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

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

) R. 11-12-001
) (Filed December 1, 2011)
)

**REPLY COMMENTS OF
SUREWEST TELEPHONE (DBA CONSOLIDATED COMMUNICATIONS)
(U 1015 C)
("Consolidated")
ON THE ASSIGNED ADMINISTRATIVE LAW JUDGE'S RULING SETTING
DATES FOR COMMENTS AND REPLY COMMENTS ON STAFF PROPOSAL**

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1 **I. INTRODUCTION.**

2 Pursuant to the Administrative Law Judge's Ruling Setting Dates for Comments and
3 Reply Comments on Staff Proposal dated February 2, 2015, SureWest Telephone (dba
4 Consolidated Communications) ("Consolidated") (U 1015 C) hereby submits its reply
5 comments on the Staff Proposal for Proposed Modifications to General Order 133-C (the
6 "Staff Proposal"). In its opening comments, Consolidated explained how staff has
7 acknowledged Consolidated's history of providing high service quality in its November
8 2014 report on service quality, reflecting Consolidated's commitment to providing safe and
9 reliable service to its customers and why this means that Consolidated should not be
10 subject to the recommendations to implement automatic refund and penalty provisions for
11 failure to meet minimum service quality requirements and to the revised reporting
12 requirements. The comments on the Staff Proposal also continue to reflect general
13 agreement among the carriers that the Commission should not adopt the recommendation
14 to implement automatic refund and penalty provisions for failure to meet minimum service
15 quality requirements or to revise the existing reporting requirements.

16 **II. THE COMMISSION SHOULD REJECT THE PROPOSAL FOR**
17 **AUTOMATIC PENALTY AND REFUNDS.**

18 The Commission should reject the Staff Proposal's recommendations to impose
19 penalty provisions to address concerns with service quality levels. The comments of
20 carriers on the Staff Proposal demonstrate that such provisions are inconsistent with a
21 competitive market. E.g., AT&T Comments, p. 5; Frontier Comments, p. 3; and Verizon
22 Comments, p. 5-7. For competitive carriers like Consolidated, the most significant
23 incentive to avoid poor service quality is the customer's ability to switch service providers.
24 Accord, Frontier Comments, p. 8; Verizon comments, p. 8. Consolidated agrees with Cox
25 that the record in this proceeding does not support adoption of industry-wide rules. Cox
26 Comments, p. 4. As Consolidated noted in its opening comments, the Commission can
27 open an investigation into service quality issues at any time if warranted by a carrier's G.
28 O. 133-C filings. See also, Frontier Comments, p. 8. If service quality is found to be

1 inadequate in such an investigation, the Commission can implement performance
2 improvement plans and specific mitigation measures.

3 However, if the Commission believes that a penalty mechanism should be adopted,
4 it should not be applied to carriers such as Consolidated that have a demonstrated history
5 of high service quality. The Staff Proposal recognized this principle with respect to the
6 General Rate Case Incumbent Local Exchange carriers. Staff Proposal, pp. 4 and A-1. It
7 should apply the same principle to carriers such as Consolidated with comparably high
8 levels of service quality. See also, Cox Communications Comments, pp. 3, 16. ORA, by
9 contrast, recommends that the penalty and refund mechanisms be extended to all telephone
10 corporations. ORA Comments, p. 4. However, ORA cites no evidence to justify its call
11 for implementing penalty and refund mechanisms on an industry-wide basis or explain
12 how such mechanisms would provide incentives to carriers already providing high levels
13 of service quality.

14 **III. THE STAFF PROPOSALS TO CHANGE REPORTING REQUIREMENTS**
15 **AND ADD NEW REPORTING REQUIREMENTS SHOULD NOT BE**
16 **ADOPTED.**

17 In its opening comments, Consolidated recommended that the Commission reject
18 the Staff Proposal to require reporting of Out of Service ("OOS") incidents unadjusted for
19 the exclusion of Sundays, federal holidays, catastrophic events, and events beyond the
20 control of the company, including customer requested appointments, to require that
21 reporting be broken down by type of voice service and class of customer, to require
22 reporting for large business customers, and to increase the reporting of events already
23 subject to the FCC's Network Outage Reporting System ("NORS"). The other carriers
24 submitting opening comments agreed with many of these observations and pointed out
25 additional problems with the recommended changes to the reporting requirements. See
26 AT&T Comments, 21-30; Consolidated Comments, pp. 3-4; Cox Comments, pp. 6-14;
27 Frontier Comments, pp. 6-7, 8-9; and Verizon Comments, pp. 2-4, 10-17. In light of the
28 significant problems identified by the carriers with the proposed modifications to the

1 reporting requirements, the Commission should not adopt the recommended changes
2 proposed in the Staff Proposal.

3 Nevertheless, if the Commission decides to adopt the changes to the reporting
4 requirements, the additional reporting should apply only to those carriers whose service
5 quality warrants the implementation of automatic refund and penalty mechanisms. Here,
6 however, there is no justification to increase reporting requirements on carriers already
7 providing good service quality.

8
9 **IV. CONCLUSION.**

10 As explained in its opening comments, Consolidated is committed to continuing to
11 provide high levels of service quality to its customers. The Staff Proposal is unnecessary
12 for competitive carriers like Consolidated, and would unfairly burden carriers that have
13 diligently implemented procedures to meet, and often times exceed, the G.O. 133-C
14 standards for service quality. In addition, there are significant problems with the specifics
15 of the Staff Proposal, as set forth above. Accordingly, Consolidated urges the Commission
16 to reject the Staff Proposal.

17 Dated this 17th day of April 2015 in San Francisco, California.

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