

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of an Investigation into the       )  
Quality of Wireline Telecommunications       )       **File No. TO-2011-0047**  
Services in the State of Missouri               )

**STAFF REPORT**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), through the undersigned counsel, and respectfully states as follows:

1. On August 24, 2010, the Commission’s Staff filed a motion asking the Commission to open an investigation into the quality of wireline telecommunications service in Missouri. Staff was concerned that Missouri’s wireline telecommunications system may have degraded in recent years. On September 1, 2010, the Commission granted Staff’s Motion and opened the requested investigatory docket.

2. After conducting its investigation the Staff can report the following findings:

a. All 61 companies appear to track the quality of service provided to customers and most companies continue to use the same quality of service measurements prescribed in 4 CSR 240-32.080.

b. Company-wide results suggest companies are generally installing and repairing telephone service in a timely manner.

c. All 61 companies indicate having preventative maintenance procedures; however, only 12 companies are able to identify the percentage of the company’s annual budget spent on maintaining existing telephone plant or training technical staff.

3. The Memorandum and attachments included in this filing provide greater specificity and the analysis that leads the Staff to believe that its concerns of systemic degradation of service and telecommunications plant were incorrect. The incidents that caused Staff’s concerns were more anecdotal than systemic. The Staff thanks the Commission for affording it the opportunity to review this matter.

**WHEREFORE**, the Staff submits its Report and recommends that this matter be closed with no further action.

Respectfully submitted,



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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 31<sup>st</sup> day of January, 2011.



**MEMORANDUM**

To: Official Case File  
Case No. TO-2011-0047

From: Myron E. Couch  
Telecommunications Department

Date: January 31, 2011

Re: Evaluation of company responses to Commission Order

On September 1, 2010 the Missouri Public Service Commission issued an Order Opening an Investigation into the Quality of Wireline Telecommunications Services in Missouri. This order directed all local exchange telecommunications service providers doing business in Missouri to respond to questions presented in the order. This case also allowed the public to submit comments. In total, 138 companies provided responses to the Commission's order.<sup>1</sup> These 138 companies are comprised of 39 incumbent local exchange companies (ILECs) and 99 competitive local exchange companies (CLECs). Among the 138 companies 61 companies either own or maintain facilities. Therefore, these 61 companies answered the remaining questions pertaining to the company's quality of service. The Commission Staff's findings are as follows:

All 61 companies appear to track the quality of service provided to customers and most companies continue to use the same quality of service measurements prescribed in 4 CSR 240-32.080.

Company-wide results suggest companies are generally installing and repairing telephone service in a timely manner.

All 61 companies indicate having preventative maintenance procedures; however, only 12 companies are able to identify the percentage of the company's annual budget spent on maintaining existing telephone plant or training technical staff.

The remainder of this memorandum will provide greater detail into Staff's evaluation of company responses to the Order. The questions presented in the Commission's order are identified along with Staff's analysis of company responses to these questions.

**A. Does your company own or maintain telecommunications facilities in Missouri?**

Company responses indicate 61 companies either own or maintain telecommunications facilities in Missouri. These 61 companies are comprised of 39 ILECs and 22 CLECs. These 61 companies were then required to answer the remaining questions.

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<sup>1</sup> Attachment A identifies the 42 companies failing to respond. The Commission Staff has made at least one subsequent attempt to contact these companies about their failure to respond to the Commission's order. The Commission Staff anticipates seeking action against these companies for not responding to the Commission's order.

**B. Does your company track on a regular basis any of the following: If yes, explain how your company tracks it (include whether such information is tracked by exchange or some other area). If not explain why not.**

- i. Timeliness of installing service after a customer orders service.**
- ii. Timeliness of repairing service after a customer reports trouble.**
- iii. Amount of service trouble.**

Nearly all companies have obtained waivers of the Commission's quality of service rules.<sup>2</sup> These waivers eliminate any requirement to regularly report their quality of service to the Missouri Commission. These waivers also allow companies the flexibility of how to monitor quality of service, if at all. Despite such waivers all 61 companies indicate tracking the timeliness of installing telephone service, repairing telephone service and the amount of service trouble.

Although no longer bound by the Commission's quality of service rules, most companies continue to track the timeliness of installing and repairing telephone service based on monitoring requirements identified in 4 CSR 240-32.080. For example these companies continue to evaluate the timeliness of installing service by tracking the percentage of installations completed within five days of the customer ordering service. These companies also track the timeliness of repairing service by observing the percentage of out-of-service trouble reports resolved within 24 hours. Service trouble is tracked based on the number of trouble reports received each month for every 100 access lines served by a company.

Four companies track the timeliness of installing or repairing telephone service by calculating the average amount of time needed to complete the task. For instance, rather than attempt to identify the percentage of installations completed within five days or the percentage of out-of-service trouble reports resolved within 24 hours, these companies calculate the average time to install or repair telephone service.

ILECs and CLECs differ in whether quality of service is monitored on a wire center versus some other geographic region basis. All the ILECs track the quality of service provided on a wire center or telephone exchange basis, as well as on an overall company-wide basis for service provided within Missouri. In contrast all of the responding CLECs track quality of service by region or state-wide basis.

**C. Please provide your most recent results for any of the information tracked above.**

Company responses to this are summarized in Attachment B. All responses solely provided company-wide results and no company submitted exchange-specific results. From Staff's perspective company-wide results do not definitely address whether a company is providing acceptable levels of service on an exchange-specific basis. For example, a company

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<sup>2</sup> Missouri statutes (Section 392.245.5(8) and Section 392.420) allows companies to obtain waivers of certain Commission rules. These waivers generally pertain to rules related to quality of service and billing standards. To date, the rules waived pertaining to quality of service include 4 CSR 240-3.550(4) and (5)(A)1, 2 and 3; 4 CSR 240-32.060; 4 CSR 240-32.070; and 4 CSR 240-32.080.

could provide poor quality of service in specific exchanges but still produce an overall acceptable company-wide result.<sup>3</sup>

Several companies (all are CLECs) claiming to track a particular quality of service measure either failed to submit certain results or submitted results appearing to be irrelevant.<sup>4</sup> Admittedly the failure to provide relevant results raises questions as to whether the company even tracks the specific quality of service measure. Staff did subsequently contact these companies. Based on this follow-up, CLEC officials typically emphasize how their service differs from the service provided by ILECs or even other CLECs. Any attempt to apply a standardized quality of service measurement is awkward because of a CLEC's more unique service offering. For example most CLECs claim they must generally always gain access to the customer's premise in order to install or repair phone service. Some of these CLECs also state they solely provide T-1 service (one T-1 line can contain up to 24 voice-grade channels) to large business customers. The complexity of provisioning T-1 service makes it more difficult to apply relevant quality of service measurements than traditional voice service. For these reasons, plus the fact CLEC customers clearly have a choice in providers, Staff is not attempting any further follow-up with CLECs failing to submit relevant results.

Listed below is a more detailed analysis of these results.

### **Timeliness of installing service:**

Results for companies continuing to monitor quality of service according to Missouri Commission rules indicate the percentage of orders for basic local telecommunications service installed within five days range from 82% to 100% for ILECs and 76% to 100% for CLECs. The company-wide results for five companies were 85% or less indicating a substandard level of performance. These five companies are relatively small companies with a minimal number of customers.<sup>5</sup> In such situations a few failures to meet the service objective can significantly impact the overall results for a small company. Moreover it is unclear if such results represent a pattern of substandard results spanning several quarters or whether the company's results represent an unusual quarter impacted by special construction or weather.

Three companies provided results based on the average number of days to install telephone service. Results indicate orders for basic local telecommunications service are completed within .95 day, 1.5 days or 7.4 days depending on the company. The three companies providing results based on the average number of days to install telephone service are generally larger companies. In Staff's opinion, a result based on identifying the average time to install service can also be difficult to evaluate. For instance a larger company monitoring quality of

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<sup>3</sup> Although companies are no longer bound by the Commission's quality of service reporting rules, the quality of service reports previously submitted to the Commission required exchange-specific information if an exchange produced substandard results (4 CSR 240-3.550(5)(A)1).

<sup>4</sup> The following numbers reflect CLECs who either failed to submit results or alternatively submitted results that do not appear relevant to the quality of service measure: Timeliness of installing service (5 CLECs), Timeliness of repairing service (4 CLECs), Trouble (7 CLECs).

<sup>5</sup> These six companies are comprised of two ILECs and four CLECs.

service based on an overall average result can be greatly influenced by service orders in urban areas where most service installation requests can be completed in a minimal amount of time.

### **Timeliness of repairing service:**

Results for companies continuing to monitor quality of service according to Missouri Commission rules indicate the percentage of out-of-service conditions cleared within 24 hours are 89.1% to 100% for ILECs and 50% to 100% for CLECs. Two CLECs had results below 85% indicating substandard performance; however all other companies were above this mark. Nevertheless, for the same reasons cited in the discussion about company-wide results submitted for the timeliness of installing service, Staff finds these results are difficult to draw any specific conclusions. Company-wide results or results reflecting an average length of time do not definitely address whether a company is providing acceptable levels of service on an exchange-specific basis. The two CLECs with substandard performance results for this measure are companies that provide service over cable facilities. In order to isolate trouble over their facilities, it is often necessary to gain access to the customer's premise. Such arrangements can be difficult to resolve in a timely manner since so many customers are not home except during the evening or on weekends.

Four companies provided results indicating the average number of hours to clear an out-of-service condition. One company's result was 15 hours while the other company's result was 48.74 hours. Results solely based on a task's average amount of time can be difficult to draw any specific conclusions because the result simply averages long and short repair times. For example a result showing a company's average amount of time for repairs may not clearly indicate if certain geographic areas and/or customers are experiencing long repair intervals.

### **Amount of service trouble:**

Results for companies continuing to monitor quality of service according to Missouri Commission rules indicate trouble reports per 100 access lines of .3 to 3.9 reports for ILECs and 0 to 3.01 reports for CLECs. These results are all within an acceptable level of service. Nevertheless as previously discussed company or state-wide results indicating acceptable service may conceal problems on an exchange-specific level.

#### **D. Explain your company's preventative maintenance procedures. Include in your explanation specific methods you utilize to be certain that telephone equipment and plant is kept in good working condition. State whether your preventative maintenance program is tracked by exchange, area or state. Please provide results of this measurement for the past two years.**

All of the companies gave some indication they have preventative maintenance procedures. The companies described a number of ways they were monitoring quality of service by using their switches. The switches for all companies monitor the service lines connected to the switch and make a record of non-conforming lines that can be later investigated by the company's service technicians. All companies claim to have procedures (or processes) that call for routine

testing of back-up emergency generators and back-up batteries. Many companies regularly drive cable routes to be certain outside plant which included cable, pedestals and poles had not been damaged and left exposed. All responding companies indicate their preventative maintenance programs have been in place for many years but no company provided any quantitative results of their preventative maintenance programs.

**E. What percentage of your company's annual budget is spent on maintaining existing telephone plant?**

**F. What percentage of your company's annual budget is spent on training its technical staff?**

Only twelve companies provided any percentages of the amount of a company's annual budget spent on maintaining existing telephone plant or training its technical staff. These twelve companies indicate percentages ranging from less than 1% to 29% on maintaining existing telephone plant and generally 3% or less on training technical staff. Two companies reported 50% of their budget is spent on preventative maintenance but that percentage may be based on a misunderstanding of what would be included in that category. Among the companies not providing any percentages these companies stated their record keeping methods did not allow them to know this information.

### **Public comments submitted in the case by telephone subscribers**

Thirty-four subscribers submitted comments. These comments can be broken down as follows:

20 comments concerned delays in providing repairs.

7 comments related to other quality of service problems.

3 comments stated rates were too high.

1 comment complained about slow internet service.

1 comment pertained to a delay in the installation of basic service.

1 comment was about a service that was provided even though it was not a service that was ordered.

1 comment complimented the service provided by one company.

**Conclusion:** This investigation has demonstrated companies are continuing to monitor the quality of service provided to customers. All companies that responded submitted results on a company-wide basis. Although such results do not definitely address the quality of service on an exchange-specific basis, the submitted results suggest most companies are providing an acceptable level of service. More detailed information would be needed to determine if there are

certain exchanges that require additional analysis, but there is no specific information to suggest further analysis is necessary at this time. Absent further guidance from the Commission, Staff recommends this case be closed.