BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: Joint Petition to initiate Rulemaking To Adopt New Rule in Chapter 25-24, F.A.C., Amend and Repeal Rules in Chapter 25-4, F.A.C., and Amend Rules in Chapter 25-9, F.A.C., By Verizon Florida LLC, BellSouth Telecommunications, Inc. d/b/a AT&T Florida, Embarq Florida, Inc., Quincy Telephone Company d/b/a TDS Telecom, and Windstream Florida, Inc.	)	Docket 080159-TL Filed June 17, 2008

JOINT POST-WORKSHOP COMMENTS OF THE OFFICE OF PUBLIC COUNSEL, OFFICE OF ATTORNEY GENERAL, AND AARP

The Office of Public Counsel (OPC), Office of Attorney General (OAG), and AARP jointly file the following comments following the staff workshop held on May 14, 2008.

Summary of Comments

Certain rules governing local telecommunications companies are now obsolete and may be repealed without harm to the public interest. The same is not true, however, with respect to quality of service standards. The large local exchange companies -- AT&T, Verizon, and Embarq -- are not providing the quality of service contemplated by the Commission's rules. One of the small local exchange companies, on the other hand, is substantially in compliance with the Commission's quality of service standards. The large local exchange companies must at a minimum bring their service up to the standards substantially being met by the smaller local exchange company Windstream before the Commission proceeds further with this rulemaking proceeding.

The Large Local Exchange Companies are Not Providing the Quality of Service Contemplated by the Commission's Rules

Rules 25-4.070(3)(a) and 25-4.070(3)(b) unambiguously set forth certain standards for restoring service. These rules state that repairs "shall be scheduled to insure" certain parameters are met:

> "3) Service Objectives:
>
> (a) Service Interruption: Restoration of interrupted service shall be scheduled to insure at least 95 percent shall be cleared within 24 hours of report in each exchange that contains at least 50,000 lines and will be measured on a monthly basis. For exchanges that contain less than 50,000 lines, the results can be aggregated on a quarterly basis. For any exchange failing to meet this objective, the company shall provide an explanation with its periodic report to the Commission.
>
> (b) Service Affecting: Clearing of service affecting trouble reports shall be scheduled to insure at least 95 percent of such reports are cleared within 72 hours of the report in each exchange which contains at least 50,000 lines and will be measured on a monthly basis. For exchanges which contain less than 50,000 lines, the results can be

aggregated on a quarterly basis."

For new service installations, Rule 25-4.066(2) requires that:

> "(2) Where central office and outside plant facilities are readily available, at least 90 percent of all requests for primary service in any calendar month shall normally be satisfied in each exchange of at least 50,00 lines and quarterly in exchanges of less than 50,000 lines within an interval of three working days after receipt of application when all tariff requirements relating thereto have been complied with, except those instances where a later installation date is requested by the applicant or where special equipment or services are involved."

Local exchange companies must also meet the standard set forth in Rule 25-4.073(1) for answering phone calls from customers:

> "(1) Each telephone utility shall provide equipment designed and engineered on the basis of realistic forecasts of growth, and shall make all reasonable efforts to provide adequate personnel so as to meet the following service criteria under normal operating conditions:
>
> (a) At least 90 percent of all calls directed to repair services and 80 percent of all calls to business offices shall be answered within 30 seconds after the last digit is dialed when no menu driven system is utilized.

(b) When a company utilizes a menu driven, automated, interactive answering system (referred to as the system or as an Integrated Voice Response Unit (IVRU)), at least 95 percent of the calls offered shall be answered within 15 seconds after the last digit is dialed. The initial recorded message presented by the system to the customer shall include the option of transferring to a live attendant within the first 30 seconds of the message.

(c) For subscribers who either select the option of transferring to a live assistant, or do not interact with the system for twenty seconds, the call shall be transferred by the system to a live attendant. At least 90 percent of the calls shall be answered by the live attendant prepared to give immediate assistance within 55 seconds of being transferred to the attendant."

Service guarantee plans, which generally require companies to make payments directly to customers or make payments to a fund when certain agreed-upon criteria are not met, may relieve companies from compliance with some or all of the foregoing rules. Rule 25-4.085 provides:

"A company may petition the Commission for approval of a Service Guarantee Program, which would relieve the company from the rule requirement of each service standard addressed in the approved Service Guarantee

> Program. When evaluating a Service Guarantee Program for approval, the Commission will consider the Program's benefits to the customers and whether the Program is in the public interest. The Commission shall have the right to enforce the provisions of the Service Guarantee Plan."

The following comments address the performance of the companies with respect to some of these rules.

Verizon

On May 15, 2008, the Attorney General, Public Counsel and AARP filed a joint petition with the FPSC (Attachment A) alleging that Verizon had willfully violated FPSC service availability rules 262 times during 2007 and requested the Commission to issue a show cause order requiring Verizon to show cause why it should not be fined approximately $6.5 million. Verizon has no service guarantee plan for its customers.

The petition shows the significant decline in Verizon's response to customer trouble reports for basic local telecommunications services during the 2001 through 2007 time frame, the same period of time when the companies claim that Florida has been experiencing robust growth in competition. The decline in Verizon service quality between 2001 and 2007 is graphically demonstrated in Attachment 6 of the petition.

In 2001 Verizon met or exceeded the 95% standard every single month for out of service reports and failed to meet the standard only one month (April 2001) for service-affecting trouble reports. On a statewide basis, Verizon repaired 97%

of its out of service trouble reports in all of 2001 within the 24 hour limit. Verizon repaired 99% of its service-affecting trouble reports within the 72 hour limit for all of 2001. However, as shown in Attachment 6 to the Show Cause Petition, Verizon's service performance has declined over the past 6 years to a level below the required standards.

In 2007 Verizon failed to meet the 95% standard for the repair of out of service trouble reports on a statewide basis 11 out of 12 months. For all of 2007, the company managed to repair only 89% of its total out of service trouble reports within the standard established by the Commission rule—95%.

Likewise, Verizon failed to respond to customer service-affecting trouble reports on a timely basis 11 out of 12 months and the company managed to repair only 84% of its total service-affecting trouble reports within the standard established by the Commission rule—95%.

AT&T

During the 2001 through 2007 time period, AT&T operated under a service guarantee plan. The plan provided rebates directly to customers when the company failed to meet the FPSC installation and repair standards for: (1) the installation of new service (3 days); (2) the repair of out of service troubles (24 hours); and (3) the repair of service affecting troubles (72 hours). In addition as part of the plan, AT&T made voluntary contributions for the benefit of the Lifeline program when it failed to meet answer time standards.

Improved customer service was a goal of the plan, since the plan provided the company a financial incentive to provide better service. However, such improvements generally failed to materialize. AT&T provided $1,830,135 in service rebates directly to customers in 2006 and $1,576,554 in 2007. The following is a summary of the company's recent performance:

* New primary service installation:

AT&T's 26 large exchanges failed to meet the PSC 3-day standard 309 out of 312 times during 2007.

AT&T's 69 small exchanges failed to meet the PSC 3-day standard 277 out of 277 times during 2007.

* Out of service restoral:

AT&T's 26 large exchanges failed to meet the PSC standard 289 times out of a possible 312 times in 2007.

AT&T's 69 small exchanges failed to meet the PSC standard 264 times out of a possible 277 times in 2007.

* Service affecting troubles and answer time:

AT&T's repair of service-affecting troubles and its performance in call answering to business office and repair have been in compliance with the PSC rule standards for 2007.

Embarq

In 2000, Embarq agreed to a service guarantee plan covering installation, repair, business office and repair answer time standards.

In 2001, Embarq met the PSC installation and repair minimum standards over 90% of the time but missed almost half of the monthly minimum standards for answer time.

In 2002, Embarq continued to meet or exceed most of the installation and repair standards until December, when excessive loads resulted in the company missing the PSC standards in 78 out of 104 exchanges. Answer time performance continued to be a problem for Embarq in 2002 when it failed to meet repair and business office answer time minimum standards 24 times, which was 100% of the opportunities.

Embarq service showed significant declines in 2003 through 2005 when the company failed to meet most of its service quality minimum standards and was required to make substantial service guarantee rebates both to customers and the Lifeline promotion fund. In 2005 alone, Sprint credited customers with over $2 million in service guarantee rebates for installation and repair failures.

In 2006, the company began to turn its service quality performance back in the right direction and met or exceeded over 70% of the minimum standards in the last five months of the year for its largest exchanges, while falling below the minimum standards for approximately 50% of its smaller exchanges (less than 50,000 access lines) in the fourth quarter. In 2006, Service Guarantee rebates for installation and repair dropped to less than $1 million.

In 2007, Embarq failed to meet or exceed the minimum standards as follows [Lower is better] [Higher is worse]:

Installation and Repair

Large Exchanges	(82 failures out of 324)	25%
Small Exchanges	(463 failures out of 1,248)	37%
Answer time	(13 failures out of 24)	54%

In 2007, Embarq Service Guarantee rebates for installation and repair continued to decline, totaling $605,493, which is a good barometer to gauge the level of service.

Windstream

Like most small local exchange telecommunications companies in Florida, Windstream (formerly ALLTEL) rarely fails to comply with the minimum service quality standards established by the FPSC. The small local exchange telecommunications companies are required to report their results on an annual basis, using the same minimum service quality standards that are established by PSC rules that apply to Verizon, AT&T and Embarq. In 2007, Windstream met or exceeded the installation minimum standards 98% of the time and met or exceeded the repair standards 97% of the time.

In 2007, Windstream opted to introduce the Service Guarantee Plan for its customers, resulting in total rebates to customers for the year amounting to $11,123 and a one-time contribution to the Lifeline Promotion Program of $4,000. Windstream provides a $25 customer rebate when it fails to install new service within 3 days or restore a service outage within 24 hours.

Obsolete Rules

During the workshop held on May 14, staff distributed attachments labeled B & C containing staff comments on a number of rules. Some of the rules in the attachments were listed on “staff’s list to repeal,” such as Rule 25-4.021 (system maps and records), Rule 25-4.077 (metering and recording equipment), and Rule

25-4.039 (traffic). OPC, OAG, and AARP support the repeal of the rules specifically identified by staff during the workshop as obsolete.

Concluding Comments

While OPC, OAG, and AARP support the repeal of obsolete rules, the quality of service rules provide important protections for customers which insure that customers receive service meeting certain minimum standards. Such standards can be met, as shown by the performance of Windstream and the performance of Verizon during 2001. The large local exchange companies need to bring their level of service up to these same standards, whether or not the companies have a service guarantee plan. Improved service was the primary goal of service guarantee plans, but this has failed to materialize.

Attachment B graphically shows the performance of AT&T, Verizon and Embarq so far in 2008, and it confirms that they still have a long way to go. Until the companies meet the standards contained in the rules, the Commission should not proceed further with the rule making proceeding other than to repeal obsolete rules.

Respectfully submitted,

J.R. KELLY PUBLIC COUNSEL ________________________ Charlie Beck Deputy Public Counsel Office of the Public Counsel c/o The Florida Legislature	BILL McCOLLUM ATTORNEY GENERAL ________________________ Cecilia Bradley Senior Assistant Attorney General Office of the Attorney General The Capitol – PL01

111 West Madison Street, Room 812 Tallahassee, Florida 32399-1400 (850) 488-9330 Fax: (850) 488-4491	Tallahassee, Florida 32399-1050 (850) 414-3300 Fax: (850) 488-4872
__________________________ Michael B. Twomey Post Office Box 5256 Tallahassee, Florida 32314-5256 (850) 421-9530 Counsel for AARP	

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been furnished by electronic mail and U.S. Mail on this 20th day of June, 2008, to the following:

AT&T Florida c/o Mr. Gregory Follensbee 150 South Monroe Street, Suite 400 Tallahassee, FL 32303-1561 Phone: 850-577-5555 FAX: 222-8640 Email: greg.follensbee@att.com	Ausley Law Firm J. Jeffry Wahlen P.O. Box 391 Tallahassee, FL 32302 Phone: 850-224-9115 FAX: 222-7952 Email: jwahlen@ausley.com
Embarq Florida, Inc. Susan S. Masterton Mailstop: FLTLHO0102 1313 Blair Stone Rd.	Radey Thomas Yon Clark Susan Clark 301 S. Bronough Street, Suite 200 Tallahassee, FL 32301

Tallahassee, FL 32301 Phone: 850-599-1560 FAX: 878-0777 Email: susan.masterton@embarq.com	Phone: 850-425-6654 Email: sclark@radeylaw.com
TDS Telecom/Quincy Telephone Mr. Thomas M. McCabe Suite 3, Box 329 1400 Village Square Blvd. Tallahassee, FL 32312-1231 Phone: (850) 875-5207 FAX: 875-5225 Email: Thomas.mccabe@tdstelecom.com	Verizon Florida LLC Mr. David Christian 106 East College Avenue, Suite 710 Tallahassee, FL 32301-7721 Phone: (850) 224-3963 FAX: 222-2912 Email: david.christian@verizon.com
Windstream Florida, Inc. Mr. James White 4651 Salisbury Road, Suite 151 Jacksonville, FL 32256-6187 Phone: (501) 748-5692 FAX: (501) 748-7996 Email: bettye.j.willis@windstream.com	Competitive Carriers of the South, Inc. Vicki Gordon Kaufman c/o Anchors Law Firm 118 North Gadsden Street Tallahassee, FL 32301 Phone: 850-681-3828 FAX: 681-8788 Email: vkaufman@asglegal.com
Florida Cable Telecommunications Association, Inc. David A. Konuch 246 E. 6th Avenue, Suite 100 Tallahassee, FL 32303 Phone: 850-681-1990 FAX: 681-9676 Email: dkonuch@fcta.com	Intrado Communications Inc. Rebecca Ballesteros 1601 Dry Creek Drive Longmont, CO 80503 Phone: 720-494-5800 FAX: 720-494-6600 Email: Rebecca.Ballesteros@Intrado.com
Messer Law Firm Floyd R. Self 2618 Centennial Place Tallahassee, FL 32308 Phone: 850-425-5213 FAX: 224-4359 Email: fself@lawfla.com	Rutledge Law Firm Marsha E. Rule 215 South Monroe St., Suite 420 Tallahassee, FL 32302-0551 Phone: 850-681-6788 FAX: 681-6515 Email: marsha@reuphlaw.com

Sprint Nextel Douglas C. Nelson 233 Peachtree St., NE, Suite 2200 Atlanta, GA 30303 Phone: 404-649-0003 FAX: 404-649-1652 Email: douglas.c.nelson@sprint.com	Department of Management Services Wink Infinger 4030 Esplanade Way, Suite 160C Tallahassee, FL 32399-0950 Phone: 850-921-0041 FAX: 488-9837 Email: Wink.Infinger@dms.myflorida.com

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Charlie Beck
Deputy Public Counsel