

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

SCOTT A. MCINTYRE

DIRECTOR – PRODUCT AND MARKET ISSUES

QWEST CORPORATION

MAY 23, 2002

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, TITLE AND ADDRESS.**

3 A. My name is Scott A. McIntyre. I am employed by Qwest Corporation ("Qwest") as
4 Director - Product and Market Issues. My business address is 1600 7th Avenue, Room
5 3009, Seattle, Washington, 98191.

6
7 **Q. PLEASE REVIEW YOUR WORK EXPERIENCE, PRESENT
8 RESPONSIBILITIES AND EDUCATION.**

9 A. I earned a Bachelor of Science degree in Electrical Engineering at the University of
10 Washington in 1974. I have worked for Qwest (formerly U S WEST Communications,
11 Inc., and before that, Pacific Northwest Bell) since 1970. In the past 32 years, I have
12 held many positions that have given me a broad understanding of the telecommunications
13 business. I have experience in the installation and repair of local residence and business
14 telephone services. I also have experience in analyzing and planning new central office
15 equipment and interoffice network facilities. I have performed cost analyses on many
16 aspects of the business and analyzed departmental budgets in great detail. From 1987 to
17 1999, I managed private line voice and data products. This included the development,
18 pricing and marketing for a wide range of products serving business customers across
19 Qwest's fourteen-state region.

1 Since July 1999, I have been in my current position, representing Qwest on issues
2 involving various services. I also represent Qwest on issues concerning competition and
3 performance measures. This wide range of experience has provided me with an
4 understanding of how services are provided, and the pricing and marketing necessary for
5 these services to be successful.

6

7 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE TELECOMMUNICATIONS**
8 **REGULATORY COMMISSIONS?**

9 A. Yes. I provided testimony in Docket UT-991292, AT&T's complaint against U S WEST
10 regarding provision of access services. In addition, I have served as an expert witness in
11 various dockets in Oregon, Arizona, Colorado, New Mexico, Utah, Wyoming,
12 Nebraska, Iowa, and Minnesota.

13

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

15 A. The purpose of my testimony is to address representations by AT&T Broadband
16 ("AT&T") in this proceeding, through the testimony of Jonathon Wolf, concerning the
17 manner in which Qwest is administering local service freezes. I will explain the processes
18 and procedures Qwest follows in adding and removing local service freezes in response to
19 issues raised by AT&T, and will demonstrate that Qwest is in full compliance with the
20 Washington Administrative Code ("WAC") and FCC rules. In addition, I will describe

1 local service freeze process improvements instituted by Qwest to be responsive to the
2 needs of its wholesale and retail customers. Based on the information provided herein, I
3 request the Commission reinforce that the continued availability of local service freezes
4 ("LSFs") is in the best interest of Washington consumers and dismiss AT&T's complaint.

5
6 **II. THE WUTC AND THE FCC HAVE ALREADY REJECTED**
7 **ARGUMENTS THAT A LSF IS ANTI-COMPETITIVE**

8 **Q. AT&T RECOMMENDS THAT LSFs BE PROHIBITED "UNTIL EFFECTIVE**
9 **COMPETITION HAS DEVELOPED IN LOCAL EXCHANGE MARKETS IN**
10 **WASHINGTON" (DIRECT TESTIMONY OF JONATHAN WOLF, PAGE 11,**
11 **LINES 22 to 25). PLEASE COMMENT.**

12 A. Qwest's offering of LSF for its Washington customers is in full compliance with
13 Washington Utilities and Transportation Commission (WUTC) and FCC rules. AT&T's
14 argument that LSFs should be prohibited until such time that "effective" local competition
15 develops must fail, in light of both the WUTC's and the FCC's decisions, orders, and
16 rules, which establish stringent standards for the solicitation, implementation, and lifting of
17 LSFs.¹

18
19 The process by which a freeze may be imposed and removed is for the protection of the
20 customer, not to create confusion or delay any change from one provider to another. The

¹ 47 C.F.R. § 64.1100 et seq., WAC 480-120-139

1 WUTC and FCC rules specifically prohibit the imposition of LSF unless the carrier
2 obtains appropriate verification. Thus, so long as Qwest complies with the rules, as it has,
3 its offer of LSF cannot be detrimental to competition.
4

5 **Q. HAS THE FCC REJECTED CLAIMS THAT PREFERRED CARRIER**
6 **FREEZES ARE "ANTI-COMPETITIVE"?**

7 A. Yes. In a Further Notice of Proposed Rulemaking released in 1997, the FCC "sought
8 comment on whether it should adopt rules to address preferred carrier freeze practices."²
9 Numerous parties filed comments, including incumbent LECs, CLECs, state commissions,
10 and consumer groups.³ In its Second Report and Order, the FCC concluded that
11 preferred carrier freezes are lawful and actually "enhance competition":

12 [W]e recognize that many consumers wish to utilize preferred carrier
13 freezes as an additional level of protection against slamming....The
14 record demonstrates that LECs increasingly have made available
15 preferred carrier freezes to their customers as a means of preventing
16 unauthorized conversion of carrier selections. The Commission, in the
17 past, has supported the use of preferred carrier freezes as a means of
18 ensuring that a subscriber's preferred carrier selection is not changed
19 without his or her consent. Indeed, the majority of commenters in this
20 proceeding assert that the use of preferred carrier freezes can reduce
21 slamming by giving customers greater control over their accounts. Our
22 experience, thus far, has demonstrated that preventing unauthorized
23 carrier changes enhances competition by fostering consumer confidence
24 that they control their choice of service providers. Thus, we believe it is
25 reasonable for carriers to offer, at their discretion, preferred carrier

² FCC Further Notice of Proposed Rulemaking, CC Docket No. 94-129, ¶1.

³ Second Report and Order and Further Notice of Proposed Rulemaking, (Second Report), CC Docket No. 94-129, App. C.

1 freeze mechanisms that will enable subscribers to gain control over their
2 carrier selection.⁴ (Emphasis added)
3

4 In its Order, the FCC carefully "balance[d] several factors, including consumer protection,
5 the need to foster competition in all markets, and [its] desire to afford carrier flexibility in
6 offering their customers innovative services such as preferred carrier freeze programs.
7 Moreover, in so doing...[the FCC] facilitate[s] customer choice of preferred carrier
8 selections and adopt[s] and promote[s] procedures that prevent fraud."⁵ The FCC
9 concluded that the most effective way to ensure that preferred carrier freezes are used to
10 protect consumers, rather than as a barrier to competition, was not to prohibit them, but
11 "to ensure that subscribers fully understand the nature of the freeze including how to
12 remove a freeze if they choose to employ one."⁶ The FCC designed its preferred carrier
13 freeze rules "to ensure the fair and efficient use of preferred carrier freezes for intrastate
14 and interstate services to protect customer choice and, correspondingly, to promote
15 competition."⁷
16

17 **Q. HAS THE WUTC ALSO REJECTED ARGUMENTS THAT PREFERRED**
18 **CARRIER FREEZES ARE "ANTI-COMPETITIVE"?**

19 A. Yes. In formulating preferred carrier freeze rules, the WUTC considered comments from
20 various parties. As indicated in its Order adopting these rules, the WUTC

⁴ Id., ¶114. See also Id. at ¶81.

⁵ Id., ¶113.

⁶ Id., ¶121.

1

⁷ Id., ¶118.

1 heard from participants in the docket who maintained that the requirement (that
2 companies offer a preferred carrier freeze) would promote anti-competitive behavior.
3 Others argued that the rules would present a barrier to entry and effective competition.
4 Still others posited that the rules would allow incumbent companies the opportunity to
5 mislead customers. **The Commission rejected these arguments.**⁸ It is under the
6 auspices of the Commission's rules, as well as the FCC's rules, that Qwest is offering the
7 LSF option. AT&T's inference that LSFs are anti-competitive should not be afforded
8 any credibility in this proceeding, as these arguments have already been heard and acted
9 upon by this Commission and the FCC. To attempt to revisit this issue now, in the form
10 of a Complaint proceeding, is inappropriate.

11
12 **Q. DO THE WASHINGTON AND FCC RULES WHICH ADDRESS THE**
13 **MEANS BY WHICH CUSTOMERS MAY BE INFORMED OF PREFERRED**
14 **CARRIER FREEZES ENSURE THAT THEY DO NOT IMPEDE**
15 **COMPETITION?**

16 A. Yes. In addition to rejecting CLEC claims that preferred carrier freezes should be
17 banned, the FCC likewise rejected requests that it prohibit the "solicitation" of orders for
18 freezes: "[w]e decline those suggestions that we prohibit LECs from taking affirmative
19 steps to make consumers aware of preferred carrier freezes because we believe that

⁸ See Order Amending and Adopting Rules Permanently re WAC 480-120-139, Docket No. UT-980675, January 20, 2000, Page 3.

1 preferred carrier freezes are a useful tool in preventing slamming.⁹ The FCC adopted a
2 number of specific rules governing the solicitation of orders for preferred carrier freezes,
3 and **"decline[d]" the suggestions of CLECs that it "prohibit incumbent LECs**
4 **from soliciting or implementing preferred carrier freezes for local exchange or**
5 **intraLATA services until competition develops in a LEC's service area.**¹⁰ The
6 FCC reiterated its expectation that its rules governing the solicitation and implementation
7 of preferred carrier freezes "will reduce customer confusion and thereby reduce the
8 likelihood that LECs will be able to shield their customers from competition," and that it
9 "remain[ed] convinced of the value of preferred carrier freezes as an anti-slamming tool."¹¹

10
11 Likewise, the WUTC reinforced the requirement that companies notify customers of the
12 preferred carrier freeze option when it adopted its rules: "The Commission believes that
13 the availability of a carrier freeze is not an effective consumer protection tool if consumers
14 are not aware that it exists. The Commission believes that if the only consumers who find
15 out about this option are customers who have already been slammed, the value is
16 diminished considerably, since damage has already been done. Further, the Commission

⁹ Id., ¶124. See also Id. at ¶81 ("With the advent of competition in the provision of local exchange and intraLATA toll services, ... we anticipate an even greater incidence of slamming generally if effective rules are not put into place. State commissions are already receiving complaints concerning local service slamming.")

¹⁰ Id., ¶135.

¹¹ Id., ¶136.

1 believes the purpose of a carrier freeze is to allow consumers the choice of protecting
2 themselves from the slamming before it occurs.¹²

3

4 **III. QWEST HAS IMPLEMENTED LSF IN ACCORDANCE WITH STATE AND**
5 **FEDERAL REQUIREMENTS.**

6 **Q. WHAT SPECIFIC REQUIREMENTS DID THE COMMISSION MANDATE**
7 **IN WAC 480-120-139 RELATIVE TO ADDING PREFERRED CARRIER**
8 **FREEZES TO A CUSTOMER'S ACCOUNT?**

9 A. WAC 480-120-139(5) outlines the following requirements for local exchange carriers
10 ("LEC's") offering preferred carrier freezes:

- 11 • All local exchange companies must offer preferred carrier freezes.
- 12 • Such freezes must be offered on a non-discriminatory basis to all customers.
- 13 • In offering or soliciting such freezes, LECs must clearly distinguish among
14 telecommunications services subject to a freeze (e.g., local exchange,
15 intraLATA/intrastate Toll, interLATA/interstate Toll, and international Toll)
- 16 • The carrier offering the freeze must obtain separate authorization for each service for
17 which a preferred carrier freeze is requested.

18

19 WAC 480-120-139(5)(c) specifies that before a freeze can be added to a customer's
20 account, the request must first be confirmed through written authorization from the

¹² Order Amending and Adopting Rules Permanently (re WAC 480-120-139), Docket No. UT-980675, January

1 customer, or by use of an automated, electronic telephone menu system from the
2 telephone number for which the freeze is requested, or through the use of an independent
3 third party verifier. Confirmation is to be obtained from the customer for each service
4 sold.

5

6 **Q. WHAT REQUIREMENTS WERE PLACED ON LECs FOR REMOVING A**
7 **PREFERRED CARRIER FREEZE?**

8 A. WAC 480-120-139(5)(d) indicates that LECs must obtain a written and signed
9 authorization from the customer, stating his or her intent to lift the freeze. Alternatively, the
10 customer may provide oral authorization to lift the freeze and such authorization may
11 occur via a three-way call with the customer and another LEC. Oral authorization must
12 include appropriate verification data. LECs are not allowed to change a customer's
13 preferred carrier until the customer removes the freeze.¹³

14

15 **Q. DID THE FCC MANDATE SPECIFIC STANDARDS WITH WHICH ALL**
16 **TELECOMMUNICATIONS CARRIERS OFFERING LSF MUST COMPLY?**

17 A. Yes. FCC rules specify:

18

¹³ WAC 480-120-139(5)(e).

- 1 • An LSF must be offered on a non-discriminatory basis to all customers
2 regardless of carrier selection. 47 C.F.R. §64.1190(b).
- 3 • All LSF solicitations must include clear and neutral language, describing what a freeze is
4 and what services are subject to LSF. 47 C.F.R. §64.1190(d)(1)(i).
- 5 • The offer must clearly distinguish among the services to which any freeze is applied (i.e.,
6 local, intraLATA, interLATA and international services), and a separate authorization is
7 required for each. 47 C.F.R. §64.1190(c).
- 8 • Any solicitation must also explain the procedures for lifting the freeze and that the carrier
9 cannot be changed unless the subscriber lifts the freeze. 47 C.F.R. §64.1190(d)(1)(ii);
10 see also, 47 C.F.R. §64.1150(a).

11

12 **Q. DO THE FCC RULES ENSURE THAT THE CUSTOMER'S SELECTION OF**
13 **A CARRIER FREEZE IS VERIFIED?**

- 14 A. Yes. The customer's decision to establish an LSF must be verified in accordance with
15 47 C.F.R. §64.1190(d)(2)(i) through (iii) and 47 C.F.R. §64.1190(d)(3)(ii)(A) through
16 (D). The FCC requires that any written or electronically signed authorization from the
17 customer must: (1) be in clear and legible format; (2) include certain customer information;
18 and (3) include a specific request for each service to be frozen. 47 C.F.R.
19 §64.1190(d)(3)(ii)(A) through (D). Electronic authorization must be initiated from the
20 customer's telephone number to receive the LSF and include specific authorization data,

1 via automatic number identification or recorded, oral verification. 47 C.F.R.
2 §64.1190(d)(2)(ii) and (iii). Oral LSF verification may only occur through a qualified,
3 independent third party, who receives no financial incentives and operates in a physically
4 separate location. 47 C.F.R. §64.1190(d)(2)(iii). Again, these mandated procedures
5 ensure that an LSF cannot be established unless a customer clearly wants and chooses to
6 initiate such a freeze.

7
8 The verification process does not include the carrier's marketing or advertising; it simply
9 clearly verifies the customer's decision.¹⁴

10
11 **Q. DO FEDERAL RULES ALSO ESTABLISH METHODS FOR LIFTING A**
12 **PREFERRED CARRIER FREEZE?**

13 A. Yes. The FCC designed the methods for lifting a freeze to be "simple, easily
14 understandable, but secure," in order to avoid concerns about untimely lifting of freezes.¹⁵
15 These methods allow a customer to lift an LSF by either: (1) calling Qwest directly; (2)
16 calling Qwest while the new carrier is on the line; or (3) providing written or electronically
17 signed authorization. 47 C.F.R. §1190(e)(1) and (2). Nothing in the LSF prohibits or
18 even limits the customer's ability to change his or her preferred provider; it simply ensures
19 that the customer, not another carrier, makes that choice. Importantly, the three-way call

¹⁴ Second Report, at ¶72.

¹⁵ Id., ¶127

1 allows the new carrier to conduct the conference call to lift the freeze during the initial
2 telemarketing session with the customer.¹⁶ Also, the call to lift the freeze simply requests
3 information to ascertain the identity of the customer and his or her intention to lift the
4 freeze.¹⁷

5
6 **Q. DOES QWEST'S LSF PROGRAM COMPLY WITH WAC 480-120-139(5) AND**
7 **THE FCC RULES CITED ABOVE?**

8 A. Yes, Qwest complies fully with these rules in administering its LSF program, as explained
9 in more detail in the testimony that follows.

10
11 **IV. QWEST HAS PROVIDED ADEQUATE NOTICE TO CLECS AND RETAIL**
12 **CUSTOMERS CONCERNING LSF**

13 **Q. WHEN DID QWEST IMPLEMENT LOCAL SERVICE FREEZES IN**
14 **WASHINGTON?**

15 A. Qwest began offering local service freezes in Washington in March, 2001.

16
17 **Q. MR. WOLF CONTENDS THAT AT&T FIRST BECAME AWARE THAT**
18 **QWEST WAS OFFERING LSFs IN FEBRUARY 2002 (DIRECT TESTIMONY**
19 **OF JONATHAN WOLF, PAGE 6, LINES 2 to 5). WHEN WERE**
20 **COMPETITIVE LOCAL EXCHANGE CARRIERS ("CLECs"), INCLUDING**

¹⁶ Id., ¶129.

1 **AT&T, FIRST INFORMED OF QWEST'S INTENT TO COMPLY WITH THE**
2 **WUTC'S DIRECTIVE TO OFFER LSFs?**

3 A. On March 2, 2001, Qwest provided notification to all CLECs, including AT&T,
4 concerning the implementation process for the state of Washington. Employees at AT&T
5 who were sent the notification included: Carla Dickinson (cdickinson@att.com – see
6 page 2 of Exhibit SAM-2), dosborne@att.com (see page 2 of Exhibit SAM-2),
7 martinsu@att.com (see page 4 of Exhibit SAM-2) , and Pam Benjamin
8 (pbenjamin@att.com – see page 4 of Exhibit SAM-2). The notification is attached as
9 Exhibit SAM-2. Prior to that, AT&T Communications of the Pacific Northwest filed a
10 Petition for Waiver of WAC 480-120-139(5) which was approved by the WUTC on
11 April 26, 2000 (Docket UT-000441). As part of the Petition of AT&T for Extension of
12 Waiver filed on March 7, 2001, AT&T included a copy of the March 2, 2001 Notice.
13 Thus, by its own admission, AT&T was well aware that Qwest was offering LSF to its
14 Washington customers prior to February 2002.

15
16 **Q. MR. WOLF RECOMMENDS THAT THE COMMISSION ENSURE THAT**
17 **CUSTOMERS ARE FULLY AND ACCURATELY INFORMED BEFORE**
18 **THEY AUTHORIZE A LOCAL SERVICE FREEZE (DIRECT TESTIMONY**
19 **OF JONATHAN WOLF AT PAGE 12, LINES 18 to 19). HASN'T THE WUTC**

¹⁷ Id., ¶132.

1 **ALREADY TAKEN THE STEPS NECESSARY TO ENSURE THAT**
2 **CUSTOMERS ARE MAKING AN INFORMED DECISION?**

3 A. Indeed, the WUTC requires that all carrier-provided material is to include "an
4 explanation, in clear and neutral language, of what a preferred carrier freeze is, and what
5 services may be subject to a freeze; a description of the specific procedures to lift a
6 preferred carrier freeze; an explanation that the customer will be unable to make a change
7 in carrier selection unless he or she lifts the freeze; and an explanation of any charges
8 incurred for implementing or lifting a preferred carrier freeze."¹⁸

9
10 **Q. HAS QWEST COMPLIED WITH THESE COMMISSION REQUIREMENTS?**

11 A. Yes. Exhibit SAM-3 is a copy of a mailing that was distributed to Qwest residential and
12 business customers in Washington in August 2001. Exhibit SAM-4 is a copy of a bill
13 insert that was sent to Washington residential customers in January 2002. Exhibit SAM-5
14 is a direct mail piece that was sent in April 2002. These mailings fully explain local service
15 freezes, and meet the Commission-established parameters outlined above, in addition to
16 FCC requirements.

17
18 Customers are also informed of local service freeze, local long distance freeze, and
19 interLATA long distance freeze options when they contact Qwest business offices to

¹⁸ WAC 480-120-139(5)(b)

1 order new service, move existing service to a new location, or add new lines.¹⁹ The script
2 used by Qwest service representatives when offering a freeze is as follows:

3 We offer free protection to ensure that your provider of local service, long
4 distance service and local long distance service cannot be changed unless
5 you contact us directly, even if another carrier gives us a written or a third
6 party verified order. You may remove this protection from your account at
7 any time by contacting Qwest directly with a verbal, written or electronically
8 signed authorization. Would you be interested in setting that up now?
9

10 If the customer indicates to the Qwest service representative that they would like the
11 freeze(s) added to their account, the service representative will advise the customer as to
12 the purpose and nature of the third party verifier ("TPV"). Once that discussion takes
13 place, the customer will be transferred to the TPV. Customers will also have the option
14 of completing a written Letter of Authorization ("LOA") in lieu of third party verification.
15 Businesses with many lines to be transferred typically use the written method of
16 verification, as do some residential customers who want a written record of the
17 transaction. In fact, Qwest's policy is that a written LOA must be completed on any
18 business accounts with more than sixty lines. This is done to reduce the potential for error
19 on multi-line accounts. Exhibit SAM-6 contains a copy of Qwest's LOA form.
20

21 The processes Qwest has established comply fully with federal and state requirements
22 designed to ensure that customers are making a fully informed decision when requesting

¹⁹ Customers who contact the business office for the sole purpose of establishing a carrier freeze will be advised as to the purpose of third party verification and will then be transferred directly to the independent third party verifier.

1 that a local service freeze be added to their account. Contrary to AT&T's suggestions, no
2 further Commission oversight is necessary.

3
4 **V. QWEST HAS WORKED COOPERATIVELY WITH AT&T TO RESOLVE**
5 **UNIQUE IMPLEMENTATION ISSUES**

6 **Q. MR. WOLF OUTLINES A PROBLEM WHEREIN AT&T ORDERS FOR**
7 **LOCAL NUMBER PORTABILITY ("LNP") WERE REJECTED BEGINNING**
8 **IN FEBRUARY 2002. CAN YOU PROVIDE INFORMATION AS TO THE**
9 **NATURE OF THIS PROBLEM?**

10 A. Yes. It is quite possible that AT&T may have begun experiencing more rejections during
11 the week of February 25, 2002 than AT&T had experienced in the past. This may have
12 been due in part to a backlog of orders to add a local freeze that were worked by
13 Qwest's vendor in mid-February. Qwest's arrangement with this vendor was that freeze
14 orders would be processed real-time. However, Qwest discovered in early February
15 2002 that this vendor was significantly behind in issuing orders applying freezes to
16 customer accounts. A concerted effort was expended to get the orders issued, beginning
17 February 16. By February 22, all backlogged orders had been worked.²⁰ As a high
18 volume of orders establishing local service freezes were issued in a short amount of time, it
19 is quite possible that CLECs attempting to process LNP orders were prevented from
20 doing so, as AT&T described, and the incidents of rejection may have appeared higher

1 during that time period. However, the protection afforded by LSFs was working, in that
2 carriers were prevented from changing a customer's account without the end user first
3 removing the freeze.

4
5 Furthermore, as indicated previously, Qwest has offered local service freezes in
6 Washington in accordance with the requirements of WAC 480-120-139 for some time
7 and did not begin doing so in February 2002, as AT&T contends.

8
9 **Q. MR. WOLF MAINTAINS THAT QWEST'S PROCESSES TO REMOVE A**
10 **LSF FRUSTRATE CUSTOMER CHOICE AND MAY BE USED BY QWEST**
11 **TO WIN BACK CUSTOMERS (DIRECT TESTIMONY OF JONATHAN**
12 **WOLF AT PAGE 13, LINES 9 to 13). DO YOU AGREE?**

13 A. No. Qwest adheres to the WUTC and FCC rules regarding lifting of freezes. As stated
14 previously, WAC 480-120-139(5)(d) indicates that LECs must obtain a written and
15 signed authorization from the customer, stating his or her intent to lift the freeze.
16 Alternatively, the customer may provide oral authorization to lift the freeze and such
17 authorization may occur via a three-way call with the customer and another LEC. Oral
18 authorization must include appropriate verification data.

19

²⁰ Qwest no longer employs that particular vendor as a third party verifier for adding local service freezes to Qwest customer accounts.

1 Similarly, FCC rules specify that a customer may lift an LSF by either: (1) calling Qwest
2 directly; (2) calling Qwest while the new carrier is on the line; or (3) providing written or
3 electronically signed authorization. 47 C.F.R. §1190(e)(1) and (2).

4
5 Qwest will accept a customer request to remove a freeze via any of the means outlined
6 above. Qwest has established a form designed to make it easy for customers to request
7 in writing that a freeze should be removed from their account (see Exhibit SAM-7).

8 Qwest has also set up an email address that customers can use to request that a freeze be
9 added or removed from their account,²¹ and it has developed electronic forms that
10 customers can populate and send via the Internet to have a freeze added or removed.²²

11
12 For those customers who desire to lift their freeze orally, Qwest has contracted with an
13 independent third party vendor to handle all oral LSF removals. Customers may contact
14 the Qwest business office, in which case the service representative will transfer them
15 immediately to the third party vendor upon learning of the desire to lift the freeze. No
16 win-back or retention efforts will be made. CLECs have been informed of the telephone
17 number dedicated to this third party vendor to be used for

²¹ FreezeIT@qwest.com

²² See http://www.qwest.com/residential/customerService/loa_lift_form.html for an example of the form to lift a freeze available to Washington residential customers.

1 freeze removals, and may completely bypass a Qwest representative by dialing the
2 number with the customer on the line and requesting that the freeze be removed. The
3 third party vendor is not authorized to conduct win back or any retention marketing.

4

5 In sum, Qwest has established a myriad of ways for customers to remove freezes – all of
6 which comply with this Commission's and the FCC's rules. AT&T's complaint concerning
7 the processes Qwest customers may use to remove a freeze paints an inaccurate and
8 incomplete picture and as such, the complaint is baseless.

9

10 **Q. MR. WOLF RECOMMENDS THAT CUSTOMERS WHO AUTHORIZE A**
11 **LOCAL SERVICE FREEZE DO SO SEPARATELY FROM ANY LONG**
12 **DISTANCE PROVIDER FREEZE (DIRECT TESTIMONY OF JONATHAN**
13 **WOLF AT PAGE 12, LINES 21 to 25). DO YOU AGREE?**

14 A. Yes. In fact, this is how Qwest has always administered local service freezes. Once the
15 customer has indicated they are interested in placing a freeze on their account, they are
16 advised of the purpose and the nature of the third party verifier (TPV). Once that
17 discussion has taken place, the customer is transferred to the TPV where a representative
18 explains why they are involved in the customer's decision. They request the customer's
19 billing telephone number, the billing name on the account, the billing address, and
20 identification of the person to whom they are speaking. The TPV representative confirms

1 that there is no charge for establishing a freeze, or for lifting a freeze. The customer is then
2 asked to identify the specific service(s) for which they want a freeze (i.e., local service,
3 local long distance, out-of-state long distance). The customer must separately identify
4 each service and is required to confirm that each service is the service for which a freeze
5 has been authorized or requested. The customer is then asked to state each telephone
6 number to which the freeze is to apply. If the customer has identified multiple services or
7 multiple telephone numbers, the TPV representative is to repeat each service and each
8 associated number and confirm that for each, a freeze is authorized or requested.

9
10 As indicated previously, customers also have the option of completing a written Letter of
11 Authorization (LOA) in lieu of third party verification. The LOA form, attached as Exhibit
12 SAM-6, provides a place for the customer to separately mark, and therefore separately
13 authorize, each specific service, identified on the form as Local Service (LEF), Local
14 Long Distance or Toll Service (LPIC), and Long Distance Service (PIC) for which a
15 freeze is desired.

16
17 These procedures comply fully with the requirements outlined in WAC 480-120-139(5).

18

1 **Q. AT&T MAINTAINS THAT SOME CUSTOMERS DESIRING TO SWITCH**
2 **TO AT&T DID NOT AUTHORIZE A LOCAL SERVICE FREEZE BE**
3 **PLACED ON THEIR ACCOUNT. PLEASE COMMENT.**

4 A. Mr. Wolf's testimony contains broad allegations with very little specifics to back them up.
5 For example, on page 10, lines 9 to 10 of Mr. Wolf's testimony, AT&T claims that 95%
6 of the 234 "affected customers" deny authorizing a local service freeze be placed on their
7 account. AT&T has provided no specifics, and did not even provide sufficient
8 information in its direct case to allow Qwest to verify these allegations, or even identify
9 any of the 234 customers. Thus, Qwest cannot provide a more specific response.
10 However, Qwest has worked diligently with AT&T to resolve problems and will continue
11 to do so when it is provided with adequate information.

12

13 **Q. IS IT POSSIBLE THAT THERE HAVE BEEN MISCOMMUNICATIONS**
14 **AND MISUNDERSTANDINGS BETWEEN CONSUMERS AND QWEST**
15 **SERVICE REPRESENTATIVES PERTAINING TO LOCAL SERVICE**
16 **FREEZES?**

17 A. Yes, this is possible, and may explain why some consumers who called in to Qwest's
18 business offices to determine whether a local service freeze had been applied to their
19 account were told it had when the customer did not recall authorizing one, as AT&T
20 supposedly found. I am aware that, despite repeated instruction and training on local

1 service freeze implementation, Qwest service representatives may have confused a
2 customer's request pertaining to the relatively new local service freeze with long distance
3 freezes which have been in place for years. This may have led to inaccurate information
4 being provided to the customer (e.g., the customer who was allegedly told that it would
5 cost \$5.00 to remove a freeze – the \$5.00 applies to changing presubscribed long
6 distance carriers). However, again, since no specifics were provided in AT&T's
7 testimony, it is difficult to respond with any certainty.

8
9 **Q. AT&T CONTENDS THAT QWEST DOES NOT HAVE PROCESSES IN**
10 **PLACE IN ITS RETAIL OFFICES TO LIFT LOCAL SERVICE FREEZES**
11 **(DIRECT TESTIMONY OF JONATHAN WOLF AT PAGE 8, LINES 25 to 26).**
12 **IS THIS ACCURATE?**

13 A. No. Confidential Exhibit SAM-C8 contains examples of "communicators" that have been
14 distributed to Qwest's service representatives over time, informing them on the proper
15 procedures to add and remove local service freezes. In addition, Confidential Exhibit
16 SAM-C9 contains the methods provided to Qwest retail channels concerning
17 administration of local service freezes, including processes to be followed when removing
18 a local service freeze at a customer's request. As is apparent from the communicators
19 included in Confidential Exhibit SAM-C8, Qwest has taken steps to improve these
20 processes as necessary. A specific example is the communicator dated May 3, 2002

1 which indicates Qwest retail service representatives will no longer be involved in the lifting
2 of a freeze, other than to transfer the customer to the third party vendor who is handling all
3 freeze removals for Qwest, as explained previously. Qwest has well-defined processes in
4 place for adding, as well as removing, local service freezes on retail customers' accounts
5

6 **Q. HAS QWEST ALREADY TAKEN STEPS TO ADDRESS CONCERNS**
7 **RAISED IN THIS PROCEEDING BY AT&T RELATIVE TO THE LIFTING**
8 **OF LOCAL SERVICE FREEZES FROM RETAIL CUSTOMERS'**
9 **ACCOUNTS?**

10 A. Yes. Prior to filing its complaint with this Commission, AT&T approached Qwest
11 through the Wholesale Change Management Process (CMP), with a formal request to
12 address several issues surrounding removal of LSFs. AT&T first submitted a Change
13 Request (CR) through the CMP on March 8, 2002. At AT&T's request, Qwest
14 expedited the CR through the CMP process and has responded to AT&T's issues in a
15 conscientious, forthright manner. Many of these same issues were raised in AT&T's
16 complaint in the immediate proceeding, despite the fact that Qwest has already taken
17 steps to improve existing processes and address AT&T's concerns. Following are
18 specific examples of problems AT&T raised through the CMP, the cite to the same issue
19 raised in Mr. Wolf's testimony, and a description of steps Qwest has taken to resolve the
20 issue:

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LSRs Were Rejected After the Freeze Was Removed (Direct Testimony of

Jonathan Wolf at page 7, lines 20 to 22)

Qwest Resolution: This is a systems issue wherein the customer service record is not updated for 2 to 3 days after a freeze is removed. To work around the constraint, Qwest has implemented a process by which CLECs, including AT&T, may obtain an order number during the three-way call with the end user to remove the freeze. The CLEC may enter the order number on its LSR, in which case Qwest will process the LSR on the same day the LSF is removed. LSRs submitted without the order number will be worked the day following the request for the removal of the LSF. (See April 11, 2002 Letter to AT&T from Qwest re Qwest's Change Request Response - CR # PC 030802-1, attached as Exhibit SAM-10.)

Three Way Call with End User Took Too Long (**Removed**) (Direct Testimony of

Jonathan Wolf at page 8, lines 10 to 12)

Qwest Resolution: On March 20, 2002, Qwest established a permanent, dedicated telephone number to which all freeze removal requests may be directed. (See April 11, 2002 Letter to AT&T from Qwest re Qwest's Change Request Response - CR # PC 030802-1, attached as Exhibit SAM-10) The number, 1-877-719-4294, was originally designed as a temporary measure to expedite removal orders for CLECs, in response to

1 complaints from AT&T. Qwest has now staffed the number with sufficient personnel so
2 that any CLEC, with the end user on the line, may call to remove the LSF without going
3 through regular Qwest business offices. In April, 92% of the calls directed to this number
4 were answered in twenty seconds or less.

5
6 Staff manning this number are fully trained to deal specifically with local service freeze
7 removals. Not only will this result in faster processing times, but because this specialized
8 staff is devoted solely to processing freeze removals, it will alleviate any confusion which
9 may have resulted when going through Qwest sales channels, where service
10 representatives handle hundreds of products for fourteen different states.

11

12 **Qwest Should Have Escalation Procedures in Place** (Direct Testimony of Jonathan
13 Wolf at page 16, lines 19 to 20)

14 **Qwest Resolution:** Qwest has established a point of contact for CLEC LSF escalations
15 in its Interconnect Service Center. The Service Delivery Coordinators at that number
16 have been trained to assist with LSF-related issues. (See April 11, 2002 Letter to AT&T
17 from Qwest re Qwest's Change Request Response - CR # PC 030802-1, attached as
18 Exhibit SAM-10.)

19

1 It has only been a little over two months since these issues were first brought to Qwest's
2 attention. Qwest has listened to AT&T's concerns, investigated them, developed
3 solutions, and implemented them. As some of them involved multiple cross-functional
4 systems, this was not an easy task to accomplish in such a short amount of time. These
5 examples demonstrate that much can be accomplished by entities working cooperatively
6 to resolve issues, rather than unnecessarily imposing upon the regulatory process. Qwest
7 suggests that the Commission consider the steps the company has already taken to
8 address AT&T's concerns through the CMP when evaluating the validity of the complaint.

9
10 **Q. WERE THERE SOME REQUESTS SUBMITTED BY AT&T THROUGH THE**
11 **CMP AND REPEATED IN MR. WOLF'S TESTIMONY WHICH WERE NOT**
12 **RESOLVED AS AT&T REQUESTED?**

13 A. Yes. For instance, on page 13, lines 19 to 22 of Mr. Wolf's testimony, he recommends
14 that Qwest should take customer calls to remove a LSF on evenings and Saturdays.
15 AT&T raised this same issue through the CMP. As indicated to AT&T in Qwest's
16 response to AT&T's CR, Qwest has made a business decision as to the hours it will
17 receive calls from customers to affect a freeze removal. In Washington, those hours are
18 Monday through Friday, from 5 a.m. to 7 p.m. With these lengthy hours of operation,
19 there has not been a demand for Saturday hours, nor has it been deemed an efficient use
20 of company resources. Therefore, Qwest has not agreed to make personnel available

1 during Saturdays to remove freezes as AT&T has requested. (See April 11, 2002 Letter
2 to AT&T from Qwest re Qwest's Change Request Response - CR # PC 030802-1,
3 attached as Exhibit SAM-10.)
4

5 **Q. AT&T MAINTAINS THAT QWEST SHOULD REMOVE THE LSF**
6 **IMMEDIATELY WHILE THE CUSTOMER IS ON THE LINE (DIRECT**
7 **TESTIMONY OF JONATHAN WOLF AT PAGE 13, LINES 22 to 23). IS THIS**
8 **POSSIBLE?**

9 A. No, it is not. An order is issued immediately while the customer is on the line, but it takes
10 time for the order to be processed and to update the various systems and customer
11 records. The freeze will be removed the same day the removal request is received and
12 the customer will be notified of this during the call.
13

14 VI. CONCLUSION

15 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

16 A. Washington consumers have a right to avail themselves of the protection that exists to
17 prevent slamming from happening to them – for all aspects of their telecommunications
18 services, i.e., local, local long distance, and interLATA long distance. Qwest has done its
19 part to effect methods and procedures that conform to WUTC and FCC rules. Qwest
20 has made a good faith effort to respond to its wholesale and retail customers and improve

1 existing processes where necessary, yet many of the concerns raised by Mr. Wolf in his
2 testimony are the same concerns AT&T has already raised – and had resolved - through
3 the Wholesale Change Management Process. AT&T's complaint in this docket should be
4 seen for what it is – a dialog of broad, unsubstantiated allegations against Qwest
5 concerning issues that have already been resolved or that are simply frivolous. As such,
6 the complaint should be dismissed.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AT&T BROADBAND PHONE OF
WASHINGTON, LLC.,

Complainant,

v.

QWEST CORPORATION,

Respondent.

DOCKET NO. UT-020388

EXHIBITS

OF

SCOTT A. MCINTYRE

DIRECTOR – PRODUCT AND MARKET ISSUES

QWEST CORPORATION

MAY 23, 2002

EXHIBITS OF SCOTT A. MCINTYRE

<u>DOCUMENT</u>	<u>EXHIBIT NUMBER</u>
CLEC Notification	SAM-2
August 2001 Customer Mailing	SAM-3
January 2002 Bill Insert	SAM-4
April 2002 Customer Mailing	SAM-5
Letter of Authorization Form	SAM-6
Request to Lift Freeze Form	SAM-7
Multi Channel Communicator – LSF Processes <i>CONFIDENTIAL</i>	SAM-C8
Local Service Freeze - Methods <i>CONFIDENTIAL</i>	SAM-C9
April 11, 2002 Letter to AT&T from Qwest re Qwest Change Request Response – CR #PC 030802-1	SAM-10