



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**FILED**

Order Instituting Investigation to Evaluate Telecommunications Corporations Service Quality Performance and Consider Modifications to Service Quality Rules	R.11-12-001	07-13-12 04:59 PM
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**THE UTILITY REFORM NETWORK, CENTER FOR ACCESSIBLE TECHNOLOGY,  
THE NATIONAL CONSUMER LAW CENTER AND COMMUNICATIONS WORKERS  
OF AMERICA, DISTRICT 9'S REPLY TO RESPONSES FILED IN RESPONSE TO  
THE ADMINISTRATIVE LAW JUDGE'S RULING REQUIRING  
TELECOMMUNICATIONS CORPORATIONS TO PROVIDE DATA**

**PUBLIC VERSION—MATERIAL DEEMED  
CONFIDENTIAL BY AT&T AND VERIZON HAS BEEN EXPURGATED**

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Filed: July 13, 2012

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**I. INTRODUCTION**

Pursuant to the Order Instituting Rulemaking (OIR), The Utility Reform Network, Center for Accessible Technology and the National Consumer Law Center (collectively "Consumer Group") and the Communication Workers of America, District 9 ("CWA") file this reply to the June 14, 2012 responses provided by carriers to the Administrative Law Judge's Ruling Requiring Telecommunications Corporations to Provide Data (*ALJ Ruling*).<sup>1</sup>

The *ALJ Ruling* made the following general request:

This ruling requires those carriers that file General Order (GO) 133-C Service Quality reports (General Rate Case (GRC) Incumbent Local Exchange Carriers (ILEC), Uniform Regulatory Framework (URF) ILECs, and Competitive Local Carriers (CLC) with 5,000 or more customers) to provide additional information related to telecommunications service quality standards and performance.<sup>2</sup>

The *ALJ Ruling* then goes on to make specific requests for information, with questions 1-3 related to the outages associated with the winter storms, and directed specifically at AT&T and Verizon. Consumer Group and CWA do not believe that the requests for information contained

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<sup>1</sup> The National Consumer Law Center (NCLC) has not signed the Non-Disclosure Agreements with the carriers and therefore only joins in the public version of this reply. NCLC has not had access to any confidential information provided by the carriers via discovery and has not reviewed the confidential portion of this reply.

<sup>2</sup> *ALJ Ruling*, p. 1.

in the *ALJ Ruling* represented an undue burden on any carrier, especially on carriers of the scale of AT&T, which has demonstrated its ability to muster substantial resources to further its legislative agenda. However, AT&T in particular has provided scant information to several of the questions posed in the *ALJ Ruling*. This is especially troubling because AT&T is California's largest carrier and the widespread extended outages affecting AT&T's network during the 2010-2011 winter storms put many Californians at risk. Reviewing AT&T's responses, as will be discussed further below, leads Consumer Group and CWA to conclude that AT&T does not take the ALJ's questions seriously. As a point of contrast, Cox Communications has provided responsive materials that supplies specific details and exceed the level of detail of any URF ILEC's responses. The level of detail provided by Cox allows for some assessment of Cox's practices in light of the ALJ's questions, whereas AT&T's responses reveal next to nothing.

Verizon has also provided more detailed responses than AT&T, especially to ALJ Questions Numbers 1, 2 and 3 that were specifically directed at AT&T and Verizon alone. TURN's review of the responses from AT&T and Verizon indicates a substantial difference in the nature of the responses provided by AT&T and Verizon. As a general matter, Verizon has provided responses that appear to take the ALJ's request for information seriously. Verizon generally responds to the ALJ's questions point-by-point. Verizon has provided some materials that indicate that Verizon conducted an internal evaluation of the impact of the storms on Verizon's operations, and also show that Verizon has considered planning for future events. In contrast, AT&T has provided responses and documentation that reflect a cavalier attitude on the part of AT&T with regard to its responsibilities to provide this Commission information as well as its responsibilities to its customers. AT&T provides answers in a paragraph or two, and

ignores specific subparts of some information requests. AT&T provides information that is loosely worded, and unsupported by data. For example, when responding to ALJ Question Number 5, which requests information on a company's internal standards relating to the time it takes to make a customer's service operational after receipt of a service order, AT&T tells the Commission that the average installation interval is "a couple of days" and provides no supporting documentation.<sup>3</sup> This lack of precision and documentation on AT&T's part can only be viewed as a lack of respect for this Commission's authority.

Furthermore, in its response, AT&T has provided no evidence that it has conducted analysis of the causes of failures in its network during the storms. Nor has AT&T provided sufficient evidence that it has remedied the weaknesses in its network that resulted in the outages. While Verizon has provided documents that relate to systematic evaluation and planning for future emergency events, AT&T has not provided comparable documentation in these areas. For example, while Verizon has provided this Commission with documents related to a storm "after-action review," AT&T has provided no similar documentation.

While Verizon has certainly done a better job than AT&T in responding to the questions posed in the *ALJ Ruling*, Consumer Group and CWA do not believe that the information provided by either carrier obviates the need for an independent review of the condition of AT&T and Verizon's outside plant. An independent review is necessary so that the Commission can gain a full understanding of the condition of outside plant, and its ability to survive adverse weather and other detrimental conditions.

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<sup>3</sup> TURN did request the supporting documentation for the "couple of days" statement, and received specific information in response to discovery.

Consumer Group and CWA provide further discussion of carrier responses below, with the majority of the discussion addressing the responses of AT&T and Verizon because they were the focus of certain of the ALJ's questions.

## II. RESPONSES TO ALJ QUESTION NUMBER 1

ALJ Question Number 1 states:

**What specific types of outside plant and other facilities, including but not limited to cable, conduit, cabinets, towers, poles, and repeaters had problems or required repair during the Winter Storms? This response shall include all types of equipment that experienced problems, and generally describe the types of problems encountered with each.**

- a. What specific locations in your service territory experienced the most equipment failures during this period?**
- b. What types of equipment experienced the most problems during this period?**
- c. What types of equipment failures or other problems were the main causes of outages during the Winter Storms?**
- d. Please provide all internal reports related to the Winter Storms, including reports analyzing or describing equipment damage and/or customer outages caused (or possibly caused) by the Winter Storms, and all reports related to storm damage repair efforts.**

The responses provided by AT&T and Verizon in response to the ALJ's Question Number 1 point to the need for the external audit that the Commission raised in the Order Instituting Rulemaking.<sup>4</sup> ALJ Question Number 1 seeks specific information—"what specific types of outside plant and other facilities, including but not limited to cable, conduit, cabinets, towers, poles, and repeaters had problems or required repair during the Winter Storms?" AT&T provides only general information—"of the trouble tickets issued during the Winter Storms, 52 percent of the troubles concerned outside plant facilities," adding "15 percent were found in

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<sup>4</sup> "Should the Commission hire a network consultant to: a) review and evaluate the service quality results; b) to evaluate and monitor telecommunications carrier's infrastructure, investments and manpower to improve service quality; and c) to help the Commission determine "best practices"? If so how should they be funded and who should administer the contract(s)?" OIR Question 9.

service wires.”<sup>5</sup> AT&T then goes on to add another paragraph of its two paragraph narrative describing the “twelve percent of troubles found in customer inside wire,” a subject that ALJ Question Number 1 did not raise.<sup>6</sup>

AT&T’s response to ALJ Question 1(a), which asks for *specific locations* where equipment failures occurred, is also inadequate. In comparison, Verizon identifies the ten *wire centers* where it says the most outages occurred.<sup>7</sup> AT&T, on the other hand, tells the Commission that the highest number of trouble tickets were in “Lost Angeles *County*, Orange *County*, and San Diego *County*.”<sup>8</sup> This level of detail is insufficient.

With regard to the root cause of the problems associated with the storm-related outages, some light is shed on the matter by AT&T’s response to ALJ Question Number 1. In its June 14 response *ALJ Ruling* Question Number 1, AT&T states:

[T]wo-thirds of the trouble reports were associated with troubles located in facilities exposed to the extreme weather conditions.<sup>9</sup>

AT&T goes on to explain the primary cause of the problems in the outside plant:

Outages were caused by water intrusion in outside plant facilities and service wires. Water intrusion impedes the transmission of electrical signals causing, for example, shorts, grounds, and crosses.<sup>10</sup>

Information previously provided to TURN by AT&T and Verizon through discovery points to substantially differing practices on the part of AT&T and Verizon with regard to outside plant maintenance. One potential practice that can lead to water intrusion is the use of

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<sup>5</sup> AT&T June 14, 2012 Response, pp. 2-3.

<sup>6</sup> AT&T offers no proof supporting its statement regarding the percentage of troubles caused by faulty inside wire. An independent evaluation would be necessary to verify whether this claim is true. An independent evaluation would also shed light on whether inside wire or inadequate outside plant maintenance is at the root of the increases to phantom 911 calls used by AT&T and other carriers to support their proposals to alter warm line requirements.

<sup>7</sup> Verizon June 14, 2012 Response, p. A-1.

<sup>8</sup> AT&T June 14, 2012 Response, p. 2.

<sup>9</sup> AT&T June 14, 2012 Response, pp. 2-3.

<sup>10</sup> AT&T June 14, 2012 Response, p. 3.

temporary closures.<sup>11</sup> In response to discovery, AT&T and Verizon indicate that they have substantially different policies with regard to the use of temporary closures. When compared to Verizon, AT&T describes procedures associated with temporary closures that reflects a lower priority for permanent repair. For example, Verizon indicates that temporary closures are avoided unless there are emergency situations that prevent timely permanent repairs.<sup>12</sup> AT&T describes temporary closures as **[Begin AT&T Confidential]** [REDACTED] **[End AT&T Confidential]**<sup>13</sup> Verizon requires that technicians receive management approval for placing a temporary closure, while AT&T allows its technicians to place temporary closures **[Begin AT&T Confidential]** [REDACTED] **[End AT&T Confidential]**. Verizon identifies a maximum duration for temporary closures during “business as usual” conditions and a separate maximum duration during emergency conditions. AT&T does not have a policy **[Begin AT&T Confidential]** [REDACTED] **[End AT&T Confidential]**

The following quotes from discovery responses illustrate the differences in AT&T and Verizon temporary closure policies, AT&T states **[Begin AT&T Confidential]**:

[REDACTED]

[REDACTED]<sup>14</sup>

<sup>11</sup> Also known as “slickers.”

<sup>12</sup> Verizon response to TURN Set 1, Request 1-24.

<sup>13</sup> AT&T response to TURN Set 1, Request 1-24.

<sup>14</sup> AT&T response to TURN Set 1, Request 1-24.

[REDACTED]  
[REDACTED]<sup>15</sup>

[REDACTED]  
[REDACTED]<sup>16</sup> [End AT&T Confidential]

AT&T also states that it cannot identify the number of temporary closures that were in place in its network [Begin AT&T Confidential] [REDACTED] [End AT&T Confidential].<sup>17</sup>

Verizon's approach is explained in the following discovery responses:

Temporary closures are not a normal part of the repair process and are only allowed in emergency situations when permanent repair is not immediately feasible. A technician may not place a temporary closure without local manager approval. The technician must first alert the local manager and request permission to place any temporary closures. If a temporary closure is authorized by the local manager, a permanent repair must be made as soon as possible and optimally no longer than 48 hours. During emergency situations when repair volumes are abnormally high and the permanent repair cannot be made in 48 hours, it is required to be repaired within 5 business days maximum.<sup>18</sup>

A technician may not place a temporary closure without local manager approval. The technician must first alert the local manager and request permission to place any temporary closures.<sup>19</sup>

These differences in practices may have contributed to the differences in outage performance during the storms. According to data filed with the Commission, in December 2010 AT&T experienced outages with 1.1% of its access lines, compared to 0.60% for Verizon. AT&T's average duration of outage was 39.6 hours, compared to Verizon's of 23 hours. In other words, if AT&T had performed at the same level as Verizon during December of 2011, there would have been over 34,000 fewer AT&T outages, and outage hours would have been reduced by about 1.35 million hours.<sup>20</sup> An audit of AT&T and Verizon's network operations and conditions

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<sup>15</sup> AT&T response to TURN Set 1, Request 1-25.

<sup>16</sup> AT&T response to TURN Set 1, Request 1-27.

<sup>17</sup> AT&T response to TURN Set 1, Request 1-23.

<sup>18</sup> Verizon response to TURN Set 1, Request 1-24.

<sup>19</sup> Verizon response to TURN Set 1, Request 1-25.

<sup>20</sup> Based on Verizon and AT&T's December 2010 service quality reports, if AT&T had experienced outages at the same rate as Verizon (0.60%), there would have been about 41,600 AT&T outages instead of the 75,840 actually

will enable the Commission to determine the root causes of the outages, and whether practices such as AT&T's temporary closure policy continues to place its network and customers at risk.

Subpart (d) of ALJ Question Number 1 asks AT&T and Verizon to provide “all internal reports related to the Winter Storms, including reports analyzing or describing equipment damage and/or customer outages caused (or possibly caused) by the Winter Storms, and all reports related to storm damage repair efforts.” While Verizon has provided some responsive materials related to the description or analysis of equipment damage and/or customer outages related to the storms,<sup>21</sup> AT&T has not provided any evaluative report of the impact of the storms on AT&T's network. AT&T indicates in its response that it has provided “internal reports related to the Winter Storms that analyze or describe equipment damage, customer outages caused (or possibly caused) (*sic*) and storm damage repair efforts.”<sup>22</sup> TURN has reviewed the material supplied by AT&T and does not find the materials to be responsive to the ALJ's question, especially question 1(d) which asks for internal reports related to the Winter Storms and storm damage repair efforts. The materials provided by AT&T consist of the following: (1) one-hundred-nine pages of “storm report” e-mails. These e-mails provide a daily snapshot of weather conditions during the storm period and summarize work volumes and the deployment of technicians to address network problems. The e-mails are day-to-day communications and do not provide any evaluative report of the root causes of the outages. (2) A series of “West Storm Response Plans,” which provide a discussion of labor force actions, but no discussion of equipment damage caused (or possibly caused) by the Winter Storms. (3) Dispatch data that provides no discussion of equipment damage caused (or possibly caused) by the Winter Storms.

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<sup>21</sup> See the supporting file “Verizon Attachment ALJ 1d CONFIDENTIAL.pdf”.

<sup>22</sup> AT&T June 14, 2012 Response, p. 3.

Furthermore, TURN served data requests on AT&T and Verizon asking how customer reports of VoIP outages are received and tracked and for outage records for the last 12 months.<sup>23</sup> AT&T and Verizon refused to respond, claiming that such discovery is beyond the scope of the proceeding and, in AT&T's case, that the Commission lacks jurisdiction over VoIP and parties were not entitled to responses to the discovery. Consumer Group and CWA disagree with these contentions. This Commission, to complete its investigation, should fully understand the impact of the Winter Storms on all technology platforms deployed by carriers, and should have data on outages associated with VoIP, as well as POTS outages.

In its objections to TURN's data request, AT&T stated:

11. AT&T objects to these data requests to the extent they seek information regarding the provision of AT&T's U-verse Voice service, which is beyond the jurisdiction of the Commission. In its Vonage Order, the FCC preempted the application of traditional telephone company regulations, which include telephone service quality regulations and penalties, to VoIP services, such as AT&T's U-verse voice, which have inseverable interstate components. The Commission is also preempted from regulating VoIP because it is an information service subject to the FCC's policy of nonregulation.<sup>24</sup>

AT&T's response and its refusal to provide the requested information implies that the company believes the Commission has no authority to even investigate VoIP outages. Setting aside for the now the fact that AT&T's assertion is legally and factually incorrect,<sup>25</sup> AT&T's

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<sup>23</sup> The ALJ Questions did not specify that the term "outages" only applied only to POTS. Data on outages for voice telephone customers using VoIP service is also essential if the Commission is to fully investigate the extent to which the reliability of the public communications network in California was compromised by the winter storms. As discussed in Consumer Group's response to Question 11, below, AT&T's discovery responses provided to TURN show that AT&T's POTS and U-Verse services share the same feeder plant, poles, conduit and central office facilities. Moreover, Verizon has stated that in areas where outside plant has deteriorated, it has migrated basic service customers to its FiOS network. Thus, if the Commission is to obtain accurate information about which customers and how many customers were affected by outages, it is appropriate for AT&T and Verizon (as well as other VoIP providers) to supply information about VoIP service outages. For Verizon's statement about migrating basic service customers to FiOS *see* Reply Declaration of Thomas Maguire for Verizon California, March 1, 2012 at para. 10.

<sup>24</sup> AT&T Response to TURN's Seventh Set of Data Requests, July 5, 2012, p. 2, General Objection 11.

<sup>25</sup> The claim that the FCC in its Vonage Order preempted states, including the CPUC, from regulating U-Verse VoIP is simply wrong. The FCC itself argued to the Eighth Circuit Court of Appeals that its Vonage Order did not preempt interconnected VoIP, the type of VoIP offered by AT&T with U-Verse and Verizon with FiOS. *See*

response is not surprising given that the company (along with Verizon and CTIA) argued to the Federal Communications Commission ("FCC") that even the FCC does not have the authority to require the reporting of VoIP outages.<sup>26</sup> The FCC rejected this argument and proceeded to adopt rules requiring VoIP outage reporting. In doing so, the FCC recognized the importance of identifying and minimizing VoIP service outages:

16. Outages to interconnected VoIP service providers negatively affect the ability of interconnected VoIP service providers to meet basic and enhanced 9-1-1 service obligations because, whether or not facilities-based, interconnected VoIP service providers, their 9-1-1 calls are typically established using the standard Session Initiation Protocol (SIP), which does not distinguish between 9-1-1 and other calls. The 9-1-1 call may transit a broadband Internet access service provider and a broadband backbone Internet service provider in order to reach the non-facilities-based interconnected VoIP service provider's 9-1-1 database for routing instructions to reach the caller's nearest PSAP. The inability of SIP to distinguish between 9-1-1 and non-emergency interconnected VoIP calls means that outage reporting for all aspects of interconnected VoIP connectivity is necessary to understand and ensure the reliability of 9-1-1 VoIP calls.<sup>27</sup>

The CPUC is not considering, nor is Consumer Group and CWA proposing, formal reporting of VoIP outages or rules pertaining to such reporting at this time. Rather, this Commission, in accordance with its statutory duty, is *investigating* the facts regarding the extremely serious widespread telephone service outages affecting over 100,000 California customers. In part, this effort should explore the extent to which the outages affected customers receiving telephone service using interconnected VoIP. TURN's data requests simply sought information about customer outage complaints and information that is necessary to help the Commission understand how AT&T and Verizon account for complaints when informed of

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*Minnesota PUC v. FCC* (8<sup>th</sup> Cir. 2007) 483 F.3d 570, 583, citing the FCC's *Universal Service Order*. See, also, *Comcast IP Phone of Mo., LLC v. Missouri PSC*, Case No. 06-4233-CV-C-NKL, U.S. District Court for the Western District of Missouri, Central Division, 2007 U.S. Dist. LEXIS 3628, January 18, 2007, the US District Ct in MO held that the FCC did not preempt the entire field of VoIP (p.10)

<sup>26</sup> Before The Federal Communications Commission, In the Matter of The Proposed Extension of Part 4 of the Commission's Rules Regarding Outage Reporting To Interconnected Voice Over Internet Protocol Service Providers and Broadband Internet Service Providers, PS Docket No. 11-82, Report and Order, Rel. February 21, 2012, at ¶ 59, fn 116.

<sup>27</sup> *Id.*, at ¶16.

outages by their customers, information that is necessary to ascertain the veracity of reported outage complaints. In Consumer Group's many collective years of experience practicing before the Commission, we have become well aware that the carriers can understate the number of customer complaints on any given issue, and have sought this clarification so that the Commission could be assured of receiving accurate data.

The refusal of AT&T and Verizon to provide the requested information means that the Commission's ability to investigate telephone service reliability is compromised. AT&T's response, in particular, is another effort by that company—which serves the largest number of customers and experienced the largest number of outages—to erect innumerable barriers to prevent the Commission from fully investigating the underlying problems that caused this serious failure of telephone service. While styled as a rulemaking, the proceeding is also a fact-finding effort to identify the extent of the outages and the underlying factors that caused the problems. It is possible that new rules will be one outcome of the proceeding. Parties can contest the Commission's authority to adopt such rules. But it is not reasonable to conclude, as AT&T apparently has, that that the Commission is barred from access to information necessary to fully explore the factors associated with a major failure of telephone service.

In conclusion on ALJ Question Number 1, the responses of Verizon and AT&T to ALJ Question Number 1 point to the importance of an independent evaluation of conditions in AT&T and Verizon's network. AT&T's "catch me if you can" posture leaves the Commission no choice but to establish a fact-based and thorough evaluation of AT&T's network, and an independent audit provides the best path forward.

### III. RESPONSE TO ALJ QUESTION NUMBER 2

ALJ Question Number 2 states:

**What actions have AT&T and Verizon taken since the Winter Storms to repair or upgrade facilities to protect against similar damage or service disruptions from future storms?**

- a. Please describe how these repairs or upgrades will address the causes of the 2010-2011 storm damage and reduce the likelihood of future outages of similar magnitude, scale and duration.**

AT&T provides little information in its two-paragraph answer to ALJ Question Number 2, and provides no additional supporting documentation. AT&T reiterates its statement from its January 31, 2012 Opening Comments that AT&T has invested over \$6 billion in its network during the 2007-2011 period.<sup>28</sup> However, it appears that this level of investment is entirely consistent with the widespread outages that occurred in late 2010 and early 2011, thus AT&T leaves unanswered the question as to whether the investment is adequate. Furthermore, while the \$6 billion figure is a large number, it is provided without any context. For example, much of the investment during the 2007-2011 period, [Begin AT&T Confidential] [REDACTED] [End AT&T Confidential] of the \$6 billion, was associated with AT&T's "Lightspeed" project, which enable's AT&T's U-Verse service.<sup>29</sup> These investments have been targeted at areas where only 35% of AT&T's customers reside.<sup>30</sup> Thus, the balance of AT&T's \$6 billion investment, about [Begin AT&T Confidential] [REDACTED] [End AT&T Confidential], was spread over the other 65% of AT&T's network.

In its other paragraph of response to the ALJ's Question Number 2 AT&T indicates that it has "increased the size of its Proactive Maintenance Field Force ("PMFF") team and continues to

<sup>28</sup> AT&T June 14, 2012 Response, p. 4.

<sup>29</sup> AT&T response to TURN Set 6, Request 6.2.

<sup>30</sup> AT&T response to TURN Set 6, Request 6.6.

use the Rehabilitation Analysis Organization (“RAO”) methodology to determine the proper investment and improvements in its network.”<sup>31</sup> AT&T goes on to state that associated with these activities that it has “invested over \$100 million in outside plant facility repair and replacement work.”<sup>32</sup> Here again, it is impossible to determine whether AT&T’s actions have been adequate. AT&T did not create the PMFF in response to the storms, but AT&T does indicate that it was expanded by some unspecified amount. AT&T does not explain whether the \$100 million reflects “business as usual” with regard to its PMFF team’s use of the RAO methodology, or whether the \$100 million is an incremental increase over previous years, or somewhere in between. AT&T’s two-paragraph response to the ALJ’s Question Number 2 does nothing to help the Commission understand the impact of AT&T’s post-storm activities, and absent an independent audit, the Commission will remain in the dark.

#### IV. RESPONSE TO ALJ QUESTION NUMBER 3<sup>33</sup>

ALJ Request 3 asks:

**Please describe any internal plans or procedures for equipment maintenance, repair, or upgrades developed since the Winter Storms to protect against future facility damage or associated customer outages in future storms.**

- a. Along with your description, please also provide any written documentation of these plans or procedures.**
- b. Please describe how these new plans or procedures will improve service reliability by avoiding or more efficiently addressing outages and equipment failures.**

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<sup>31</sup> AT&T June 14, 2012 Response, p. 4.

<sup>32</sup> *Id.*

<sup>33</sup> NCLC did not review the confidential material provided in carrier data request responses and, therefore, is not joining Section IV of this Reply.

In response, Verizon mentions that it implemented the “Employee Network Rehabilitation Initiative,” which it began in March of 2011. This initiative requires the identification and documentation of deteriorated plant by technicians.<sup>34</sup>

TURN requested additional information on the Employee Network Rehabilitation Initiative. In response Verizon provided records of [Begin Verizon Confidential] [REDACTED] [End Verizon Confidential] work events that resulted in rehabilitation of Verizon’s network. The bulk of these rehabilitation efforts were directed at [Begin Verizon Confidential] [REDACTED] [REDACTED] [End Verizon Confidential].<sup>35</sup>

Thus, it appears that Verizon has taken some action to rehabilitate defective plant in its network, and has corrected some problem areas. Verizon reports that the results of its Employee Network Rehabilitation Initiative resulted in a 13.8% reduction in trouble tickets in the targeted locations.<sup>36</sup> While Consumer Group and CWA certainly commend Verizon for initiating the Employee Network Rehabilitation Initiative, absent an independent review of Verizon (and AT&T) network operations, it is impossible to determine whether Verizon’s program has a sufficient reach, or whether it might be utilized as a model of best practices for carriers’ whose plant may be in need of rehabilitation.

In response to ALJ Question 3, AT&T provided a non-responsive discussion that addresses AT&T’s efforts to supplement its workforce with seasonal hires and temporary workers during the period of crisis.<sup>37</sup> In response to ALJ Question 3 AT&T also states:

Based on its investigations to date, AT&T has identified and will serve, as appropriate, internal reports related to the Winter Storms that analyze or describe equipment damage, customer outages caused (or possibly caused) and storm damage repair efforts.<sup>38</sup>

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<sup>34</sup> Verizon June 14, 2012 Response, p. A-4.

<sup>35</sup> Verizon Response to TURN Sixth Set, Request 6.3(a) and associated supporting file “TURN\_SQ\_DR6\_6 3 CONFIDENTIAL.xls”.

<sup>36</sup> Verizon Response to TURN Sixth Set, Request 6.3(b).

<sup>37</sup> AT&T June 12, 2012 Response, pp. 4-5.

TURN sought clarification regarding just what this statement means. AT&T responded:

On June 14, we provided TURN with responsive documents to ALJ Question Number 3 that we had located based on our investigation through that date.

The term “as appropriate” refers to the fact that only parties who signed a NDA were served with confidential documents.

I do not anticipate providing additional documents in response to ALJ Question 3.<sup>39</sup>

Thus, the confidential documents provided by AT&T in response to ALJ Question Number 3 are the extent of AT&T’s response regarding “any internal plans or procedures for equipment maintenance, repair, or upgrades developed since the Winter Storms to protect against future facility damage or associated customer outages in future storms.” The documents referenced by AT&T above are contained in a file labeled “Q3 CS and docs 2696-2726.pdf”. While this document contains a total of 32 pages (including the cover page), it is notable that all but five (5) are blank pages that are labeled “Non-responsive material redacted.” The five pages that are provided include little information regarding the subject of ALJ Question 3, i.e., AT&T’s “internal plans or procedures for equipment maintenance, repair, or upgrades developed since the Winter Storms to protect against future facility damage or associated customer outages in future storms.”

For example, three of the five pages that AT&T indicates are responsive to ALJ Question Number 3 are titled “West Region 2011-2012 Storm Preparedness Checklist.” This checklist identifies a variety of tasks and internal AT&T units that are associated with the tasks. However, while containing fields that may be filled out to indicate whether or not the tasks have been assigned and/or completed, the document is completely blank. In other words, all that one can conclude from the document is that someone at AT&T created the “West Region 2011-2012

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<sup>38</sup> AT&T June 14, 2012 Response, p. 5.

<sup>39</sup> E-mail from Nelsonya Causby to Bill Nusbaum, June 28, 2012.

Storm Preparedness Checklist,” whether any action on this checklist has been completed is not revealed by AT&T.

The other two pages in AT&T’s “Q3 CS and docs 2696-2726.pdf” that AT&T indicates are responsive to ALJ Question Number 3 do provide some information that the Commission should note. For example, while AT&T has pinned the blame on the severe weather for its failure to meet the Commission’s service quality standards,<sup>40</sup> information provided by AT&T in response to ALJ Question Number 3 paints a different picture. Discussing its West Region planning for 4<sup>th</sup> Quarter 2011 and 1<sup>st</sup> quarter 2012 AT&T states: **[Begin AT&T Confidential]**

[REDACTED]

- [REDACTED]<sup>41</sup> **[End AT&T Confidential]**

Thus, AT&T recognizes that **[Begin AT&T Confidential]** [REDACTED] **[End AT&T Confidential]**. Wet weather is thus something that AT&T should have been prepared for. However, the document also indicates that as late as 4<sup>th</sup> quarter 2011, AT&T still believes that a **[Begin AT&T Confidential]** [REDACTED] **[End AT&T Confidential]** exists. To fill this gap, according to the documents provided by AT&T, personnel has been transferred on a temporary basis from **[Begin AT&T Confidential]** [REDACTED] **[End AT&T Confidential]**

Whether AT&T’s actions are sufficient to alleviate problems are unclear as the AT&T documents provided that review this trial remedy indicate that **[Begin AT&T Confidential]** [REDACTED] **[End AT&T Confidential]** Thus,

AT&T leaves the Commission in the dark as to whether its “internal plans or procedures for

<sup>40</sup> AT&T Opening Comments, January 31, 2012, p. 13.

<sup>41</sup> AT&T document “Q3 CS and docs 2696-2726.pdf,” provided in response to ALJ Question Number 3, Bates page ATSQCUC002704.

equipment maintenance, repair, or upgrades developed since the Winter Storms to protect against future facility damage or associated customer outages in future storms” have been successful.

What is clear from the documentation provided by AT&T, however, is that AT&T’s plan did not cost AT&T anything:

**[Begin AT&T Confidential]** [REDACTED] **[End AT&T Confidential]**<sup>42</sup>

CWA members who represent the frontline technicians testified before Senator Padilla’s February 4, 2011 hearing in Los Angeles that AT&T has cut back on maintenance of local networks and on frontline staffing. There are not enough technicians to do quality maintenance. AT&T has reduced its landline frontline workforce by more than one-quarter since 2006, from 25,000 workers to fewer than 18,000. With this slashing of the workforce, it is not surprising that AT&T’s network is in poor condition and that storms produce extended outages.

AT&T’s response to ALJ Question Number 3 is entirely unsatisfactory. AT&T’s posture with regard to the response to the ALJ questions is to reveal as little information as possible. This lack of cooperation points to the pressing need for an independent outside audit of AT&T’s facilities and practices to determine whether AT&T’s “internal plans or procedures for equipment maintenance, repair, or upgrades developed since the Winter Storms to protect against future facility damage or associated customer outages in future storms” are sufficient.

#### V. AT&T AND VERIZON RESPONSE TO ALJ QUESTION NUMBER 4

ALJ Question Number 4 asks:

**What internal policies and practices does your company use to monitor and evaluate the condition of the network and identify facilities that are in need of maintenance**

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<sup>42</sup> AT&T document “Q3 CS and docs 2696-2726.pdf,” provided in response to ALJ Question Number 3, Bates page ATSQCUPC002719.

**or replacement? Please describe how your company identifies facilities that may need repair.**

AT&T provides a one-paragraph response that offers little insight into its internal policies and practices regarding the monitoring and evaluation of its network. AT&T informs the Commission that its Rehabilitation Analysis Organization is apparently the only entity at AT&T that is involved with the monitoring and evaluation of AT&T's network. AT&T identifies no specific programs or initiatives that are associated with the maintenance and replacement of AT&T's network.

Verizon, on the other hand, at least provides the names and brief descriptions of various maintenance and infrastructure improvement programs, as well as documents related to some of these programs. Verizon, like SureWest, also mentions the important role that cable pressurization practices have on network performance. AT&T makes no mention of this area in its response to ALJ Question Number 4.

In summary, AT&T's response to Question Number 4 illustrates a lack of cooperativeness on AT&T's part, resulting in a lack of information. AT&T's unwillingness to reveal information in response to the ALJ's questions points to the need for an independent audit so that the Commission can gather the information that it needs to fully evaluate the condition of ILEC networks.

#### **Response to ALJ Question Number 5**

ALJ Question Number 5 asks:

**Please provide your company's internal standards for the time it takes to make a customer's service operational after receipt of a service order. Standards could include time targets, performance incentives, bonuses, and/or other policies or actions.**

Carrier responses are not necessarily comparable in their answers to ALJ Question Number 5. Cox and Verizon answered the question by addressing service restoration issues, such as when an existing customer experiences out-of-service conditions. AT&T and SureWet answered the question by addressing new service orders. AT&T's response states that while it has no specific target for installation, it does track installation intervals, which it indicates run "a couple of days" on average.<sup>43</sup> In CWA's view, the response received from AT&T on installation of new services is vague because the workforce has been reduced significantly and would not be able to meet specific service installation standards. CWA represented employees have stated "based on the workload, new customer service installations interval run 3 to 5 days." The Commission should conduct an independent audit of AT&T records to determine actual installation duration of new or additional services.

AT&T also states that its managers are incented with bonuses when customer-affecting performance measurements are met, "including measurements for the percentage of repeat installations and the percentage of missed installation appointments." TURN sought clarification regarding how management was incented through bonuses if there is no specific target for installation. AT&T responded that "The bonuses are not based on performance against a standard for installation intervals."<sup>44</sup> Thus, AT&T does not have any internal standard for installation, nor does AT&T provide its management incentives or bonuses for installation.

## VI. RESPONSE TO ALJ QUESTION NUMBER 11

ALJ Question Number 11 asks:

**Telephone corporations that are required to file GO 133-C Service Quality reports shall, and other parties may, explain their understanding, or cite to any applicable industry**

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<sup>43</sup> AT&T June 14, 2012 Response, p. 6.

<sup>44</sup> AT&T response to TURN Set 6, request 6.3(a).

**standards, that explain what it means to transition from circuit switched telephone service to VoIP. Specifically address the network configuration of each type of service and explain whether these technologies use common network facilities, or the extent to which (if at all) these services are offered over separate networks and/or use separate facilities.**

In response to this question AT&T states:

The question asks AT&T to explain its understanding of what it means “to transition from circuit switched telephone service to VoIP.” AT&T does not ascribe any particular meaning to that phrase as it is used in the question. VoIP and circuit switched telephone service are two different services using two different technologies. *AT&T offers both services to customers, and customers may choose, depending upon the circumstances and availability, to “transition” from one service to another.*<sup>45</sup>

Consumer Group and CWA are puzzled by AT&T’s response as AT&T appears to paint a picture in which AT&T has no role to play in the transition from circuit switched to VoIP services. AT&T would have us believe that it is simply up to the customer to “transition.”

TURN requested information on the number of AT&T customers who could make the transition that AT&T describes. AT&T responds that 35% of its customers can currently choose between circuit-switched voice and AT&T’s U-Verse platform.<sup>46</sup> Thus, for the 65% of AT&T customers who cannot choose AT&T’s VoIP service, it would be up to AT&T to build out its U-Verse service. However, according to press reports, AT&T has abandoned that project.<sup>47</sup> In AT&T’s service area the “transition” to VoIP appears to be stalled. Furthermore, to make the “transition,” consumers cannot simply purchase VoIP from AT&T, they must also subscribe to other AT&T services such as broadband or video, as AT&T does not offer VoIP on a stand-alone basis.<sup>48</sup>

In its response to ALJ Question 11, AT&T also states that AT&T’s POTS and U-Verse are offered over separate networks, “with the exception of the portion of the ‘local loop’.”

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<sup>45</sup> AT&T June 14, 2012 Response, p. 17, emphasis added.

<sup>46</sup> AT&T response to TURN Set 6, Request 6.6(a).

<sup>47</sup> “AT&T’s Stankey: U-verse Build Virtually Over,” *DSL Reports*, May 18, 2011.

<http://www.dslreports.com/shownews/ATTs-Stankey-Uverse-Build-Virtually-Over-114279>

<sup>48</sup> AT&T response to TURN Set 6, Request 6.6(b).

TURN asked AT&T whether there was any sharing of feeder routes between U-Verse and POTS. AT&T responded:

There are situations where U-Verse services and POTS share the same feeder routes from the central office to the remote terminal, and also instances where they travel over different feeder routes.<sup>49</sup>

AT&T also indicates that there are situations where U-Verse and POTS share the same poles and conduit in the portion of AT&T's outside plant that runs from the central office to the remote terminal.<sup>50</sup> These statements indicate that AT&T uses common network facilities for all portions of its U-Verse provision.

## **VII. CONCLUSION**

Consumer Group and CWA appreciate the Commission's efforts to engage in a fact and data-based analysis of service quality. The responses to the ALJ's questions point to the need for

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<sup>49</sup> AT&T response to TURN Sixth Set, Request 6.7(a).

<sup>50</sup> AT&T response to TURN Sixth Set, Request 6.7(b).

an independent evaluation of network conditions and operations for AT&T and Verizon. Service quality is a significant issue for consumers and the Commission should not permit the carriers to provide a minimal level of quality that only benefits the carriers' bottom-lines.

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Respectfully submitted,

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