

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

)	
In Re Verizon Service Quality)	D.T.C. 09-1
in Western Massachusetts)	
)	

PANEL TESTIMONY OF
JOHN L. CONROY, JOHN E. SORDILLO AND PAUL B. VASINGTON
ON BEHALF OF VERIZON NEW ENGLAND INC.

December 31, 2009

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1 **I. INTRODUCTION**

2 **Q. Mr. Conroy, please state your name, occupation and business address.**

3 A. My name is John L. Conroy and I am Vice President-Regulatory for Verizon New
4 England Inc., d/b/a Verizon Massachusetts (“Verizon MA”). My business address is 125
5 High Street, Oliver Tower, 7th Floor, Boston, Massachusetts.

6 **Q. Please describe your education and work experience.**

7 A. I was employed by New England Telephone in June, 1972 after graduating from
8 Stonehill College with a Bachelor of Arts degree in Economics. Since then, I have held
9 various assignments of increasing responsibilities in the Revenue Matters, External
10 Affairs, Customer Services, Marketing and Technology, and Public Affairs and
11 Corporate Communications departments. I have appeared as a witness before the
12 Department, the Maine, New Hampshire and Rhode Island Public Utilities Commissions,
13 and the Vermont Public Service Board.

14 **Q. Mr. Sordillo, please state your name, occupation and business address.**

15 A. My name is John E. Sordillo. I am Director – Operations for Verizon MA, and my
16 business address is 251 Locke Drive, Marlboro, Massachusetts.

17 **Q. Please describe your educational and professional background.**

18 A. I have a Bachelor of Arts degree in Industrial Technology from Northeastern University
19 and a Masters degree in Business Administration from Babson College. I was first
20 employed by New England Telephone Company in 1971 and have spent the last 38 years
21 in the Operations department in varying assignments of increasing responsibility. I have
22 been a central office technician, a supervisor of field technicians, a field manager, a

1 dispatch manager, a staff support manager, the Director of field operations for about
2 1,100 personnel and I have provided staff support for both inside and outside operations.
3 I am currently responsible for overall supervision of Verizon MA's Repair Resolution
4 Center and the Dispatch Resource Center, both of which support our operations
5 throughout Massachusetts and Rhode Island.

6 **Q. Mr. Vasington, please state your name, occupation and business address.**

7 A. My name is Paul B. Vasington. I am a Director – State Public Policy for Verizon. My
8 business address is 125 High Street, 7th Floor, Boston, Massachusetts.

9 **Q. Please describe your educational and professional background.**

10 A. I have a Bachelor of Arts degree in Political Science from Boston College and a Master's
11 degree in Public Policy from Harvard University, Kennedy School of Government. I
12 have been employed by Verizon since February 2005.

13 Before my employment with Verizon, from September 2003 to February 2005, I
14 was a Vice President at Analysis Group, Inc. Prior to that, from May 2002 to August
15 2003, I was Chairman of the Massachusetts Department of Telecommunications and
16 Energy ("MDTE"). I also served as a Commissioner at the MDTE from March 1998 to
17 May 2002. Prior to my term as a Commissioner, I was a Senior Analyst at National
18 Economic Research Associates, Inc. from August 1996 to March 1998. Before that, I
19 was in the Telecommunications Division of the Massachusetts Department of Public
20 Utilities, first as a staff analyst from May 1991 to December 1992 and then as
21 telecommunications division director from December 1992 to July 1996.

22 **Q. What does the record in this case show?**

1 A. The Department opened this proceeding to investigate “the reasonableness of Verizon
2 Massachusetts’ telephone service quality in Berkshire, Hampden, Hampshire, and Franklin
3 Counties, pursuant to G. L. c. 159, § 16.” (D.T.C. 09-1, Order Opening Investigation, at 19).
4 Intervenors and the Department staff have issued a large number of information requests to
5 Verizon MA, and the intervenors have now presented their testimony based on the
6 information provided by Verizon MA and their own analyses. What comes across most
7 clearly is how thin the evidentiary foundation is for the intervenors’ allegations that the
8 service quality provided by Verizon MA in Western Massachusetts is not reasonable or
9 adequate.

10 In contrast, our testimony will show that: (1) Verizon MA provides just,
11 reasonable and adequate service quality to its customers in Western Massachusetts,
12 whether that is assessed on an absolute basis against the benchmarks in the Department’s
13 Service Quality Plan or on a comparative basis with the rest of the state; (2) Verizon MA has
14 every incentive to provide quality service to its Western Massachusetts customers and its
15 policies and procedures are appropriately designed to that end; and (3) that the
16 Intervenors’ analyses and recommendations are incorrect, unsupported by the evidence,
17 and unreasonable even on their own terms.

18 **Q. Is each witness on the panel primarily responsible for particular aspects of the**
19 **testimony?**

20 A. Yes. While all three members of the panel support the testimony in its entirety, each
21 panel member assumes primary responsibility for specific aspects of the testimony, and
22 each panel member relies on facts developed by the other panel members in their areas of

1 primary responsibility. Specifically, Mr. Conroy is primarily responsible for Sections II
2 and III of this testimony, Mr. Sordillo is primarily responsible for Section IV, and Mr.
3 Vasington is primarily responsible for Section V.

4 **Q. Please summarize your testimony.**

5 A. Section II demonstrates that, taken as a whole, the data establishes that Verizon MA
6 provides just, reasonable and adequate service quality to its customers in Western
7 Massachusetts.¹ Despite the operational challenges posed by competition, severe weather
8 that affects Western Massachusetts more than Eastern Massachusetts and the rural nature
9 of the area, Verizon MA's service performance in Western Massachusetts meets the
10 criteria established by the Department in the Service Quality Plan. Moreover, while the
11 level of service quality Verizon MA provides in Eastern Massachusetts is not a proper
12 benchmark for judging service quality in Western Massachusetts, nevertheless Verizon
13 MA does provide comparable service quality in the two regions. In addition, Verizon
14 MA's customers in Western Massachusetts give it high marks in surveys measuring
15 customer satisfaction with Verizon MA's service quality, confirming that the company
16 provides very good service in the region.

17 Section III rebuts certain aspects of the testimony submitted by the towns of
18 Hancock and Egremont and the Attorney General and shows that they have provided no
19 basis for a finding that Verizon MA's service quality in Western Massachusetts is unjust,
20 unreasonable or inadequate. The municipalities' testimony shows only that a small

¹ Unless otherwise indicated, in this testimony "Western Massachusetts" refers to LATA 126, which covers the area of Massachusetts served by Verizon MA in the 413 area code, and "Eastern Massachusetts" means LATA 128, which is the rest of the state.

1 number of customers in Hancock and Egremont have experienced service issues. It says
2 nothing about the quality of service Verizon MA provides to the hundreds of thousands
3 of other customers it serves in Western Massachusetts. In any event, this testimony is
4 entirely consistent with the substantial data showing that Verizon MA provides very good
5 service across the region.

6 The testimony of Susan Baldwin on behalf of the Attorney General does not
7 provide an accurate assessment of Verizon MA's service quality in Western
8 Massachusetts, but presents instead a narrow, biased view, focusing primarily on a single
9 aspect of service quality - the speed of resolving residential trouble reports - at the
10 expense of a broader evaluation of the company's overall performance on the full range
11 of relevant metrics. We acknowledge that Verizon MA often struggles to meet the metric
12 for Troubles Cleared Within 24 Hours - Residential in the Service Quality Plan. Given that
13 Verizon MA regularly surpasses the Department's standards for *all* of the other eleven
14 metrics in the Plan, however, this lone shortcoming hardly provides grounds to find that
15 service quality in Western Massachusetts is wanting, and it certainly does not justify the
16 draconian "remedies" advocated by the Attorney General. Ms. Baldwin also takes a very
17 selective approach to the data, ignoring information that contradicts her claims, and she
18 misstates and mischaracterizes critical facts.

19 Section IV provides the Department with an overview of the practices and
20 procedures Verizon MA has established in order to provide high service quality across all
21 of Massachusetts, including our customers in Western Massachusetts. It explains the
22 challenges Verizon MA faces in that effort due to the largely rural character of much of

1 the region and the often severe weather in the area. It also explains the various ways in
2 which Verizon MA manages the network proactively to minimize the number of troubles
3 experienced by our customers in the first place. Finally, Section IV rebuts allegations
4 made by the IBEW's witnesses regarding Verizon MA's practices, policies and
5 management of our repair operations.

6 Section V demonstrates that the Attorney General's criticisms of the Service
7 Quality Plan are beyond the scope of this proceeding and are inconsistent with the history
8 of service quality regulation in Massachusetts. It also discusses policy considerations
9 demonstrating that Verizon MA already is fully motivated to provide quality service in
10 Western Massachusetts without the need for the Attorney General's proposed
11 "remedies," which we demonstrate are unnecessary, unreasonable and without
12 justification in the facts before the Department.

13
14
15 **II. VERIZON MA PROVIDES VERY GOOD SERVICE TO ITS CUSTOMERS IN**
16 **WESTERN MASSACHUSETTS**

17 **Q. Please provide an overview of Verizon MA's service quality in Western**
18 **Massachusetts.**

19 A. Verizon MA provides just, reasonable and adequate service quality in Western
20 Massachusetts that gives rise to few customer complaints, as evidenced by Verizon MA's
21 performance under the Department's Service Quality Plan and, just as importantly, by the
22 views of our customers. The company consistently meets and exceeds in Western
23 Massachusetts all but one of the Department's service quality standards, in the face of

1 challenges posed by competition, extreme weather and the rural nature of much of the
2 area.

3
4 **A. Verizon MA's Performance In Western Massachusetts Satisfies The Department's**
5 **Service Quality Plan.**

6 **Q. Please describe the Department's Service Quality Plan.**

7 A. In D.T.E. 01-31 the Department continued the retail service quality plan (the "Plan")
8 originally ordered by the Department in D.T.E. 94-50. Section V discusses the history of
9 the Plan in greater detail. The Department initially designed the Plan to evaluate the
10 overall level of service provided by Verizon MA to its monopoly retail customers. The
11 Plan requires Verizon MA to report each month its performance on 12 measures, on both
12 a state-wide and a regional basis. The 12 metrics fall into three categories: Maintenance
13 Service Items, Installation Service Items and Service Response Items. (See Figure 1,
14 below.) Overall, the 12 metrics provide a comprehensive view of the level of service
15 provided by Verizon MA. The Plan specifies two levels of service performance for each
16 of the 12 metrics: the "standard" level and the "target" level. Verizon MA receives two
17 points for meeting or surpassing each "target" threshold and one point for meeting or
18 surpassing the "standard" threshold. The Plan assesses Verizon MA's overall
19 performance based on two separate criteria: the Service Quality Index and the Standard
20 Miss criteria.

21 **Q. Please explain the Service Quality Index.**

1 A. The Service Quality Index (“SQI”) is an overall service score that is determined each
2 month. Each month, Verizon MA’s performance on each of the 12 metrics is calculated
3 on a 12-month, rolling basis. The five Service Response items are reported and scored on
4 a statewide basis and thus represent a maximum of 10 available points under the plan.
5 The seven Installation and Maintenance items are reported and scored separately for each
6 of three geographic regions, known as Strategic Business Units (“SBUs”), and thus
7 represent a maximum of 42 points. (Western Massachusetts is part of the BayPath SBU.)
8 The Plan requires that Verizon MA achieve a level of 33 SQI points in each month. If
9 the required 33 point level is not achieved, Verizon MA faces a financial penalty.

10 **Q. Please discuss the Standard Miss Criteria.**

11 A. In addition to scoring at least 33 points on the SQI, Verizon MA must also meet the
12 standard level performance (*i.e.*, score at least one point) on nine of the 12 metrics each
13 month, again scored on a rolling average basis, in order to avoid a penalty under the Plan.

14 **Q. Please summarize the Plan structure.**

15 A. The following table, reproduced from the Plan, summarizes the measures and their
16 geographic scope.

FIGURE 1²

Verizon MA Service Quality Plan

Measure	Geographic area measured				Standard Miss (No more than 2)
	MassBay	No/NE	BayPath	MA (Statewide)	MA (Statewide)
Maintenance Items					
Network Trouble Report Rate	X	X	X		X
% Troubles Clrd in 24 Hrs – Res	X	X	X		X
% Troubles Clrd in 24 Hrs – Bus	X	X	X		X
Installation Items					
% Missed Appt for Company Reasons					
Total Customers	X	X	X		X
Residence Customers	X	X	X		X
Company Facilities	X	X	X		X
% Installation Trbl Reports	X	X	X		X
Service Response Items					
DA Average Speed of Answer				X	X
Toll & Assist Average Speed of Answer				X	X
Repair Resolution Center Average Speed of Answer				X	X
Residence Service Level				X	X
Business Service Level				X	X
<i>Note: X indicates when a measure is used to score SQI points or when a measure is used to determine Standard Miss criteria</i>					

In addition to the 12-month rolling average data Verizon MA uses to calculate the SQI and the Standard Miss, Verizon MA also provides the actual monthly results for all of the metrics both on a statewide and, where applicable, an SBU basis. Verizon MA also provides the monthly RPHL for each wire center in the state.

Q. The first metric in the Plan is the Network Trouble Report Rate. Please explain that metric.

² See D.T.E. 01-31 Verizon Massachusetts Alternative Regulation Plan Attachment C, Page 5 approved June 6, 2003.

A. The Network Trouble Report Rate measures the number of times customers contact Verizon MA to report a problem with the customer's line, for every 100 lines. It is also known as Reports per Hundred Lines ("RPHL"). Of the metrics included in the Department's Plan, the RPHL is the best indicator of the overall health of Verizon MA's network since it provides the most direct insight into the quality of design, construction, maintenance and, ultimately, the functioning of Verizon MA's outside plant and switching facilities.

Q. Please provide the results for Verizon MA's RPHL in Western Massachusetts.

A. Verizon MA's RPHL for Western Massachusetts is excellent. For the 12 months ending September, 2009, the RPHL for Western Massachusetts was 1.57, easily satisfying the 1.90 target threshold in the Plan, which is the more stringent of the two Plan thresholds. Moreover, Verizon MA's RPHL for Western Massachusetts has scored below the 2.25 RPHL statewide standard threshold in the Plan for 32 of the last 34 months. See Figure 2, below.

FIGURE 2

RPHL	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
W. MA 2007	1.57	0.85	1.57	1.53	1.58	1.74	2.05	1.71	1.45	1.70	1.33	1.25
W. MA 2008	1.56	1.81	1.36	1.27	1.30	2.15	2.64	2.16	1.87	1.70	1.27	2.68
W. MA 2009	1.17	0.97	1.17	1.27	1.36	1.63	2.15	2.20	1.39	1.35		

The only months in which Verizon MA exceeded the 2.25 RPHL standard in Western Massachusetts were July 2008 and December 2008. In both of these months, severe weather in parts of Western Massachusetts created numerous issues effecting Verizon

1 MA's network. In July of 2008, Western MA was drenched with a series of rain storms.³

2 In December of that year, a massive ice storm hit the area, downing or damaging many
3 lines and causing a federal declaration of a State of Emergency for the area.⁴ (The ways
4 in which severe weather hampers Verizon MA's ability to maintain and restore service
5 are discussed in Section IV, below.)

6 In addition, Verizon MA is improving even over 2008's performance: as shown in
7 Figure 2, in seven of the first ten months of 2009, the RPHL for Western Massachusetts
8 was lower than it had been a year earlier. As noted above, the RPHL for Western
9 Massachusetts was only 1.57 for the 12 months ended September 2009, meaning that, on
10 average, more than 98.4% of Verizon MA's customers in Western Massachusetts had no
11 reported service issue in any given month during that 12 month period – clear attestation
12 of the high quality of service Verizon MA is providing to its Western Massachusetts
13 customers.

14 **Q. Please summarize Verizon MA's performance on the other metrics in the Service**
15 **Quality Plan.**

16 A. Verizon MA meets or exceeds all of the other metrics in the Plan in Western
17 Massachusetts, except for Troubles Cleared Within 24 Hours - Residential. For example,
18 the three metrics for Percent Installation Appointments Missed for Company Reasons are
19 designed to ensure that Verizon MA's technicians appear at the customer premises within
20 the time-frame previously agreed upon with the customer. (Generally, customers must be

³ For example, rainfall in North Adams that month was 173% higher than in July 2007, in Westfield it was 45% higher than July 2007, and in Pittsfield 37% higher than in July 2007. (See www.wunderground.com/history)

⁴ See December 13, 2008 Federal Emergency Management Agency release number HQ-08-254.

1 home for Verizon MA to install service.) In Western Massachusetts, Verizon MA
2 consistently meets or exceeds the target levels set by the Department. As shown in the
3 response to Information Request AG-VZ 2-4, during the 12 months ended July, 2009,
4 Verizon MA met the appointments it set with its residence customers for installation
5 almost 99% of the time. This trend continues through September 2009.

6 Over the same period of time, Verizon MA also exceeded the Department's target
7 (*i.e.* more stringent) level for Percent Installation Trouble Reports with almost 96%
8 trouble-free installations. This metric examines the quality of Verizon MA's installation
9 work by determining the rate at which customers report a trouble with their new service
10 within 30 days of installation. Verizon MA also out-performed the target level for
11 Troubles Cleared 24 Hours - Business over the same time period. Figure 3 shows the
12 Department's Service Quality Plan target level and standard level for the seven metrics
13 that can be measured on a regional basis and Verizon MA's score in Western
14 Massachusetts on each metric for the twelve months ended September, 2009.⁵

⁵ The five other metrics in the Plan - speed of answering calls to Directory Assistance, to Verizon MA's repair centers and to its business offices, residence service level and business service level - are measured on a statewide basis only. Verizon MA's performance far exceeds the Department's targets for these metrics.

1 **FIGURE 3**

<u>Measure</u>	<u>DTC Levels</u>	<u>Western MA Results</u>
Network Trouble Report Rate	1.9 target 2.25 standard	1.57
% Troubles Cleared in 24 hours Residence Customers	70 target 60 standard	46.93
% Troubles Cleared in 24 hours Business Customers	85 target 75 standard	87.95
% Appointments missed All Customers	1.5 target 2.5 standard	1.36
% Appointments missed Residence Customers	1.5 target 2.5 standard	1.20
% Appointments missed Due to Company Facilities	1.15 target 1.25 standard	0.43
% Installation Trouble Reports (troubles within 30 days of install)	5.5 target 6.0 standard	4.0

2

3 **Q: Please address Verizon MA's performance in Western Massachusetts with respect**
4 **to Troubles Cleared Within 24 Hours - Residence.**

5 A. Verizon MA meets the Plan's levels for this metric in Western Massachusetts from time
6 to time. For example, Verizon MA's records show that it cleared 71% of its residential
7 trouble reports in Western Massachusetts within 24 hours in March of 2009, and that it
8 cleared just over 60% of such reports in 24 hours in April of 2008. The company
9 acknowledges, however, that this metric presents an ongoing challenge and that its
10 performance leaves room for improvement. That said, however, this metric must be
11 viewed in the context of Verizon MA's quality of service as a whole and the other
12 measures in the Plan, by which Verizon MA provides very high service quality to its
13 customers in Western Massachusetts. For example, because Verizon MA's RPHL for
14 Western Massachusetts is so low, the percentage of its customer base that receives a

1 repair interval longer than 24 hours in a given month is very low – less than 1. Moreover,
2 as explained below, Verizon MA often meets and surpasses the Department’s standards
3 for Troubles Cleared - Residence in many of its wire centers in the region.

4 **Q. How does Verizon MA’s performance in Western Massachusetts with respect to the**
5 **Department’s Service Quality Plan metrics compare to its results in the rest of the**
6 **state?**

7 A. The Plan does not evaluate overall service quality on a regional basis, but the results that
8 can be analyzed on a regional basis indicate that, despite the challenges posed by the rural
9 nature of Western Massachusetts and the severe weather it experiences, Verizon MA’s
10 service quality in that region is on par with that of the state and Eastern Massachusetts.
11 Figure 4, below, is in the same format as Figure 3, but it now shows Verizon MA’s
12 performance score for the entire state and for Eastern Massachusetts as well as for
13 Western Massachusetts.

FIGURE 4

Comparison of Verizon MA Performance under MA DTC Service Quality Plan 12 Months ended September 2009				
	DTC Levels	Statewide Results	E. MA Results	W. MA Results
Network Trouble Report Rate	1.9 target 2.25 standard	1.35	1.31	1.57
% Troubles Cleared in 24 hours Residence Customers	70 target 60 standard	51	51.41	46.93
% Troubles Cleared in 24 hours Business Customers	85 target 75 standard	82	80.76	87.95
% Appointments missed All Customers	1.5 target 2.5 standard	1.3	1.2	1.36
% Appointments missed Residence Customers	1.5 target 2.5 standard	1.1	1.05	1.20
% Appointments missed Due to Company Facilities	1.15 target 1.25 standard	0.24	0.21	0.43
% Installation Trouble Reports (troubles within 30 days of install)	5.5 target 6.0 standard	4.0	3.9	4.0

Q. Is there additional evidence of the level of service quality provided by Verizon MA in Western MA compared to other portions of the state?

A. Yes. Information Request AG-VZ 5-13 asked Verizon MA to compute a hypothetical Service Quality Index under the Plan assuming that the SQI applied solely to Western Massachusetts. That is not possible, because the SQI is the sum of points scored by Verizon MA on seven metrics in each of the three SBUs and on the five metrics that are measured on a statewide basis. Taking a slightly different approach, however, Verizon MA responded that based on the 12 months ended September, 2009, Verizon MA's performance in Western Massachusetts would have earned it the maximum number of SQI points on six of the seven metrics that can be measured by region, for a total of 12 points. That is a better score than the North/Northeast and MassBay SBUs earned over

1 the same period. (They each would have scored 11.) Thus, had the three SBUs scored as
2 well on the Service Quality Index as the Western MA area did alone, Verizon MA's SQI
3 score for the entire state for that period would have been even higher than it actually was,
4 and the company would still have satisfied the overall SQI standard. This analysis leaves
5 no doubt that, on the whole, Verizon MA's service quality in Western Massachusetts
6 meets the Department's standards and is just, reasonable and adequate, and there is no
7 basis for imposing any additional regulations reporting obligations on the company.
8

9 **B. Verizon MA's Customers In Western Massachusetts Report High Satisfaction With**
10 **Verizon MA's Service Quality.**

11 **Q. Please describe the Customer Care Index surveys conducted on behalf of Verizon**
12 **MA.**

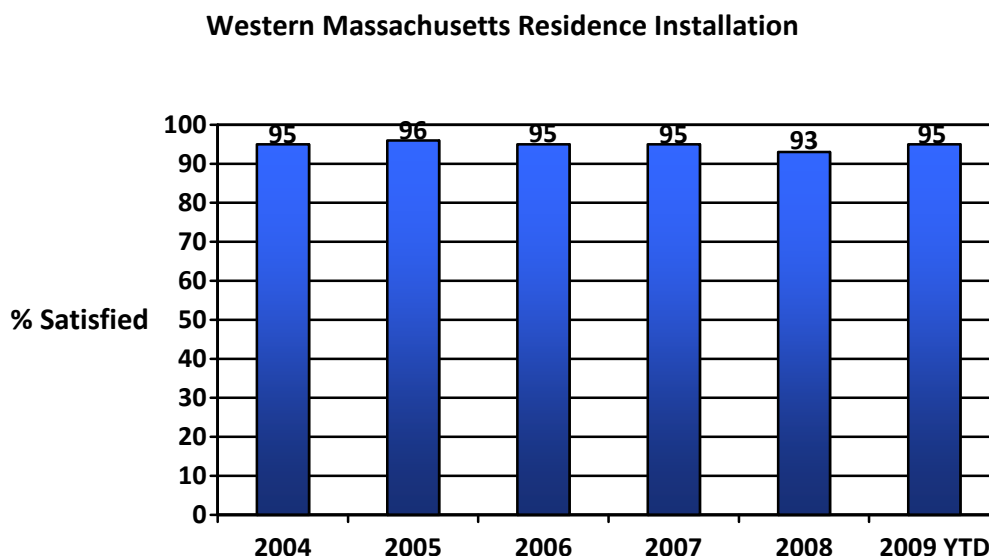
13 A. An important indication of service quality is the degree to which customers are satisfied
14 with the service they receive. In order to win and retain customers in the very
15 competitive Massachusetts telecommunications marketplace, Verizon MA must
16 consistently meet and exceed its customers' expectations. The Company believes that
17 there is a correlation between providing good customer service and retaining our
18 customers. To that end, an independent third-party commissioned by Verizon regularly
19 conducts Customer Care Index ("CCI") surveys to determine the level of satisfaction with
20 Verizon MA's products and services for a random sampling of customers who have had
21 an interaction with the company concerning an installation, repair or business office

inquiry during the prior 30 days. The CCI surveys ask the customers to select a category representing how satisfied they were with Verizon MA's performance.

Q. Please summarize the results of the CCI surveys for Western Massachusetts.

A. The vast majority of the customers surveyed stated that they are either satisfied or more than satisfied with our service. Specifically, as shown below in Figure 5, every year since 2004, at least 93% of Western Massachusetts residential customers who have had installation work performed by Verizon MA have indicated that they are satisfied. The score is even higher this year. For the first eight months of 2009, over 95% of Western Massachusetts residential customers have indicated that they are satisfied with the installation work performed by Verizon MA.

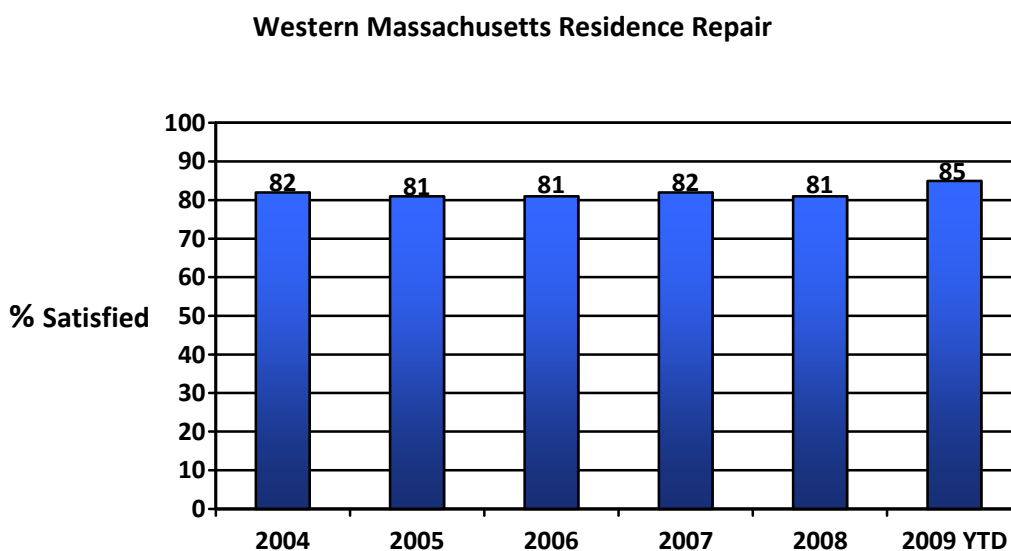
FIGURE 5



Similarly, Figure 6 shows that every year since 2004, at least 81% of Western Massachusetts residential customers who have had repair work performed by Verizon

MA have indicated that they are satisfied with Verizon MA's performance. This figure too is higher in 2009. Over 85% of Western Massachusetts customers who have had a repair issue with Verizon MA in the first eight months of 2009 have indicated that they are satisfied with the work performed by Verizon MA.

FIGURE 6



These repair results are particularly compelling in light of the fact that all of the customers surveyed had contacted Verizon MA because they had a service issue, yet when asked later, over 85% of them stated that they were satisfied with Verizon MA's repair performance.

Q. How do the results of the Western Massachusetts customer surveys compare with those done in Eastern Massachusetts?

A. Through the first eight months of 2009, the CCI scores for Western Massachusetts were higher than for those in Eastern Massachusetts. In that period, more than 91% of

1 residential customers in Eastern Massachusetts who had installation work done by
2 Verizon MA were satisfied with the company's performance, and just over 80% of repair
3 customers stated that they were satisfied. These are very good scores, but they are not
4 quite as high as the scores handed down by Western Massachusetts customers.

5
6 **III. THE TESTIMONY SUBMITTED BY THE MUNICIPALITIES AND BY THE**
7 **ATTORNEY GENERAL DOES NOT SUPPORT A FINDING THAT VERIZON**
8 **MA'S SERVICE QUALITY IN WESTERN MASSACHUSETTS IS UNJUST,**
9 **UNREASONABLE OR INADEQUATE.**

10 **A. The Testimony Submitted By The Towns Of Hancock And Egremont Is Not**
11 **Representative Of Service Quality In Western Massachusetts As A Whole.**⁶

12 **Q. Please comment on the testimony received by the municipalities in this proceeding.**

13 **A.** The testimony submitted by the municipalities and the similar testimony offered at
14 hearing by individual customers provide no basis for a finding that Verizon MA's service
15 in Western Massachusetts is inadequate in any way or requires remedial action. The
16 towns of Hancock and Egremont submitted the testimony of Hancock Police Chief and
17 Selectman Sherman Derby as well as statements from 18 individuals representing 16
18 Verizon MA customers⁷ describing specific telephone service issues they have

⁶ The two other municipal parties, the towns of Rowe and Leverett, did not submit written testimony. Selectman D'Errico of Leverett, however, did provide oral testimony at the June 23, 2009, public hearing. He stated that the "so-called reverse 911 CTY system" used by Leverett has reported failures to deliver some calls. (Tr. at 9.) The town's vendor has opined that unsuccessful delivery indicates "excessive line noise." (See response to Information Request VZ-L 1-1(b), (c).) The town's website, however, clarifies that, "when the system detects excessive noise in the background" it can be "caused by loud radio/television volumes, people talking, or busy traffic noise." (See www.leverett.ma.us ("Connect-CTY" page).) Thus, in communicating with its citizens, the town does not seek to blame Verizon MA's service quality for any failure of its reverse 911 CTY system to deliver calls.

⁷ There are only 16 customers because two individuals living in one home with one phone number provided statements, and Verizon MA has no records confirming that another of the witnesses is a Verizon MA customer.

1 experienced. In addition, 18 customers provided oral testimony along similar lines at the
2 public hearings the Department held in this proceeding.⁸

3 Verizon MA regrets that any of its customers encounter service issues, but this
4 testimony demonstrates only that Verizon MA is not perfect, and that customers do
5 experience service issues from time to time. The 34 customers who submitted testimony
6 represent *about one one-hundredth of one percent* of Verizon MA's access lines in
7 Western Massachusetts. The data showing Verizon MA's performance under the
8 Department's Service Quality Plan and the Customer Care survey results, discussed
9 above, demonstrates that Verizon MA's customer base across the region generally enjoys
10 very good overall service quality, and that the experiences of the few customers who
11 submitted testimony simply are not representative of the region as a whole.⁹

12 **Q. Mr. Derby testified that he worked with Verizon MA in late 2006 and early 2007 to**
13 **address service issues in Hancock. Please comment.**

14 A. Mr. Derby states that Verizon MA worked with the town regarding service issues, but he
15 fails to mention that Verizon MA's response to the town's concerns consisted of much
16 more than a series of meetings with a representative of the company. In fact, Verizon
17 MA sent a team of technicians and managers to Hancock, and the team performed

⁸ Nineteen customers offered testimony, but one was not a customer of Verizon MA. (See June 24, 2009 Public Hearing transcript at 11, lines 17-18.)

⁹ Verizon MA's records show that the company had addressed the specific troubles reported by the 33 customers who testified and that none of them had open trouble reports with the company when they submitted their testimony. In addition, as explained in response to Information Request AG-VZ 1-1, Verizon MA conducted a physical inspection of its facilities in Williamstown, Shutesbury and Leverett (the towns with multiple customer comments in this case) to, among other things, identify open plant. Verizon MA has subsequently closed the open plant that had demonstrated service issues in these towns and continues work to close the remaining open plant.

1 substantial work to identify and resolve potential service-affecting conditions in the
2 Verizon MA network in Hancock and to close open plant.

3
4 **B. The Testimony Submitted By The Attorney General Does Not Present A Balanced**
5 **Analysis Of Verizon MA's Service Quality In Western Massachusetts And Provides**
6 **No Grounds For A Finding That Such Service Quality Is Unjust, Unreasonable Or**
7 **Inadequate.**

8
9 **Q. Please comment on the testimony of Ms. Baldwin on behalf of the Attorney General.**

10 A. Ms. Baldwin does not provide an accurate, balanced assessment of Verizon MA's service
11 quality in Western Massachusetts. She pays great attention to out-of-service data, to
12 mean time to repair statistics and to the metric for Troubles Cleared Within 24 Hours -
13 Residential -- all of which essentially measure the same thing -- but she gives short shrift
14 to the Network Trouble Report Rate and the other service quality metrics, on which
15 Verizon MA produces excellent results in Western Massachusetts. Ms. Baldwin also
16 offers narrow slices of data, regarding specific wire centers and some particularly
17 difficult months for Verizon MA, and ignores significant data that shows excellent results
18 and is more representative of Verizon MA's overall service quality. In these ways, her
19 lopsided analysis distorts the company's overall service quality performance. Finally,
20 Ms. Baldwin misstates key facts, leading her to reach erroneous conclusions.

1. Network trouble report rate.

Q. Ms. Baldwin states that, “The trouble report rate (“TRPHL”) is a barometer of the infrastructure - if a network is in relatively good condition, customers will report relatively fewer troubles.” (Baldwin Direct at 36.) Do you agree?

A. Yes. As indicated earlier, the RPHL is the best indicator of the health of Verizon MA’s network. Ms. Baldwin acknowledges the importance of this metric, but then she gives it short shrift in her analysis. She spends little time discussing RPHL data and gives it little weight in evaluating Verizon MA’s service quality, and when she does address RPHL, she misrepresents the data.

Q. Ms. Baldwin asserts that customers in Western Massachusetts “experience lower quality of service than do other customers in Massachusetts” (Baldwin Direct at 57) based on her assertion that the average RPHL for Western Massachusetts in the first 8 months of 2009 was 2.7, which she claims is the highest RPHL of any region in Massachusetts. (Baldwin Direct at 56-57 and Table 6). How do you respond?

A. Ms. Baldwin is factually incorrect, her approach is misleading and her conclusions are unsupported. The RPHL for Western Massachusetts for the first eight months of 2009 was not 2.7. It was only 1.50, more than a full point lower than Ms. Baldwin asserts. Ms. Baldwin attempts to pass off the 2.7 figure as the average RPHL *for the 8 months ending August 2009* (see Baldwin Direct at 56, 57). Her own workpapers show, however, that she calculated 2.7 as the average RPHL for August of 2009 *alone*, not the 8-month period. (See Attorney General’s response to Information Request VZ-AG 1-1, Confidential Table 6: copy of response to Information Request AG-VZ 3-71, attachment

1 (d).xls, tab “table for text.”) Furthermore, the 2.7 is not accurate even for August.¹⁰ Ms.
2 Baldwin appears to have calculated this figure by taking a simple average of the RPHL
3 figures for each wire center. This method vastly overstates the RPHL for the region
4 because it gives equal weight to all wire centers, even though many of them are very
5 small. For example, in May of 2009, the Springfield wire center’s RPHL was 1.00 and
6 the Housatonic wire center’s RPHL was 2.02, but Springfield serves more than 41,000
7 lines while Housatonic serves only 771. (See response to Information Request AG-VZ 3-
8 71, attachment (d).) Under Ms. Baldwin’s erroneous methodology, the average of the
9 two RPHL figures is 1.51, but the actual RPHL for the combined regions served by these
10 two wire centers was only marginally over 1.00. Ms. Baldwin’s numbers are wrong, and
11 her “average” RPHL statistic is a misleading construct with no real-world significance.

12 The fact remains that customers in Western Massachusetts experienced troubles at
13 the rate of only 1.50 per hundred lines for the eight months in question.¹¹ And the RPHL
14 for the region was only 1.57 for the 12 months ending in September of 2009. (See Figure
15 3.) As explained above, this figure is only slightly higher than the comparable figure for
16 the state as a whole and is below the stringent 1.90 RPHL target threshold in the
17 Department’s Plan. (See Figure 3.)

18 **Q. Ms. Baldwin also states that the monthly RPHL scores of wire centers in Western**
19 **Massachusetts exceeded 3.0 and 4.0 proportionally more often than wire centers in**
20 **other regions of the state. (Baldwin Direct at 57.) Please respond.**

¹⁰ The actual RPHL for Western Massachusetts that month was 2.20. See Figure 2, above.

¹¹ This figure was calculated by taking a weighted average of the monthly RPHL figures for Western Massachusetts shown in Figure 2, above.

1 A. Again, Ms. Baldwin's failure to weight the performance of individual wire centers
2 overstates the significance of her results. Compared to the rest of the state, Verizon
3 MA's network in Western Massachusetts has proportionally more small wire centers,
4 where small changes in the absolute numbers of reports can cause extreme changes in the
5 RPHL,¹² and more wire centers (including small ones) that are subject to extreme
6 weather, such as the wire centers serving customers in the Berkshire Mountains. For both
7 these reasons, the RPHL is more volatile in more wire centers in Western Massachusetts
8 than in Eastern Massachusetts. The high RPHL seen in some wire centers in some
9 months, however, is not representative of the region as a whole and does not reflect the
10 experience of most Verizon MA customers. At best, it shows only that there may be a
11 few pockets of Western Massachusetts where it is difficult to provide stable, reliable
12 service.

13 **Q. Ms. Baldwin also cites some specific wire center data in support of her claim that**
14 **service is poor across Western Massachusetts. How do you respond?**

15 A. Ms. Baldwin notes that in September of 2009, five of the 63 wire centers in Western
16 Massachusetts had RPHL scores over 3.0. (Baldwin Direct at 58.) But of course, that
17 means that the RPHL in the other 58 wire centers was below 3.0, which itself would not
18 be a particularly worrisome score. In addition, Ms. Baldwin expressly disavows any
19 claim that Verizon MA's performance in September was representative of its overall
20 performance over time. (Baldwin Direct at 53.) Moreover, the five wire centers Ms.

¹² Of the 21 wire centers in Massachusetts with under 1,000 lines, 17 are in Western Massachusetts, and those 17 wire centers represent more than 25% of all wire centers in Western Massachusetts. (See Exhibit 1 hereto, which consists of Verizon MA's Monthly Service Quality Reports for October, 2009.)

1 Baldwin cites are very small and are not representative of service quality for Western
2 Massachusetts as a whole. The largest of the five wire centers (Amherst 413-285) serves
3 only about 3,300 lines and the other four wire centers serve fewer than 1,000 lines each.
4 (*See* response to Information Request AG-VZ 3-71, attachment (d).)

5 Ms. Baldwin also notes that the RPHL of the Worthington office exceeded 4.0 for
6 six months in 2009. (Baldwin Direct at 58.) That might indicate that Worthington is a
7 particularly difficult area to serve, but it says nothing about service across Western
8 Massachusetts, since the Worthington office serves only about 700 lines. (*See* response
9 to Information Request AG-VZ 3-71, attachment (d).) Certainly, it is not evidence of a
10 “major shortcoming” in the Service Quality Plan as Ms. Baldwin alleges. (*See* Baldwin
11 Direct at 58.)

12 **Q. Are there wire centers in Western Massachusetts with consistently low RPHL?**

13 A. Yes. Over the 12 months ended October 2009, the RPHL scores of the ten largest wire
14 centers in Western Massachusetts either met or were better than the Department’s most
15 stringent target (1.90 RPHL) on 109 of 120 occasion, or 91% of the time. In the same
16 time frame, the RPHL exceeded the Department’s standard level (2.25 RPHL) on only
17 five occasions, or 4% of the time. None of these wire centers scored an RPHL at or over
18 4.0. *See* Figure 7 below.

FIGURE 7¹³

RPHL	Nov '08	Dec	Jan '09	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Agawam	1.15	1.32	0.89	0.72	0.90	1.30	1.08	1.12	1.51	1.67	1.20	0.99
Chicopee 2	1.13	2.01	0.91	1.12	1.16	1.26	1.28	1.23	1.59	1.14	1.39	1.26
Great. Barrington	2.04	2.82	1.28	1.08	1.49	2.10	1.59	3.13	3.91	3.28	2.16	1.63
Greenfield	1.11	1.59	0.80	0.96	0.74	1.02	1.09	1.41	1.42	1.37	1.03	0.96
Holyoke	1.07	1.90	1.10	1.09	1.17	1.22	1.09	1.23	1.49	1.52	1.04	1.30
Northampton	0.78	1.19	0.90	0.65	0.89	0.84	0.88	1.25	1.33	1.65	0.93	0.95
Pittsfield	0.74	1.48	0.70	0.84	0.86	0.69	0.85	1.31	1.21	2.07	1.12	1.10
Springfield	1.11	1.42	1.08	0.87	1.42	0.95	1.00	1.28	1.89	1.84	1.66	1.03
Breckwood Park	1.10	1.94	0.94	1.36	1.10	1.42	1.07	1.44	1.77	2.93	1.18	1.62
Westfield	1.11	1.48	0.92	0.78	0.85	1.12	1.27	1.49	1.25	1.57	1.10	1.20

These are examples of wire centers that provide good, stable service to customers. Moreover, these wire centers serve about 50% of Verizon MA's access lines in the region, confirming that service in Western Massachusetts is very good.¹⁴

Conversely, the wire centers that have, on average, exceeded the Department's RPHL standard through October 2009 account for less than 10% of all the lines in Western Massachusetts. These are some of the smallest wire centers in the state and as such, the RPHL can be very volatile. For example, the Chester wire center has about 400 lines served by Verizon MA. The difference between meeting the Department's stringent target level (1.9 RPHL) and exceeding the Department's standard level (2.25 RPHL) is about 1.4 troubles per month, and a storm that causes a tree limb to take out a single cable serving just 16 customers in Chester would result in an RPHL of 4.0 all by itself. The Department cannot reasonably measure Verizon MA's service quality in an area as large

¹³ See Exhibit 1 and Attachment IBEW-VZ 2-5.

¹⁴ Moreover, seven of the 11 scores over the 1.90 target and four of the five scores over the 2.25 standard occurred in a single wire center, confirming again that if there is any issue with Verizon MA's service in Western Massachusetts, it is localized and the exception to the general rule of very good performance.

1 and as varied as Western Massachusetts based on individual wire center results for any
2 metric.

3 **Q. Ms. Baldwin asserts that from 2001 through 2008, residential customers reported**
4 **more problems than did business customers in Massachusetts and that the trend for**
5 **residential customers is not improving. (Baldwin Direct at 30.) How do you**
6 **respond?**

7 A. That residential customers report more troubles, and at a higher rate, than do business
8 customers is not surprising. Business customers buy different services, pay different
9 rates and have different needs and expectations of their telephone services than do
10 residential customers, and comparing the two is simply inappropriate. The Department's
11 Service Quality Plan itself acknowledges this by providing separate metrics for Troubles
12 Cleared Within 24 Hours for residential and business, and by separating Percent of
13 Appointments Missed into metrics for all customers and for residential customers.¹⁵

14 In addition, Ms. Baldwin's claim that the trend for residence RPHL is not
15 improving is based on ARMIS data for the entire state. In contrast, actual state data
16 presented to the Department (see Figure 2 above) shows that in seven of the first ten
17 months of 2009, the RPHL just for Western Massachusetts was lower than it had been a
18 year earlier, and an additional month was unchanged. Furthermore, as explained in
19 Section IV below, the number of Code 4 reports for Western Massachusetts is down 27%
20 year over year for 2009 year-to-date.

¹⁵ Ms. Baldwin's comparisons of residence vs. business performance on "out of service interval" and "repeat trouble reports" measures (Baldwin Direct at 30, 33) are inappropriate for the same reason. They are also based on ARMIS data on statewide performance, of little importance in this proceeding.

1 **Q. In a number of places, Ms. Baldwin asserts that use of a rolling average in the**
2 **Service Quality Plan “masks” Verizon MA’s actual service quality. She also states**
3 **that, “The use of the rolling average in scoring the SQI does not provide a complete**
4 **picture of service quality, and therefore, harms customers.” (Baldwin Direct at 51.)**
5 **Please respond.**

6 A. Ms. Baldwin’s argument is seriously flawed in many ways. First, she fails to appreciate
7 the value of a rolling average in SQI reporting. When it originally established the Service
8 Quality Index fifteen years ago, the Department approved the use of a 12-month rolling
9 average. The rolling average smoothes out the peaks and valleys that can result from
10 conditions beyond Verizon MA’s control such as weather and seasonal demands, and it
11 would be inherently unfair and inappropriate to subject Verizon MA to possible penalties
12 based on a single month’s performance. The rolling average allows the Department to
13 view performance over time, and not just for one month, providing a clearer picture of
14 the quality customers receive.

15 Second, Ms. Baldwin fails to appreciate that in addition to the rolling average,
16 Verizon MA reports the monthly actual results for all metrics in the Department’s Plan.
17 Verizon MA also reports the raw monthly RPHL score for each wire center in the state,
18 together with reports of significant outages.¹⁶ (See attachment to Information Request
19 IBEW-VZ 2-5 and the response to Information Request AG-VZ 2-4.)

¹⁶ Mr. Rowley asserts that Verizon MA’s monthly Service Quality Reports “seem incomplete and unreliable” on the sole ground that the report for December, 2008, did not include a Major Service Outage report for the ice storm that month. (Rowley Direct at 34.) But there was no need for such a report that month because Verizon MA and the Department were in daily contact at that time regarding the effects of the storm and the company’s efforts to restore service.

1 Third, the mechanism of the SQI is not in issue in this case, which is an
2 investigation of service quality in Western Massachusetts.

3 Fourth, in looking beyond the rolling average, Ms. Baldwin does not offer a
4 balanced view of the data. Instead, she focuses on one-sided data highlighting
5 particularly bad months for Verizon MA or the performance of a few small wire centers,
6 neither of which represent service as a whole across Western Massachusetts or over time.
7 For example, she notes that the rolling average for Troubles Cleared 24 Hours -
8 Residence ranged from 48% to 51% from November, 2008 to January, 2009, which was
9 higher than the raw figures for those two months. (Baldwin Direct at 51.) She neglects
10 to mention, however, that the rolling average “masks” high scores as well. For example,
11 in March of 2009, Verizon MA cleared 71% of all residential troubles in Western
12 Massachusetts within 24 hours, and in October of 2009, Verizon MA cleared 65% of all
13 residential troubles in Massachusetts in 24 hours, both times exceeding the Department’s
14 standard for the metric. Likewise, she notes that the RPHL for the BayPath SBU, of
15 which Western Massachusetts is a part, was 3.57 in December of 2008. That was, of
16 course, the month Western Massachusetts was hit with a massive ice storm, stressing the
17 ability of all utilities in the region to respond and restore service.¹⁷ Thus, Ms. Baldwin’s
18 own example shows why it is inappropriate to judge Verizon MA’s service quality
19 performance based on a single month, and that the rolling average is a more fair and
20 useful tool by which to assess that performance.

¹⁷ Despite the storm, the RPHL for Western Massachusetts itself was 2.68 in December, 2008, only slightly over the Department’s standard of 2.25. (See Figure 2.)

1 **Q. Ms. Baldwin also asserts that a rolling average allows Verizon MA to “shift around**
2 **resources so that it can strategically ‘patch’ the rolling average, allowing it to**
3 **‘squeak past’ the standards every month.” Please comment.**

4 A. Ms. Baldwin’s speculation has no basis in fact. Verizon MA has been operating and
5 reporting to the Department under the current Service Quality Plan for over 14 years and
6 there has never before been any suggestion that it is “gaming” the system. And the
7 reason there has been none is that Verizon MA has not conducted itself in that manner.
8 Ms. Baldwin fails to recognize that although Verizon MA strives to meet the service
9 quality metrics in the Plan, its first obligation and greatest motivation is to provide the
10 best service it can to its customers, in the knowledge that the best way to retain its
11 customers in this competitive market is to provide excellent service. Moreover, there is
12 no basis to presume that Verizon MA has anywhere near the information, technical or
13 operational ability to fine tune its service quality performance in the way Ms. Baldwin
14 supposes. Indeed, the fact that Verizon MA in fact far exceeds the Department’s
15 requirements on a number of metrics and in many wire centers throughout the state and
16 across Western Massachusetts belies Ms. Baldwin’s claim.

17 **Q. Please comment on Ms. Baldwin’s analysis of Verizon MA’s service quality**
18 **performance in September of 2009. (See Baldwin Direct at 52-53.)**

19 A. This is another example of Ms. Baldwin’s selective use of data. As noted above, Ms.
20 Baldwin does not pretend that September’s performance was representative of Verizon
21 MA’s overall service quality performance in the region over time, rendering her analysis
22 of this single month completely inappropriate.

1 Also, Ms. Baldwin doesn't even assess Verizon MA's overall performance for
2 this month but addresses only three metrics. A more complete review of that
3 performance shows that Verizon MA provided very good service quality that month,
4 meeting all but one of the service quality metrics. Ms. Baldwin admits that the RPHL for
5 Western Massachusetts for the month was only 1.63 (see Baldwin direct, table 4 at 53),
6 below the Department's most stringent threshold. In addition, Verizon MA satisfied the
7 Plan's more stringent target threshold for Percent Installation Troubles and the three
8 metrics for Installation Appointments Missed (see Proprietary Attachment AG-VZ 5-11
9 (b)), which Ms. Baldwin ignores. Verizon MA also satisfied all five of the statewide
10 metrics in September. (See Exhibit 1.) Finally, Ms. Baldwin's claim that the company
11 cleared only 77% of business troubles in 24 hours in Western Massachusetts that month
12 is incorrect. In fact, Verizon MA cleared more than 91% of such troubles within 24
13 hours, more than satisfying the target level.¹⁸

14 **Q. Ms. Baldwin suggests that if the level of service quality as measured by a particular**
15 **metric is inadequate throughout the state, the fact that the level of service is**
16 **reasonably comparable in Eastern and Western Massachusetts does not mean that**
17 **service quality in Western MA is adequate. Please comment.**

18 **A.** As a logical proposition, Ms. Baldwin's statement is true, but so is the flip side; where
19 the level of service quality is *adequate* throughout the state, as measured by the full set of

¹⁸ In calculating the percentage of troubles cleared, Ms. Baldwin appears to have misread the data from Verizon MA's response to Information Request AG-VZ 5-11, attachment (a). In that document, a "0" for Troubles Cleared for a given wire center often means that there were no troubles for that month in that wire center. Ms. Baldwin seems to have misread a "0" entry as implying that there were troubles reported in that office but that none of them were cleared in 24 hours, improperly skewing her calculations downward.

1 metrics and the Department's longstanding Service Quality Plan, then the fact that
2 service levels in Eastern Massachusetts may be even better than those in Western
3 Massachusetts does not render the latter inadequate. Of course, that is precisely the case
4 here, where Verizon MA's service quality in Western Massachusetts consistently
5 satisfied the most stringent targets in the Plan on six of the seven applicable metrics and
6 where, as explained above, if the entire state scored as highly on those metrics as Western
7 Massachusetts does alone, the company's overall SQI score would not only satisfy the
8 Plan but would be higher than it is in fact today.

9
10 2. Verizon MA's repair intervals.

11 **Q. Please comment on Ms. Baldwin's conclusion that residential customers in Western**
12 **Massachusetts are waiting too long for repairs.**

13 A. Ms. Baldwin spends a great deal of time discussing out-of-service statistics, troubles
14 cleared statistics and mean time to repair statistics, as if she is showing that Verizon MA
15 is underperforming on three different measures of service quality. In fact, all of those
16 statistics measure the same thing - the time it takes to resolve customer trouble reports.
17 Verizon MA acknowledges that its performance on the Troubles Cleared 24 Hours metric
18 in Western Massachusetts is a continuing challenge to the company. But Ms. Baldwin
19 gives far too much weight to this metric and fails to look at the complete picture.
20 Troubles Cleared - Residence is only one of many metrics that measures Verizon MA's
21 service quality, and we have presented substantial information, above, showing that

1 Verizon MA consistently satisfies *all* of those other metrics in Western Massachusetts
2 and that its overall service quality in the region is very good.

3 Moreover, as explained in Section IV below, Western Massachusetts is subject to
4 more severe storms than the rest of the state, and because the majority of lines in the
5 region are aerial, those storms have a greater effect on service than in Eastern
6 Massachusetts. Severe weather not only increases the volume of trouble reports that
7 Verizon MA's force must address but also often makes it more difficult and time
8 consuming for technicians to identify the source of the trouble and then make the repair.
9 Ms. Baldwin makes no allowance for the effects of severe weather on Verizon MA's
10 service quality capabilities, nor does she account for the strain on Verizon MA's
11 resources caused by the seasonal influx of summer residents in the region.

12 Finally, Verizon MA's performance on repair intervals is neither as poor nor as
13 uniformly poor as Ms. Baldwin makes it out to be. It varies over time and across wire
14 centers, and it affords no basis for the kind of blanket "remedies" Ms. Baldwin would
15 impose on the company for the entire region.

16 **Q. Please comment on Ms. Baldwin's assertion that the Department "does not now**
17 **monitor the clearance of OOS troubles and Verizon is not specifically accountable**
18 **for the timeliness of its repair of OOS." (Baldwin Direct at 35)**

19 A. Ms. Baldwin's statement is misleading. The long-standing Troubles Cleared Within 24
20 Hours metrics in the Department's Service Quality Plan encompasses all troubles,
21 including Out of Service ("OOS") troubles. In fact, 75% of the troubles reported in the
22 Troubles Cleared metrics are OOS troubles, as Ms. Baldwin admits. (Baldwin Direct at

1 39.) The Troubles Cleared metrics in the Plan thus primarily measure OOS conditions, as
2 well as some service-affecting troubles. Imposing a new requirement on Verizon MA to
3 report OOS separately, as Ms. Baldwin later proposes, would merely create redundant
4 regulations.

5 **Q. Ms. Baldwin asserts that from September, 2008 through August, 2009, Verizon MA**
6 **cleared 50% of OOS reports in 24 hours and that it cleared fewer than 40% of such**
7 **reports in 24 hours in September, November and August. (Baldwin Direct at 39-41.)**
8 **How do you respond?**

9 A. First, since OOS is not itself a reporting metric in Massachusetts and the Department has
10 never established a benchmark for percentage of OOS troubles cleared in 24 hours, Ms.
11 Baldwin's OOS statistics are out of place. Second, in citing September, November and
12 August, Ms. Baldwin again highlights only the negative detailed data. She fails to
13 mention that in February and March of 2009, Verizon MA cleared 60% or more OOS
14 troubles, and came close to 60% in October 2008. (*See* response to Information Request
15 AG-VZ 3-20.) Furthermore, these are raw numbers. They do not take into account those
16 instances in which customers request dates exceeding 24 hours to accommodate their
17 schedules.

18 **Q. Ms. Baldwin also lists 23 wire centers in Western Massachusetts where, she asserts,**
19 **Verizon MA cleared fewer than 50% of the OOS troubles within 24 hours during**
20 **2009. (Baldwin Direct at 41.) Is this another example of selective use of data?**

21 A. Yes, it is. Ms. Baldwin neglects to point out that the 23 wire centers in her Table 3
22 account for only about 12% of Verizon MA's access lines in the region. And her Table

1 also means that there are 40 wire centers (serving the remaining 88% of the lines) where
2 Verizon MA cleared more than 50% of the OOS troubles in 24 hours. The same
3 document Ms. Baldwin uses for her analysis also shows that Verizon MA cleared more
4 than **60%** of OOS troubles within 24 hours in nine of those 40 wire centers over the eight
5 months studied.¹⁹ (See Proprietary Attachment AG-VZ 3-23 (B4).) Like the RPHL data
6 discussed above, the data for OOS repair also shows that some areas of Western
7 Massachusetts perform well and that there is no basis for Ms. Baldwin's blanket
8 recommendations for the region.

9 **Q. Ms. Baldwin purports to calculate the “mean time to repair out-of-service troubles”**
10 **in Western Massachusetts over a 44 month period, and she cites some statistics for**
11 **the number of “wire center-months” in which the mean time to repair exceed 24**
12 **hours. She also cites the mean-time to repair in the Housatonic wire center in**
13 **November of 2008 as particularly poor. (See Baldwin Direct at 46-47.) What do**
14 **you make of that testimony?**

15 A. Ms. Baldwin's analysis suffers from the same flaws identified above. First, “mean time
16 to repair OOS” is not a Department-sanctioned metric and there is no Department-
17 sanctioned benchmark from which to evaluate Verizon MA's performance. Second and
18 more importantly, Ms. Baldwin's averaging of wire center figures gives equal weight to
19 all wire centers without regard to size, overemphasizes small wire centers and overstates
20 her results. A proper weighted average of the repair interval data she relies on (found in

¹⁹ The wire centers are Westfield, Hatfield, Northampton, Turners Falls, Lenox, Chester, Pittsfield, Northfield, and Blandford.

1 Proprietary Attachment AG-VZ 3-23(e)) yields an actual mean time to repair for Western
2 Massachusetts of only ***** Begin Proprietary *** XXXXX*** End Proprietary *****.
3 Her statistics on the number of wire center-months exceeding various hourly deadlines
4 (24 hours, 36 hours etc.) overstate her case in the same way. OOS repair times may have
5 averaged over 24 hours in ***** Begin Proprietary *** XXX *** End Proprietary ***** of
6 the wire center-months, but many of the wire centers in that group are small ones. Her
7 analysis shows only that Verizon MA's "mean-time to repair" varies over time and across
8 wire centers, and does not show a region-wide issue.

9 Likewise, the fact that the Housatonic wire center averaged about *****BEGIN**
10 **PROPRIETARY***XXXXXXXX***END PROPRIETARY***** to clear OOS troubles
11 in one month says nothing about Western Massachusetts, and not much about Housatonic
12 either. Housatonic had only *****BEGIN PROPRIETARY ***XXXXXXXX***END**
13 **PROPRIETARY*****OOS reports in that month, November of 2008, such that a justified
14 inability to address any one of them would result in a high average. In addition, in the
15 previous month, Housatonic fielded *****BEGIN PROPRIETARY ***XXXX*** END**
16 **PROPRIETARY***** trouble reports in an average of *****BEGIN PROPRIETARY*****
17 **XXXXXXXXXXXX***END PROPRIETARY***** a good example of the volatility of the
18 small wire centers in the region. (See Proprietary Attachment AG-VZ 3-23(e).)

19 **Q. Ms. Baldwin asserts that, "Verizon MA never meets the Department-established**
20 **standard of 60% or the target of 70% for repairing out-of-service and service-**
21 **affecting troubles within 24 hours for residential customers anywhere in the**
22 **Commonwealth." (Baldwin Direct at 54.) Is she correct?**

1 A. No, her statement is just hyperbole. On the very next page of her testimony, Ms. Baldwin
2 provides a chart showing seven instances in which Verizon MA met or exceeded the 60%
3 standard on an SBU basis, including once in the BayPath SBU. (Baldwin Direct at 55.)
4 Indeed, most recently Verizon MA exceeded the standard threshold on a statewide basis
5 in October, 2009 with a score of 65%. (See Exhibit 1.) With respect to Western
6 Massachusetts, Verizon MA cleared 71% of its residential trouble reports within 24 hours
7 in March of 2009, exceeding both the standard and the target in the Plan. At the wire
8 center level, Proprietary Attachment AG-VZ 5-11(a) demonstrates that from October
9 2008 through September 2009, Verizon MA wire centers met the Department's 60%
10 standard 152 times including 65 times when wire centers also exceeded even the 70%
11 target. Ms. Baldwin's claim that Verizon MA never satisfies the Department's standard
12 or target for Troubles Cleared 24 Hours - Residential is the foundation for her proposed
13 blanket regulations for Western Massachusetts, but it simply is not true.

14 **Q. Ms. Baldwin attempts to highlight the importance of OOS measures by arguing that**
15 **"[a]ll consumers" are harmed by out-of-service conditions and she discusses groups**
16 **of customers she claims are "particularly harmed" by such conditions. (Baldwin**
17 **Direct at 38-39.) Please respond.**

18 A. Ms. Baldwin's argument is pure speculation. She offers no data or facts of any kind in
19 support. Verizon MA certainly acknowledges that OOS conditions and, more generally,
20 delays in resolving any trouble reports can inconvenience customers, and that is why
21 Verizon MA strives to provide high service quality to all of our customers. But the best
22 way to learn whether and to what extent customers are inconvenienced by Verizon MA's

1 service quality, or conversely are satisfied with it, is to ask them. As stated above,
2 customers in Western Massachusetts consistently give Verizon MA very high scores with
3 respect to customer satisfaction. For the first eight months of 2009, over 85% of Verizon
4 MA's customers in Western MA who had a service issue responded that they were either
5 satisfied or more than satisfied with Verizon MA's performance on their issue.
6 Incidentally, that result was higher than both Eastern Massachusetts (80%) and statewide
7 (81%). These are the very customers that Ms. Baldwin claims are "harmed" by Verizon
8 MA's service quality. Finally, the level of inconvenience customers currently experience
9 due to service issues on their landline phones is much lower for the vast majority of
10 customers than it was when the Service Quality Plan was adopted in 1995, due to the
11 widespread adoption of wireless telephone service in the interim.

12
13 3. Verizon MA's installation intervals.

14 **Q. Based on statewide ARMIS data, Ms. Baldwin asserts that the average installation**
15 **interval for customers in Massachusetts has increased in recent years. Please**
16 **comment.**

17 A. Average installation interval is not measured in the Department's Service Quality Plan.
18 Customers are most concerned about Verizon MA meeting the appointment it sets. That
19 is why the Plan does measure Percent Appointments Missed, and Verizon MA routinely
20 turns in outstanding results on this metric. Since 2005, Verizon MA has consistently met
21 over 98% of the installation appointments we make with our customers. In fact, for the
22 twelve months ended September 2009, we have met 98.7% of our installation

1 appointments on a statewide basis and over 98.6% in Western Massachusetts. (*See*
2 Figure 4 above.)

3 **Q. Ms. Baldwin analyzes installation intervals for non-MSA customers and claims that,**
4 **“[e]xamining the service quality of non-MSA customers is important because these**
5 **customers are geographically isolated and may live in the areas in Western**
6 **Massachusetts relevant to this investigation.” (Baldwin Direct at 27.) Please**
7 **comment.**

8 A. Ms. Baldwin suggests that so-called non-MSA customers “may” live in areas in Western
9 Massachusetts, but she is incorrect. There are five wire centers in Massachusetts that fall
10 within the non-MSA category for FCC reporting purposes, but none of them is in
11 Western Massachusetts.²⁰ Ms. Baldwin’s analysis of non-MSA customers thus has no
12 bearing on this case, and the Department should ignore it.

13 **Q. Ms. Baldwin asserts that from January through August of 2009, customers in *****
14 **Begin Proprietary *** XXXXX *** End Proprietary *** of the wire centers in**
15 **Western Massachusetts waited an average of more than three days for basic local**
16 **service to be installed, and she provides a Table of the alleged “distribution of**
17 **installation interval” for this period. (Baldwin Direct at 28.) Please comment.**

18 A. Once again, Ms. Baldwin’s analysis is misleading. She has again averaged the
19 performance results of each wire center without accounting for the fact that some wire
20 centers are larger than others, leading her to give too much weight to the many small wire

²⁰ Verizon MA files its ARMIS reports with the FCC in accordance with the FCC’s Guidelines for ARMIS reporting. Those reports include all Western Massachusetts wire centers in the MSA category; no Western Massachusetts wire center is included in the non-MSA category.

1 centers in the region. A more direct and accurate approach is to ignore the individual
2 wire centers and compile the data contained in Proprietary Attachment AG-VZ 3-23 (F)
3 for Western Massachusetts as a whole. This shows that fully *** **Begin Proprietary** ***
4 XXX *** **End Proprietary** *** of all customer orders for this period were completed in
5 less than three days.

6 Not surprisingly, Ms. Baldwin also cites specific wire centers and months with
7 relatively long installation intervals but which are not representative of the region as a
8 whole. She notes that eight wire centers had three or more months in which the average
9 installation interval was greater than six days and that West Stockbridge had a
10 particularly long average installation interval one month. She fails to point out that these
11 eight wire centers often had much shorter intervals (as short as one day) in other months,
12 and that the orders they processed in the months she cites represent only about 3% of the
13 total orders in Western Massachusetts for the period January through August 2009. And
14 the results for a single small wire center, West Stockbridge (serving 920 lines), in a single
15 month hardly represent the company's performance across the region over time.

16 Finally, the CCI surveys show that since 2004, at least 93% of Verizon MA's
17 residential customers in Western Massachusetts surveyed said they were satisfied with
18 Verizon MA's installation performance.

19
20 4. Verizon MA's staffing levels

21 **Q. Ms. Baldwin compares the ratio of Verizon MA Outside Plant Technicians to access**
22 **lines in Western Massachusetts to the same ratio for Eastern Massachusetts and**

1 argues that the Department should review whether “staffing is contributing to
2 delays in addressing out of service and other service calls.” (Baldwin Direct at 61-
3 63.) How do you respond?

4 A. Ms. Baldwin is correct when she testifies that “the Company is not under any staffing
5 level requirement in Massachusetts.” (Baldwin Direct at 63.) But her analysis of the
6 staffing ratios is both misleading and unimportant. It is misleading because she used only
7 the number of Verizon MA’s Outside Plant Technicians (“OPTs”) and excluded the
8 number of Splice Service Technicians (“SSTs”). As Ms. Baldwin acknowledges, it is
9 SSTs that are dispatched to resolve customer trouble reports concerning outside plant.
10 (See Baldwin Direct at 60.) Any comparison of Verizon MA’s staffing levels concerning
11 service quality must include its force of SSTs. Including SSTs in Ms. Baldwin’s
12 calculations yields a ratio for Western Massachusetts of *** **Begin Proprietary** ***
13 XXXXXXXXXXXXXXXX *** **End Proprietary** ***, compared to *** **Begin**
14 **Proprietary** *** XXXXXXXXXXXXXXXX *** **End Proprietary** *** in Eastern
15 Massachusetts. (See Verizon MA response to Information Request AG-VZ 1-10 and
16 proprietary response to Information Request IBEW 1-16. In addition, as of June 2009
17 there were *** **Begin Proprietary** *** XXX *** **End Proprietary** *** SSTs and OPTs
18 in Eastern MA).

19 In any event, Ms. Baldwin’s analysis of staffing ratios is beside the point, since
20 the Western Massachusetts workforce has proven to be sufficient for Verizon MA to
21 meet and exceed the Department’s Service Quality plan for several years and deliver

1 metric results that are little different than the results for Eastern Massachusetts, as
2 demonstrated above.

3 **Q. Ms. Baldwin says that she would expect to see a lower ratio of lines to technicians in**
4 **Western Massachusetts than in the East based on her presumption that technicians**
5 **in Western Massachusetts must drive further on service dispatches than do their**
6 **eastern counterparts. (Baldwin at 63.) How do you respond?**

7 A. As noted above, no matter what the ratio is, Verizon MA provides very good service
8 quality in Western Massachusetts at a level that satisfies the requirements of the Plan and
9 is comparable to that of Eastern Massachusetts. Moreover, Ms. Baldwin's statement
10 presumes that Verizon MA's repair intervals and service quality performance in Western
11 Massachusetts must match its performance in the rest of the state. That is not a standard
12 for service quality in Massachusetts, and it would not be appropriate to make it one. As
13 an analogy, under Ms. Baldwin's presumption, there should be as many police stations
14 and firehouses per square mile in Western Massachusetts as there are in the East, to
15 ensure that all residents of the Commonwealth enjoy the same response time from public
16 safety personnel. That is clearly not a reasonable expectation of the public safety system,
17 and it is not a reasonable expectation of Verizon MA either.

18

5. The age of the infrastructure

Q. Ms. Baldwin claims that she “examined the age of cable in Western Massachusetts” and that she “found numerous cables that were deployed in the 1960s and 1970s.” She also asserts that, “[t]he age of the plant may bear on Verizon MA’s service quality.” (Baldwin Direct at 64, 65.) Please comment.

A. As explained in more detail in Section IV, below, the age of a cable has little relationship to the quality of service the cable provides. A better predictor of the quality of service provided by a cable is the number and quality of the splices in the cable. That is why shorter cable runs are less prone to problems than longer ones. The key component to maintaining quality service is to ensure that cables and related infrastructure are closed properly and protected from the elements.

In addition, Ms. Baldwin’s “examination” of cables was non-scientific, biased and cursory. She made no attempt to survey a random sample of cable but, by her own admission, examined only cables serving seven roads “where trouble had been reported” by customers who testified to service quality issues. (Baldwin at 64.) In addition, she reviewed only 237,502 feet of cable out of about 407,000,000 total feet of cable in Massachusetts. (*See* response to Information Request AG-VZ 3-48.) Ms. Baldwin expressly admits that the data she presents is not representative of Verizon MA’s infrastructure in Western Massachusetts (Baldwin at 65), yet, remarkably, she attempts to draw conclusions about cable in Western Massachusetts generally based on this admittedly non-representative data. The Department should give her data and conclusions on cable age no weight.

1 In any event, the age of Verizon MA's cables is not material here. The
2 Department measures Verizon MA's actual service quality performance through the
3 Service Quality Plan, and as explained above, Verizon MA meets the requirements of
4 that Plan across the state and in Western Massachusetts.

5 **Q. Ms. Baldwin asserts that the number of transducer alarms in Western**
6 **Massachusetts in 2009 shows a "significant increase over previous years" and that**
7 **this is relevant because "alarms signal potential problems in the environment of**
8 **Verizon MA's equipment..." (Baldwin at 68-69.) Please comment.**

9 **A.** Whether there will be an increase in transducer alarms in 2009 remains to be seen, since
10 Ms. Baldwin's figure for that year is her projection only, and "assuming no seasonal
11 variation." (Baldwin Direct at 68.)

12 More importantly, Ms. Baldwin misunderstands the significance of the transducer
13 system. Many of Verizon MA's cables are pressurized, preventing infiltration of water
14 and resulting service issues. Verizon MA uses a system of transducers to monitor the air
15 pressure system and set off alarms in response to changes in pressure, helping Verizon
16 maintain its facilities and repair any potential trouble areas before they cause service
17 issues for customers. (See responses to Information Requests AG-VZ 3-60 and AG-VZ
18 3-62.) Verizon MA also maintains a system of alarms for issues that may arise in its
19 central offices, again in an effort to head off problems before they affect customers. (See
20 response to Information Request IBEW-VZ 3-15.) Verizon MA's constant surveillance
21 of its network is one of the key reasons why it is able to provide such good service to
22 customers, and the number of alarms in a given year may mean only that Verizon MA is

1 more efficiently protecting the network from harm. It does not imply any increase in
2 customer service issues.

3 **IV. VERIZON MA HAS APPROPRIATE PRACTICES AND PROCEDURES TO**
4 **RESPOND TO CUSTOMER TROUBLE REPORTS QUICKLY AND**
5 **EFFECTIVELY WHILE ALSO PROACTIVELY MANAGING THE NETWORK**
6 **TO PREVENT TROUBLES FROM ARISING.**

7 **A. Verizon MA Has A Thorough And Robust Process For Addressing Customer**
8 **Service Issues In Western Massachusetts.**
9

10 **Q Please provide an overview of Verizon MA's Operations workforce in Western**
11 **Massachusetts.**

12 A. Verizon MA has a well trained and experienced Operations workforce supporting
13 Western Massachusetts. That workforce includes customer-facing associates such as
14 Repair Associates and Customer Service Representatives who receive calls from
15 customers for new services or for troubles with the customer's service. It also includes
16 central office technicians, who operate and maintain Verizon MA's switches and who
17 address any service issues caused by a fault in the central office, and outside technicians,
18 who work in the field. Outside technicians include Outside Plant Technicians and Splice
19 Service Technicians. OPTs generally place new poles, cable and equipment in the field,
20 while SSTs maintain and repair cable and outside plant equipment. SSTs are dispatched
21 to customer locations to install new service and to resolve trouble reports concerning
22 outside plant and customer premises equipment such as inside wire and jacks. Verizon
23 MA currently has a total of ***Begin Proprietary *** XXX *** End Proprietary ***
24 OPTs and SSTs assigned to six garages and offices in Western Massachusetts. As

1 explained below, however, the number of technicians changes based on the work load
2 and the demands of the business. The technicians are supervised by *****Begin**
3 **Proprietary** *** XX *** **End Proprietary** *** managers who are responsible for
4 distributing the workload and insuring the safe and efficient performance of the
5 technicians' responsibilities.

6 **Q. Please describe Verizon MA's process for responding to customer reports of service**
7 **issues on their telephone lines.**

8 A. Calls from customers with telephone service quality issues are answered by the Verizon
9 Repair Resolution Center ("VRRC") in North Andover, Massachusetts. The VRRC is
10 staffed by repair associates specifically trained to evaluate customer concerns regarding
11 their telephone services. When a customer calls, the repair agent is responsible for
12 assessing the customer's concern and ensuring that the customer's issue is dealt with
13 appropriately. The repair agent utilizes a number of tools, including an interactive
14 database and computer systems, to determine the appropriate course of action to complete
15 any necessary repairs. A general overview of the process is as follows.

16 When a call is received, the VRRC Repair Agent interviews the customer to
17 determine the issue and enters the trouble report into a system called VRepair. VRepair
18 performs an automated test on the customer's line to determine whether there is a
19 problem in Verizon MA's outside plant or the central office serving the customer. If the
20 test shows no problems in Verizon MA's infrastructure, the Agent will advise the
21 customer that the issue appears to be with the customer's in-house wiring and will ask if
22 the customer would like Verizon MA to repair that. If the customer assents, the Agent

1 will set up an appointment for a technician to investigate and repair the wiring. (If the
2 customer does not have a contract with Verizon MA for inside wiring, the company will
3 still perform the work but will charge the customer for it.)

4 Where the test identifies a fault in Verizon MA's network, the Repair Agent will
5 also provide the customer with an appointment as to when the company expects to
6 resolve the trouble. VRepair routes the trouble to the Dispatch Resource Center ("DRC")
7 to determine the appropriate work group for resolution. A trouble identified as a central
8 office issue is routed to a system called WFA-DI (Work Force Administration – Dispatch
9 In) and dispatched to a Central Office Technician ("COT") for resolution. The COT
10 repairs the fault and closes the trouble ticket. A trouble identified as a field issue is
11 routed to the WFA-DO (Work Force Administration – Dispatch Out) system and
12 dispatched to a Splice Service Technician ("SST") for resolution. The SST repairs the
13 fault, notifies the customer, provides the customer with a "customer care card"²¹ and
14 closes the trouble. In closing trouble tickets, both COTs and SSTs are required to assign
15 the trouble report a disposition code from a long list of codes used by the company,
16 identifying the type of trouble and how and where it was resolved.

17 **Q. Please describe the DRC's responsibilities.**

18 A. The DRC's day-to-day responsibilities include assigning repair tickets to technicians,
19 monitoring technicians' progress and calling customers with status updates. The DRC
20 prioritizes repair tickets using criteria such as the number of customers affected by an
21 outage, the severity of the problem, when the customer reported the problem, and

²¹ The customer care card provides the customer with a telephone number for direct access to a Verizon MA repair agent who will ensure priority treatment on any unresolved service issues.

1 whether the customer has a need that requires expedited treatment. The DRC manages
2 the overall workload by keeping track of all trouble tickets that have been submitted, the
3 number of service technicians available, and additional resources such as technicians in
4 other work groups that may be brought in to assist. Based on the number of trouble
5 tickets that have been submitted and available technicians, the DRC determines when
6 repair service can be provided for incoming trouble tickets, so commitment times can be
7 provided to customers when they call to report service problems.

8 **Q. How are field technicians dispatched?**

9 A. Technicians who are assigned to installations typically receive their entire day's
10 assignments prior to leaving the Verizon MA garage first thing each morning.
11 Technicians who are assigned to repair work are provided their first assignment prior to
12 leaving the garage in the morning. The technician will travel to the first service location,
13 diagnose the problem and complete the repairs. Once the technician finishes the job, he
14 or she explains to the customer the cause of the trouble and corrective actions taken,
15 provides the customer care card and closes the trouble ticket electronically. The
16 technician is then automatically provided his/her next assignment.

17 **Q. Are technicians directed to repair only the troubles they have been assigned?**

18 A. No. Verizon MA's longstanding policy is that technicians must evaluate the environment
19 around the specific location of the assigned network trouble and ensure that environment
20 will meet the requirements of the Quality Inspection program outlined below. Verizon
21 MA's policy is that a technician is required to resolve any incidental fault or condition in
22 the infrastructure that can be done quickly. Where a technician identifies a condition that
23 cannot be resolved quickly, the technician is required to notify his or her supervisor of the

1 situation. (A good example of such a condition is when a technician notices that a splice
2 has been exposed to the weather for a long time and is corroded.) The supervisor can
3 then assess the current work load of his or her technicians, the estimated time to repair
4 the potential fault and safety issues and determine whether to authorize the technician to
5 perform the additional work at that time or to document the condition and continue with
6 the original work schedule.

7 **Q. Please explain what the “T zone is.”**

8 A. A technician who is repairing a fault at a terminal on a pole is required to evaluate what is
9 known as the “T zone,” meaning the infrastructure extending just beyond the poles
10 immediately to the left and to the right of the pole at issue. The technician is required to
11 close any open plant he or she observes and repair any other fault that can be repaired
12 quickly.

13 **Q. How does a technician document a condition for future evaluation and repair?**

14 A. Where a condition cannot be resolved immediately, the technician is required to complete
15 and give to his or her supervisor a Form 3722-19 identifying the condition, its location
16 and a recommended resolution. The local supervisor then reviews the Form 3722-19 to
17 determine whether the recommended work is appropriate and, if so, whether it needs to
18 be referred to the DRC or can be handled in the normal local work load. If the local
19 supervisor determines that the work is necessary and can be done as part of his/her
20 regular work load, the supervisor will schedule it based on the severity of the condition,
21 the volume of other work and safety considerations.

22 If the local manager refers the Form 3722-19 to the DRC, managers in the DRC
23 will review it and, if deemed appropriate, will create a deferred work order. The DRC

1 will then forward the deferred work order to the local field manager who will include the
2 deferred work order in the future work load. The deferred work order will contain all the
3 necessary information for a technician to repair the condition. If the issue identified in a
4 Form 3722-19 is of such magnitude that it would require a construction work order, the
5 DRC may refer the matter to the Proactive Cable Maintenance Program, discussed further
6 below, for further evaluation. The Form 3722-19 and deferred work orders provide the
7 standard means by which Verizon MA technicians bring potential service-affecting issues
8 to the attention of management, and management decides which work needs to be done,
9 and when and how to accomplish that work.²²

10 **Q. Does the system you have described for responding to customer trouble reports,**
11 **including the responsibilities of the field technicians, the Form 3722-19 and deferred**
12 **work orders apply only to Western Massachusetts?**

13 A. Not at all. The system I have described applies throughout the Commonwealth.
14

15 **B. Severe Weather And The Rural Nature Of The Area Pose Operational Challenges**
16 **To Verizon MA In Western Massachusetts.**

17 **Q. Please explain the operational challenges of weather and geography that Verizon**
18 **MA faces in providing stable, reliable service in Western Massachusetts.**

19 A. Western Massachusetts consistently experiences more severe rainstorms and electrical
20 storms in the summer and snow and ice storms in the winter than does the rest of
21 Massachusetts. Lightning strikes to cables and remote terminals cause severe damage.
22 High winds, heavy rain and snow often knock tree limbs onto cables, taking out service

²² Verizon MA intends to automate and streamline the Form 3722-19 process beginning in January, 2010.

1 to many customers. Snow and ice frequently bring down poles and wires. Heavy rains
2 alone can also affect the number of troubles in areas such as Western Massachusetts
3 where aerial cables are predominant and if water infiltrates open plant. Consequently,
4 these severe storms affect service quality performance by causing more service outages
5 and driving the RPHL up in affected wire centers. They also indirectly affect Verizon
6 MA's ability to meet the Troubles Cleared metrics in a number of ways. The suddenly
7 increased workload taxes the capacity of Verizon MA's workforce to respond to all
8 troubles as quickly as it normally would. Snow and ice storms also frequently limit the
9 force's access to infrastructure in need of repair, particularly in many parts of Western
10 Massachusetts where Verizon MA's cables do not run along roads but cut through the
11 countryside. In addition, severe storms often damage the infrastructure of the local
12 power company, creating electrical hazards that must be cleared before Verizon MA can
13 safely reach its own damaged facilities.

14 **Q. Please provide examples of a severe storm or series of storms that have taxed the**
15 **company's ability to provide high service quality.**

16 A. In July of 2008, Western Massachusetts was hit by a series of heavy rainstorms. More
17 recently, much of the region (and much of north central Massachusetts) was subject to a
18 massive ice storm in mid-December, 2008, wreaking havoc on poles and lines across the
19 region. In both instances, Verizon MA's RPHL in Western MA exceeded the
20 Department's Quality of Service Plan standard level although the RPHL was still under
21 2.7, and the increased volume of troubles also affected repair times. The December ice
22 storm posed additional challenges, as Verizon MA was forced to wait for the local power

1 companies across the region to restore downed power lines before Verizon MA crews
2 could safely perform their repair and restoration work.

3 **Q. How is the rural character of much of Western Massachusetts a challenge to**
4 **providing high-quality service?**

5 A. Customers in rural areas, such as most of Western Massachusetts, generally reside much
6 further from the company's central offices than do customers in urban areas. That means
7 they are served by much longer runs of cable, and those cables are more likely to be
8 aerial and thus more exposed to the elements than are the underground cables that are
9 more typical of urban areas. Longer cable runs have more splices and are more likely to
10 experience some form of damage or service affecting issue. In addition, when troubles
11 do occur on such long runs, it is more difficult and time consuming to locate simply
12 because there is that much more infrastructure to test and examine. For example, a
13 Verizon MA technician is likely to need more time to identify the cause of a service issue
14 on, say, 25,000 feet of cable serving a customer in Rowe than on a cable of 5,000 feet
15 more typically found in the large urban areas of Boston, Worcester and surrounding
16 communities.

17 **Q. What does Verizon MA do to provide quality service in the face of the severe**
18 **weather in Western Massachusetts and the rural character of the region?**

19 A. There are two keys. First, Verizon MA takes a proactive approach to maintaining the
20 components of the network. As described in detail below, Verizon MA is constantly
21 monitoring the performance and condition of the network to identify and resolve potential
22 problems before they affect customer service. Second, Verizon MA maintains flexibility

1 to re-deploy its workforce where it is needed most. In response to severe storms, Verizon
2 MA may temporarily transfer technicians from Eastern Massachusetts and/or Rhode
3 Island to augment the workforce in Western Massachusetts and increase our repair and
4 restoration capacity. The company may also transfer OPTs from construction
5 assignments to help respond to the increased repair workload. For example, in December
6 of 2008 Verizon MA transferred 35 technicians from Rhode Island, Boston and Northeast
7 Massachusetts to the western and central regions of the state to restore service to our
8 customers as quickly as possible. Verizon MA also has the ability under its Collective
9 Bargaining Agreement to suspend overtime restrictions and require technicians to work
10 additional hours in respond to emergencies.
11

12 **C. Verizon MA Manages The Network Proactively To Prevent Service Issues and**
13 **Improve Service Quality.**

14 **Q. Please describe Verizon MA's proactive approach to managing the network.**

15 A. In 2007, Verizon MA reinvigorated a number of programs to manage the network more
16 aggressively to prevent service issues from arising and thereby improve overall service
17 quality across the state, including in Western Massachusetts. The key program is the
18 Proactive Cable Maintenance ("PCM") process. As the name implies, the purpose of the
19 PCM process is to identify and resolve faults in Verizon MA's outside plant
20 infrastructure before they cause significant customer service-affecting issues. To
21 complement the PCM process Verizon MA has also implemented a Quality Inspection

1 program to better ensure that its repair and installation work is done properly and in
2 accordance with company standards.

3 **Q. Please explain the PCM Process and how Verizon MA uses it to manage the**
4 **network.**

5 A. The PCM process consists of three components -- the Predictor process, the Capital
6 process and the Open Plant program. The Predictor process helps Verizon MA identify
7 network faults independent of whether they have caused any service issues for customers.
8 Early every morning, each Verizon MA central office performs a test on all working dial
9 tone lines and records the test results. This is called an ALIT test and is particularly
10 useful in identifying areas of the network that have been infiltrated with moisture.
11 Another system, the PPMT tool, correlates the ALIT test results by cable pair and forms
12 Predictor Packages. These indicate to Verizon MA management conditions in the
13 network that could cause customer service troubles. Verizon MA managers assign
14 Predictor Packages to technicians for resolution. The technician locates the specific
15 outside plant at issue and repairs the faults. The most common situation found is
16 deteriorated splice points due to corrosion and moisture. Verizon MA completed work
17 on 19 predictor packages in Western Massachusetts in 2008 and has completed another
18 23 packages in Western Massachusetts through November of 2009.

19 **Q. Please describe the Capital process component of the PCM Process.**

20 A. If a technician working on a Predictor package and his or her manager believe that the
21 faulty plant should be replaced, the supervisor refers the relevant sections of cable to the
22 PCM Capital process, which is the means by which Verizon MA determines whether to

1 replace specific sections of plant. Verizon MA managers analyze predictor indications
2 such as the results of ALIT testing (explained above), closed customer trouble reports,
3 any patterns of service issues, budgetary issues, the RPHL for the relevant wire center(s),
4 recommendations on Forms 3722-19 and often the results of field investigations to
5 determine whether to replace a cable or portion of a cable. Verizon MA completed 36
6 Capital projects in Western Massachusetts in 2008 and an additional 43 projects through
7 November of 2009. Forty-four additional projects are now in progress in Western
8 Massachusetts and are expected to be completed by January 31, 2010.

9 **Q. Before discussing the Open Plant program of the PCM Process, please explain what**
10 **open plant is.**

11 A. Verizon MA's outside plant includes thousands of miles of cables that must be protected
12 from the elements, including splice points between cables, points to access customer drop
13 wires, terminals and distribution boxes. The term "open plant" means any instance in
14 which any cable, splice case, terminal boxes or other protective closure is open, exposing
15 wires or connections in the network to the elements. Open plant is one of the chief
16 causes of customer service issues and trouble reports, as a result of moisture seeping into
17 the plant or animals and insects taking up residence in the facility. The open plant
18 component is a major part of the overall PCM process.

19 **Q. Please explain the Open Plant component of the PCM Process.**

1 A. Verizon MA managers constantly review the Network Trouble Report Rate and the Code
2 4 Rates²³ for the wire centers in Massachusetts, including Western Massachusetts, and
3 conduct infrastructure reviews for those wire centers that have high report rates. In such
4 a review, the management team conducts a comprehensive survey of all outside plant to
5 identify any instances of open plant. The review team then sends that data to the local
6 management team, which dispatches technicians to close the plant. Management tracks
7 and reports the results of these efforts to the Verizon MA manager of the Proactive
8 Maintenance Center in Lowell on a weekly basis. In 2008, the Western Massachusetts
9 team closed 654 open plant items. The team has been even more proficient in 2009,
10 closing 1,248 open plant items through the end of November.

11 **Q. Did Verizon MA implement the Open Plant program in response to the Department**
12 **opening this proceeding?**

13 A. No. As explained above, Verizon MA revitalized the program in 2007, well before the
14 Department opened this investigation. Although Verizon MA did not implement the
15 Open Plant program in response to this proceeding, the company has used the program in
16 response to the customer comments filed with the Department at the beginning of this
17 case. Specifically, as explained in response to Information Request AG-VZ 1-1, Verizon
18 MA conducted a physical inspection of its facilities in Williamstown, Shutesbury and
19 Leverett (the towns with multiple customer comments in this case) to, among other
20 things, identify open plant. Verizon MA has subsequently closed the open plant that had

²³ Code 4 troubles are trouble reports that are specifically related to the outside plant as opposed to, for example, a central office trouble. Code 4 reports provide insight into the health and status of Verizon MA's outside plant.

1 demonstrated service issues in these towns and continues work to close the remaining
2 open plant.

3 **Q. Please explain the Quality Inspection program Verizon MA has implemented.**

4 A. Quality Inspections are a means of reviewing and improving the quality of Verizon MA's
5 installation and repair work, with the goal of reducing customer trouble reports and
6 improving the overall condition of the plant. Beginning in late 2007, a centralized
7 Verizon MA operations management team began performing monthly quality reviews in
8 all areas of the state, including Western Massachusetts. The team reviews a random
9 sample of repair and installation jobs completed within the past five days. The quality
10 review team looks at the cable infrastructure, the serving drop wire, the lightning
11 protection and customer contact requirements on each job reviewed. It applies a score to
12 the work and deducts points for deviations from the company's standards. The results of
13 quality inspections are reviewed with the local team and the technicians who performed
14 the work. Technicians are assigned to correct any deviations, and the company takes
15 appropriate disciplinary action depending on the severity of the deviation of the work
16 from the applicable standards. Local managers are also held accountable for the quality
17 process, and their performance in this regard may affect their compensation.

18 **Q. Has Verizon MA's service quality in Western Massachusetts improved as a result of**
19 **these programs?**

20 A. Yes. Among the many measures of service quality and network performance that
21 Verizon MA monitors on a daily basis (see response to Information Request AG-VZ 3-33
22 for a partial list), Verizon MA pays particularly close attention to the Code 4 reports,

1 because those are the reports of trouble specifically arising from faults in the outside
2 plant. Through the first eleven months of 2009, Verizon MA has received approximately
3 ***** Begin Proprietary *** XXXX *** End Proprietary ***** fewer Code 4 reports in
4 Western Massachusetts than for the same period in 2008, representing a 27% decrease.
5 That figure cannot be explained by line loss alone, since it is far greater than the
6 company's line loss rate for Western Massachusetts during that time (*see* Proprietary
7 Attachment AG-VZ 1-10). Rather, this reduction reflects the positive effects of the PCM
8 Process and the Quality Inspection program.

9
10 **D. The Testimony Submitted By The IBEW Misstates And Misunderstands Verizon**
11 **MA's Repair Policies And Practices.**

12
13 **Q. Mr. Rowley alleges that SSTs are prevented from resolving some complaints by lack**
14 **of tools, access to equipment and direction from management. (Rowley Direct at 8-**
15 **9.) How do you respond?**

16 **A.** Mr. Rowley is simply wrong. With respect to tools, Verizon MA provides technicians
17 with all the tools needed to perform their duties. Mr. Rowley's implication that
18 technicians must use their own tools because Verizon MA does not provide them is false.
19 Verizon MA allows technicians to use their own tools on the job, but they can always
20 choose to use the company-provided tools. In 2008, Verizon MA purchased almost
21 \$90,000 worth of small tools (pliers, screwdrivers, test sets and electric drills) for use in
22 Western Massachusetts and purchased over \$100,000 in small tools for the region
23 through the first eleven months of 2009. For example, in Pittsfield where there are about

1 25 technicians, local management purchased 25 “skinning knives”, 54 pairs of pliers, 36
2 screw drives, three cordless drills and dozens of other tools. Through September 2009,
3 the list of tools includes more pliers, screw drivers and skinning knives. Mr. Rowley
4 does not provide any facts in support of his insinuation that technicians have used their
5 personal electric drills on the job because Verizon MA provides only hand drills, and the
6 claim is not true. Verizon MA supplies electric drills, not hand drills, for job use.

7 **Q. Please respond to Mr. Rowley’s allegation that technicians lack access to equipment**
8 **needed to make repairs. (Rowley Direct at 8-9.)**

9 A. Mr. Rowley doesn’t explain what he means by this. He claims that Verizon MA’s cables
10 are old and that managers direct technicians to “avoid working overtime” and to “make
11 do” with the supplies they have. I address the claims regarding the age of the cables and
12 availability of supplies later in my testimony. With respect to overtime, Mr. Rowley’s
13 statement is so general, it is meaningless. The amount of overtime that is appropriate is
14 an issue of long-standing between Verizon MA and the IBEW. Verizon MA reasonably
15 seeks to manage its operations to minimize unnecessary expense, including unnecessary
16 overtime, so of course there will be times when a manager will decline to authorize
17 overtime. Verizon MA has no blanket rule prohibiting overtime, however, and managers
18 will authorize it as the workload requires.

19 **Q. Please respond to Mr. Rowley’s claim that when a technician identifies an out-of-**
20 **service or other condition in the network other than the trouble he is assigned to, “it**
21 **is not uncommon for Managers to direct technicians to leave the issue to be dealt**
22 **with later” and his claim that “Until recently, technicians were routinely told to just**

1 **get the customer service restored and move on to the next job, even if there were**
2 **other problems apparent to the technician.” (Rowley Direct at 9.)**

3 A. Again, Mr. Rowley’s overly general, unsubstantiated claims mischaracterize Verizon
4 MA’s policies. Verizon MA’s first priority is to restore service to customers. All
5 technicians are trained and required to close any open plant he or she identifies and repair
6 any other condition that can be done relatively quickly. Where a technician identifies a
7 condition that cannot be addressed quickly, the technician must report the condition to his
8 or her supervisor. The supervisor is in the best position to determine whether to direct
9 the technician to proceed with the work immediately or to defer the work by completing a
10 Form 3722-19. During high load times such as some summer months or in the aftermath
11 of a storm, it is appropriate to defer work to be completed when the trouble volume is
12 lower. To do otherwise, as Mr. Rowley suggests, could jeopardize Verizon MA’s ability
13 to meet repair commitments to customers. Of course, there are times when the supervisor
14 will direct the technicians to go ahead and repair the condition, again depending on the
15 severity of the condition and the other workload. This is how Verizon MA makes the
16 best and most efficient use of its workforce to resolve trouble reports as soon as possible
17 and reduce OOS duration while also proactively maintaining the network to prevent
18 troubles.

19 Mr. Rowley’s position seems to be that technicians should always defer their
20 trouble-clearing assignments in favor of addressing every network condition they
21 discover in the field, no matter how complex and time consuming, even if doing so would
22 jeopardize commitments Verizon MA had made to customers to repair or restore their

1 service. But as we explained in Section II, above, Verizon MA's RPHL in Western
2 Massachusetts is already lower than the Department's most stringent standard, while
3 Verizon MA finds the Troubles Cleared - Residential metric difficult to meet. While
4 reducing the RPHL is always a goal, focusing exclusively on that goal at the expense of
5 addressing current trouble reports would make it even more difficult for Verizon MA to
6 meet the Troubles Cleared - Residential metric.

7 **Q. Mr. Rowley asserts that "every garage location in Western MA" has reported to**
8 **him that "many" 3722 forms are either not addressed for months or not addressed**
9 **at all, and that Verizon MA management often ignores 3722 forms or throws them**
10 **away. (Rowley Direct at 37, 38.) Doesn't that show lax maintenance of the**
11 **network?**

12 **A.** Not at all. Recall that the purpose of a 3722 form is to identify faults in the network that
13 are not currently affecting service but should be addressed as time permits. If Verizon
14 MA is experiencing relatively high incidences of out of service troubles at the time, as it
15 sometimes does during peak seasons, then work on a Form 3722 may get deferred,
16 sometimes for months, until the volume of current troubles drops and allows Verizon MA
17 to address the deferred work.

18 Furthermore, Verizon MA has emphasized to its managers in recent years the
19 importance of reviewing all Forms 3722-19 filled out by their crews. Those reviews
20 reveal that Forms 3722-19 often recommend work that is not appropriate for deferral,
21 such as closing open plant and some kinds of grounding work, which takes little time to
22 complete and should be done by the technician at the time the potential trouble is
23 identified. At the other end of the scale, some Forms 3722-19 recommend large projects,

1 such as replacing entire cable runs, that the PCM Capital process determines to be
2 inappropriate or unnecessary in light of alternate solutions. Consequently, the mere fact
3 that Verizon MA does not always perform the work proposed on a Form 3722-19 does
4 not mean that management has ignored the suggestion.

5 **Q. Mr. Rowley claims Verizon MA manager Dave Walker stated at a meeting that**
6 **technicians should not fill out 3722 forms but should do all work as it is identified,**
7 **but that Frank Crosby contradicted Walker and said technicians should be using**
8 **those forms. He also asserts that if a technician reports that he is unable to**
9 **complete his assigned workload “in order to ensure all quality items are cared for**
10 **(i.e. a Form 3722-19 will not be filled out), the worker is informed that he/she is not**
11 **meeting productivity standards” (Rowley at 36-37.) How do you respond?**

12 **A.** To begin with, neither Dave Walker nor Frank Crosby recall Mr. Walker making the
13 statements Mr. Rowley attributes to him. In any event, it has never been Verizon MA’s
14 policy to have technicians perform all work they come across in the field without
15 management authorization.²⁴ Even if Mr. Walker had directed that 3722-19 forms should
16 not be filled out, it is well known that Mr. Walker reported to Mr. Crosby, so there would
17 have been no confusion that Mr. Crosby’s statement would have been controlling.

18 Mr. Rowley’s claim about technicians not being provided enough time to
19 complete their work is so general that it is difficult to respond to it. Certainly, a
20 technician should not be performing work that would be appropriate to include on a Form
21 3722-19 without the express permission of his or her supervisor. To the extent that Mr.

²⁴ Mr. Rowley’s claim that Mr. Walker “issued a directive that, going forward, no issue should be left unaddressed” (Rowley at 36) is likewise unsupported by any facts. Mr. Walker does not recall issuing any such directive, and it would not have been consistent with Verizon MA’s policies.

1 Rowley is implying that technicians are free to ignore their assigned workload and decide
2 for themselves what other “quality items” must be cared for, he is just plain wrong. As
3 explained above, a technician must obtain authority from his or her supervisor before
4 undertaking additional work in the field that would prevent the technician from resolving
5 the current trouble reports assigned to him or her.

6 **Q. Mr. Rowley also asserts that, “[p]oor service quality is inextricably tied to Verizon**
7 **MA’s use, or failure to follow-up on the Form 3722-19.” (Rowley Direct at 37.)**
8 **Please respond.**

9 A. Mr. Rowley’s suggestion is nonsensical. First, as described above, Verizon MA is not
10 providing “poor service” but is providing good service in Western Massachusetts.
11 Second, as explained above, Verizon MA does in fact evaluate the completed Forms
12 3722-19 and performs the deferred work it finds has merit. Finally, also as shown above,
13 the RPHL for Western Massachusetts is very good, meaning that Verizon MA is properly
14 maintaining a healthy network.

15
16 1. The age of Verizon MA’s Western Massachusetts infrastructure is of little relevance.

17 **Q. How do you respond to Ms. Baldwin’s allegations that Verizon MA’s infrastructure**
18 **in Western Massachusetts is old and Mr. Rowley’s allegation that it is old and**
19 **“constantly in need of repair?” (Rowley Direct at 8.)**

20 A. The allegations about the age of the network infrastructure in Western Massachusetts are
21 not supported by fact. Ms. Baldwin’s assertion is based on a tiny fraction of the
22 infrastructure, as shown in Section III above. Mr. Rowley offers no fact in support of his

1 claim. He hasn't provided any evidence of the age of the plant in Western Massachusetts
2 or that it is any older than Eastern Massachusetts. More importantly, the age of the
3 infrastructure is of little relevance to the level of service quality provided by Verizon
4 MA. It is more relevant to know the quality of workmanship on a cable and how well it
5 and its associated closures have been maintained and kept protected from the elements.

6 Indeed, open plant is a greater impediment to good service than is the age of the
7 plant. Most troubles in the outside plant arise from infrastructure that has been left
8 exposed to the elements. Open plant results from natural causes (for example, a falling
9 tree branch) and from technicians failing to close plant properly after completing repair
10 or installation work on it. Mr. Rowley asserts that "[f]requent outages are likely a result
11 of old cable and equipment being affected by rain" (Rowley Direct at 12), but age alone
12 does not make plant more susceptible to water. Rather, aerial plant is affected by rain
13 when it is left open.

14
15 2. Scrubbing

16 **Q. Please explain the process of "scrubbing."**

17 A. Scrubbing is a longstanding, sensible process designed to facilitate the efficient use of
18 Verizon MA's technicians, and to avoid dispatching a technician to fix a problem that no
19 longer exists. As noted above, when a customer calls Verizon MA to report a trouble on
20 the line, Verizon MA tests the line to determine the fault condition. Then, prior to
21 dispatching a technician Verizon MA will test the customer's line again to determine if
22 the line still has a service-affecting issue. If the testing demonstrates that the issue still

1 exists, Verizon MA dispatches a technician to repair the fault. Many trouble reports,
2 such as static on the line, can be temporary. If the second test does not identify a fault in
3 the line, Verizon MA calls the customer to determine whether he or she is still
4 experiencing the trouble. If the customer agrees that the issue no longer remains, the
5 ticket is closed. If Verizon MA cannot contact the customer, we will dispatch a
6 technician. (Where the trouble is an out of service trouble, Verizon MA will not dispatch
7 a technician if the company is able to reach the customer's answering machine, since that
8 demonstrates the line is working.)

9 **Q. Why does Verizon MA scrub trouble reports?**

10 A. Many times, if a trouble resolves itself, there is no reason to dispatch a technician. Also,
11 even where the company might suspect that the trouble is intermittent, it is often very
12 difficult or impossible to identify the cause of the problem if and when it is not causing
13 any trouble at the time. Scrubbing allows the company to identify many of those trouble
14 reports where it would be futile and wasteful to dispatch a technician, freeing up
15 technicians to address reports of troubles, including out-of-service troubles, that have not
16 resolved themselves.

17 **Q. Mr. Rowley claims that the automatic test may be inaccurate and that, "[t]he**
18 **problem is that a significant percentage of troubles, that have been scrubbed and**
19 **have been inaccurately assessed with a 'test ok' result, will remain unresolved**
20 **problems for the customer(s)." (Rowley Direct at 38, 39.) How do you respond?**

21 A. These are just more false, unsubstantiated allegations by Mr. Rowley. First, he
22 mischaracterizes scrubbing as including a test "by *either* an automated system *or* a live

1 person making a test call to the subscriber.” (Rowley Direct at 38, emphasis added.) As
2 described above, scrubbing entails *both* of these tests, and Verizon MA will dispatch a
3 technician unless both tests show no problem on the line. Second, Mr. Rowley provides
4 no facts in support of his bald accusations that troubles are “inaccurately” scrubbed and
5 that many of those claims “will remain unresolved.” Finally, it is worth noting that
6 scrubbing does not affect many trouble reports. In August, 2009, for example only 1.2%
7 of trouble reports from Western Massachusetts customers were closed without a
8 technician dispatch with a no trouble found indicator. (See response to Information
9 Request IBEW-VZ 6-9.)

10 **Q. Mr. Calvey claims that, “[s]crubbing occurs when the automatic pretest shows that**
11 **the line tested ok, and even though the customer keeps reporting a problem, the**
12 **Company will point to the results of the automatic test to tell the customer that**
13 **there is no problem.” (Calvey Direct at 7.) Is he correct?**

14 **A.** No, Mr. Calvey is wrong on all counts. As explained above, scrubbing utilizes both an
15 automatic test and a phone call to the customer. Scrubbing occurs only if *both* of these
16 show no problem on the line. Even then, Verizon MA will dispatch a technician if the
17 customer requests it. Moreover, Verizon MA’s practice and policy is to dispatch a
18 technician if a customer reports a trouble three times, even if the automatic testing and
19 follow-up phone call indicate there is no fault each time. In summary, Verizon MA
20 contacts the customer on each trouble prior to closeout without a dispatch, the customer
21 must agree to the closeout or a technician will be dispatched, and a technician will also be
22 dispatched if the customer has called three times with the same trouble.

1 **Q. Mr. Calvey also claims that trouble reports in Western Massachusetts are more**
2 **likely to be scrubbed than reports in other areas of the state. (Calvey Direct at 7.)**
3 **Please comment.**

4 A. Mr. Calvey offers no facts to support this allegation. Contrary to his assertion, Verizon
5 MA's response to Information Request IBEW-VZ 6-9, Verizon MA shows that in August
6 of 2009, only 1.2% of trouble reports from Western Massachusetts customers were closed
7 without a technician dispatch, but 1.8% of trouble reports were closed in that manner for
8 the state as a whole, indicating that, at least for August of 2009, Mr. Calvey's claim is not
9 only unsubstantiated but incorrect.

10 **Q. Mr. Rowley speculates as to possible reasons why some customers have complained**
11 **of outages lasting several days. (Rowley Direct at 13.) Please comment.**

12 A. Mr. Rowley's statement is just conjecture, not fact. He speaks only in generalities. He
13 claims that customers have complained but he doesn't identify which customers or which
14 troubles are at issue. Without this information, he can't possibly explain why some
15 troubles may have taken "several days" to clear, and he is careful to assert only that
16 certain factors "may" cause a delay in resolving a trouble. He does allege one fact, that
17 during a stretch of weather-related trouble reports in August of 2008, Verizon MA left
18 between 20 to 50% of its technicians assigned to install new service. (Rowley Direct at
19 14.) That is a red herring. Verizon MA makes every effort to meet our installation
20 commitments to our customers. So if Verizon MA has committed to a certain number of
21 installations on a particular day and bad weather comes in that evening, Verizon MA will
22 continue to meet its customer commitments. In such cases, Verizon MA also evaluates

1 the possibility of transferring technicians from other geographic areas and from
2 construction to meet the increased repair workload. Installations are an aspect of service
3 quality and are an important function of the business, and Mr. Rowley has not provided
4 any facts showing that Verizon MA's allocation of technicians in August of 2008 or any
5 other time was improper in any way.

6
7 3. Mr. Rowley's comparison of service quality in Western and Eastern Massachusetts is
8 unsupported by fact.

9 **Q. Mr. Rowley alleges that "Verizon is not giving its customers in Western MA the**
10 **same level of service that Eastern MA customers receive." (Rowley Direct at 14.)**
11 **Please comment.**

12 A. We disagree. As shown above, service quality in Western Massachusetts is on par with
13 that in the rest of the state. Moreover, Mr. Rowley's analysis doesn't support his
14 conclusion. He alleges that "Western MA customers are routinely subject to delayed
15 response and unresolved problems, including outages lasting for several days," but he
16 doesn't offer a single fact in support of that claim and his claim is simply not true. If
17 there are times and places when weather and geography prevent Verizon MA from
18 resolving trouble reports as soon as it would like, that is by no means "routine," and by
19 and large, we provide good service in Western Massachusetts. Mr. Rowley claims that
20 "customers are frustrated," but he provides no evidence in support of that claim, and he
21 doesn't speak for Verizon MA's customer base in any event.

1 **Q. Please comment on Mr. Rowley's analysis of RPHL by wire center, which he claims**
2 **supports his theory that service is not as good in Western Massachusetts as in the**
3 **rest of the state. (Rowley Direct at 14-15.)**

4 A. Mr. Rowley says that, for three months in the past three years, wire centers in Western
5 Massachusetts reported RPHL over 4.0 more often than did wire centers in other regions
6 of the state. That analysis is too limited and biased to support any conclusions at all.
7 Western Massachusetts includes many small wire centers that show volatile RPHL and
8 other metric results. In addition, Verizon MA's performance on service quality metrics is
9 very much seasonal in Western Massachusetts, in large part due to the weather, and Mr.
10 Rowley has not even alleged that he has selected months that are representative of
11 Verizon MA's performance over the course of a year. For these reasons, the results of his
12 analysis are neither surprising nor worrisome. As demonstrated in Sections II and III,
13 above, many wire centers in Western Massachusetts have consistently low RPHL, and the
14 RPHL of the region as a whole meets and surpasses the stringent target level in the
15 Service Quality Plan.

16 **Q. Mr. Rowley compares the RPHL of several small wire centers in Western**
17 **Massachusetts to the state as a whole and to four downtown Boston wire centers.**
18 **(See Rowley at 16-34.) Are these comparisons appropriate?**

19 A. No, they are not. First and foremost, the fact that there are wire centers in Western
20 Massachusetts that generate higher RPHL than the average for the state as a whole is
21 meaningless. The state average is not a standard that Verizon MA must meet in every
22 wire center and such a standard would be impossible to meet.

1 With respect to the comparison to the Boston wire centers, Mr. Rowley
2 mischaracterizes the four downtown Boston exchanges as the “City of Boston.” That is
3 not the case - the City of Boston is served by a number of wire centers, including East
4 Boston, South Boston, Alston/Brighton, Dorchester, Roxbury, Hyde Park and West
5 Roxbury. More importantly, the comparison is inappropriate because Mr. Rowley
6 ignores the substantial differences between the wire centers he is comparing. The
7 Western Massachusetts wire centers he discusses are generally small, rural wire centers
8 with predominantly aerial cable and long cable runs, and they are located in an area often
9 subject to severe weather. In contrast, the four Boston wire centers he discusses are large
10 ones located in the heart of the largest city in New England. The cable runs are on
11 average far shorter than in the west - measured in city blocks instead of miles - and they
12 are predominantly underground, insulating them from the most weather conditions.
13 Finally, implied by Mr. Rowley’s comparison is that the quality of service in the rural
14 Western Massachusetts towns should be as good as it is in downtown Boston, even
15 though the Boston offices far surpass the Department’s service quality metrics. Such a
16 suggestion is completely unreasonable. Just as the average RPHL in the state is not the
17 standard for performance, the RPHL of four downtown wire centers, among the lowest in
18 the state, is not a standard that Verizon MA must meet or could possibly be expected to
19 meet in all other wire centers.

20

1 4. Verizon MA opens a trouble ticket for every trouble report from a customer.

2 **Q. Mr. Rowley's says that he "would disagree with the practice of not opening trouble**
3 **tickets in areas known to have problems when it rains." (Rowley Direct at 12.)**
4 **Please comment.**

5 A. There is no such practice. As a matter of policy, Verizon MA opens a trouble ticket for
6 each trouble report received by a customer. Mr. Rowley admitted in discovery that he
7 has no personal knowledge of any such practice, and that his testimony is based solely on
8 testimony he alleges was provided by Western MA Connect. (See response to
9 Information Request VZ-IBEW 1-2.) But Western MA Connect did not testify that it had
10 called Verizon MA with a trouble report and that Verizon MA declined to open a ticket.
11 Indeed, Western MA Connect has clarified that it never notified Verizon MA of such
12 troubles in the first place. (See Affidavit of Jessica Atwood.) The facts Mr. Rowley
13 does allege are misleading. He speculates that historical reports may cause Verizon MA
14 to ignore trouble reports on T1 circuits. T1s however, don't carry dial tone and are not
15 even subject to scrubbing; Verizon MA always dispatches a technician for a trouble
16 report on a T1. Likewise, Mr. Rowley alleges that Verizon MA managers, including Mr.
17 Sordillo, have stated something to the effect that when the sun comes out, the troubles go
18 away. It is true that problems caused by moisture in cables often go away when the cable
19 dries out, but to our knowledge, no manager with responsibility for Western
20 Massachusetts has ever decided not to dispatch a technician on a trouble report merely on
21 the presumption that the trouble will go away on its own.

1 **Q. Mr. Calvey testifies that there are fewer Verizon MA garages in Western**
2 **Massachusetts than in the past leading to a dispatch in taking longer than it used to.**
3 **(Calvey Direct at 6-7.) Please comment.**

4 A. Mr. Calvey neglects to mention that the workers who previously reported out of the two
5 garages that have closed in recent years were not moved far. One garage in Springfield
6 was consolidated with another garage in Springfield and a garage in North Adams was
7 moved to Verizon MA's central office in North Adams. These changes could not have
8 had more than a small change to travel time for technicians. Also, Mr. Calvey provides
9 no facts comparing travel times in Western Massachusetts over the years.

10
11 5. There is no evidence that Verizon MA's FiOS network has caused service quality in
12 Western Massachusetts to suffer.

13 **Q. Mr. Rowley claims that "with the onset of FiOS" in mid-2004, Verizon MA began**
14 **shifting employees and other resources from Western Massachusetts to the rest of**
15 **the state and that "Areas such as Western MA that rely on basic telephone service**
16 **and do not have FIOS suffered as a consequence." (See Rowley Direct at 39, 40.)**
17 **How do you respond?**

18 A. Mr. Rowley's claim is false. Yes, Verizon MA will sometimes transfer technicians out of
19 Western Massachusetts when the workload in the rest of the state requires it, but by the
20 same token, the company often transfers technicians *into* Western Massachusetts when
21 the workload in that region requires it, for example in response to an increase in trouble
22 report volume due to a storm, as explained above. But Mr. Rowley is simply incorrect to

1 imply that such temporary employee transfers -- or an alleged lack of supplies or funding
2 (*see* Rowley Direct at 40, 41) -- have caused service quality in Western Massachusetts to
3 suffer in any way. As demonstrated in Section II and Section IV.C, above, service
4 quality in Western Massachusetts meets the Department's Service Quality Plan, is
5 comparable to that provided in Eastern Massachusetts, and has *improved* in the past few
6 years.

7 **Q. But Mr. Calvey claims that Verizon MA executive Bob Mudge once informed him**
8 **that "Verizon MA would not be making any new investments in Western**
9 **Massachusetts" (Calvey direct at 3), and Mr. Rowley alleges that a number of**
10 **Verizon MA managers have said that "there was very minimal or no funding for**
11 **Western MA" and that "there was no money for copper work." (Rowley Direct at**
12 **41, 42). Doesn't that show that service quality in Western Massachusetts is**
13 **deteriorating?**

14 **A.** Not at all. The hard data discussed above demonstrates that service quality in Western
15 Massachusetts is very good, meets the Department's standards and is improving, not
16 deteriorating. Moreover, Mr. Calvey and Mr. Rowley offer their exaggerated claims
17 completely out of context. Mr. Calvey makes clear in response to Information Request
18 VZ-IBEW 1-8 that Mr. Mudge allegedly made his statement at a meeting in 2000 or 2001
19 concerning the deployment of DSL. A statement allegedly made almost a decade ago
20 about deployment of a non-regulated service has no bearing on telephone service quality
21 today. (In any event, the alleged statement was outdated long ago by Verizon MA's
22 subsequent investment and deployment of DSL in many areas of Western

Massachusetts.) Mr. Rowley's reliance on alleged conversations with Verizon MA managers and retired managers suggesting that there was "no money for copper work" also stretches credulity. Mr. Rowley provides no time frame or other context for his claims, and as discussed above, Verizon MA continues to fund operations in Western Massachusetts, maintains a workforce of technicians and managers in the region, and through the PCM Process proactively maintains its network and replaces cable as needed.

6. Service to the Peru Police Department.

Q. Mr. Vega, the Peru Police Chief testified that his department experienced static on their telephone lines about twice a month. [Vega Direct at 2.] Please comment.

A. Verizon MA has investigated the repair reports received on the business line for the Peru Police Department. The company's records show that since 2007 Verizon MA has received only four reports on the line and two of those cleared up before a technician was able to determine the exact issue. On the other occasions, Verizon MA completed repairs and notified the customer that the line was working properly.

Q. Police Chief Vega also testified that in the Spring 2009, the police department experienced an outage on a Friday and Verizon MA's customer service representative informed him that the repair could wait until the next business day. (Vega Direct at 3.) Please comment.

A. Verizon MA recognizes the importance of police department lines and prioritizes them accordingly. The company regrets that a Verizon MA representative would have informed the police department that a repair would have to wait over a weekend since that is not normal procedure. Verizon MA's records do indicate that at about 8:00 pm on

1 Friday March 27, 2009, Verizon MA received a report that the Peru police were having
2 trouble with their business telephone line. After ensuring that the 911 system was
3 working properly, Verizon MA tested the business line and dispatched a technician. The
4 technician located, evaluated and repaired the trouble by about 5:00 pm on Saturday,
5 March 28. As is its normal practice, Verizon MA then notified the customer that the
6 trouble was repaired at the number provided by the customer. In this case the customer
7 had provided the Berkshire County Sheriff's Office in Pittsfield as the point of contact. It
8 is important to note that at no time was 911 service affected by this outage.

9
10 **V. THE ATTORNEY GENERAL'S CRITICISM OF THE SERVICE QUALITY**
11 **PLAN IS GROUNDLESS, HER PRESUMPTION THAT VERIZON MA NEEDS**
12 **ADDITIONAL INCENTIVE TO PROVIDE ADEQUATE SERVICE QUALITY IS**
13 **INCORRECT, AND HER PROPOSED REMEDIES ARE UNNECESARY,**
14 **UNREASONABLE AND UNJUSTIFIED BY THE FACTS.**

15
16 **A. Ms. Baldwin's Criticisms Of The Service Quality Plan And Her Proposals To Revise**
17 **The Plan Are Not Appropriate In This Proceeding And In Any Event Are**
18 **Inconsistent With The History And Purpose Of The Plan.**
19

20 **Q. Please Describe The Development Of Service-Quality Regulation Of Verizon MA By**
21 **The Department.**

22 **A.** As part of its comprehensive evaluation of rate structure and service quality in the late
23 1980s, the Department addressed the overall quality of service provided by Verizon
24 MA's predecessor, New England Telephone and Telegraph Company ("NET") in the
25 order in D.P.U. 89-300, which was issued in 1990. Among other things, the Department
26 found that NET's service quality in five districts, including Springfield, was

1 “unacceptable and must be remedied. D.P.U. 89-300 at 379. Importantly, however, the
2 Department did not attempt to mandate particular action by NET to improve service
3 quality but left it to the company to determine how best to proceed, with regular reports
4 to the Department on its progress. The Department also determined that the “new quality
5 of service reporting mechanisms shall consist of a report to be filed monthly and another
6 report to be filed annually,” and spelled out the content of these reports. D.P.U. 89-300,
7 at 309-316. The Department also ordered an acceleration of the schedule for converting
8 electromechanical switches to electronic switching. *Id.* at 375-378.

9 **Q. How did the department incorporate service quality regulation in the price cap plan**
10 **approved in D.P.U. 94-50?**

11 A. In that docket, the Department established a price cap plan that was designed in large part
12 to improve the incentives of regulation. In particular, the Department recognized that
13 traditional rate-of-return regulation did not provide appropriate incentives for efficiency,
14 and the price cap plan was designed to introduce enhanced incentives for efficiency.
15 Because the plan was designed for regulation of a monopoly, the Department was
16 concerned that enhanced efficiency incentives could result in a degradation of service
17 quality, so a Service Quality Index was adopted as a feature of the price cap plan. The
18 Service Quality Index was designed as a “form of protection against a reduction in
19 service quality for monopoly customers.”²⁵

20 Under the SQI component, the Company was required to meet a “score” on
21 twelve metrics. For every month in which the Company did not meet the score, an

²⁵ D.P.U. 94-50, Final Order, at 235.

1 additional one-twelfth of one percent was added to the productivity offset in the price cap
2 index. In other words, the penalty for missing the score was a reduction in the allowed
3 price increase percentage. In addition, the Department also found “that the Company
4 should also have a financial incentive to achieve standard performance for individual
5 service items, as well as for the overall measurement of service quality,” and required
6 that “when three or more of the twelve individual service items that comprise the SQI fall
7 below the standard threshold in a given month, the productivity offset shall be increased
8 by one-twelfth of one percent...”²⁶ Notably, the Department also continued the regular
9 service quality reporting requirement, which include details that go well beyond the
10 standards and measurements of the SQI.

11 **Q. How did the Department incorporate service quality regulation in the current**
12 **regulatory plan for Verizon MA, approved in D.T.E. 01-31?**

13 A. In its final order in D.T.E. 01-31, issued in April 2003, the Department determined that a
14 service quality plan was needed and approved Verizon MA’s proposal to continue the
15 existing plan with modifications to the penalty mechanism to account for the absence of a
16 price cap index in the new plan. The Department also noted the passage of time from the
17 development of the existing plan, which was based on 1992-1993 performance data, and
18 stated that “it may be appropriate to conduct a comprehensive review of Verizon’s retail
19 service quality and service delivery throughout the state. The Department will consider
20 whether opening such an investigation is appropriate.” D.T.E. 01-31, Phase II, at 100

²⁶ Id. at 238.

1 (April 11, 2003). To our knowledge, however, the Department has not subsequently
2 docketed any “comprehensive” investigation of Verizon MA’s service quality.

3 **Q. Does this investigation constitute a comprehensive review of service quality or the**
4 **current service quality plan?**

5 A. No. Notwithstanding the Attorney General’s criticisms of the current SQI, the scope of
6 this investigation is defined by Department vote as follows: “[T]he Department hereby:
7 VOTES: To open an investigation, docketed D.T.C. 09-1, regarding the reasonableness of
8 Verizon Massachusetts’ telephone service quality in Berkshire, Hampden, Hampshire, and
9 Franklin Counties, pursuant to G. L. c. 159, § 16.” (D.T.C. 09-1, Order Opening
10 Investigation, at 19). Thus, the appropriateness and sufficiency of the current SQI plan
11 has not been noticed as part of the scope of the investigation. Consequently, the Attorney
12 General’s criticisms and recommendations related to the Service Quality Plan are both
13 wrong in substance and misplaced as a matter of procedure.

14 **Q. What are Ms. Baldwin’s criticisms of the current plan?**

15 A. Ms. Baldwin states that the Service Quality Plan is not working as intended, which,
16 according to her, “... is clearly evidenced by the complaints and the series of individual
17 community proceedings that the Department has opened just since 2006.” She also
18 testifies that the “current Service Quality Plan masks local service quality issues in
19 Western Massachusetts.” Baldwin Direct at 75. She further bases her conclusions about
20 the current plan on her analysis of service quality in Western Massachusetts and Verizon
21 MA’s “failure to meet the Department-established standard and target for clearing

1 residential troubles within 24 hours.” *Id.* at 76. Finally, she criticizes the use of a rolling
2 average, the point threshold, geographic aggregation, and the lack of an incident-based
3 customer credit. *Id.* at 77.

4 **Q. In spite of the fact that the Attorney General’s criticisms of the current SQI are**
5 **outside the scope of this investigation, what are your thoughts about them?**

6 A. We address below the logical fallacy in Ms. Baldwin’s argument that a failure to meet the
7 standards for a single metric under the Service Quality Plan is evidence that the Plan does
8 not work or does not provide the appropriate incentives. On a more fundamental level,
9 though, Ms. Baldwin completely misunderstands the way that the SQI has fit into the
10 Department’s oversight of service quality in the Commonwealth.

11 As noted above, the Department’s order in D.P.U. 89-300 mandated that Verizon
12 MA file regular service quality reports. However, up until the Department’s price-cap
13 order in D.P.U. 94-50, there were no penalties associated with the Department’s oversight
14 of service quality. When the Department implemented the price-cap plan, including the
15 SQI standards and penalties, it rejected the notion that more disaggregation of standards
16 was appropriate for the SQI. As noted above, however, the Department did continue the
17 requirement to *report* disaggregated data. In this manner, the Department was able to
18 monitor service quality at a more granular level than was captured in the SQI, and the
19 Department has authority to initiate an investigation into service quality based on
20 performance in a particular wire center, municipality or region on its own motion or in
21 response to a petition from a town or city. Therefore, the SQI does not “mask” anything,
22 as alleged by Ms. Baldwin.

1 Ms. Baldwin's error is to assume that the Service Quality Plan is the sum total of
2 service quality regulation by the Department, when in fact it is only one component and
3 works in concert with the Department's review of more granular data than is captured in
4 the SQI and the statutory framework that allows individual communities to bring their
5 complaints directly to the Department for resolution, as well as the ability of individual
6 customers to initiate adjudicatory proceedings.²⁷

7 In terms of her other criticisms of the SQI, the Department carefully considered
8 the use of a rolling average, the point threshold, and the level of geographic reporting
9 when it developed the SQI, as evidenced by the Department's discussion of these factors
10 in its order in D.P.U. 94-50. In any event, modification of the current SQI was not
11 noticed as part of this investigation, so Ms. Baldwin's assertions about the efficacy of the
12 current plan are not only wrong but are beyond the scope of this case.

13
14 **B. Verizon MA Has More Than Enough Market Incentive To Provide Good Service**
15 **Quality Without Additional Government Regulation.**

16 **Q. Ms. Baldwin suggests that Verizon MA does not have "economic incentives" to**
17 **provide quality service (Baldwin Direct at 78). Mr. Calvey similarly testifies that**
18 **"Verizon does not care if it loses landline customers in Western MA" (Calvey Direct**
19 **at 10). Are they correct?**

²⁷ Ms. Baldwin states that she is unaware of any complaints from communities in Eastern Massachusetts (Baldwin Direct at 84, lines 1-2), but the Department investigated service quality in Athol, which is not in Western Massachusetts, in D.T.E. 99-77 and in Mission Hill, a neighborhood in Boston, in D.P.U. 96-30.

1 A. No. Verizon MA absolutely has market incentives to provide good service quality to
2 customers throughout the state. Verizon MA operates in a highly competitive market
3 where the vast majority of customers have the option of taking their telecommunications
4 business to other providers, and where many of these customers already have done so.
5 This is a critical point to remember. The Department noted in D.P.U. 89-300 that
6 “customers, if dissatisfied with either the rates or quality of NET’s basic exchange
7 services, cannot select a different telecommunications provider.” D.P.U. 89-300 at 379.
8 Perhaps accurate in 1990, this statement is far from accurate 20 years later, as we enter
9 2010.²⁸ Customers today have options for their telecommunications services, and they
10 have been exercising their freedom to choose providers. In the Western Massachusetts
11 LATA, Verizon has lost *** **BEGIN PROPRIETARY***** XX *** **END**
12 **PROPRIETARY** *** percent of its switched access lines in just the past five years,
13 which compares to a loss of *** **BEGIN PROPRIETARY***** XX *** **END**
14 **PROPRIETARY***** percent of lines in the Eastern Massachusetts LATA during the
15 same period.²⁹

16 It is not in the financial interest of Verizon MA to see these customers go to
17 competitors. Line losses to an alternative service provider can have a significant
18 financial effect because telecommunications, like other network industries, is one in
19 which a large portion of costs is fixed and a smaller portion of costs is variable. What

²⁸ For a look at what wireless service was like in June 1990, consider this 1990 advertisement from Radio Shack:
<http://www.youtube.com/watch?v=694TX2IQ7Uo>.

²⁹ See Proprietary Response to Information Request AG-VZ 1-10. These facts undermine Ms. Baldwin conclusion that “Monies not spent on and resources not allocated to the copper plant in Western Massachusetts are then available for regions in the Commonwealth where Verizon may confront relatively greater competition.” Baldwin Direct at 92, lines 11-14.

1 this means is that revenue losses from competition outpace reductions in expense from
2 declining demand. For a firm facing this condition, even small losses of volume to
3 competitors can result in a large reduction in profits. The basic reason is straightforward:
4 When such firms lose customers to competitors—especially to facilities based
5 competitors like cable companies or wireless companies—their revenues erode more
6 quickly than their costs, since fixed costs remain the same.

7 **Q. Why do you consider it important that customers have the ability to take their**
8 **business elsewhere?**

9 A. The ability of individual customers to freely choose which company they want to provide
10 their telephone service is a profound change from the past. When the SQI was developed
11 and alternative regulation was first considered as a replacement for traditional cost-of-
12 service regulation, basic telephone services were provided by a monopoly. Customers
13 did not get to choose their provider on the basis of price or service or any other standard.
14 Today, customers can and do change their telephone provider based on any reason.
15 When Verizon MA or Comcast or AT&T or Vonage do not meet customers'
16 expectations, those customers take their business elsewhere, and that freedom of
17 customer choice is the most powerful incentive mechanism possible in a market
18 economy.

19 **Q. But customers also may switch from Verizon MA's basic service to Verizon Wireless**
20 **Service. Doesn't that undermine any financial incentive to provide good service**
21 **over copper facilities for Verizon MA?**

1 A. No. Verizon MA cannot control the choices that customers make, and there are a number
2 of wireless alternatives in addition to Verizon Wireless. A policy of providing subpar
3 copper network service quality would be counterproductive to Verizon MA. If Verizon
4 MA provides customers with service quality that does not meet their expectations, it is
5 highly unlikely that customers will stay with Verizon MA for premium services or take
6 services from its partially-owned affiliate, Verizon Wireless. Customers who have a bad
7 experience with a Chevrolet are unlikely to replace their car with a Buick or move up to a
8 Cadillac. Rather, they are likely to look beyond General Motors. Verizon MA's
9 customers are abandoning traditional telephone service for wireless, cable, broadband,
10 and VoIP alternatives, but Verizon MA has every incentive to continue to provide quality
11 service to all of its customers. Verizon MA is acutely aware of the fact that its success in
12 the future is built on how it treats customers today.

13 **Q. Verizon MA often does not meet the Department's standards for Troubles Cleared**
14 **Within 24 Hours - Residence in Western Massachusetts taken as a whole. Isn't that**
15 **evidence that there is an incentive problem, regardless of the level of competition?**

16 A. No. First of all, Verizon MA consistently meets or exceeds all of the other metrics
17 standards in Western Massachusetts and frequently meets the Troubles Cleared -
18 Residence standards in individual wire centers in the region, as described in Sections II
19 and III, above. Second, the Troubles Cleared - Residence standard, which was created
20 fifteen years ago, may not reflect customer expectations and market levels of service
21 quality today. This does not change the fact that Verizon MA is obligated to try to meet

1 the standard, but it certainly calls into question any conclusion in this case that Verizon
2 MA is not trying to meet the standard or is not meeting customer expectations.

3 Third, it is not logical or consistent with market experience in any industry to
4 conclude that a failure to meet service quality goals is *prima facie* evidence of a lack of
5 incentives to meet such goals.

6 **Q. Please explain.**

7 A. In order to draw a connection between the observed fact (that a service standard is not
8 being met) and a hypothesis about the cause (therefore, the incentives to meet the
9 standard must be insufficient), you would have to assume that the incentive is the only
10 variable that affects the ability to meet service quality standards. But it is a rare industry
11 where things would be quite that simple. That simplistic assumption does not
12 characterize the telecommunications industry in general, and certainly does not
13 characterize the business challenges facing Verizon in Massachusetts and elsewhere,
14 which we will discuss in more detail below.

15 Ms. Baldwin suggests that failure to meet a standard is indicative of a problem
16 with the service quality plan and a lack of incentives for Verizon MA. (*See* Baldwin
17 Direct at 78). This suggestion is not consistent with what is observed in many
18 competitive industries. Service quality concerns are prevalent in a number of very
19 competitive industries, where industry performance is affected by more than just the
20 incentive to provide quality service.

21 As a few examples: Automobile manufacturing is a very competitive industry
22 where service quality concerns tend to be a very strong consideration for car buyers, as

1 evidenced by the rankings of quality provided by Consumer Reports, J.D. Power, and
2 others. Yet some auto manufacturers struggle with service quality year after year.
3 Similarly, airlines are commonly compared in terms of on-time performance, baggage
4 handling, and other service “metrics,” and some airlines have difficulty meeting customer
5 expectations. What these examples suggest is that it is not so simple to conclude that a
6 failure to meet service expectations by definition means that companies do not have an
7 incentive to meet service expectations or standards.

8 **Q. Are you saying that the Department should be indifferent to whether Verizon MA**
9 **meets the Troubles Cleared Within 24 Hours - Residence standard?**

10 A. Not at all, but the nature of the issue leads to the conclusion that it should not be dealt
11 with by changing the SQI in the regulatory plan or requiring that every customer be
12 compensated whenever Verizon MA misses a standard or the other remedies suggested
13 by Ms. Baldwin. In addition, in the course of any service quality investigation, the
14 Department must consider factors that affect even a highly motivated carrier’s ability to
15 meet the standard, such as the rural or urban character of the region, severe weather and
16 market conditions.

17 The appropriate way for the Department to deal with these types of service issues
18 is to respond to complaints or on its own motion, as it has done numerous times since the
19 SQI was created. The nature of the service quality problem should drive the nature of the
20 regulatory response, if one is called for. In this instance, the evidence shows
21 conclusively that Verizon MA provides high quality service in the Western
22 Massachusetts region, but that there may be geographic pockets where the rural nature of

1 the area and severe weather hamper the company's ability to meet all of the prescribed
2 standards. No regulatory response is called for. The Department certainly should not
3 base its decision on Ms. Baldwin's faulty premise that a failure to meet a standard
4 necessarily means that there is an incentive problem.

5 **Q. Ms. Baldwin claims that "Verizon asserts that consumers prefer to wait longer for**
6 **repair," (Baldwin Direct at 82) and that "Verizon MA's position [is] that consumer**
7 **preference drives declining service quality" (Id. at 42). Is this an accurate**
8 **characterization of Verizon MA's position?**

9 A. No. This is indicative of Ms. Baldwin's inability or unwillingness to seriously consider
10 Verizon MA's position, and is more in the nature of a caricature than a characterization.
11 Notwithstanding her unfair and biased summary of Verizon MA's position, she
12 accurately quotes Verizon MA as saying "*Verizon MA believes that customers generally*
13 *do want landline dial tone installed and repaired quickly ...*" (Baldwin Direct at 42,
14 *citing* response to Information Request AG-VZ-5-3 (italics added)). However, Verizon
15 MA also accurately points out that changing consumer preferences have unquestionably
16 resulted in fewer consumers today regarding their landline phone as the essential link to
17 the outside world, and "as a result, it is often more important to customers that service be
18 installed or restored at their convenience, even if that means the work is not performed as
19 soon as it otherwise could have been."³⁰ To deny the changes in customer preferences in
20 terms of their use of wireless service and wireline service would require willful

³⁰ Verizon response to Information Request AG-VZ 5-3.

1 ignorance. The current recession emphasizes that many customers appear to value their
2 wireless service more than their wireline service. This trend has been widely reported:

3 [T]he truth is that despite the troubled economy, Americans are
4 still spending money on wireless and broadband services, which is
5 helping to keep phone companies much healthier than other
6 industries. That said, the industry is feeling the pinch. Specifically,
7 phone companies are seeing a more rapid decline in their
8 traditional telephone businesses.³¹

9 In a high-tech shift accelerated by the recession, the number of
10 U.S. households opting for only cell phones has for the first time
11 surpassed those that just have traditional landlines. It is the freshest
12 evidence of the growing appeal of wireless phones.

13 Twenty percent of households had only cells during the last half of
14 2008, according to a Centers for Disease Control and Prevention
15 survey released Wednesday. That was an increase of nearly 3
16 percentage points over the first half of the year, the largest six-
17 month increase since the government started gathering such data in
18 2003.

19 The 20 percent of homes with only cell phones compared to 17
20 percent with landlines but no cells.

21 That ratio has changed starkly in recent years: In the first six
22 months of 2003, just 3 percent of households were wireless only,
23 while 43 percent stuck to landlines.³²

³¹ Reardon, Marguerite, "Wireless Saving Phone Companies During Recession," CNET News, January 29, 2009. Available at: http://news.cnet.com/8301-1035_3-10151807-94.html.

³² "One Way to Cope with Recession: More Cell Phone Users Dropping Their Landline," AARP Bulletin Today, May 6, 2009. Available at: http://bulletin.aarp.org/states/pa/2009/18/articles/one_way_cope_recession_more_cell_more_phone_users_dropping.html.

1 In any event, the Department can read Verizon MA's response for itself and then
2 compare it to Ms. Baldwin's characterization to see if she is making a serious attempt to
3 summarize and credit Verizon MA's position.

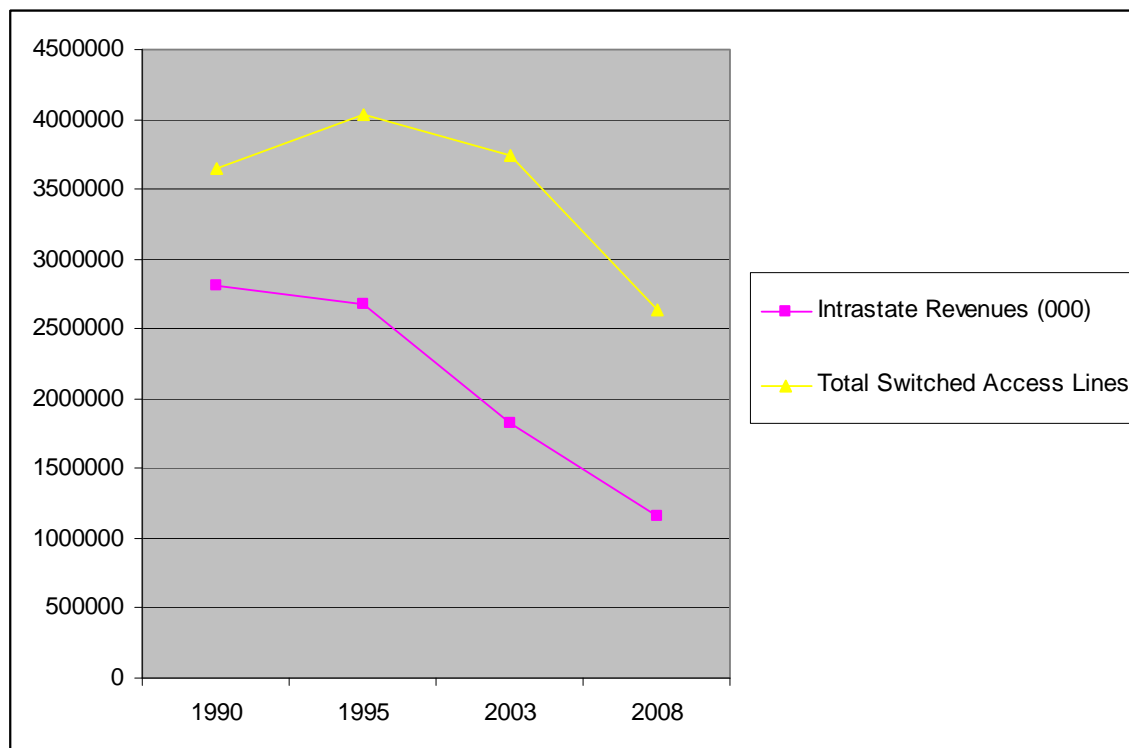
4 **Q. Ms. Baldwin compares an alleged deficiency in 1990 to what she claims is a similar**
5 **situation today: "almost twenty years later, the same concern persists – namely that**
6 **Verizon MA may not be maintaining and replacing outside plant that provides basic**
7 **local telephone service in some communities while it pursues new lines of business**
8 **elsewhere." (Baldwin Direct at 12). What is wrong with that comparison?**

9 A. As noted earlier, the primary difference between 1990 and today is that customers have
10 choices for all of their telecommunications services, including basic exchange services,
11 and have been exercising that choice. Another difference is the fact that Verizon MA
12 was regulated as a monopoly rate-of-return provider in 1990, while its costs and revenues
13 are subject to market forces today, and the Department cannot provide the Company with
14 any certainty in terms of recouping the cost of additional investment or expense.
15 Incredibly, it does not seem to matter to Ms. Baldwin whether an investment is economic:
16 "Network expenditures may not yield reasonable returns on investment but may be
17 necessary all the same to ensure adequate service quality."³³ Verizon MA and the
18 Department do not have the same luxury as she does to simply ignore whether the
19 Company has an opportunity to earn a reasonable return on its investments.

20 The following chart highlights the significant changes in Verizon MA's intrastate
21 revenues and switched access lines over time. This is done in the chart by plotting the

³³ Baldwin Direct at 92.

relevant data for the years 1990, 1995, 2003, and 2008 (most recent year for which data are available).³⁴ 1990 is the year when D.P.U. 89-300 was issued; 1995 is when D.P.U. 94-50 was issued; and 2003 is when D.T.E. 01-31, Phase II was issued.



The chart shows that there is a big difference between 1990 and today. Verizon MA operates in a highly competitive market in which it has lost more than 1.1 million switched access lines (about 30%) in just the past five years. Intrastate revenues have declined by more than 25% in that period. As noted above, revenue losses in this industry outpace declines in expenses, but it is necessary for any firm facing declining

³⁴ Revenues are shown in real terms, in 2008 dollars. Data taken from ARMIS.

1 revenues to reduce its related expenditures to the extent possible and consistent with
2 business needs.

3 In spite of these declines in demand and revenue in the regulated telephone
4 business, Verizon MA faces the imperative of keeping up with technological demands
5 that are also driven by competition and customer preferences. In particular, cable
6 companies have deployed high-speed Internet service across their service territories and
7 provide traditional voice services over the same platform, making voice service available
8 to the vast majority of Massachusetts residents. Cable companies are not subject to any
9 service quality reporting or measurement standards. At the same time, customers have
10 indicated their preferences for “one-stop shopping” for all of their communications needs
11 – voice, Internet, and video. Pursuing “new lines of business,” as Ms. Baldwin puts it, is
12 not simply a choice for Verizon MA; rather, it is an imperative for survival. Ms.
13 Baldwin’s suggestion at page 52 of her testimony that Verizon MA is managing its
14 business for the purpose of “patching” its performance to “squeak past” regulatory
15 metrics is, quite simply, ridiculous, in light of all of the market challenges facing the
16 company (and for the additional reasons discussed in Section III, above).

17 Therefore, Verizon MA faces the challenge of making necessary and
18 extraordinary investments to compete, while at the same time managing the decline in
19 demand, revenues, and expenses in the traditional telephone business served primarily
20 over a copper-based network. One of the most difficult parts of this challenge is to
21 manage this transformation while delivering to all customers the service quality that they
22 expect and demand. If Verizon MA has fallen short on this goal to the extent of missing

1 a single metric among twelve metrics in the Plan, it is certainly not the result of a lack of
2 incentives. And piling additional “incentives” on Verizon MA in the form of penalties is
3 not an appropriate response. As stated above, Verizon MA is acutely aware that its
4 success in the future is built on how it treats customers today. But the regulatory policies,
5 analogies, and answers from 1990 are not an appropriate guide to policy in 2010 in the
6 telecommunications industry.

7
8 **C. The Additional Regulations The Attorney General and the IBEW Seek To Impose**
9 **On Verizon MA Are Unnecessary, Unreasonable And Have No Basis In The Record**
10 **Before The Department.**

11 **Q. What remedies does Ms. Baldwin recommend in this case?**

12 **A.** Ms. Baldwin makes the following recommendations:

- 13 • I recommend that the Department direct Verizon MA to submit OOS-based data for
14 Western Massachusetts on a monthly basis so that the Department can monitor the
15 duration of residential customers’ lack of dial tone. (Baldwin Direct at 79-80.)
16
- 17 • I recommend that the Department establish customer credits to compensate customers
18 for unduly long wait times for the restoration of out-of-service lines and the repair of
19 service affecting troubles. (*Id.* at 80.)
20
- 21 • The Department could consider establishing a pilot program in Western Massachusetts
22 such that Verizon would provide a customer credit to any residential customer that waits
23 more than 36 hours for repair (regardless of whether it is an OOS or service-affecting
24 trouble). After twelve months, Verizon would make a filing with the Department
25 describing the results. (*Id.* at 81.)
26
- 27 • I recommend that the Department require a comprehensive [third-party] audit of the
28 telecommunications infrastructure and resources available in Western Massachusetts.
29 (*Id.* at 91.)
30
- 31 • The Department should post Verizon MA’s monthly service quality report on the
32 Department’s web site. (*Id.* at 6.)

- 1
2 • If Verizon discontinues its ARMIS reporting to the FCC in the future, the Department
3 should require Verizon to provide the information previously provided in those ARMIS
4 reports to the Department.³⁵
5

6 **Q. Please comment on Ms. Baldwin's proposed remedies in this case.**

7 A. First, it is evident from the record that there is nothing to remedy on a regional basis,
8 since the evidence clearly demonstrates that Verizon MA's service quality is just,
9 reasonable and adequate. However, even if you accept Ms. Baldwin's analysis on its
10 own terms, her proposed remedies are wholly out-of-line with the "evidence" she cites
11 and are clearly unreasonable.

12 **Q. Please explain why you are opposed to her customer credit proposal.**

13 A. The Department's service quality regulation has never considered an individual service
14 issue to be *per se* unreasonable and thus require a credit, other than what is already
15 provided in the tariff. Ms. Baldwin's proposal for Verizon MA to pay the customer for
16 each and every incident of failure to meet a standard represents a level of perfection that
17 would be unreasonable to demand of any carrier, and Ms. Baldwin's recommendation

³⁵ Id. These last two recommendations – putting the service quality report on the Department's website and continuing ARMIS reporting – are clearly outside of the scope of this investigation. They represent changes to statewide service quality reporting – not whether service quality is reasonable in Western Massachusetts. In any event, the Department should not attempt to undermine the FCC's considered decisions on reporting requirements. The FCC has granted forbearance to Verizon and other similarly situated carriers from continued service quality and customer satisfaction data reporting obligations. See Memorandum Opinion and Order and Notice of Proposed Rulemaking, In the Matter of Service Quality, Customer Satisfaction, Infrastructure and Operating Data Gathering, WC Docket Nos. 08-190, 07-139, 07-204, 07-273, 07-21 (rel. Sept. 6, 2008). At the same time it granted forbearance, the FCC opened a rulemaking to determine whether it should impose service quality reporting requirements on all competitors, including cable companies and wireless companies, to ensure a level playing field and more complete information for consumers. As a condition to forbearance, the FCC required the incumbent carriers to continue to report data for twenty-four months to provide continuity and to assist in the rulemaking.

1 would apply it only to Verizon MA. Apart from that general objection, the specifics of
2 her proposal clearly show that it is extreme.

3 Ms. Baldwin claims to base her proposal on credit mechanisms that are in place in
4 other states, but even on those terms her proposal in this case is draconian and
5 unprecedented. For example, Ms. Baldwin suggests a credit of \$75 for service that is not
6 restored in 96 hours, yet the credit she cites in West Virginia for service restoration
7 greater than 96 hours but less than 120 hours is only \$15. In Illinois, another of her
8 examples, a similar outage is credited only the monthly recurring charge, which generally
9 is far less than \$75. (Verizon MA's tariffed monthly recurring charges for residential
10 flat-rate basic exchange service, for example, total only \$19.64. (*See* DTC MA No. 10,
11 Part M, § 1.5.1.) Ms. Baldwin also recommends significant credits for "service-affecting
12 troubles" such as static on the line. Incredibly, she would have Verizon MA credit a
13 customer \$45, or roughly two-months' worth of local unlimited service charges, for four
14 days of static. (*See* Baldwin Direct at 80-81.)

15 **Q. Ms. Baldwin states that she has "reviewed the manner in which other state**
16 **regulatory bodies have sought to provide an incentive for Verizon and other**
17 **incumbent local exchange carriers to provide adequate service quality." (Baldwin**
18 **Direct at 84.) Ms. Baldwin cites specific examples that in her opinion have "merit"**
19 **because they provide credits directly to consumers affected by poor service quality.**
20 **Please comment on Ms. Baldwin's review.**

21 **A.** Ms. Baldwin cites only four service quality plans (West Virginia, Arkansas, Illinois, and
22 Michigan) that contain automatic service quality credits to affected customers. One can

1 only suppose that her review was either not comprehensive *or* that there are few service
2 quality plans that contain service quality credits. We do not know how comprehensive
3 her review was, but we do know that there are only a small handful of service quality
4 plans where Verizon is an ILEC that contain backward looking customer credit
5 requirements as described by Ms. Baldwin as having merit. They are West Virginia
6 (where the credits are part of a settlement agreement that has a set term), Illinois, and
7 Michigan. Also, Ohio requires Verizon to provide an automatic credit for one month of
8 regulated local service to customers who are out of service longer than 72 hours.
9 Accordingly, where Verizon is an ILEC, only a small minority of states has imposed
10 penalties on Verizon similar to those Ms. Baldwin proposes here.

11 **Q. Do you concur with Ms. Baldwin’s description of the West Virginia plan?**

12 A. The carefully selected information provided by Ms. Baldwin is accurate; however, it does
13 not fully represent the agreement that was negotiated between Verizon, PSC Staff, and
14 the Consumer Advocate Division. As with any negotiated agreement, the plan must be
15 viewed in its totality. First, Ms. Baldwin neglects to mention that this voluntary
16 agreement expires July 1, 2011, after which time the plan can be terminated by any party,
17 including Verizon.³⁶ Second, Ms. Baldwin fails to acknowledge that the credits she cites
18 for OOS conditions (which do not begin until a customer is OOS for more than 72 hours
19 – in contrast to Ms. Baldwin’s proposal of credits after 36 hours) are not applicable for

³⁶ CASE NO. 08-0761-T-GI - E: Term of Plan: “This Plan shall extend through July 1,2011, and thereafter until such time as any Party hereto gives six months’ written notice to the other parties and the Commission that this Plan is to be terminated without further action by the Parties or the Commission; provided, however, that Verizon WV may give such notice only if it has met the metrics under Section A in nine (9) of the previous twelve (12) months, and its performance on any missed metrics was within ten percent (1 0%) of the metric standard.”

1 customers who agreed to a restoration date beyond the stated criteria. In addition, the
2 OOS metric (Ms. Baldwin simply mentions there is a metric) in the agreement is OOS
3 cleared \leq 48 hours with an initial 75% objective (increasing to 80% by July 1, 2010).
4 Finally, Verizon can exclude weekends, holidays, and where the customer accepted a
5 date exceeding the objective. In contrast, the existing metric in MA requires all troubles
6 (not just OOS) be cleared in 24 hours with no exclusions permitted.

7 **Q. Do you concur with the limited descriptions of the plans Ms. Baldwin cites in**
8 **Arkansas, Illinois, and Michigan?**

9 A. Verizon is not an ILEC in Arkansas, and we have not conducted research into the service
10 quality plans for ILECs in that state, so we have no insight into the plan in Arkansas. We
11 concur with her limited descriptions of service quality plans in Illinois and Michigan.

12 **Q. On page 82 of Ms. Baldwin's testimony she states that the OOS regulatory**
13 **requirement in "numerous other jurisdictions" is more stringent than in Western**
14 **Massachusetts. Do you concur?**

15 A. No, we do not concur. First, as previously mentioned, the metric in Massachusetts
16 contains all troubles, not just OOS conditions. Massachusetts is the only state, where
17 Verizon is an ILEC, that has a metric that combines OOS and SA (Service Affecting)
18 troubles, so any comparison to a standalone metric for OOS conditions only is
19 inappropriate. Additionally, the Department does not permit any "exclusions" in its
20 outlier metric. For example, many jurisdictions allow Verizon to exclude Sundays (some
21 allow the exclusion of weekends for residence), holidays, or where a customer requests

1 (or accepts) a date exceeding the interval. Again without using like assumptions, an
2 accurate comparison can not be made.

3 The recent trend, in fact, shows jurisdictions validating the competitive
4 environment in their service quality plans and eliminating their OOS cleared in 24 hour
5 metric. Indiana, for example, terminated all metric reporting effective July 1, 2009. The
6 Virginia SCC on November 1, 2009, adopted new metrics which no longer include an
7 OOS cleared in 24 hour measure and replaces it with a more appropriate measure of OOS
8 cleared in 48 hours with an 80% objective, including appropriate exclusions. In Texas,
9 metrics are not reported for exchanges deemed competitive. In Florida, effective January
10 1, 2010, metrics will only be reported for residence customers who purchase standalone
11 dial tone service (no packages or vertical features).

12 **Q. Do you agree with Ms. Baldwin's recommendation that the Department require**
13 **Verizon MA to file with the Department the data in the ARMIS service quality**
14 **report? (See Baldwin at 74-75.)**

15 A. No. We don't believe that Ms. Baldwin has demonstrated any basis for any of her
16 recommendations. As to her particular proposal regarding the ARMIS report, the data in
17 that report is provided on a statewide basis. Ms. Baldwin's proposal would therefore add
18 a new statewide reporting requirement to the obligations Verizon MA already bears under
19 the Service Quality Plan. It is therefore beyond the scope of this proceeding, which
20 concerns the service quality in Western Massachusetts, not changes to the Plan. In
21 addition, there is no need for such additional reporting because Verizon MA already

1 reports similar information to the Department, and has done so for many years, and the
2 Plan and its reporting requirements are specifically geared to Massachusetts.

3 **Q. Mr. Rowley recommends that the Department order Verizon MA to report the**
4 **number of customer trouble reports by municipality. (Rowley Direct at page 44).**
5 **Please respond.**

6 A. Mr. Rowley's recommendation is groundless and not possible. Verizon MA's network is
7 organized to provide service through wire centers, which are not coextensive with
8 municipalities, and Verizon MA does not record, or track or report data for RPHL by
9 municipality. The Department's Service Quality Plan recognizes this and has always
10 required Verizon MA to report the RPHL by wire center, not by municipality. Moreover,
11 there is no reason to impose such additional reporting on Verizon MA. Not only has
12 Verizon MA demonstrated that service quality in Western Massachusetts is just,
13 reasonable and adequate, but this proceeding is a *regional* investigation, not defined by
14 municipal boundaries. RPHL by wire center is fully sufficient to monitor service quality
15 across the region. Indeed, in opening this proceeding, the Department noted that a
16 "[r]egional service investigation will make it possible for the Department and parties to
17 gather and evaluate sub-regional (central office) historical trouble report data that, as
18 Verizon itself has acknowledged, is not available on a town specific basis." (Order
19 Opening Investigation at 17.)

20 **Q. Please comment on Ms. Baldwin's proposal for a third-party infrastructure audit of**
21 **Verizon MA's entire network in Western Massachusetts.**

1 A. Ms. Baldwin acknowledges that such an audit would be unprecedented (see Baldwin
2 Direct at 93) but contends that it is appropriate because “Consumer complaints, the age of
3 the outside plant, the disproportionate number of troubles reported and Verizon MA’s
4 delay in repairing troubles all point to fundamental problems with the level of resources
5 being assigned to Western Massachusetts and the state of the infrastructure.” (*Id.* at 92.)
6 Of course, this statement has no basis in fact. As explained in Section III, the “consumer
7 complaints” received by the Department demonstrate only that some customers
8 experience service issues - a known fact that says nothing about the quality of service
9 Verizon MA provides in Western Massachusetts. Second, Ms. Baldwin knows that her
10 discussion of a tiny, non-representative sample of cable known to cause service issues
11 doesn’t point to anything about the rest of Verizon MA’s network, much less to
12 “fundamental problems” with that infrastructure. Third, as demonstrated in Section II,
13 above, the RPHL in Western Massachusetts is comparable, not “disproportionate,” to the
14 RPHL for Eastern Massachusetts and, more importantly, satisfies the Department’s
15 stringent Service Quality target. That alone should put to rest any discussion of an audit
16 of the company’s infrastructure. Finally, a “delay in repairing troubles” - Verizon MA’s
17 performance on a single metric in the Plan - alone affords no basis for an audit. Simply
18 put, there is no evidence in this case of any “fundamental problems” with Verizon MA’s
19 network across Western Massachusetts.

20 Moreover, there is no evidence to support Ms. Baldwin’s assertion that the audit
21 should be performed by a third party. The only support she provides for use of a third-
22 party to conduct an audit is the general, unsupported statement that, “In order to fulfill its

1 regulatory oversight role, the Department requires detailed information from an objective
2 third party.” (Baldwin Direct at 92). Verizon MA is capable and is the most qualified
3 entity to conduct an audit of its network infrastructure, and the company already has
4 conducted a similar evaluation recently in the town of Middlefield, to the satisfaction of
5 the town.³⁷ Indeed, testimony submitted by both the Attorney General and the IBEW
6 substantially relies on data provided by Verizon MA. The scope of Ms. Baldwin’s
7 recommended audit, both in substance and geographic reach, is not consistent with the
8 record in this case, and there is no reason why any audit should be conducted by a third-
9 party.

10 **Q. Ms. Baldwin attempts to justify her proposal for a comprehensive, third-party audit**
11 **in part by claiming that, “Verizon MA should be a step ahead of problems rather**
12 **than in a reactive mode.” Please comment.**

13 A. Ms. Baldwin’s statement ignores the substantial information showing the many ways in
14 which Verizon MA manages its network proactively to prevent customer service
15 affecting issues from arising. These include the Proactive Cable Maintenance process,
16 the Predictor system and packages, the Capital PCM process to replace cable that is
17 causing or may cause issues and the Open Plant program (including Verizon MA’s
18 ongoing work to close plant in Williamstown, Leverett and Shutesbury). She ignores the
19 Quality Inspection program designed to ensure that repair work meets Verizon MA’s

³⁷ See Settlement Agreement approved on December 16, 2008, in Docket DTC 06-6, *Petition of Town of Middlefield*.

1 standards, and she ignores the various alarm systems Verizon MA uses to stay a “step
2 ahead” of service issues.

3 **Q. Ms. Baldwin also argues for a comprehensive audit on the grounds that, “My**
4 **analyses of various service quality metrics, discussed above, show that service**
5 **quality problems are pervasive and persistent.” (Baldwin Direct at 91.) Please**
6 **comment.**

7 A. Ms. Baldwin has shown no such thing. To the contrary, the data provided in Sections II
8 and III, above, demonstrate that Verizon MA provides very good service across Western
9 Massachusetts and that many individual wire centers perform even better on a number of
10 metrics. Even on the lone metric that Verizon MA does not satisfy for the region as a
11 whole - Troubles Cleared 24 Hours - Residence -- many wire centers often do satisfy the
12 Department’s standard. At most, Ms. Baldwin has merely identified some wire centers in
13 Western Massachusetts that underperform on certain metrics in certain months. Almost
14 without exception, these are small, rural offices that are more prone to wild swings in
15 their service quality metrics due to severe storms and the distance from the central office
16 to many customers. That there may be pockets of Western Massachusetts where it is
17 more difficult to maintain stable service quality metrics in no way supports Ms.
18 Baldwin’s proposal for a comprehensive audit of Verizon MA’s complete infrastructure
19 across the entire region.

20 **Q. Does this conclude your testimony?**

21 A. Yes, it does.