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June 4, 2015

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Joint Petition of Verizon Pennsylvania LLC and Verizon North LLC for
Competitive Classification of all Retail Services in Certain Geographic Areas,
and for a Waiver of Regulations for Competitive Services
Docket Nos. P-2014-2446303 and P-2014-2446304

Dear Secretary Chiavetta:

Enclosed please find Verizon's Comments Regarding Data Collection, being filed by
Verizon Pennsylvania LLC and Verizon North LLC in the above captioned matter.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

A handwritten signature in blue ink that reads "Suzan D. Paiva".

Suzan D. Paiva

SDP/slb
Enc.

Via E-Mail and First Class Mail
cc: Lenora Best, Bureau of Consumer Services
Derek Vogelsong, Bureau of Technical Utility Services
Attached Certificate of Service

Via E-Mail
cc: RA-PC-VzReclass@pa.gov

CERTIFICATE OF SERVICE

I, Suzan D. Paiva, hereby certify that I have this day served a copy of Verizon's Comments Regarding Data Collection, upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (related to service by a participant) and 1.55 (related to service upon attorneys).

Dated at Philadelphia, Pennsylvania, this 4th day of June, 2015.

VIA E-MAIL AND FIRST CLASS MAIL

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Verizon Pennsylvania LLC :
And Verizon North LLC for Competitive : Docket No. P-2014-2446303
Classification of all Retail Services in Certain :
Geographic Areas, and for a Waiver of : Docket No. P-2014-2446304
Regulations for Competitive Services :

VERIZON’S COMMENTS REGARDING DATA COLLECTION

The proposal for data reporting in the May 20, 2015 Secretarial Letter and the associated Microsoft Excel workbook would collect some information that would be helpful to the Commission’s stated “plan to seek data from Verizon related to two main topics: affordability of basic service and quality of service.” (3/4/15 Order at 104). But a number of the proposed data points would not help and do not warrant collection.

A. Basic Service Access Line Counts

The workbook contains the proposals of the Bureau of Technical Utility Services’ (“TUS”) for data collection. The first and fifth tabs of the workbook propose that Verizon PA and Verizon North separately report their stand-alone basic service line counts for each month in the two-year reporting period, sorted by residential and business and by competitive and noncompetitive. Line counts are relevant, and Verizon will be able to report the data in the manner requested.

B. Quality of Service Data

The second and sixth tabs of the workbook propose that Verizon PA and Verizon North separately report certain service quality metrics. None of these metrics are currently required to be reported by the Commission’s regulations; requiring them for competitively classified areas would thus require more onerous reporting following competitive classification than existed

when the areas were classified noncompetitive. That step backward could not have been what the Commission intended. And these outdated service metrics are unlikely to be a meaningful barometer of service quality for real world customers in today's market, where customers have so many technological and service alternatives. As discussed in more detail below, the Commission can better monitor the quality of service in the competitive wire centers through its review of customer complaints warm transferred to Verizon. But Verizon also would be willing to report on other measurements, taking each proposal in turn:

i. Trouble Reports

TUS proposes that Verizon PA and Verizon North separately report "Trouble Reports" and "Trouble Report Rate per 100 Access Lines." Verizon understands this to be trouble reports monitored under this Commission's regulation providing that "[i]t shall be substandard performance for a public utility to receive more than 5.5 customer trouble reports per 100 lines per month." 52 Pa. Code § 63.57(f). If Verizon misses this standard "for a period of 3 consecutive months" it must provide surveillance level reporting to the Commission. 52 Pa. Code § 63.55. The record in the proceeding showed that Verizon's performance exceeds the Commission's standard and therefore it has not reported any misses.¹ For purposes of complying with these regulations Verizon tracks its monthly trouble reports and its trouble report rate per 100 access lines for all jurisdictional services taken together, and will report that information for the two designated reporting years.

¹ VZ Main Br. at 30.

ii. Out of Service Reports and Out of Service Over 24 Hours

The TUS proposal would require Verizon to report “Number of Out-Of Service Reports,” “Number of Out-Of-Service Reports > 24 Hours,” “Percent of Out-Of-Service Reports > 24 Hours.” These proposed metrics miss the mark for a number of reasons.

First, the purpose of the Commission’s data collection is to monitor affordability and service quality in the competitive areas. These metrics do not measure service quality. In today’s environment, longer repair times often result for customer convenience. Today’s customers are likely to have alternatives such as wireless phones. Indeed, the record in this case showed extensive wireless availability and penetration in the competitive wire centers, with many landline customers relying mostly or only on their wireless phones.² Customers with a wireless alternative may not want to disrupt their plans or take a day off from work to wait for an immediate repair visit, but instead are more likely to request an appointment at a time that is convenient for them, resulting in longer service restoral times but a better customer service experience for the customer. Out-of-service measurements thus do not measure service quality.³

Second, this Commission’s own regulations do not impose a service restoral within 24 hours standard. The Commission considers on a case-by-case basis whether “substantial action” was taken within 24 hours, and excepts from this requirement service trouble “requiring unusual repair,” “isolated weekend outages affecting fewer than 15 customers,” and instances “where the customer agrees to another arrangement.” 52 Pa. Code § 63.57(b). A strict reporting of out of

² VZ Main Br. at 2-3.

³ *See, e.g.* 3/4/15 Order at 43 (“Verizon avers that service quality should be a function of market forces and customer expectations rather than regulatory requirements. Tr. at 37-38. Verizon asserts that opposing Parties have failed to demonstrate that the standards they have submitted into the record to judge Verizon’s performance are meaningful to actual customers in today’s market. Verizon argues that the declining rate of customer complaints indicates that it is meeting customer expectations. Further, Verizon notes that if customers are not satisfied with Verizon’s service, they are free to choose another provider of telecommunications service.”)

service over 24 hours would not account for all of these extenuating circumstances that even this Commission’s own regulation recognizes. For this reason the Commission does not require reporting of out of service duration metrics, even on a surveillance level basis. It should not start this requirement here. Chapter 30 sets as a policy goal to reduce “regulatory obligations imposed upon the incumbent local exchange telecommunications . . . to levels more consistent with those imposed upon competing alternative service providers,” not to increase those burdens. 66 Pa. C.S. § 3011(13). The legislature thus did not contemplate that a competitive finding would bring with it a backward step to outdated regulatory reporting.

Third, by imposing what would be a new metric, the Commission would be required by Chapter 30 to first make “specific written findings” that “the report is necessary to ensure that the . . . company is charging rates that are in compliance with this chapter and its effective alternative form of regulation,” and that “[t]he benefits of the report substantially outweigh the attendant expense and the administrative time and effort required of the . . . company to prepare it.” 66 Pa. C.S. § 3015(f). Because such a report would not yield useful information for purposes of monitoring service quality, it would not offer any benefits, much less any that outweigh the expense and administrative time and effort of preparing it.

The best empirical evidence of customer expectations regarding Verizon’s repair response is the level of customer complaints. As discussed below, Verizon will flag repair-related complaints warm transferred to Verizon during the reporting period and the Commission can review those cases to monitor Verizon’s service performance.

iii. Average Installation Completion Interval

TUS proposes that Verizon be required to report the “Average Installation Completion Interval.” Verizon does not track this information in that form. And reporting the percent of

installation orders completed on the due date would present the Commission with more meaningful information. As discussed above, customers in these urban and suburban areas are more likely today to request a specific installation date rather than to expect the earliest possible installation. Even the Commission's regulation on installation intervals recognizes customers may well request a longer interval and that it is important to meet the commitment to the customer. 52 Pa. Code § 63.58 (noting that a "later date" may be "requested by the applicant" and that the company should strive to meet installation commitments "except for applicant-caused delays, adverse weather conditions and other supervening causes beyond the utility company's control.") A review of installation commitments met would better assess service quality because it would focus on the due date promised to the customer.

C. Residential Account Data

The third and seventh tabs of the workbook propose that Verizon PA and Verizon North separately report the information similar to what Verizon currently reports annually under 52 Pa. Code § 64.201.⁴ But there is a key difference: TUS would require the information be reported separately for competitive and noncompetitive wire centers and to be calculated monthly rather than annually.

Those differences render the proposal more onerous than existing rules. The Commission should not increase Verizon's reporting burdens by requiring that more data be submitted than Section 64.201 requires. By Order entered June 1, 2015 the Commission modified its partial waiver of Section 64.201 because the Commission found that certain parts of the rule were unduly burdensome and unnecessary in a competitive telecommunications environment. One of the changes was to require a statewide report, rather than to impose

⁴ The specific information required is: Residential Accounts, Average Residential Customer Bill for Basic Service, Residential Overdue Accounts, Average Residential Overdue Bill Amount Basic Service, Residential Basic Service Suspensions, Residential Terminations and Disputes Handled.

different reporting requirements for competitive versus noncompetitive exchanges. Verizon does not currently track the Section 64.201 data in a manner that would allow it to break down the report by competitive versus noncompetitive wire centers. Similarly, Verizon currently reports the Section 64.201 data on an annual basis, not by month, and the June 1 Order does not require monthly reporting.

Verizon intends to submit the Section 64.201 report annually (as modified by the June 1 Order) and to update its filed price list with any rate changes. Verizon does not believe any additional reporting by Verizon is necessary for the Commission to monitor the affordability of service. Verizon respectfully submits that the Commission should rely on the Section 64.201 annual reports for the years 2015 and 2016, which Verizon will submit in compliance with the June 1 Order, and should not use this data collection initiative to increase the reporting burdens in this area. At a minimum, the Commission should not seek additional data unless and until Verizon increases its basic local exchange service rates in competitive wire centers above those in similarly-situated noncompetitive wire centers.

D. Warm Transfer Data

The fourth and eighth tabs of the workbook propose that Verizon PA and Verizon North separately report all warm transferred informal complaints during the reporting period, classified into the following categories: Annoyance Calls, Billing Disputes, Credit and Deposits, Discontinuance/Transfer, Nonrecurring Charges, Rates, Service Delivery, Service Termination, Toll Services, Unsatisfactory Service.

The March 4 Order stated that the Commission “plan[s] to seek data from Verizon related to two main topics: affordability of basic service and quality of service.” (3/4/15 Order at 104). Reviewing customer complaints would be a useful way to monitor these issues. However, some

of the categories proposed in the workbook do not appear to have any bearing on the issues the Commission plans to monitor. Classifying the warm transferred complaints as: (1) billing and/or collections; (2) repair/maintenance; (3) installation; or (4) other, would best allow the Commission to monitor the stated issues.

CONCLUSION

For the foregoing reasons, Verizon respectfully submits that the Commission should modify the proposed data reporting requirements.

Respectfully submitted,



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