

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

IN THE MATTER OF THE)
COMPLAINT AND REQUEST FOR)
EXPEDITED TREATMENT OF AT&T) DOCKET NO. UT-991292
COMMUNICATIONS OF THE PACIFIC)
NORTHWEST, INC. AGAINST)
U S WEST COMMUNICATIONS, INC.)
REGARDING PROVISIONING OF)
ACCESS SERVICES)

DIRECT TESTIMONY OF

PERRY W. HOOKS, JR.

ON BEHALF OF

U S WEST COMMUNICATIONS, INC.

NOVEMBER 17, 1999

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1 **I.EXECUTIVE SUMMARY**

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3 U S WEST access services performance is a function of processes which are
4 evaluated and changed by U S WEST within the context of U S WEST tariffs in order to
5 achieve continuous improvements. The evaluation of, and changes to, US WEST's access
6 services are accomplished by many U S WEST managers, although primary responsibility
7 for coordinating service quality improvements for access services is that of the access
8 services product management team.

9
10 In this case, AT&T seeks to have this Commission transform U S WEST's current
11 access offering to, in effect, a new offering which can be characterized as an "on demand,
12 guaranteed and available product, without held orders or missed commitments." While
13 AT&T refers to other ILECs' access services as "best in class," no ILEC offers access
14 services in the manner AT&T desires.

15
16 In order for AT&T to receive the product it desires, both U S WEST and AT&T
17 would have to significantly alter several of their business processes. Even if U S WEST
18 were to significantly alter its business products, the results that AT&T desires are not
19 likely to be achieved. What AT&T desires, however, is not required by U S WEST's
20 tariffs. U S WEST continuously strives to provide high quality access services, consistent
21 with the terms of its tariffs.

22 **II.INTRODUCTION OF WITNESS**

23 **Q. PLEASE STATE YOUR NAME, POSITION, EMPLOYER, BUSINESS**
24 **ADDRESS AND BUSINESS RESPONSIBILITIES.**

25 A. My name is Perry W. Hooks, Jr. I am employed by U S WEST Communications
26 ("U S WEST") as Director, Legal and Regulatory Affairs, Interconnection
27 Implementation. My business address is 1801 California Street, Suite 2410,
28 Denver, CO, 80202. My principal business responsibility is to testify in regulatory
29 and legal proceedings concerning U S WEST's wholesale services and products.

1 **Q. PLEASE BRIEFLY REVIEW YOUR U S WEST WORK EXPERIENCE**
2 **AND YOUR EDUCATION.**

3 A. I have worked for U S WEST since 1984 in various legal and management
4 positions. While in the Law Department, I served as the chief counsel to the
5 Technical Operations and Network organizations for over seven years. Since
6 moving into management for U S WEST, I have served in various positions within
7 the Strategy Development, Markets-Regulatory Strategy, Network, Carrier and the
8 Wholesale Markets organizations. While in Strategy Development, my
9 responsibilities included oversight and conduct of competitive analysis. While in
10 Network, I served as director of program management for Interconnection
11 Operations and was responsible for the coordination of wholesale local services
12 program and project management for installation and repair processes of resold
13 finished services, interconnection services and unbundled network elements. As
14 part of my responsibilities within the Carrier and the Wholesale Markets
15 organizations, I have been responsible for the development of U S WEST's
16 positions and advocacy relating to service performance for wholesale customers
17 and/or services. I have been in my current position since January 1997. In this
18 position, I have primarily testified on behalf of U S WEST before federal and state
19 regulatory bodies in arbitrations, rulemakings and complaint proceedings and in
20 courts in connection with U S WEST's conformance with the requirements of state
21 and federal telecommunications laws and regulations, particularly as they relate to
22 wholesale products and services. I hold a Juris Doctorate degree from the
23 University of Michigan Law School in Ann Arbor, Michigan, and two bachelor
24 degrees (Three Majors: Economics; Management; and Political Science) from
25 Washburn University in Topeka, Kansas.

26 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

27 A. No. I have never testified before the Washington Utilities and Transportation
28 Commission ("WUTC"). I have made two presentations to the WUTC regarding
29 carrier to carrier service quality, once last year and again this past summer.
30 However, I have filed written testimony and/or appeared as an expert or policy
31 witness on behalf of U S WEST in regulatory and/or legal proceedings in the states
32 of Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico,
33 North Dakota, Oregon, South Dakota, Utah and Wyoming.

34 **III.PURPOSE OF TESTIMONY**

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

36 A. The purpose of my testimony is to discuss why the performance relating to Firm
37 Order Confirmations (FOCs), Customer Desired Due Dates (CDDD) "met" or

1 “missed,” and “held orders” desired by AT&T are not appropriate as “standards” for
2 the provisioning of access services by U S WEST on their own merits, nor are they
3 required by U S WEST’s tariffs. Additionally, I shall discuss U S WEST’s
4 performance measurements relating to the provisioning of tariff-described access
5 services.

1 **U S WEST ACCESS SERVICES PERFORMANCE IS A FUNCTION OF**
2 **PROCESSES WHICH ARE EVALUATED WITHIN THE CONTEXT OF**
3 **U S WEST TARIFFS AND CHANGED BY U S WEST IN ORDER TO**
4 **ACHIEVE CONTINUOUS IMPROVEMENTS**
5

6 **DOES U S WEST HAVE PROCESSES IN PLACE TO DELIVER ACCESS**
7 **SERVICES TO AT&T AND OTHER INTEREXCHANGE CARRIERS?**

8 Yes. Prior to any product or service being offered, U S WEST personnel representing
9 functional areas such as ordering, installation, maintenance and repair, and billing
10 develop the product and service to be offered. Once services, such as U S WEST's
11 access services, have been offered, product managers are assigned to provide
12 oversight and coordinate enhancements or other changes to the product. Those
13 product managers, and sometimes specially assigned process managers for new
14 products, have oversight responsibility for the product, including market
15 applications, service delivery, revenue generation and overall product quality.

16

17 **ARE PRODUCT MANAGERS RESPONSIBLE FOR THE EVALUATION AND**
18 **ALTERATION OF PRODUCTS OR PROCESSES CHANGES TO ACHIEVE**
19 **QUALITY IMPROVEMENTS?**

20 Yes, the product managers do have that responsibility. Additionally, other managers who
21 assist in the delivery of the product such as operations center managers, installation
22 and maintenance managers, and billing managers, share in the responsibility of
23 evaluation of their respective results and changing their respective processes.
24 Product managers are responsible for seeing that process changes are made in a
25 coordinated fashion in order to improve performance results.

26

27 **WHAT SERVICE PERFORMANCE IMPROVEMENTS ARE SOUGHT BY**
28 **U S WEST MANAGEMENT?**

29 U S WEST managers seek to evaluate and change processes in order to deliver the
30 products and services which U S WEST describes in its tariffs, catalogs and
31 contracts. The improvements desired by U S WEST management are intended to
32 increase overall customer satisfaction.

1 **WOULD SUCH IMPROVEMENTS RESULT IN THE CREATION OF NEW**
2 **PRODUCTS?**

3 A. It might. Perhaps a customer wants a service or product that is significantly
4 different from what U S WEST offers today. Rather than approach that through
5 quality improvements, U S WEST might offer a new product to meet the customer's
6 needs.

7 **BASED UPON AT&T'S COMPLAINT, WHAT CHARACTERISTICS DOES**
8 **IT APPEAR THAT AT&T WISHES TO IMPOSE UPON U S WEST'S ACCESS**
9 **SERVICES?**

10 It appears that AT&T seeks to have access services on demand, availability of which is
11 confirmed and guaranteed within twenty-four hours of U S WEST's receipt of each
12 AT&T service request. In other words, there would be no held orders and no
13 commitments ever missed. Furthermore, AT&T would require that inspections to
14 confirm the condition and availability of facilities needed to provide AT&T service
15 be completed within twenty-four hours of U S WEST's receipt of AT&T's order.
16 This goes beyond the scope of the current access services described in U S WEST's
17 tariffs and would require considerable alteration of U S WEST and, in some cases,
18 AT&T processes.

19 **ARE AT&T'S DESIRED ACCESS PRODUCT CHARACTERISTICS**
20 **REASONABLE TO IMPOSE ON THE CURRENT U S WEST ACCESS**
21 **SERVICES?**

22 No. AT&T's desired access product characteristics are not reasonable to impose on U S
23 WEST for its access products, nor should this Commission consider doing so.
24 U S WEST has provided access services for many years. U S WEST's access tariffs
25 have been reviewed by both the WUTC and the FCC.

26 **HAS AT&T HAD AN OPPORTUNITY TO REVIEW U S WEST'S ACCESS**
27 **TARIFF FILINGS?**

28 A. Yes. AT&T has been a very active participant in interstate and intrastate
29 access services proceedings filed by U S WEST. Those proceedings reviewed the
30 nature of U S WEST access services as well as its pricing. It is inappropriate for
31 AT&T to file this complaint without acknowledging that what it seeks far exceeds
32 the scope of U S WEST's tariffs. If AT&T, in fact, desires specialized treatment as
33 an outcome of this proceeding, that would be unfair to other interexchange carriers.
34 The other interexchange carriers have relied upon the U S WEST tariffs for a
35 description of U S WEST's access services and have a reasonable expectation that
36 all tariffed access services customers would receive those access services from

1 U S WEST in a non-discriminatory manner.

2 **DOES ANY ILEC OFFER ACCESS SERVICES WITH THE**
3 **CHARACTERISTICS DESIRED BY AT&T?**

4 A. No. Although AT&T makes “best in class” comparisons, none of the offerings of
5 the other ILECs include access services on demand, availability of which is
6 confirmed and guaranteed within twenty-four hours of the ILEC’s receipt of
7 AT&T’s service request.

8 **WHY ARE AT&T’S DESIRED CHARACTERISTICS UNREASONABLE?**

9 A. Principally because AT&T’s desired access product characteristics require
10 significant and costly alterations in business processes of both AT&T and
11 U S WEST which are not required by U S WEST’s tariffs. U S WEST has built its
12 business processes to conform to the tariffs; AT&T’s desired characteristics go
13 beyond the scope of the tariffs. AT&T and U S WEST would be required to
14 significantly alter the access forecasting and ordering processes to achieve AT&T’s
15 desired access product characteristics. U S WEST would also have to significantly
16 alter its inspection and construction practices for access services to achieve AT&T’s
17 desired access product characteristics.

18 **Q. WHY WOULD AT&T AND U S WEST NEED TO SIGNIFICANTLY**
19 **ALTER THE ACCESS FORECASTING PROCESS TO FULFILL AT&T’S**
20 **DESIRED ACCESS PRODUCT CHARACTERISTICS?**

21 A. There are at least two significant alterations to the forecasting and ordering process
22 that are required to fulfill AT&T’s desired access product characteristics. First, the
23 forecasts of AT&T would have to become binding forecasts. Second, the level of
24 detail of the forecasts would have to be greatly increased.

25 **Q. ARE THE ACCESS FORECASTS PROVIDED TO U S WEST TODAY**
26 **FROM AT&T “BINDING”?**

27 A. No. Today AT&T, (and other carriers), make facilities projections based upon
28 several factors. These factors include anticipated market demand, upcoming sales
29 activity and AT&T’s belief that its sales objectives would be met, if not exceeded,
30 and AT&T’s assumptions concerning its competitor’s activities and success within
31 AT&T’s desired markets. Based upon these factors, AT&T presents U S WEST
32 with a non-binding forecast. By “non-binding,” AT&T is not required to order the
33 services that it forecasted. This forecasting process is consistent with U S WEST’s
34 tariffs. U S WEST’s tariffs do not contemplate that either AT&T or any other

1 interexchange carrier provide U S WEST with binding forecasts.

2 **Q. WHY WOULD THE LEVEL OF DETAIL OF THE FORECASTS NEED TO**
3 **BE GREATLY INCREASED?**

4 A. Today the forecasts do not extend beyond the wire center switching and trunking
5 capacity. In order to assure AT&T that it would have acceptable facilities extending
6 to an end-user location, AT&T would have to specify the end-user location where it
7 would need facilities and specify the type and use of the facility needed in order that
8 the facility would be properly conditioned. If AT&T does not do so, it faces the
9 likelihood that sufficient switching and interoffice facilities would be available but
10 the loops required to either originate or terminate the long distance calls might not
11 be available when AT&T desires.

12 **Q. SHOULD THE INTEREXCHANGE CARRIERS BE REQUIRED TO**
13 **PROVIDE U S WEST WITH BINDING FORECASTS TO WHICH**
14 **U S WEST WOULD BE REQUIRED TO CONSTRUCT?**

15 A. No. Even if AT&T and other interexchange carriers could make perfect forecasts of
16 market demands, mandating that U S WEST construct all required facilities would
17 be inappropriate. U S WEST is not the only access provider in the State of
18 Washington. There are several access providers in the State of Washington that
19 have been constructing facilities and providing access services to AT&T and other
20 interexchange carriers. AT&T itself is the second largest dedicated access provider
21 in Washington by virtue of its acquisition of TCG. Additionally, as it deploys the
22 technology, AT&T is best positioned to be a very large switched access provider
23 through its cable television facilities that it now controls as a result of its TCI Cable
24 acquisition. U S WEST is not, nor should it be, the access provider of last resort.

25 **Q. WHY WOULD THE ACCESS ORDERING PROCESS NEED TO BE**
26 **SIGNIFICANTLY ALTERED?**

27 A. If AT&T wants to have facilities built and available to it, consistent with its
28 forecasts, AT&T would need to order the service along with its forecasts. Only in
29 that manner would the desired access facilities possibly be made available to AT&T
30 when it desired.

31 **Q. EVEN FOLLOWING SUCH A SIGNIFICANT ALTERATION, WHY**
32 **WOULD DESIRED FACILITIES ONLY POSSIBLY BE MADE**
33 **AVAILABLE TO AT&T?**

34 A. As I previously testified, AT&T has the choice to provide access services to itself or

1 to procure access services from others, including U S WEST. U S WEST, as one of
2 several providers, should continue to have the opportunity to determine whether a
3 particular access services application can be economically justified. This is
4 especially true because U S WEST is constrained to offer its access services based
5 upon average prices. U S WEST should not be forced to provide access services at
6 average prices far below its costs of constructing and providing a particular facility.

7 **Q. HOW DOES THAT DIFFER FROM TODAY'S ORDERING PROCESS?**

8 A. If AT&T orders an access service to a particular location today, the necessary
9 facilities may be utilized by other carriers to provide services. AT&T could have
10 forecasted the potential for a sale in the geographic area, but other carriers may have
11 forecasted sales in the same geographic areas and ordered services sooner than
12 AT&T. In such case, the earlier orders from other carriers would be filled prior to
13 AT&T's request being made and, therefore, no facilities would be available to
14 AT&T. Therefore, the significant alteration that is required would be for AT&T to
15 order and pay for the service when the forecast is made, rather than at a future time.

16 **Q. WHY WOULD U S WEST'S INSPECTION AND CONSTRUCTION**
17 **PRACTICES FOR ACCESS SERVICES NEED TO BE ALTERED?**

18 A. Today, facilities are inspected when they are to be made available to a customer. In
19 this way, dual dispatches of technicians and the associated dispatch costs—once for
20 inspection, and once for connections to and/or modifications of the facilities—are
21 avoided. In order for the FOC to be more accurate with regard to the projected
22 completion date, and be within twenty-four hours of AT&T's request, as desired by
23 AT&T, an inspection of facilities would be required prior to an FOC being
24 delivered. Also, because there would be dual dispatches, U S WEST would have to
25 utilize more personnel to conduct inspections and construction separately, rather
26 than at the same time as is U S WEST's current practice.

27 **Q. IF ALL OF THE CHANGES WHICH YOU DESCRIBED WERE MADE TO**
28 **AT&T'S AND U S WEST'S PROCESSES AS YOU DESCRIBED, THEN**
29 **WOULD THERE NO LONGER BE HELD ORDERS?**

30 A. No, unless AT&T were to project facilities going to every end user customer
31 location with well over two million access lines in U S WEST territory in
32 Washington, such a projection would clearly be unreasonable. If we assume,
33 however, that AT&T would make reasonable forecasts, it is likely that not all places
34 that AT&T needs access services would have been forecasted and facilities put in
35 place.

1 **Q. IF ALL OF THESE CHANGES WERE MADE TO U S WEST'S**
2 **PROCESSES AS YOU DESCRIBED THEM, WOULD THERE NO**
3 **LONGER BE ANY MISSED COMMITMENTS?**

4 A. No. U S WEST's commitments are based upon anticipated times to complete
5 certain tasks assuming normal workload and facilities conditions. If those
6 conditions are not normal, some commitments may not be met. Examples of
7 abnormal conditions that can jeopardize commitments include ice storms,
8 windstorms, inability of U S WEST to receive municipal permits, supplier inability
9 to provide needed equipment, labor slowdowns and strikes, and defective facilities.

10 **Q. IF ALL OF THESE CHANGES WERE MADE TO U S WEST'S**
11 **PROCESSES AS YOU DESCRIBED THEM, WOULD U S WEST BE ABLE**
12 **TO MAKE GUARANTEED COMMITMENTS TO AT&T WITHIN**
13 **TWENTY-FOUR HOURS OF RECEIVING AT&T'S ASRS?**

14 A. No. In instances where new construction would be required, U S WEST's
15 anticipated date to complete construction would be estimated, but subject to many
16 variables. Even if new construction were not required, workload factors might
17 cause a commitment date to be missed, particularly because U S WEST puts a
18 higher priority on repairs than to new installations.

19 **Q. DOES ALL OF THIS MEAN THAT ACCESS SERVICE PROVISIONING**
20 **IS LEFT TO CHANCE?**

21 A. No. U S WEST uses processes to allow it to provide access services consistent with
22 its tariffs. U S WEST measures its results consistent with its tariffs and it modifies
23 its processes in order to improve its performance, consistent with its tariffs.
24 U S WEST uses its processes, measures its results and modifies its processes, all
25 with the objective of continuously improving its access services provisioning and
26 other results consistent with its tariffs. U S WEST product and process managers
27 are continuously looking for and implementing best practices. U S WEST also
28 measures and seeks to improve its results for installation commitments met and
29 FOCs provided within standard intervals.

30 **Q. DOES U S WEST ADVISE THE INTEREXCHANGE CARRIERS OF ITS**
31 **CONTEMPLATED STANDARD INTERVALS FOR ACCESS SERVICES?**

32 A. Yes, it does. U S WEST makes its contemplated standard intervals for access
33 services available to interexchange carriers on one of U S WEST's websites. A
34 current copy of the contemplated intervals available on U S WEST's websites is
35 attached to my testimony as Exhibit PWH-1. The attached document is generally
36 known as the "Access Services Service Interval Guide."

1 **Q. WHAT HAS U S WEST'S RECENT HISTORY BEEN WITH REGARD TO**
2 **MEETING ITS PROVISIONING COMMITMENTS FOR DEDICATED**
3 **ACCESS?**

4 A. As reflected in the FCC Price Cap Service Quality information provided to the FCC
5 annually, contrary to what has been suggested by AT&T, U S WEST has shown
6 steady improvement. In 1996, U S WEST met 79.51% of its provisioning
7 commitments. U S WEST's percentages improved to 81.94% and 88.65% in 1997
8 and 1998, respectively.

9 **Q. WHY DOES U S WEST MEASURE ITS INSTALLATION**
10 **COMMITMENTS MET AND ITS FOCs PROVIDED WITHIN STANDARD**
11 **INTERVALS?**

12 A. U S WEST measures its performance to determine the extent which existing
13 processes are achieving the results contemplated by its tariffs. Based upon the
14 results, U S WEST can alter its processes to achieve better results.

15 **Q. DOES U S WEST MEASURE RESULTS FOR PURPOSES OTHER THAN**
16 **TO EVALUATE THE RESULTS CONTEMPLATED BY ITS TARIFFS?**

17 A. Yes. In fact, this has been done in the past for AT&T, at AT&T's insistence. For
18 example, U S WEST provides data to AT&T regarding U S WEST's performance
19 compared to AT&T's Customer's Desired Due Date (CDDD). U S WEST also
20 measures the Access Services FOCs it issues within 24 hours of receipt of AT&T's
21 order. These measurements reflect U S WEST results, but they do not reflect the
22 intended results of U S WEST's processes. U S WEST's processes are intended to
23 deliver the services described in its tariffs. U S WEST's process are not designed to
24 provide 24 hour guaranteed FOCs or service by AT&T's CDDD.

25 **Q. SO WHAT PERFORMANCE MEASUREMENTS SHOULD BE**
26 **REQUIRED?**

27 A. U S WEST should be expected to measure the results of its most significant
28 processes. Those processes are intended to deliver the services contemplated by
29 U S WEST's tariffs. Based upon those intended results, U S WEST should identify
30 means to improve the results. Comparing results to processes such as "installations
31 by AT&T's CDDD" or "FOCs within 24 hours" should neither be required nor
32 given significant weight by this Commission because the processes that U S WEST
33 utilizes are not intended to derive the type of service currently desired by AT&T.
34 Instead, U S WEST's processes should be measured in order to determine how well
35 U S WEST is delivering its tariffed offering.

1 **Q. CAN QUALITY IMPROVEMENTS BE DRIVEN BY DIFFERENT**
2 **PERFORMANCE MEASUREMENTS?**

3 A. Technically, no. Instead, the performance measurement results should be driven by
4 the process used rather than the performance measurements data collected. This is
5 somewhat like the proverbial “tail wagging the dog.” If the performance
6 measurement results are looked to first, then invariably processes would need to
7 change in order to achieve desired results. AT&T’s desire goes beyond process
8 changes, however. Instead, AT&T effectively seeks a new access service.

9 **Q. HOW SHOULD QUALITY IMPROVEMENTS BE DRIVEN?**

10 A. Quality improvements for U S WEST’s access services should be based on the
11 expectation that U S WEST will deliver the services described in its tariffs. If there
12 are other expectations, it should be recognized that what is sought is a new service.
13 Adversarial regulatory proceedings such as this complaint do not drive long-term
14 quality improvements. If the nature of the service is expected to change, then
15 AT&T working constructively with U S WEST’s account and product management
16 personnel offers the best chance of success. Likewise, even if only changes to the
17 existing access service is desired by AT&T, that can best be accomplished by
18 working with U S WEST’s account and product management personnel.

19 **V.CONCLUSION**

20 **DOES THIS CONCLUDE YOUR TESTIMONY?**

21 A. Yes it does. Thank you.