OF EMPLOYEES.--

1 (1) NO TELECOMMUNICATIONS CARRIER MAY DISCHARGE,
2 THREATEN, DISCRIMINATE OR RETALIATE AGAINST AN EMPLOYEE
3 BECAUSE THE EMPLOYEE MADE A GOOD FAITH REPORT TO THE
4 COMMISSION, THE OFFICE OF CONSUMER ADVOCATE OR THE OFFICE OF
5 ATTORNEY GENERAL REGARDING WRONGDOING, WASTE OR A POTENTIAL
6 VIOLATION OF THE COMMISSION'S ORDERS OR REGULATIONS OR OF
7 THIS TITLE.

8 (2) A PERSON WHO ALLEGES A VIOLATION OF THIS SECTION
9 MUST BRING A CIVIL ACTION IN A COURT OF COMPETENT
10 JURISDICTION FOR APPROPRIATE INJUNCTIVE RELIEF OR DAMAGES
11 WITHIN 180 DAYS AFTER THE OCCURRENCE OF THE ALLEGED
12 VIOLATION. THE EVIDENTIARY BURDENS UPON SUCH PERSON AND THE <—
13 PERSON'S TELECOMMUNICATIONS CARRIER IN SUCH ACTION SHALL BE
14 AS SET FORTH IN SECTION 3316(D) AND (E), PROVIDED, HOWEVER,
15 THAT UPON AN EMPLOYEE'S MEETING THE EMPLOYEE'S BURDEN OF
16 PROOF UNDER SECTION 3316(D), A REBUTTABLE PRESUMPTION SHALL
17 ARISE THAT THE ALLEGED REPRISAL BY THE EMPLOYER CONSTITUTES A
18 VIOLATION OF THIS SECTION.

19 ~~§ 3020. VOICE OVER INTERNET PROTOCOL REGULATION EXEMPTION.~~ <—

20 ~~A PROVIDER OF VOIP SERVICE SHALL NOT BE A PUBLIC UTILITY NOR~~
21 ~~OTHERWISE SUBJECT TO COMMISSION REGULATION, EXCEPT WHERE~~
22 ~~REQUIRED OR EXPRESSLY PERMITTED BY FEDERAL LAW OR REGULATION.~~
23 ~~HOWEVER, THIS EXEMPTION FROM COMMISSION REGULATION SHALL NOT~~
24 ~~AFFECT ANY RIGHTS AND OBLIGATIONS THAT ANY ENTITY HAD AS OF THE~~
25 ~~EFFECTIVE DATE OF THIS SECTION PERTAINING TO THE PAYMENT OF~~
26 ~~SWITCHED NETWORK RATES OR OTHER INTERCARRIER COMPENSATION~~
27 ~~RELATED TO VOIP SERVICE. IN NO EVENT SHALL ANY SUCH INTERCARRIER~~
28 ~~COMPENSATION BE REQUIRED TO BE PAID BY VOIP PROVIDERS FOR VOIP~~
29 ~~CALLS WHICH DO NOT USE THE PUBLIC SWITCHED TELEPHONE NETWORK.~~

30 ~~§ 3021. VOICE OVER INTERNET PROTOCOL TAX EXEMPTION.~~

1 ~~THE PROVISION OF VOIP SERVICES BY ANY PERSON OR CORPORATION~~
2 ~~AND THE PROVISION OF TELECOMMUNICATIONS SERVICES USED TO PROVIDE~~
3 ~~VOIP SERVICES SHALL BE EXEMPT FROM THE FOLLOWING TAXES AND FEES~~
4 ~~COMMENCING ON THE EFFECTIVE DATE OF THIS SECTION.~~

5 ~~(1) NOTWITHSTANDING THE ACT OF DECEMBER 31, 1965~~
6 ~~(P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT, NO~~
7 ~~POLITICAL SUBDIVISION SHALL IMPOSE OR COLLECT ANY TAX, CHARGE~~
8 ~~OR OTHER FEE UPON THE PROVISION OF VOIP SERVICES.~~

9 ~~(2) NOTWITHSTANDING ARTICLE XXXI B OF THE ACT OF JULY~~
10 ~~28, 1953 (P.L.723, NO.230), KNOWN AS THE SECOND CLASS COUNTY~~
11 ~~CODE, AND THE ACT OF JUNE 5, 1991 (P.L.9, NO.6), KNOWN AS THE~~
12 ~~PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY ACT FOR~~
13 ~~CITIES OF THE FIRST CLASS, NO LOCAL SALES AND USE TAX SHALL~~
14 ~~BE IMPOSED ON ANY VOIP SERVICES.~~

15 SECTION 3. THE PROVISIONS OF THIS ACT ARE SEVERABLE. IF ANY
16 PROVISION OF THIS ACT OR ITS APPLICATION TO ANY PERSON OR
17 CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY SHALL NOT AFFECT
18 OTHER PROVISIONS OR APPLICATIONS OF THIS ACT, WHICH CAN BE GIVEN
19 EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION.

20 SECTION 4. SECTION 2471 OF THE ACT OF FEBRUARY 1, 1966 (1965
21 P.L.1656, NO.581), KNOWN AS THE BOROUGH CODE, IS REPEALED TO THE
22 EXTENT IT IS INCONSISTENT WITH THIS ACT.

23 SECTION 5. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.