BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

IN THE MATTER OF THE PETITION OF AT&T COMMUNICATIONS OF THE PACIFIC NORTHWEST, INC., TCG SEATTLE & TCG OREGON FOR APPROVAL OF AN ALTERNATIVE MEASUREMENT OF SERVICE QUALITY REPORTING PURSUANT TO WAC 480-120-439(12)	))))))))	DOCKET NO. UT-041588 **AT&T'S PETITION FOR ALTERNATIVE MEASUREMENT AND REPORTING UNDER WAC 480-120-439(12)**

Pursuant to WAC 480-120-439(12), AT&T Communications of the Pacific Northwest, Inc.; TCG Seattle and TCG Oregon (collectively "AT&T") hereby request that the Washington Utilities and Transportation Commission ("WUTC" or "Commission") grant this Petition for Alternative Measurement and Reporting under WAC 480-120-439. As grounds therefore, AT&T states as follows:

I. INTRODUCTION

1. As the Commission is aware, AT&T received a notice that it had become a "Class A" telecommunications provider. Class A companies, because they serve 2% of the access lines in Washington, are required to provide certain service quality reports to the WUTC on varying schedules (*e.g.*, monthly, quarterly, bi-annually). On August 30, 2004, AT&T requested that the Commission open a docket to receive this Petition, among other things. Based upon that request, AT&T submits this request for alternative measurements and reporting.

2. The current service quality measurements and reporting requirements of WAC 480-120-439 are based principally upon a facilities-based, legacy network architecture that is utterly inconsistent with AT&T's network and the provision of its service. For example, many requirements mandate both measurement and reporting

based upon central offices.[1] AT&T does not employ central offices. Other measurements do not contemplate AT&T's reliance upon the underlying incumbent local exchange carrier ("ILEC") to obtain the necessary inputs for its service along with the installation intervals required by the ILEC.[2]

3. Consequently, AT&T cannot reasonably provide many of the measurements or reports required under the rule. Nevertheless, AT&T's proposed alternatives provide the Commission with substantive performance standards based upon AT&T's actual network and its service as truly provisioned in the State.

4. AT&T provides greater detail regarding its compliance difficulties in its discussion of the specific rules and proposes alternative measurements for those rules, below. Based upon that discussion, AT&T requests that the Commission grant this Petition for alternative measurements.

II. ALTERNATIVES BASED UPON POLICY & PRACTICAL ISSUES

5. Before turning to the specific rules, however, there exist several policy and practical issues that AT&T requests the Commission contemplate and resolve, in part, with respect to this Petition. The <u>first</u> issue, which may be resolved here, is whether WAC 480-120-439 ought to apply to service provided to large business customers or what are otherwise know as "enterprise customers." Most of the rules, but especially those dealing with missed appointments, installation of basic service and repair reports, are rules AT&T believes were designed to assist residential and small business consumers, <u>not</u> enterprise customers. In fact, these rules make little sense, if any, when applied to enterprise customers. That is because enterprise customers, in general, have

[1] *See e.g.,* WAC 480-120-439(4); WAC 480-120-439(6).
[2] *See e.g.,* WAC 480-120-430(4)(describing installation intervals some of which cannot be met by carriers provisioning service via UNEs).

contracts with carriers that spell out the installation and other special equipment needs of the customer. For example, installation of a PBX and its connection to DS1s to various locations for basic and data services could take more time than contemplated by a 5-business-day installation expectation. Thus, AT&T proposes alternative measurements that would apply such rules to customers with five or fewer access lines.

6. In a recent rulemaking in Colorado regarding service quality requirements, among other things, Qwest, other industry members and the Office of Consumer Counsel all agreed that certain service quality measurements, such as installation intervals, were not necessary for enterprise customers.[3] The same is true here in Washington. As noted, AT&T will point out, in its discussion of the specific rules, which ones should apply only to customers with five or fewer access lines, and it asks that the Commission adopt those proposals for alternative measurements.

7. The <u>second</u> issue, requires a recognition of the economic impact information gathering and reporting requirements place on carriers and their services. Most Commissions and customers, in particular, residential and small business service customers, would like to have products priced at rates that customers can readily afford to pay. The more cost added into the carrier's ability to produce the product, the higher the cost of the product and the less affordable it becomes. If the price to produce the product is simply higher than the carrier can recover, the carrier will not produce the service or it will withdraw the service as the costs increase. Service quality measurement and reporting imposes costs on carriers.

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[3] *See* **Attachment 1** to this Petition, excerpts from Comments by Qwest and OCC. *Will be provided when transcripts are available.*

8. To keep their costs down, carriers create, among other things, call centers or service-type centers that address customers' needs. These centers are less expensive to staff than multiple service representative offices in numerous cities, but they are certainly not cheap.

9. In addition to creating call centers, carriers—especially national carriers—attempt to standardize and automate as many internal business reporting and information gathering operations as possible. The standardization of measurements and reporting allows carriers to automate the reporting and produce the reports at a lesser cost than the carrier would incur if it had to manually pull out unique information from its systems for 50 states.

10. Standardization also assists consumers in understanding the criteria for making carrier selections.

11. For these reasons, AT&T will seek an alternative method of performance measurement that is consistent with the majority of other states and consistent with its systems set-up. While not providing the detail behind the measurement (*e.g.*, total number of orders versus total orders filled), AT&T for most other states only supplies the end-result (*e.g.*, 99 % commitments met). In fact, the end result that AT&T typically reports is consistent with most of the Washington state's standards, but different with the actual reporting demand (*e.g.*, commitments missed).[4] AT&T's reporting proposal still provides the Commission with the basic substance requested.

12. The third issue, which is not possible to resolve in this proceeding, but is important for the Commission to understand is that the rules, as written in WAC 480-

[4] *See e.g.*, WAC 480-120-105 (standard requiring LEC to complete 99 % of all orders in certain time frames) versus WAC 480-120-439(3)(report requiring LEC to report order appointments missed).

120-439, are terribly outdated and do not provide a reasonable means of comparing one carrier's performance to another.[5] The comparison only makes sense where the measurements are network-design and provisioning-system neutral. Not where, as here, they compare apples to oranges and expect the Commission, or the public for that matter, to draw any conclusions about performance. Thus, among the several changes that AT&T will advocate later as well as in relation to its pending Petition is for the Commission to accept statewide measurements of performance that are network architecture neutral and put all carriers and all customers on the same scale.

13. In addition the current rules really do not allow the Commission to make a reasonable judgment about competitive local exchange carriers' ("CLECs") service because they utterly ignore the reality of provisioning systems that require unbundled network elements and other modern network interoperability concerns.

14. In fact, in that same rulemaking in Colorado discussed above, even Qwest advocated updating Colorado's rules to dispense with the rule's reliance upon legacy network architecture, among other outdated procedures.[6]

15. Like Colorado, Washington's rules should be re-examined and updated if they are to do the job suggested by their very existence. Without such an update, it is likely that every CLEC that must comply with WAC 480-120-439 will have to seek alternative forms of measurement from the Commission, leading ultimately to so many multiple forms of measurement that the alleged "standards" under the rules are not in fact standard at all.

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[5] At least one Staff member suggested that an important reason to require these service quality reports was the Commission's desire to be able to make such a comparison.

[6] *See* **Attachment 2**, Qwest's statement regarding reliance upon legacy network architecture.

III. SPECIFIC RULES AND ALTERNATIVE MEASUREMENT PROPOSALS

A. <u>WAC 480-120-439(3) – Missed Appointment Report</u>

16. The Missed Appointments Report essentially reports the total number of appointments made, appointments missed and appointments excluded. The report must be broken down into two separate reports: one for installations and one for repairs. The rules for defining appointments met, missed or excepted are as follows:

> (a) A LEC is deemed to have kept an appointment when the necessary work in advance of dispatch has been completed and the technician arrives within the appointment period, even if the technician then determines the order cannot be completed until a later date. If the inability to install or repair during a kept appointment leads to establishment of another appointment, it is a new appointment for purposes of determining under this subsection whether it is kept or not.
>
> (b) When a LEC notifies the customer at least twenty-four hours prior to the scheduled appointment that a new appointment is necessary and a new appointment is made, then the appointment that was canceled is not a missed appointment for purposes of this subsection. A company-initiated changed appointment date is not a change to the order date for purposes of determining compliance with WAC 480-120-105 (Company performance standards for installation or activation of access lines) and 480-120-112 (Company performance for orders for nonbasic services).
>
> (c) A LEC does not miss an appointment for purposes of this subsection when the customer initiates a request for a new appointment.
>
> (d) A LEC does not miss an appointment for purposes of this subsection when it is unable to meet its obligations due to force majeure, work stoppages directly affecting provision of service in the state of Washington, or other events beyond the LEC's control.

In general, AT&T does not dispatch a truck or technician to install or repair residential and small business customers, rather that function is assumed by the underlying ILEC in accordance with an approved interconnection agreement, and in the case of Qwest, consistent with the Performance Assurance Plan ("PAP") approved by this Commission. AT&T knows only what the underlying ILEC reports and that report does not include information regarding any exceptions or the need for actual dispatch to the customer premises.

17. In the course of its business, AT&T tracks the underlying ILEC's performance and reports that performance as follows: total commitments met.[7] From this information, the Commission can determine the total commitments missed by simple subtraction, but AT&T's systems are set up to show whether the standard was met, not the underlying data that goes into the final result. Nonetheless, the underlying data is measured consistently with the Commission's reporting requirements. To produce the underlying reporting requirements, AT&T would have to hire a person to go into its systems and manually pull out the total number of orders taken for each product type, the total orders missed for each product and the total orders exempted for each product type and then manually tabulate the total orders made and missed to arrive at the percent of commitments missed. AT&T's systems are currently set up to supply only the commitments met number because that is the number most Commission's seek, not the underlying data. Because AT&T does not have the resources to alter its systems for just one State or to manually extract data, AT&T requests the alternative metric report shown on **Attachment 3**, under WAC 480-120-439(3).

18. As for enterprise customers, generally, AT&T performs the services of installation, repair and maintenance when it owns the network and it contracts with the underlying ILEC where it does not. Because the services provided to large business customers are often complex and vary by customer needs, AT&T does not track the metrics designed by the Commission, that—frankly appear to best address the small customer needs—so AT&T does not report for large customers based upon this metric

[7] This measures, for example, the total installations ordered and the total installation commitments met.

set-up. Rather, these services for enterprise customers are performed in accordance with the more complex needs of the business being served.

B. WAC 480-120-439(4) – Installation or Activation of Basic Service Report.

19. The Installation or Activation of Basic Service Report essentially requires that carriers report: (a) the total orders taken by central office in the last six months for orders of five or fewer access lines;[8] (b) of those orders, the total orders uncompleted in 5 business days; (c) the total number of orders, by central office, incomplete in 90-days and the total number of orders incomplete in 180-days.

20. This rule, by its own terms, applies to residential customers and small businesses and addresses only the provision of basic local exchange service or plain old telephone service ("POTs"). AT&T has several difficulties with this metric. First, AT&T does not employ central offices. Central offices are an outgrowth of the older legacy network architecture, which employs numerous "Class 5" or end office switches disbursed widely across the State. Generally, Class 5 switches are placed to accommodate the limitations of twisted pair, local loops. ILECs generally employ such network architecture. AT&T does not; rather, it has no central offices, very few switches and much longer transport systems.

21. The second problem AT&T has with adherence to the metric is that it provisions much of its residential and small business service using unbundled network elements, in particular the unbundled platform ("UNE-P") or the unbundled loop ("UNE-L"). In order to provision service in this manner, AT&T is bound by several documents and practical considerations that the rule simply does not contemplate. That is, AT&T is

[8] The carrier must also report the total number of orders of five or fewer access lines that have due-dates, by customer choice outside the 5-day interval.

bound by the interconnection agreements it has with the underlying ILECs and their respective installation interval guides. So, for example, if AT&T were to provision residential service to a customer in Qwest's territory, it would do so under the requirements of its interconnection agreement with Qwest, Section 9,[9] and it would look to Qwest's service interval guide to discover that Qwest has a 5-day installation interval between the time when Qwest gets the order from AT&T to the time Qwest turns over the loop to AT&T.[10] After the loop is turned over to AT&T, AT&T can then do the work it must do before it turns the loop on for its end-user customer. AT&T's work can vary depending upon whether the service is provisioned via UNE-P or UNE-loop, and Qwest's turn-over of the loop can vary depending upon order-form accuracy. In short, AT&T has no practical control over the installation intervals needed by Qwest and AT&T—like all other similarly situated CLECs—can never meet the 5-day interval.

22. Third, AT&T maintains its records and manages its customers, not by ILEC wire center, but on a statewide basis. This is because of AT&T's network architecture and its operating systems. So, with most customers of five or fewer access lines, AT&T picks-up traffic from customers, generally speaking, at the ILEC's tandem switch, not at the central office.[11] AT&T relies upon the underlying ILEC to provide the critical UNE service necessary to connect AT&T to the customer. When the ILEC fails to provide, for example, that customer loop for residential service within the time agreed to by the customer, AT&T will wait no longer than 14-days before it will cancel the

[9] Section 9 is the unbundled network elements section of the contract and it describes in detail AT&T and Qwest's obligations.
[10] *See* **Attachment 4**, excerpt from Qwest's Service Interval Guide showing the installation intervals required by Qwest.
[11] Although it might employ the central offices instead of the tandem in bigger metropolitan areas or in the very few cases where it serves such customers by UNE-L.

service order with both the underlying ILEC and the end user customer. AT&T's experience with "held orders"[12] is such that it realizes these create a *force majeure* event for the Company and the customer because AT&T has absolutely no control over how long the end-user residential customer must wait for the provision of service. Thus, none of AT&T's residential service customers will wait longer than 14 days for service and AT&T has no reporting on delayed service for these customers.

23. In contrast, because small business customers may have slightly more complex orders, AT&T generally tracks these orders within the following intervals: 30-60 days held; 61-90 days held; 91-180 days held and over 181 days held. Thus, with respect to small business customers, AT&T can accommodate the Commission's reporting requirements up to a point, but it is still hampered by the installation interval guides of the underlying ILECs.

24. As a consequence, AT&T requests that the Commission accept AT&T's alternative measure for small business customers on subparts (b) and (c) using a statewide percentage as suggested in Attachment 3.

C. WAC 480-120-439(5) – Major Outage Report.

25. This rule essentially requires that carriers report, within ten business days of the problem, "a major outage that lasts more than forty-eight hours." To the extent that the outage is on AT&T's network, AT&T will report this metric as requested. It cannot, however, report outages on other carrier's networks even when those carriers are supplying the underlying facilities because AT&T simply has no way of knowing when another carrier is experiencing an outage. Regardless, the other carrier has an obligation

[12] Held orders is a colloquial term used in the industry to describe orders, either wholesale or retail, that do not meet the installation due dates.

to make the report so duplication of effort is unwarranted, inefficient and costly to implement. Here, AT&T seeks clarity that this metric applies only to AT&T's network

D. **<u>WAC 480-120-439(6) – Trouble Reports</u>**.

26. The Trouble Reports rule requires generally that each month carriers must submit reports disclosing the total number of troubles by central office, the total number of lines served by the central office and the ratio per 100 lines. In addition, the rule requires that the carriers provide the "cause" of the trouble. Further the standard developed to measure troubles, WAC 480-120-438, states in relevant part:

> [t]rouble reports by central office must not exceed four trouble reports per one hundred access lines per month for two consecutive months, or per month for four months in any one twelve-month period.

27. Here again, AT&T does not have central offices in its network so it cannot report or meet the standard based upon that kind of network architecture. AT&T can, however, report the total number of troubles statewide and the ratio per one hundred lines in service for all customers in Washington. AT&T requests that the Commission accept this alternative measurement.

E. **<u>WAC 480-120-439(7) – Switching Report</u>.**

28. The Switching Report basically requires that a carrier file a report when it experiences problems that cause it to exceed the switching standards established in WAC 480-120-401(2)(a). This standard states in pertinent part:

> End-office switches, in conjunction with remote switches where deployed, must meet the following standards:
>
> (a) Dial service. For each switch, companies must meet the following minimum standards during the switch's average busy-hour of the average busy season:
>
> (i) Dial tone must be provided within three seconds on at least ninety-eight percent of calls placed; and

> (ii) Ninety-eight percent of calls placed must not encounter an intra-switch blocking condition within the central office, or blocking in host-remote, or interoffice local trunks.

Again, the problem, AT&T does not have the network architecture described in the rule; that is, it does not have "end-offices," "central offices," or "remote switches deployed in conjunction with end-office switches." Furthermore, it relies upon the underlying ILEC to provide it access to the end-user customer such that it employs that ILEC's network to service the customer.

29. While AT&T cannot comply with the measurement as required, it can provide the dial tone measures for its own switches, which are not *per se* end-office, central office or host-remote switches, generally. Thus, AT&T requests that the Commission allow AT&T to provide this measurement as offered in Attachment 3.

F. WAC 480-120-439(8) – Trunk Blocking Report.

30. WAC 480-120-439(8) generally requires carriers to produce monthly reports when the standard is missed by a single trunk group for more than two consecutive months. The standard applies to interoffice facilities, and establishes standards that must be met for interoffice facilities, E911 trunks and trunks to interexchange carriers ("IXCs").[13] AT&T will provide the required information for its own network to the extent it has interoffice facilities,[14] E911 trunks and trunks to IXCs, and it asks that the Commission accept that measure as set out in Attachment 3.

G. WAC 480-120-439(9) – Repair Report.

31. The Repair Report essentially provides that carriers must report monthly, the total number of service "interruptions and impairments." Service "interruptions and

[13] WAC 480-120-401(3) & (5).

[14] Interoffice facilities are generally the trunks that run between central offices, central offices and tandem offices or, in the case of AT&T's network between switches.

repairs" are basically divided, under the relevant standard, into two types of repairs: (a) out-of-service problems and repairs; and (b) service impairment problems and repairs.[15] Of these two types of repairs, carriers must report out-of-service repairs completed within 48 hours and those completed outside of 48 hours. For impairments, as opposed to out of service events, carriers must report the number of troubles repaired within 72 hours and the number repaired in more than 72 hours. Also, for each type of repair (out-of-service or impairment), carriers must describe the interruptions they exempt from the measure based upon certain exemption criteria.

32. For residential and small business customers, AT&T must generally rely on the underlying ILEC to meet these standards, and AT&T is generally bound by any performance standards such as the PAP imposed upon the underlying ILEC. With that caveat in mind, AT&T's systems, as designed today, can report the percent of out-of-service repairs fixed within 48 hours (and it follows that if you have that, you also have the number repaired outside the 48 hours)[16] and the impairments fixed within the 72 hours for residential and small business customers. Thus, AT&T asks that the Commission accept such alternative measure as adequate for its purposes under the rules.

H. WAC 480-120-439(10) – Business Office Repair Answering Report.

33. This rule dictates the time within which carriers must answer phone calls from customer. The report is made when requested by the Commission, and the standard generally requires carriers to ensure that the monthly average time for automated systems to answer calls falls within 30 seconds.[17] In addition to the initial answer time, the

[15] WAC 480-120-440.
[16] It is not clear to AT&T why this metric requires both the percent repaired within the interval and those repaired outside the interval. Such requirement appears rather redundant.
[17] WAC 480-120-133(2)(a).

automated system, under the standard, must allow the customer to reach a live service representative within 60 seconds or be transferred within that time upon request.[18] Finally, the standard requires that the live service representative must actually answer the calls in queue on a monthly average within 60 seconds.[19]

34. AT&T has worked with Business Practices/Consumer Affairs Staff to reconcile its systems with the standards required for this rule. In general AT&T has come to understand that these rules are primarily aimed at protecting residential customers, and thus, AT&T proposes to report based upon those customers. For AT&T's large business customers, they usually have account representatives to call and for small business customers, AT&T has specialists that handle business services needs.

35. In discussing AT&T's systems with Staff, AT&T disclosed that its automated call answer system is designed to answer the call well within the 30 seconds required under the rule. Upon picking up the call the automated system provides the customer with a sorting menu aimed at directing the particular inquiry to the correct call center. AT&T's sorting menu generally meets the 60-second requirement allowing customers to obtain access to a live representative.

36. Generally, AT&T's system is designed such that all customers are placed in the order of calling to speak with a person. Given that nationwide reach, Staff and AT&T agreed to a 90 second, instead of a 60-second, live representative answer time. AT&T requests that the Commission adopt AT&T and Staff's agreed upon alternative measure.

[18] WAC 480-120-133(2)(b).
[19] WAC 480-120-133(2)(c).

IV. CONCLUSION

37. AT&T encourages the Commission to accept its proposals for alternative measures because: (1) altering AT&T's systems to accommodate unique reporting requirements for one state is extremely expensive, as is adopting a manual process to accommodate a single state; (2) adopting a statewide standard measurement that tells customer the percent of time the metric is met is consistent with other states and provides Washington customers with a clearer idea of the standard as applied to all carriers;[20] and (3) moving regulatory requirements away from legacy-system regulation to a more network and competition neutral standard serves the public interest in that it is fairer to all carriers than the current standards are.

38. For the reasons stated herein, AT&T requests that the Commission accept all of AT&T's proposed alternative measurements as adequate to meet the Commissions needs under WAC 480-120-439.

Respectfully submitted this 1st day of October, 2004.

AT&T COMMUNICATIONS OF THE PACIFIC NORTHWEST, INC. AND AT&T LOCAL SERVICES ON BEHALF OF TCG SEATTLE AND TCG OREGON

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[20] Of course, AT&T will advocate moving to a statewide standard that is in fact consistent across all carriers and network architecture neutral.