

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AT&T BROADBAND PHONE OF)
WASHINGTON, LLC,)
)
Complainant,)
)
v.)
)
QWEST CORPORATION,)
Respondent.)
_____)

Docket No. UT-020388

DIRECT TESTIMONY OF

JONATHAN WOLF

ON BEHALF OF

AT&T BROADBAND PHONE OF

WASHINGTON, LLC

April 30, 2002

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?**

2 A. My name is Jonathan Wolf. My business address is 14243 SW Terman Road,
3 Beaverton, Oregon.

4
5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?**

6 A. I am employed by AT&T Broadband as the Telephony Manager for Oregon and
7 Southwest Washington.

8
9 **Q. WHAT ARE YOUR DUTIES AND RESPONSIBILITIES IN THAT**
10 **CAPACITY?**

11 A. I oversee all of the operations and provisioning functions for the company's
12 Digital Broadband Telephony Service delivery in Oregon and Southwest
13 Washington. I am also responsible for the service assurance functions (repair
14 and maintenance) for the Digital Telephony Services. As part of my operational
15 duties I oversee the vendor relationships with the incumbent local exchange
16 carriers ("ILECs"), including Qwest Corporation ("Qwest").

17
18 **Q. WHAT IS YOUR PROFESSIONAL AND EDUCATIONAL**
19 **BACKGROUND?**

20 A. I possess twelve years of professional Telecommunications experience including
21 six years as an Economist at the Oregon Public Utility Commission and 6 years
22 as an Operations Manager/Director at AT&T. I have a BA and MA in
23 Economics.

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1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. The purpose of my testimony is to describe Preferred Local Carrier (“PLOC”)
3 freezes and the problems that AT&T Broadband Phone of Washington, LLC
4 (“AT&T Broadband”) has experienced with Qwest’s implementation of PLOC
5 freezes. I also recommend solutions to these problems that both will discourage
6 unauthorized changes in local service providers and will minimize the ability of
7 ILECs to undermine the development of effective local exchange competition.

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9

BACKGROUND

10 **Q. PLEASE DESCRIBE AT&T BROADBAND.**

11 A. AT&T Broadband is a facilities-based provider of local exchange service in
12 Washington. AT&T Broadband provides primarily residential service in
13 Vancouver (as part of the Portland, Oregon market) and the greater Puget Sound
14 area, including Seattle. AT&T Broadband competes with Qwest, the incumbent
15 ILEC that provides local service to the vast majority of residential consumers in
16 these areas.

17

18 **Q. DOES AT&T BROADBAND OBTAIN ANY FACILITIES OR SERVICES**
19 **FROM QWEST FOR USE IN SERVING CUSTOMERS?**

20 A. Yes, but other than interconnection, such facilities and services are limited
21 almost exclusively to local number portability (“LNP”). AT&T Broadband uses
22 its own network to provide dialtone but needs LNP to be able to offer local
23 service to existing Qwest customers using their existing telephone number. LNP
24 includes the network adjustments necessary to have calls made from or to an
25 individual telephone number routed through the AT&T Broadband switch, rather
26 than through the Qwest switch to which that number originally was assigned as

1 part of a block of telephone numbers. Many customers would refuse to obtain
2 local service from AT&T Broadband if they were unable to retain their existing
3 telephone number.

4
5 **Q. HOW DOES AT&T BROADBAND OBTAIN LOCAL NUMBER**
6 **PORTABILITY FROM QWEST?**

7 A. AT&T Broadband has a Commission-approved interconnection agreement with
8 Qwest and orders LNP pursuant to the terms and conditions of that agreement.
9 After a Qwest customer requests local service from AT&T Broadband, AT&T
10 Broadband submits a local service request (“LSR”) to Qwest to port that
11 customer’s telephone number to AT&T Broadband. AT&T Broadband
12 coordinates the installation of its facilities on the customer’s premises with the
13 number port to transition the customer from Qwest service to AT&T Broadband
14 service without any service interruption. Because local telephone service cannot
15 be provided without a telephone number, AT&T Broadband cannot install its
16 facilities or begin providing service until Qwest ports the customer’s telephone
17 number.

18
19 **PLOC FREEZE**

20 **Q. WHAT IS A PREFERRED LOCAL CARRIER FREEZE?**

21 A. A PLOC freeze enables an end-user customer to prohibit its existing local
22 exchange service provider from changing the customer’s local telephone service
23 from the existing provider to another provider without the customer’s express
24 authorization. The Commission’s rule (WAC 480-120-139) requires all local
25 exchange carriers (“LECs”) to offer this option to their customers. That rule also

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1 requires providers to remove the freeze when the customer authorizes removal
2 either orally or in writing.

3

4 **Q. WHAT IS THE PURPOSE OF A PLOC FREEZE?**

5 A. The purpose of a PLOC freeze is to help prevent a LEC from switching a
6 customer from its existing provider to the LEC without the customer's approval,
7 generally referred to as "slamming." AT&T Broadband, like most LECs, takes
8 slamming concerns very seriously and has implemented measures to minimize, if
9 not eliminate, slamming opportunities. AT&T Broadband, for example, uses a
10 third party to verify that every customer ordering local service, in fact, authorizes
11 AT&T Broadband to provide that service.

12

13 **Q. WHAT DOES A PLOC FREEZE ADD TO THESE MEASURES?**

14 A. In theory, a PLOC freeze adds another layer of scrutiny – essentially a third
15 check (by the current provider, after a check by the new LEC and the third party
16 verifier) – on a local service order to ensure that the customer has authorized a
17 change in service providers. That additional increment of scrutiny, however,
18 adds little, if any, real protection and comes at a high cost. The more difficult
19 the process a customer must go through to change service providers, the less
20 likely that customer is to make a change. In addition, a requirement that the
21 customer contact its current local service provider to authorize a change to a
22 different LEC provides the current provider with an opportunity to attempt to
23 convince that customer not to make a change. The result is that a PLOC freeze
24 can become a burden, rather than a safeguard, on consumer choice and the
25 development of effective local exchange competition.

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1 These concerns have lead state commissions in several states, recently including
2 Montana and Iowa, to suspend or prohibit PLOC freezes until local exchange
3 competition develops. The Montana Commission, for example, explained:

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5 The Commission agrees with comments that, if the program was
6 implemented, Qwest would be successful in locking large numbers of
7 customers into its local service, especially given Qwest's plan to solicit
8 customers regarding this program whenever customers call Qwest's
9 business office for any reason. Once a customer's choice of Qwest as the
10 local service provider is frozen, the customer must speak or write to
11 Qwest directly in order to lift the freeze. This requirement for the
12 customer's express consent to remove a freeze is the critical element of
13 the customer protection that carrier freezes provide to customers.
14 However, the freeze-lifting process with its necessary delays when
15 applied to the local service market likely will result in customer
16 frustration and the loss to CLECs of customers who intended to change
17 local service providers but were deterred by the process.¹

14 WASHINGTON EXPERIENCE

15 **Q. WHAT HAS BEEN AT&T BROADBAND'S EXPERIENCE WITH**
16 **QWEST'S IMPLEMENTATION OF PLOC FREEZES IN**
17 **WASHINGTON?**

18 A. AT&T Broadband's experience with Qwest in Washington has been a nightmare,
19 both for AT&T Broadband and for residential customers wanting to change their
20 local service provider from Qwest to AT&T Broadband. That experience
21 illustrates the accuracy of the Montana Commission's conclusion that a service
22 provider freeze "when applied to the local service market likely will result in
23 customer frustration and the loss to CLECs of customers who intended to change
24 local service providers but were deterred by the process."

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26 ¹ *In re Commission's Investigation Into Qwest Local Service Freeze Option*, Montana
PSC Utility Division Docket No. 2002.2.22, Notice of Commission Action (April 25,
2002).

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Q. WHEN DID AT&T BROADBAND FIRST BECOME AWARE THAT QWEST WAS IMPLEMENTING PLOC FREEZES?

A. AT&T Broadband first became aware that Qwest was implementing PLOC freezes the week of February 18, 2002. Prior to that time, Qwest had accepted and processed AT&T Broadband’s orders for LNP generally in a timely manner, consistent with Qwest’s obligations under the parties’ interconnection agreement. Beginning the third week of February, however, Qwest began rejecting a substantial number of AT&T Broadband’s LSRs for LNP. The rejection notices stated, “Please have end user contact current local service provider to have local service freeze removed.”

The number of these rejections quickly increased during the week of February 25, 2002. AT&T Broadband contacted Qwest about these rejections, and Qwest informed AT&T Broadband that Qwest was now offering preferred carrier local service freezes in Washington, and that customers are required to contact Qwest to have the freezes removed. AT&T Broadband notified its customers that they would need to contact the Qwest business office to have the preferred carrier freezes on local service removed. The vast majority of these customers informed AT&T Broadband that they had not authorized any freeze on their local service. Virtually every customer also notified AT&T Broadband that when they contacted Qwest to remove the freeze, the Qwest customer service representatives were unable to assist them. The customers’ most common

1 complaints to AT&T Broadband were that Qwest failed to remove the freeze
2 despite multiple requests from the customer to do so. In at least one case, the
3 customer informed AT&T Broadband that Qwest had told the customer that a fee
4 of \$5.00 would be added to the customer's next bill to cover the cost of removing
5 the local service freeze.

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7
8 **Q. DID AT&T BROADBAND CONTACT QWEST IN AN EFFORT TO**
9 **RESOLVE THIS ISSUE?**

10 A. Yes, repeatedly. The first such occasion was on March 4, 2002, when AT&T
11 Broadband escalated the issue to Qwest Western Region personnel. Qwest
12 informed AT&T Broadband of the following process: AT&T Broadband should
13 instruct the customer to call the business office to have the freeze removed. The
14 customer service record would be updated in three to five days to reflect the
15 removal, but AT&T Broadband would be able to submit an LSR on the next
16 business day without receiving a rejection or delaying the service installation.

17
18 Qwest, however, did not implement that process. Customers continued to
19 contact AT&T Broadband complaining that they were unable to get Qwest to
20 remove the freeze on their local service, and AT&T Broadband continued to
21 receive rejection notices from Qwest after the customer had notified Qwest to
22 remove the local service freeze.

23
24 On March 7, 2002, AT&T Broadband again escalated this issue, this time
25 through a contact at Qwest's Executive Branch. This contact assisted AT&T
26 Broadband and one customer immediately to remove a local service freeze that
the customer previously had been unable to get Qwest to remove. When AT&T

1 Broadband requested assistance with another customer, the contact became upset
2 and stated, “Why should I help you take our customer?” The contact
3 discontinued the conversation when the AT&T Broadband representative tried to
4 explain that the customer was making the choice to move to another service
5 provider.

6

7 **Q. WHAT FURTHER STEPS HAS AT&T BROADBAND TAKEN TO**
8 **RESOLVE THIS ISSUE?**

9 A. AT&T Broadband representatives have joined customers on three-way
10 conference calls with Qwest to remove the local service freeze. They have spent
11 hours being transferred to, or being required to call a variety of, toll free numbers
12 to have the local freezes removed. Qwest now is referring such requests to a
13 third party vendor for processing. Qwest provided a temporary toll-free number
14 to assist AT&T Broadband and its customers to work through the backlog of
15 customer requests to remove local service freezes. This contact has been only of
16 moderate assistance because of its limited availability and effectiveness.
17 Customers are continuing to experience substantial delays in getting Qwest to
18 remove their local service freeze, if Qwest removes those freezes at all, and
19 AT&T Broadband is continuing to have its LSRs rejected long after the customer
20 has notified Qwest to remove the freeze.

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22 AT&T Broadband continued to attempt to resolve this issue with Qwest. AT&T
23 Broadband provided Qwest with a written list of concerns, including customers’
24 complaints that they are required to call Qwest multiple times to remove the
25 local service freeze and the lack of any process for, or consistency in, removing
26 local service freezes through the Qwest retail office or available escalation

1 measures. Qwest consistently has delayed providing substantive responses to
2 these concerns. Qwest, for example, has provided a third party verification of
3 only one customer's PLOC freeze, otherwise refusing AT&T Broadband's
4 repeated requests for this information with assurances that Qwest possesses
5 verification for each and every freeze despite customer claims to the contrary.

6
7 Even when Qwest has proposed a process or procedure to remedy the situation,
8 Qwest's proposal either fails to adequately address AT&T Broadband and
9 customer concerns or Qwest fails to implement its own proposal. Qwest, for
10 example, proposed to retain the "temporary" toll free number to assist AT&T
11 Broadband and customers remove PLOC freezes. AT&T Broadband and
12 customers, however, continue to experience excessive hold times of up to 30
13 minutes before a Qwest (or its third party vendor) representative will assist them.
14 Several customers have elected to terminate the call rather than wait on hold for
15 half an hour. Qwest repeatedly has cited "spikes in call volumes" as an excuse
16 for these delays, but Qwest's failure to adequately staff its call center does not
17 justify penalizing customers for attempting to exercise their option of changing
18 their local service provider.

19
20 **Q. HOW MANY CUSTOMERS HAVE BEEN AFFECTED BY QWEST'S**
21 **IMPLEMENTATION OF PLOC FREEZES SINCE FEBRUARY 18?**

22 A. AT&T Broadband's records indicate that as of April 25, 2002, 234 customers
23 have been affected in the Seattle and Vancouver areas. Prior to February 18,
24 AT&T Broadband consistently provided local service to its customers on the
25 requested installation date, usually within 5 days. Because of the delays caused
26 by Qwest's implementation of PLOC freezes, AT&T Broadband has been

1 compelled to reschedule installation dates for almost 70% of the customers that
2 Qwest claims to have authorized PLOC freezes, while approximately 25% must
3 be rescheduled multiple times. The result has been a doubling of the average
4 amount of time in which customers can obtain local service from AT&T
5 Broadband. In addition, approximately 15% of the affected customers opt for a
6 new telephone number, rather than tolerate the delay and frustration of Qwest's
7 PLOC freeze removal process.

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9 Adding insult to injury, over 95% of the affected customers deny authorizing
10 Qwest to put a PLOC freeze on their account. As an informal check, five
11 Seattle-area AT&T Broadband employees with Qwest local service contacted
12 Qwest to determine whether there is a local service provider freeze on their
13 account, and Qwest informed three of the five that they had authorized a freeze
14 on their local service provider. All three of those employees deny authorizing
15 any such freeze. I understand that Glenn Blackmon of Commission Staff
16 similarly discovered that he has a PLOC freeze on his local service from Qwest
17 that he does not recall authorizing. Qwest also claims that some customers
18 requested a local service provider freeze *after* those customers requested that
19 AT&T Broadband provide their local service. Customers understandably are
20 even more frustrated by the process required to remove a PLOC freeze when
21 they never authorized a freeze in the first place.

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23 **Q. WHAT HAS BEEN THE IMPACT ON CUSTOMERS?**

24 A. From a customer perspective, Qwest's imposition of PLOC freezes without
25 authority and failure to promptly remove that freeze is no different than
26 slamming. The customer is being provided service by a carrier that the customer

1 has not authorized to provide that service. Here, the customers formerly
2 authorized Qwest to provide their local service, but Qwest is effectively refusing
3 to honor their request to obtain service from another carrier and is continuing to
4 provide their local service without their consent. The Commission should view
5 such “reverse slamming” no differently than any other form of unauthorized
6 service provisioning.

7
8 **Q. WHAT HAS BEEN THE IMPACT ON AT&T BROADBAND?**

9 A. As the Montana Commission predicted, AT&T Broadband has lost business due
10 to Qwest’s implementation of PLOC freezes. At least 20% of the affected
11 customers have cancelled or declined to pursue their request for local service
12 from AT&T Broadband rather than run the gauntlet of Qwest’s PLOC freeze
13 removal process. AT&T Broadband has also expended a tremendous amount of
14 time and resources in a frustrating and often fruitless effort to assist customers to
15 remove the PLOC freezes that Qwest has placed in their accounts, as well as to
16 try to work with Qwest to modify Qwest’s processes and procedures to
17 accommodate customer needs.

18
19 **RECOMMENDATIONS**

20 **Q. WHAT ACTION DOES AT&T BROADBAND RECOMMEND THAT**
21 **THE COMMISSION TAKE TO RESOLVE THIS ISSUE?**

22 A. AT&T Broadband recommends that the Commission waive the PLOC freeze
23 provisions of WAC 480-120-139 and prohibit Qwest from offering or
24 implementing PLOC freezes, at least until effective competition has developed in
25 local exchange markets in Washington. AT&T Broadband understands and
26 shares the Commission’s slamming concerns, but in this case, the “cure” is worse

1 than the disease. AT&T Broadband's experience with Qwest illustrates the
2 inherent anticompetitiveness of any process that prevents customers from
3 changing local service providers until they contact their existing provider to
4 authorize the change. The incumbent monopoly service provider has no
5 incentive to facilitate this process and every incentive to use the process to its
6 competitive advantage, including making the process difficult for customers and
7 carriers to navigate and using the process to make immediate win-back efforts.

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9 **Q. WHAT ALTERNATIVE DO YOU PROPOSE?**

10 A. If the Commission continues to believe that LECs should be required to offer and
11 provide PLOC freezes, the Commission nevertheless should prohibit Qwest from
12 offering or implementing any PLOC freeze until the Commission has thoroughly
13 reviewed and approved the process and procedures that Qwest uses both to
14 impose and to remove a PLOC freeze.

15
16 **Q. WHAT PRINCIPLES SHOULD GUIDE THE COMMISSION'S**
17 **REVIEW?**

18 A. The Commission should ensure that customers are fully and accurately informed
19 before they authorize a PLOC freeze. AT&T Broadband's experience with
20 Qwest demonstrates either that customers are not authorizing PLOC freezes or
21 that customers are not aware that they are authorizing a PLOC freeze. The
22 Commission should ensure that the information that Qwest provides to customers
23 accurately explains a PLOC freeze and that customers who authorize such a
24 freeze do so separately from, and independently of, any long distance provider
25 freezes.

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1 The Commission should also ensure that if a customer has properly authorized a
2 PLOC freeze, the customer can remove that freeze with a minimum of delay and
3 inconvenience. In addition, the Commission should minimize the need for
4 contact between customers making a change and their current local service
5 provider. If a LEC uses a third party to verify customer orders, the current local
6 provider should accept verification from that third party, without requiring the
7 customer personally to communicate with the current provider. Qwest currently
8 requires customers to contact Qwest directly to remove a PLOC freeze. The
9 Commission's rule includes no such requirement, and Qwest's procedure serves
10 only to complicate and frustrate consumer choice. Qwest also may attempt to
11 build into its process an opportunity to win back departing customers by forcing
12 them to contact Qwest before they can obtain local service from another
13 provider. A single third party verification of customer authorization to change
14 local service providers should be sufficient to ensure that customers are not
15 slammed.

16
17 Finally, the Commission should ensure that whatever process Qwest has in place
18 for customers who choose to contact Qwest directly to remove their PLOC freeze
19 should be simple, efficient, convenient and dependable. Qwest should maintain
20 adequate personnel to promptly take calls from customers – with or without a
21 representative from their new carrier – including evenings and Saturdays when
22 residential customers are home. Qwest should also remove the PLOC freezes
23 immediately while the customer is still on the call. In the event of problems with
24 this process, Qwest should have escalation procedures in place that will enable
25 the customer – with or without new carrier assistance – to remedy the problem
26 and have the PLOC freeze removed without further delay.

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2 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

3 **A. Yes.**

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