

Exhibit T-___ (TLS-1T)
Docket No. UT-043007
Witness: Thomas L. Spinks

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Second Six Month Review)
of Qwest Corporation's Performance) DOCKET NO. UT-043007
Assurance Plan)
)
)
_____)

TESTIMONY OF

THOMAS L. SPINKS

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION STAFF

October 5, 2004

1 **Q. Please state your name and business address.**

2 A. My name is Thomas Spinks. My business address is 1300 South Evergreen Park
3 Drive Southwest, P.O. Box 47250, Olympia, Washington 98504. My e-mail
4 address is tspinks@wutc.wa.gov.

5

6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by the Washington Utilities and Transportation Commission as a
8 Regulatory Consultant.

9

10 **Q. Please state your qualifications.**

11 A. My general qualifications are included as Exhibit TLS-2. In addition, I have direct
12 experience in the subject matter of this testimony by virtue of having represented
13 Commission staff on the U S WEST 271 ROC Steering Committee during the
14 Operational Support System (OSS) test. The role of the Steering Committee
15 during the OSS test was, in part, to seek to resolve problems identified by the
16 third party tester and the test site coordinator.

17

18 **Q. What is the purpose of your testimony?**

19 A. The purpose of my testimony is to explain why the PO-20 Manual Service Order
20 Accuracy performance indicator was created and why the PO-20 Manual Service

1 Order Accuracy performance measure should continue to be included as a Tier 2
2 payment opportunity.

3
4 **Q. What circumstances led Qwest to develop the PO-20 performance measure?**

5 **A.** In January 2002, KPMG issued Observation 3086 in which it documented a
6 number of occasions where failures during testing occurred due to human error.
7 Observation 3086 is included in my testimony as Exhibit TLS-3. During the OSS
8 testing carried out in 2001, KPMG and Hewlett-Packard (HP) issued some 75
9 Observations and Exceptions (O&Es) that related to the need for additional
10 training and training enhancements. The need for training was identified as a
11 remedy for errors that occur in the manual handling of orders. Qwest responded
12 to many of the O&Es by describing corrective actions it would take in response
13 to the identified concerns. However, as late as January 2002, KPMG and HP
14 continued to identify O&Es that related to the need for additional training for
15 Service Delivery Coordinator personnel (SDC) and the Interconnect Service
16 Center (ISC). As a result, KPMG issued Observation 3086 and brought the
17 matter to the attention of the Steering Committee. As explained in the testimony
18 that follows, PO-20 was subsequently developed and became part of the QPAP
19 as a result of the concerns raised in OBS 3086.

20

1 **Q. What actions did the Steering Committee take as a result of OBS 3086?**

2 **A.** The Steering Committee took two actions. First, the Steering Committee
3 communicated to Qwest its concerns with the issues raised in OBS 3086 which is
4 provided in this testimony as Exhibit TLS-4, and second, the Steering Committee
5 asked KPMG for recommendations regarding manual service order errors, which
6 resulted in the Adequacy Study that is provided in this testimony as Exhibit
7 TLS-5.

8

9 **Q. Did KPMG identify the impact that failures in the Service Delivery Center**
10 **(SDC) and Interconnect Service Center (ISC) have on CLECs?**

11 **A.** Yes. KPMG stated in OBS 3086 that “The inadequacy of Qwest’s ISC and SDC
12 personnel training may impede a CLEC’s ability to obtain consistent and
13 effective assistance, thereby negatively impacting its ability to conduct business
14 operations.” (Ex. TLS-3, p.2)

15

16 **Q. What concerns were expressed by the Steering Committee?**

17 **A.** In addition to sharing the concerns expressed by the test vendors, the Steering
18 Committee was also concerned that the performance reports provided by Qwest
19 did not adequately address human error and advised Qwest to identify ongoing
20 reporting mechanisms that would identify and monitor the long term

1 effectiveness of Qwest's efforts to reduce the frequency of problems caused by
2 human error.

3
4 **Q. What were the recommendations from the Adequacy Study in Exhibit TLS-5?**

5 **A.** The KPMG Manual Order Entry Performance Indicator Adequacy Study
6 recommended additional disaggregations to PIDs OP-3, OP-4 and OP-15, and for
7 Qwest to define four new PIDs related to order accuracy.

8
9 **Q. How did Qwest respond to the Steering Committee concerns and the KPMG
10 Adequacy Study?**

11 **A.** The Qwest response, which is included here as Exhibit TLS-6, stated that Qwest
12 was developing a manual performance measure and would address the KPMG
13 proposals in one of the first long-term PID administration meetings. Shortly
14 thereafter Qwest made its first application to the FCC for reentry into the long
15 distance market.

16
17 **Q. Was the Manual Service Order accuracy issue addressed in the evaluation of
18 Qwest's 271 application?**

19 **A.** Yes, CLEC comments in the evaluation included discussion of their concerns
20 with the number of manually handled service orders that were inaccurate. In

1 addition, the Department of Justice (DOJ) comments concluded discussion of the
2 issue by saying:

3 “The lack of regularly reported commercial data on manual accuracy
4 renders the record incomplete. The Department believes that this is a
5 serious issue, particularly given the expert tester’s carefully expressed
6 concerns. But for the concerns expressed by KPMG at the close of the test,
7 the positive results on the underlying test criteria would appear to
8 support a finding that Qwest proved the overall adequacy of its processes.
9 Since filing its application, Qwest has submitted substantial evidence
10 regarding its own internal tracking of manual order accuracy, and, if
11 reliable, this data could support a finding that Qwest’s processes are
12 sufficient to permit CLECs a meaningful opportunity to compete. The
13 Department remains concerned, however, that there is no process that
14 would permit CLECs and regulators to monitor and maintain adequate
15 performance as volumes increase. Therefore, the Department agrees with
16 KPMG’s assessment that further measures are necessary to permit
17 continued monitoring, recognizes Qwest’s willingness to implement a
18 new performance measure and make available information on internal
19 manual accuracy tracking, and believes this monitoring should be
20 implemented promptly to ensure that Qwest continues to maintain the
21 requisite accuracy of manual handling.” (Evaluation of the United States
22 Department of Justice, *In the Matter of Qwest Communications International,*
23 *Inc. Consolidated Application for Authority to Provide In-Region, InterLATA*
24 *Services in Colorado, Idaho, Iowa, Nebraska and North Dakota (“Qwest I”),* FCC
25 Docket No. 02-148 (July 23, 2002).
26

27 **Q. How did Qwest respond to the concerns expressed about Manual Service**
28 **Order accuracy during the FCC evaluation of Qwest’s 271 Application?**

29 **A.** On August 9, 2002, Qwest made an ex-parte filing with the FCC and the WUTC
30 indicating that after discussions with FCC staff, it was asking this Commission to
31 include PO-20 in the Qwest Performance Assurance Plan (QPAP) and to make

1 Tier II payments for failures in the PO-20 performance measure. The request is
2 included in my testimony as Exhibit TLS-7.

3
4 **Q. Did the Commission allow Qwest to add PO-20 to the QPAP?**

5 **A.** Yes, after receiving comments from CLECs and a reply by Qwest, the
6 Commission, in the 43rd Supplemental Order, approved the request on an interim
7 basis on the condition that Qwest work collaboratively with the parties to refine
8 and modify the measure prior to any six-month review, and noting that the
9 refined measure would be subject to review and modification at the six-month
10 review.

11
12 **Q. Has Qwest refined the PO-20 measure and presented it for Commission
13 review?**

14 **A.** Qwest has worked with other parties to refine and implement PO-20- Expanded
15 and initially asked the Commission in this proceeding to resolve several disputes
16 including the Tier and payment level applicable to the measure. Qwest and the
17 CLECs subsequently resolved all of the PO-20 issues except for the matter of
18 whether the measure should be subject to Tier II payments and the Commission
19 has approved the settlement.

20

1 **Q. Has the Commission articulated the circumstance under which performance**
2 **measures should be subject to Tier II payments?**

3 **A.** In the Thirtieth Supplemental Order in Docket UT-003022, the QPAP Order, the
4 Commission explained that certain performance measures were subject to Tier II
5 payments for two reasons. These were 1) when performance results were
6 available only on a regional basis, and 2) because of their importance to CLEC's
7 ability to compete. (Order at ¶80)

8
9 **Q. Is the manual service order accuracy measure important to a CLEC's ability to**
10 **compete?**

11 **A.** Yes. During the OSS test, the OSS test vendors KPMG, H-P and Liberty all
12 issued observations and/ or exceptions related to manual entry errors. In OBS
13 3086, KPMG characterized the impact as "negatively impacting a CLECs ability
14 to conduct business operations." During the LTPA discussions, one of the
15 participating CLECs discussed its internal quality control processes finding 15%
16 of its UNE-P orders had errors. (See LTPA_021204_Minutes) In recognizing the
17 importance of manual service order accuracy to competition, the DOJ, in its
18 evaluation, stated "The Department remains concerned, however, that there is no
19 process that would permit CLECs and regulators to monitor and maintain
20 adequate performance as volumes increase." Qwest itself, after discussion with

1 the FCC, believed it necessary to add PO-20 to the QPAP as a Tier II measure as
2 it sought approval of its application to reenter the long distance market. This
3 Commission, in the 43rd Supplemental Order stated, “The issue of manual service
4 order accuracy, and Qwest’s failure to address that issue during the OSS test,
5 were serious enough to cause this Commission to request that the FCC give
6 lesser weight to performance data for OP-4.” (See 43rd Supplemental Order, ¶8.)
7 In summary, the test vendors, CLECs, Department of Justice, the FCC and this
8 Commission have all recognized the importance of manual service order
9 accuracy to competition in the local service market.

10
11 **Q. What is the Staff’s recommendation regarding the payment tier for PO-20?**

12 **A.** The Staff recommends that the Commission include PO-20 as a Tier 2 measure at
13 the Medium payment level.

14
15 **Q. If the Commission adopts the Staff recommendation, will a financial burden
16 then be placed on Qwest?**

17 **A.** The latest performance results filed by Qwest show that the company is
18 achieving or exceeding the benchmark standards for the new PO-20 expanded
19 measure for the last three months in Washington. The performance results are
20 included as Exhibit TLS-8. This result means it is unlikely Qwest will need to

1 pay the state any money for failures on the measure so long as it continues to
2 provide quality service. The whole point of the QPAP after all, is not to enrich
3 either CLECs or the state, but rather to provide a strong incentive to Qwest to
4 continue its good performance in providing CLECs with products they require in
5 order to compete.

6

7 **Q. Has Qwest ever made a Tier II payment to the state of Washington for failure**
8 **to meet the PO-20 standard?**

9 **A. No.**

10

11 **Q. Does this conclude your testimony?**

12 **A. Yes.**