

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Evaluate
Telecommunications Corporations Service
Quality Performance and Consider
Modification to Service Quality Rules.

Rulemaking 11-12-001

**OPENING COMMENTS OF AT&T ON ALTERNATE PROPOSED DECISION
OF COMMISSIONERS FLORIO AND SANDOVAL**

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AT&T¹ hereby submits its comments on the Alternate Proposed Decision of Commissioners Florio and Sandoval (“APD”). As discussed herein, the APD should not be adopted.

I. THE APD INCORRECTLY FINDS THERE IS NO NEW FACTUAL EVIDENCE SUPPORTING REVERSAL OF THE ORDERED NETWORK STUDY.

Finding of Fact 2 of the APD states: “No new factual evidence suggests that the concerns that led to the adoption of that decision no longer apply.” The APD’s support for this finding is on page 8: “As demonstrated in the more recent service quality report documenting performance on these same measures in 2010-2013, the performance of the largest carriers (AT&T and Verizon) remains below the adopted standards in the areas identified four years ago.”

This assertion is supported by a citation to, and quotation from, the Staff Report attached to the September 24, 2014 Scoping Memo discussing AT&T’s and Verizon’s failure to meet the Out of Service (“OOS”) standard.

Relying on failures to meet the OOS standard to justify audits of AT&T’s and Verizon’s networks is fundamentally flawed. The OOS standard measures the time to respond to a customer trouble report, after the customer is out of service. Network quality is measured by the number of incidents of trouble, not how long AT&T or Verizon takes to fix the trouble.

ORA agrees that “The number of trouble reports per 100 lines, or trouble report rate, is a strong indicator of the health of the telephone network.”² The Staff Report concluded that for

¹ Pacific Bell Telephone Company d/b/a AT&T California (U 1001 C); AT&T Corp., f/k/a AT&T Communications of California, Inc. (U 5002 C); Teleport Communications America, LLC, f/k/a TCG San Francisco (U 5454 C); and AT&T Mobility LLC (New Cingular Wireless PCS, LLC (U 3060 C); AT&T Mobility Wireless Operations Holdings, Inc. (U 3021 C); and Santa Barbara Cellular Systems Ltd. (U 3015 C)).

² ORA Opening Comments, p. 15 (Jan. 31, 2012).

the measure reflecting the health of the telephone network, “[b]oth URF carriers and GRC ILECs *consistently* met the minimum standards established in the Customer Trouble Report measure.”³

More specifically, AT&T has consistently outperformed this measure:

Customer Trouble Report	Standard	Years				
		2010	2011	2012	2013	2014
Offices with > 3000 Lines	6	1.69	1.48	1.34	1.24	1.33
Offices with 1001 - 2999 Lines	8	2.47	2.24	1.97	1.7	2.93
Offices with < 1000 Lines	10	3.06	2.71	2.4	2.11	2.67

Similarly, Verizon has also outperformed this measure. In 2014, Verizon reported monthly trouble reports ranging from 0.78 to 1.65 per 100 lines.⁴

Consequently, the finding in the APD that no new factual evidence supports deferring the network study is 180 degrees off. The APD cites the wrong measure for its conclusion, the OOS measure, and ignores the measure ORA agrees “is a strong indicator of the health of the telephone network,”⁵ namely the Trouble Reports per hundred lines measure. The new evidence to support deferring the network study is the 2014 Staff Report finding carriers, including AT&T and Verizon, have “consistently” met this measure.⁶ Based on the APD’s own logic, but referring to the correct measure, the network study should not proceed at this time.

³ Staff Report, p. 9 (emphasis added).

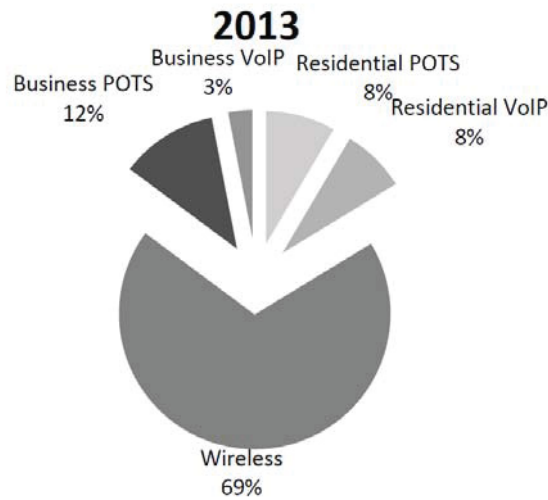
⁴ Verizon Opening Comments on PD, p. 2 (May 7, 2015).

⁵ ORA Opening Comments, p. 15 (Jan. 31, 2012).

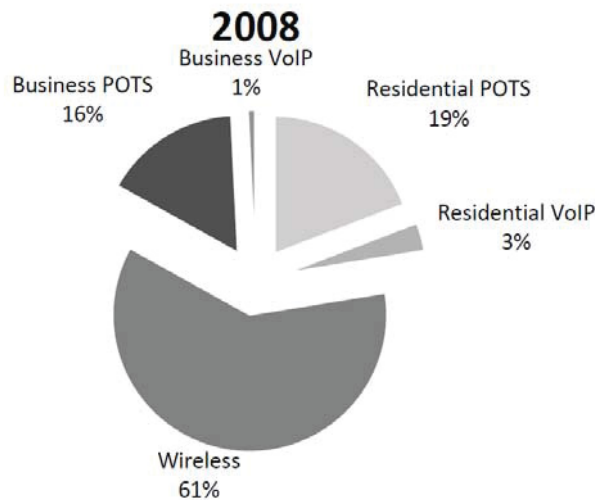
⁶ Staff Report, p. 9.

II. THE MINOR ROLE NOW PLAYED BY WIRELINE SERVICE CALLS FOR ABANDONING SERVICE QUALITY METRICS AND THE NETWORK REVIEW.

The number of wireline customers is now a small fraction of the Communications market. As of 2013, wireline customers made up only 20% of the market⁷:



Just five years prior, the wireline market was 35%.⁸



⁷ Before the Federal Communications Commission, Industry Analysis and Technology Division—Wireline Competition Bureau, “Local Telephone Competition: Status as of December 31, 2013,” Tables 9-10, 17 (rel. October 2014), available at: https://apps.fcc.gov/edocs_public/attachmatch/DOC-329975A1.pdf.

⁸ Before the Federal Communications Commission, Industry Analysis and Technology Division—Wireline Competition Bureau, “Local Telephone Competition: Status as of December 31, 2008,” Tables 10-11, 18 (rel. June 2010), available at: https://apps.fcc.gov/edocs_public/attachmatch/DOC-299052A1.pdf.

Thus, not only is the wireline share very small, it is falling precipitously. About 70% of calls to 911 come from wireless phones, reflecting their dominance in the market.⁹ It makes no sense to set service quality metrics, adopt penalties, or audit the wireline networks when they serve such a small and diminishing share of the market.

III. CONCLUSION

The APD should not be adopted. The Staff Report has found AT&T and Verizon “consistently” meet the measure that reflects the health of the network.¹⁰ A network examination, given these findings, is not a reasonable use of Commission resources. The changed circumstances call for a reversal of the call for a network examination.

Dated this 23rd day of July 2015 at San Francisco, California.

Respectfully submitted,

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⁹ Before the Federal Communications Commission, Consumer Guide, “911 Wireless Services,” p. 1 (available at: <https://transition.fcc.gov/cgb/consumerfacts/wireless911srv.pdf>).

¹⁰ Staff Report, p. 9.

APPENDIX A

Findings of Fact

1. The Commission ordered a study of telecommunications network infrastructure, facilities, policies, and practices in D.13-02-023, on February 28, 2013.

2. ~~No n~~ New factual evidence suggests that the concerns that led to the adoption of that decision no longer apply.

~~3. The ordered study is consistent with Commission the Commission's responsibility for ensuring and enhancing public safety.~~

~~4. Communications network architecture plays an important role in ensuring public access to emergency services, including 911.~~

~~5. The ordered study is consistent with the Commission's focus on the safety of Californians, and recent actions to assess and enhance the safety of utility infrastructure~~

~~6. A penalty and fine mechanism, even if adopted, does not fulfill the same role as the ordered study, and so does not provide an adequate reason for deferring the study.~~

Conclusions of Law

~~1. The ordered study is consistent with the Commission's responsibility under state law, including P.U. Code Section 451, to ensure that utilities provide a quality of service sufficient to support the safety, health, comfort, and convenience of Californians.~~

~~2. The ordered study is consistent with the Commission's responsibility under P.U. Code Section 2889.8 to assess the reliability of the public communications network.~~

~~3. The order to conduct the study of network infrastructure, facilities, policies, and practices, adopted by this Commission in 2013, remains in effect, despite the delay in the study's initiation.~~

4. 1. The network study ordered in D.13-02-023 should be deferred, ~~conducted~~ expeditiously.