

**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  
(Filed December 1, 2011)

**VERIZON CALIFORNIA INC.'S (U 1002 C)  
OPENING COMMENTS ON PROPOSED DECISION DEFERRING NETWORK  
STUDY REQUIREMENT ADOPTED IN DECISION 13-02-023**

Verizon California Inc. (U-1002-C) (“Verizon”) files these Opening Comments on the Proposed Decision Deferring Network Study Requirement Adopted in Decision 13-02-023 (the “PD” or “Proposed Decision”).

The Proposed Decision finds that the examination of the networks of AT&T California and Verizon ordered in D.13-02-023 should be deferred until the Commission rules on the proposed service quality rule changes and penalties under consideration in this proceeding. According to the PD, if adopted, the penalty mechanism provides strong motivation to telephone corporations to improve service quality to “a level that meets the Commission’s General Order 133-C minimum service quality measure standards and provide safe and reliable service at reasonable rates.” The PD concludes that the study of AT&T and Verizon networks may not be necessary.

The PD represents a step in the right direction. But it does not go far enough. Instead of deferring the study, the Commission should rescind it. To begin, there is no demonstrated need for a study in the first place as an infrastructure study cannot provide information useful to a determination of the adequacy of the existing out-of-service (OOS) or answer time service

quality metrics or generic rules that apply to all carriers, which is the purpose of this rulemaking. Indeed, a study could only provide limited information regarding why Verizon or AT&T do not meet the unreasonable OOS repair or answer time metrics. The OOS repair metric measures how fast repairs are performed for reported OOS conditions; it does not measure repairs as a percentage of working lines. In other words, the metric measures customer service, it does not measure how often customers are out of service because of network problems.

With regard to the answer time metric, how fast a carrier answers a call also is a customer service measurement, not one that measures the strength of the network. A network infrastructure study cannot provide any meaningful information regarding carrier business office answer times.

In contrast, the infrastructure study would attempt to determine the strength or health of the network infrastructure. But the evidence in the record already establishes that Verizon and AT&T's networks are very strong. Unlike the OOS and answer time metrics, which measure customer service not network performance, a strong indicator of network health is the level of trouble reports.<sup>1</sup> GO 133-C establishes a goal of no more than 6 troubles per 100 lines. Verizon has consistently reported fewer troubles than this standard. For example, in 2014 Verizon reported monthly trouble rates far below the 6 in 100 line standard in GO-133C: Verizon trouble report rates ranged from .78 to 1.65 per 100 lines.<sup>2</sup> Indeed, Staff recognized the strength of carrier networks in the September 2014 Staff Report on Wireline Service Quality (at 9),

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<sup>1</sup> 2012 Verizon Reply Comments at 23 (“In fact, carriers are already required to provide monthly Trouble Report data to the Commission under today’s rules — data which DRA concedes provides a ‘strong indicator of the health of the telephone network.’”).

<sup>2</sup> For 2014, AT&T reported similar network strength with trouble rates of .98 to 2.76 per 100 lines. See <http://www.cpuc.ca.gov/PUC/Telco/Consumer+Information/Telecommunications+Service+Quality+Reports.htm>.

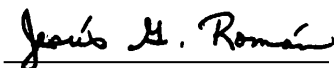
concluding that “[b]oth URF Carriers and GRC ILECs *consistently* met the minimum standards established in the Customer Trouble Report measure.” An infrastructure study—which takes only a snapshot of the network at one period of time—cannot provide better information of the state of the network than customers’ reports of trouble.

Finally, the Commission should defer or rescind the study for the reasons stated above, not because it might adopt penalties. Verizon has demonstrated repeatedly that there is no causal connection between penalties and improved service quality. As noted in its opening comments on Staff’s proposed modifications to GO 133-C, Verizon service quality is better in California than in two other states that impose penalties.<sup>3</sup> Moreover, penalties are not meaningful with regard to missing the only network health related metric (Trouble Reports) because, as discussed herein, AT&T and Verizon (and other carriers) consistently meet this metric. And while Staff proposes penalties for failing to meet OOS and Answer Time metrics, these have little connection with the health of network infrastructure (as discussed above).

In sum, the Commission should defer or rescind the network study requirement adopted in Decision 13-02-023.

May 7, 2015

Respectfully submitted,



Jesús G. Román  
Verizon California Inc.  
2535 West Hillcrest Dr.  
Newbury Park, CA 91320  
Tel: (805) 499-6832  
Fax: (805) 498-5617  
[jesus.g.roman@verizon.com](mailto:jesus.g.roman@verizon.com)

*Attorney for Verizon*

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<sup>3</sup> See Verizon’s March 30, 2015 Opening Comments at 9.