

**BEFORE THE
ILLINOIS COMMERCE COMMISSION**

Frontier Communications Corporation, Verizon)
Communications, Inc., Verizon North Inc.,)
Verizon South Inc., New Communications of the)
Carolinas, Inc.)

Joint Application for approval of a Reorganization)
Pursuant to Section 7-204 of the Public Utilities Act)
For the Issuance of Certificates of Exchange Service)
Authority Pursuant to Section 13-405 to New)
Communications of the Carolinas, Inc.;)
The Discontinuance of Service for Verizon South, Inc.)
Pursuant to Section 13-406; the Issuance of an Order)
Approving Designation of New Communications of)
The Carolinas, Inc. as an Eligible Telecommunications)
Carrier Covering the Service Area Consisting of the)
Exchanges to be Acquired from Verizon South Inc.)
Upon the Closing of the Proposed Transaction and the)
Granting of All Other Necessary and Appropriate)
Relief)

Docket No. 09-0268

**PRE-FILED REBUTTAL TESTIMONY
OF
BILLY JACK GREGG
BILLY JACK GREGG UNIVERSAL CONSULTING
ON BEHALF OF
FRONTIER COMMUNICATIONS CORPORATION**

FILED: November 13, 2009

1 Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?

2 A. My name is Billy Jack Gregg. I am an independent consultant and the principal in the
3 firm Billy Jack Gregg Universal Consulting. My business address is P.O. Box 107,
4 Hurricane, West Virginia.

5 Q. FOR WHOM ARE YOU TESTIFYING IN THIS HEARING?

6 A. I am testifying on behalf of the Frontier Communications Corporation (“Frontier”).

7 Q. PLEASE DESCRIBE YOUR BACKGROUND IN THE AREA OF
8 TELECOMMUNICATIONS.

9 A. Billy Jack Gregg Universal Consulting provides consulting services on issues involving
10 energy and telecommunications. In telecommunications my areas of specialization are
11 universal service, intercarrier compensation and broadband deployment, among other
12 matters. I began Billy Jack Gregg Universal Consulting following my retirement as
13 Director of the Consumer Advocate Division of the Public Service Commission of West
14 Virginia (“WVCAD”) in October 2007. I served as Director of the WVCAD for 26
15 years. In that position I was actively involved in local and national telecommunications
16 issues. Nationally, I served as a member of the Rural Task Force, the Federal-State Joint
17 Board on Universal Service, NARUC’s Intercarrier Compensation Task Force, the Board
18 of Directors of the Universal Service Administrative Company (“USAC”), and the Board
19 of Directors of the National Regulatory Research Institute (“NRRI”). Locally, I served as
20 Chair of the West Virginia Advanced Services Task Force, Chair of the West Virginia
21 Payphone Task Force, and Chair of the West Virginia 271 Workshop Process. I have

22 testified or appeared before the Federal Communications Commission; regulatory bodies
23 in the states of West Virginia, Georgia, Alaska and Ohio; legislative committees in the
24 states of West Virginia, Virginia, Pennsylvania and Tennessee; and committees of both
25 houses of Congress. I hold a B.A. from Austin College in Sherman, Texas, and J.D. from
26 the University of Texas School of Law. My complete education and job experience are
27 set out in Appendix A.

28 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

29 A. I have been asked by Frontier to respond to the testimony of Susan Baldwin on behalf of
30 the IBEW, Charles King on behalf of the United States Department of Defense and
31 Federal Executive Agencies, Samuel McClerren on behalf of the Staff, and Dr. Lee
32 Selwyn on behalf of the Illinois Attorney General and Citizens Utility Board, concerning
33 quality of service and broadband issues potentially arising from the proposed transaction
34 between Frontier and Verizon Communications, Inc. (“Verizon”).

35 Q. PLEASE SUMMARIZE YOUR TESTIMONY.

36 A. Witness Baldwin has alleged that prior acquisitions by Frontier have resulted in a
37 deterioration of the quality of service provided to customers and that the current
38 transaction will likely also result in a decline in service quality to Illinois consumers. Ms.
39 Baldwin bases her conclusions primarily on an analysis of FCC ARMIS data. In my
40 testimony I point out shortcomings in relying solely on ARMIS data and conclude that
41 ARMIS data should be the starting point of a quality of service inquiry, not the basis of
42 final conclusions. I also examine how states with jurisdiction over recent Frontier

43 acquisitions have evaluated actual on-the-ground service quality data related to Frontier.
44 I conclude there has been no decline in service quality in service territories recently
45 acquired by Frontier. I also address Illinois and national quality of service data for
46 Frontier and Verizon presented by witnesses Baldwin, King and McClerren. Finally, I
47 address certain assertions about Frontier's broadband service made by witnesses Baldwin
48 and Selwyn. Based upon my review of the transaction and my previous history with both
49 providers, I believe the transfer of assets to Frontier can provide a benefit to consumers in
50 Illinois and is in the public interest. The bases for my conclusions are set forth below.

51 **I.**
52 **EXPERIENCE WITH VERIZON AND FRONTIER**

53 Q. PLEASE DESCRIBE YOUR EXPERIENCE WITH VERIZON AND FRONTIER.

54 A. As stated above, I was Director of the West Virginia Consumer Advocate Division from
55 1981 to 2007. During that time, I dealt with Verizon and Frontier and their predecessors
56 in West Virginia on an on-going basis. Frontier (then known as Citizens Utilities)
57 entered the West Virginia market in 1993 when it purchased the West Virginia operations
58 of GTE. Frontier expanded its presence in West Virginia two years later when it
59 purchased the West Virginia properties of ALLTEL. For the last 15 years Verizon has
60 been the largest telephone company in West Virginia and Frontier has been the second
61 largest. While both companies serve large rural areas within West Virginia, Frontier's
62 service territory is predominantly rural, covering 35% of the geographical area of West
63 Virginia but containing less than 20% of the access lines in the state. Verizon's service
64 territory contains most of the major urban areas in West Virginia and approximately 80%

65 of total access lines.

66 Q. BASED ON YOUR EXPERIENCE WITH BOTH COMPANIES, HOW DID THE
67 QUALITY OF SERVICE PROVIDED BY VERIZON AND FRONTIER IN WEST
68 VIRGINIA COMPARE?

69 A. When Frontier entered the West Virginia market in 1993, it acquired the former service
70 territory of GTE. At that time, my office and other parties were negotiating an initial
71 incentive rate plan (IRP) with GTE which would initiate uniform rates and calling areas
72 and address quality of service problems in the GTE territory. Frontier assumed all of
73 GTE's obligations required by the IRP and assured the parties that facilities would be
74 upgraded and service quality improved as a result of the purchase. Similar commitments
75 were made when Frontier expanded its West Virginia presence in 1995 with the purchase
76 of the ALLTEL properties. Frontier fulfilled its commitments and subsequent IRP's
77 were negotiated with Frontier in 1999 and 2005. Even though Frontier's West Virginia
78 service territory is predominantly rural with difficult terrain and sparse population,
79 Frontier has succeeded in making broadband available to over 90% of its customers in
80 West Virginia. On the other hand, broadband is only available to 60% of Verizon's West
81 Virginia customers. In 2008 in connection with its investigation into Verizon's service
82 quality issues, the West Virginia Public Service Commission approved a service quality
83 improvement plan for Verizon.¹ Verizon continues to operate under this plan. Frontier's
84 service quality in West Virginia has generally been good and the company is not subject

¹ *Verizon West Virginia Inc.*, WVPSA Case No. 08-0761-T-PC, "Commission Order" (June 30, 2008).

85 to any PSC investigations concerning quality of service.

86 **II.**
87 **GENERAL DISCUSSION OF ARMIS DATA**

88 Q. WHAT IS ARMIS DATA?

89 A. The FCC established the “Automated Reporting Management Information System”
90 (ARMIS) in the late 1980’s to provide consistent information on the financial and
91 operational characteristics of regulated telecommunications carriers. ARMIS filing
92 requirements initially applied only to the largest carriers, but were gradually extended to
93 all price cap carriers. ARMIS filing requirements were reduced in 2008 as a result of
94 FCC forbearance orders.

95 Q. DOES ARMIS PROVIDE A RESOURCE FOR TRACKING QUALITY OF SERVICE
96 METRICS?

97 A. Yes. Assuming data is reported in a consistent manner, ARMIS data allows the tracking
98 of service quality trends over time, and allows comparison of metrics between companies
99 and regions.

100 Q. ARE ALL ARMIS DATA REPORTED IN THE SAME WAY?

101 A. While the ARMIS system strives for consistency, individual companies have the option
102 of including more than the minimum required information in their ARMIS submissions.
103 For example, carriers are not required to report on metrics related to unregulated or “non-

104 network” activities.² Nevertheless, some carriers include data on these activities out of
105 convenience or because of limitations in reporting systems.

106 Q. IS IT SUFFICIENT TO RELY ON ARMIS DATA ALONE IN MAKING AN
107 INVESTIGATION OF A COMPANY’S SERVICE QUALITY?

108 A. No. ARMIS data are a useful starting point of any investigation into service quality.
109 However, the basis of the data presented should be examined, customer complaint
110 information should be included, and most importantly, actions of the regulatory body in
111 the state with jurisdiction over the carrier should also be considered. In other words,
112 telecommunications service quality represents the totality of the service provided to the
113 customer and consists of more than statistics on a few selected measures. This was
114 pointed out nicely by the National Association of State Utility Consumer Advocates in its
115 comments submitted to the FCC on proposed changes to ARMIS reporting requirements:
116 “[T]he [ARMIS] outage reports are limited in scope, addressing only service outages as
117 required by the Commission’s rules. ‘Service quality’ for consumers extends well beyond
118 the situation where the service is simply not available, as in an outage.”³

119 Q. DO YOU HAVE AN EXAMPLE OF HOW ARMIS DATA CAN BE MISLEADING?

120 A. Yes. As previously mentioned, in West Virginia Verizon has experienced quality of
121 service problems and is currently implementing a Commission-approved service quality

² “Non-network” activities would include troubles reported and service provided at the customer’s premise, that is, on the customer’s side of the network interface device.

³ “Comments of the National Association of State Utility Consumer Advocates,” *In the Matter of AT&T Inc. for Forbearance under 47 U.S.C. §160(c) from Enforcement of Certain of the Commission’s ARMIS Reporting Requirements*, FCC Docket No. WC 07-139 (Aug. 20, 2007), p. 6.

122 improvement plan, while Frontier is not. However, if one examined only ARMIS
123 statistics for measures such as reported outages, it would appear that Verizon provided
124 better quality of service in West Virginia than Frontier. For example, Verizon’s reported
125 outage rate in 2008 in West Virginia was 22.99 outages per 100 lines, while Frontier’s
126 reported outage rate was 31.71 per 100 lines.⁴ However, these statistics are misleading.
127 The number of service quality complaints filed against Verizon was substantially higher
128 than filed against Frontier,⁵ and Verizon is operating under a Commission-approved
129 service quality improvement plan in West Virginia. All of this goes to the point that
130 while ARMIS data may provide a useful initial screen, it is important for any
131 investigation of service quality to look behind the numbers.

132 **III.**
133 **RESPONSE TO TESTIMONY CONCERNING**
134 **SERVICE QUALITY IN FRONTIER’S RECENT ACQUISITIONS**

135 Q. PLEASE SUMMARIZE THE TESTIMONY OF SUSAN M. BALDWIN
136 CONCERNING QUALITY OF SERVICE ISSUES IN SERVICE AREAS RECENTLY
137 ACQUIRED BY FRONTIER.

138 A. At page 28 of her testimony Ms. Baldwin asserts that Frontier’s integration of recently
139 acquired properties “created service quality problems and customer disruptions” At
140 pages 30 to 36 of her testimony Ms. Baldwin examines certain service quality metrics
141 associated with two acquisitions of Frontier, Global Valley and Rochester Telephone.

⁴ FCC, ARMIS Report 43-05, ARMIS Service Quality Report, Table II, Installation and Repair Intervals (Local Service), Rows 140, 144 & 148.

⁵ During 2008 Verizon’s residential complaint rate in West Virginia was 5,149 complaints per million lines, while Frontier’s complaint rate was 120 complaints per million. FCC, ARMIS Report 43-05, ARMIS Service Quality Report, Table V, Quality of Service Complaints.

142 Both of these acquisitions were recently transferred to Frontier's billing and customer
143 support platform. Ms. Baldwin concludes that the service quality provided by both
144 entities has deteriorated and that the transition to the Frontier billing and support systems
145 contributed to this deterioration.⁶

146 Q. DO YOU AGREE WITH MS. BALDWIN'S CONCLUSIONS?

147 A. No. The data she examines does not provide an adequate basis for the conclusions she
148 reaches. Moreover, Ms. Baldwin has ignored contrary conclusions reached by the states
149 with direct authority over the service quality provided by Global Valley and Rochester
150 Telephone. Finally, Ms. Baldwin did not address the service quality of Frontier's most
151 recent acquisition, Commonwealth Telephone in Pennsylvania. Like Global Valley and
152 Rochester, Commonwealth was recently transitioned to Frontier's billing and support
153 system and similarly provides good service quality.

154 Q. PLEASE DISCUSS MS. BALDWIN'S EXAMINATION OF THE GLOBAL VALLEY
155 TRANSACTION.

156 A. As indicated by Ms. Baldwin, Global Valley is a small telephone company in California
157 serving only 13,000 access lines, which was acquired by Frontier in November 2007.
158 Global Valley was converted to Frontier's billing and support platform in February 2008.
159 Prior to its acquisition by Frontier in 2007, Global Valley was not required to file ARMIS
160 data. As a result, ARMIS data is only available for Global Valley beginning in 2008. In
161 spite of this limited data, Ms. Baldwin presents 2008 information on average installation

⁶ Ms. Baldwin repeats these assertions at pages 18, 63 and 81 of her testimony.

162 intervals, initial out of service intervals and repeat out of service intervals and concludes
163 that they indicate “serious service quality problems.” (Baldwin Testimony, pp. 30-31).

164 Q. DID MS. BALDWIN PRESENT ANY OTHER INFORMATION TO BACK UP HER
165 ASSERTIONS OF SERIOUS SERVICE QUALITY PROBLEMS?

166 A. No. Ms. Baldwin’s analysis and conclusions are apparently based on these three reported
167 ARMIS metrics and nothing more. As stated above, ARMIS data should be used as a
168 starting point for a quality of service investigation, not as the entirety of the analysis.
169 Other factors need to be considered.

170 Q. DID YOU INQUIRE AS TO THE BASIS OF THE ARMIS SERVICE INTERVAL
171 DATA SUBMITTED FOR GLOBAL VALLEY BY FRONTIER?

172 A. Yes. Frontier’s average installation interval reports include data for customer chosen
173 appointments, even though reporting companies have the option of excluding these
174 appointments. Inclusion of these customer chosen appointments tends to lengthen
175 reported installation intervals. Likewise, initial and repeat out of service intervals include
176 customer negotiated appointments, and Saturdays, Sundays and holidays. Frontier also
177 includes non-regulated high-speed Internet outages which require access to a customer’s
178 premise. All of these factors also tend to increase reported out of service intervals.

179 Q. AT PAGES 30-31 OF HER TESTIMONY, MS. BALDWIN PRESENTED SEVERAL
180 SERVICE QUALITY METRICS FOR GLOBAL VALLEY FOR 2008 THAT SHE
181 BELIEVED SHOWED “SERIOUS SERVICE QUALITY PROBLEMS.” HOW MANY

182 SERVICE QUALITY COMPLAINTS WERE FILED AGAINST GLOBAL VALLEY
183 IN 2008?

184 A. None.

185 Q. HAS THE CALIFORNIA PUC TAKEN ANY ACTIONS AGAINST GLOBAL
186 VALLEY RELATED TO SERVICE QUALITY?

187 A. None that I am aware of.

188 Q. AFTER HAVING DIRECT EXPERIENCE WITH FRONTIER'S ACQUISITION OF
189 GLOBAL VALLEY AND GLOBAL VALLEY'S TRANSITION TO FRONTIER'S
190 BILLING AND SUPPORT PLATFORM, HAS THE CALIFORNIA PUC TAKEN ANY
191 ACTIONS CONCERNING THE CURRENTLY PENDING TRANSACTION
192 BETWEEN FRONTIER AND VERIZON?

193 A. Yes. After having experience with Frontier's operation of Global Valley, as well as with
194 Frontier's other California properties, the California PUC unanimously approved the
195 current transaction on October 29, 2009.

196 Q. DO YOU BELIEVE THE DATA PRESENTED BY MS. BALDWIN SUPPORTS HER
197 CONCLUSIONS CONCERNING GLOBAL VALLEY?

198 A. No. The limited service data presented by Ms. Baldwin concerning Global Valley
199 certainly do not support her conclusions that there are serious service quality problems at
200 Global Valley and that these problems were caused by the transition to Frontier's billing
201 and support platform. To the contrary, the actions of the California PUC in unanimously

202 approving the pending transaction between Frontier and Verizon point to the opposite
203 conclusion.

204 Q. PLEASE DISCUSS MS. BALDWIN'S EXAMINATION OF ROCHESTER
205 TELEPHONE.

206 A. Rochester serves approximately 500,000 access lines. As detailed by Ms. Baldwin on
207 page 31 of her testimony, Frontier acquired Rochester Telephone in 2001 and
208 transitioned Rochester Telephone to its billing and support platform in September 2008.
209 Ms. Baldwin examines certain service quality metrics she derives from ARMIS data and
210 from reports to the New York Public Service Commission (PSC) and concludes that
211 "Frontier allowed service quality to decline in the Rochester area... ." (Baldwin
212 Testimony, p. 36).

213 Q. WHAT ARMIS DATA DID MS. BALDWIN PRESENT?

214 A. Ms. Baldwin presented ARMIS information on annual trouble reports per 100 access
215 lines (*Id.*, p. 31), initial out of service trouble reports per 100 access lines (*Id.*, p. 32, Fig.
216 1), and initial out of service intervals (*Id.*, p. 33, Fig. 2). Mr. Baldwin noted that trouble
217 reports and service intervals for Rochester have risen in the last three years.

218 Q. DID YOU INQUIRE INTO THE BASIS OF THE TROUBLE REPORTS AND OUT OF
219 SERVICE INTERVAL DATA USED BY MS. BALDWIN?

220 A. Yes. As in the case of Global Valley, out of service interval information includes
221 customer negotiated appointments, Saturdays, Sundays and holidays, and non-regulated

222 high-speed Internet outages. These factors tend to increase reported service intervals.
223 The trouble reports include not only telecommunications network troubles, but also high-
224 speed Internet trouble reports. As the number of broadband customers has grown, so has
225 the number of high-speed Internet trouble reports. All of these factors would tend to
226 increase the number of reported troubles.

227 Q. WHAT NEW YORK PSC DATA DID MS. BALDWIN PRESENT?

228 A. She presented New York data on major service outages (*Id.*, p. 34, Fig. 3) and monthly
229 complaints since 2006 (*Id.*, p. 35, Fig. 4). She noted that major service outages rose in
230 the third quarter of 2008 and that the trend in complaints since 2006 was up.

231 Q. DOES THE NEW YORK PSC REVIEW THE SAME DATA CITED BY MS.
232 BALDWIN?

233 A. Yes. However, the New York PSC calls trouble reports per 100 access lines “Customer
234 Trouble Report Rates” or “CTRR.”⁷

235 Q. HAS THE NEW YORK PSC FOUND FRONTIER’S SERVICE QUALITY TO BE
236 SATISFACTORY THROUGHOUT THE PERIOD EXAMINED BY MS. BALDWIN?

237 A. Yes. As a result of an incentive regulation agreement with the New York PSC in 2001,
238 Frontier has filed quarterly quality of service data with the New York PSC. If the service
239 quality metrics fall below certain benchmarks, then Frontier must pay customer rebates

⁷ CTRR are calculated on a monthly basis, while Ms. Baldwin has presented trouble report data on an annual basis. New York’s CTRR standard for Rochester is no more than 3.3 CTRR per 100 access lines per month, which would equate to approximately 39.6 troubles per 100 access lines per year.

240 and face other sanctions. Over the last three years, Frontier has received quarterly
241 commendations from the New York PSC for exceeding the required benchmarks. As an
242 example, I have attached the New York PSC's report on Frontier's compliance for the
243 third quarter of 2008 as Frontier Exhibit 4.1.

244 Q. AT PAGES 33 AND 34 OF HER TESTIMONY MS. BALDWIN STATES THAT
245 FRONTIER'S REPORTS TO THE NEW YORK PSC OF MAJOR SERVICE
246 OUTAGES INCREASED IN THE THIRD QUARTER OF 2008, "WHICH
247 CORRESPONDS TO THE TIME OF THE CUSTOMER SERVICE AND BILLING
248 SYSTEM TRANSFER." WAS THERE ANY CONNECTION BETWEEN THE
249 INCREASE IN REPORTED OUTAGES AND THE ROCHESTER BILLING SYSTEM
250 CONVERSION?

251 A. No. As set forth on page 6 of Frontier Exhibit 4.1, Frontier reported 14 major service
252 outages in New York during the third quarter of 2008. Ten of these outages occurred in
253 Frontier territories in New York besides Rochester. Of the four outages occurring in
254 Rochester's service area, three were related to central office equipment failures and one
255 was caused by storms. None of the outages was related to the conversion of Rochester to
256 Frontier's billing and support platform.

257 Q. IN FIGURE 4 OF HER TESTIMONY MS. BALDWIN ALSO PRESENTS NEW
258 YORK PSC DATA ON COMPLAINTS RECEIVED BY ROCHESTER. ON PAGE 36
259 OF HER TESTIMONY SHE STATES: "FOR SOME METRICS THERE HAVE BEEN
260 SPIKES THAT COINCIDE WITH THE TRANSFER OF THE ACQUIRED

261 COMPANY'S PLATFORM TO FRONTIER'S PLATFORM." DO ANY SPIKES IN
262 COMPLAINT DATA COINCIDE WITH THE TRANSFER OF BILLING AND
263 SUPPORT FUNCTIONS TO FRONTIER'S PLATFORM?

264 A. No. There is obviously a spike in complaints received in July 2008, which likely
265 corresponds to the outages previously discussed. Rochester's platform conversion
266 occurred in September 2008, which does not exhibit any unusual "spikes" in complaint
267 activity.

268 Q. MS. BALDWIN MAKES EXTENSIVE USE OF NEW YORK PSC DATA IN
269 PRESENTING HER TESTIMONY AND REACHING HER CONCLUSIONS
270 CONCERNING SERVICE QUALITY. DOES MS. BALDWIN MAKE ANY
271 REFERENCE TO THE CONCLUSIONS OF THE NEW YORK PSC THAT
272 FRONTIER'S SERVICE QUALITY EXCEEDED ALL SERVICE STANDARDS?

273 A. No. Ms. Baldwin did not mention the New York Public Service Commission's ultimate
274 findings contained in the reports.

275 Q. AT PAGE 36 OF HER TESTIMONY MS. BALDWIN CONCLUDES: "WHETHER
276 BECAUSE OF NETWORK ISSUES, INSUFFICIENT RESOURCES, BILLING
277 DISPUTES, INTEGRATION OF CUSTOMER SUPPORT SYSTEMS, OR OTHER
278 REASONS, SERVICE QUALITY IN TERRITORIES ACQUIRED BY FRONTIER
279 HAVE [SIC] DETERIORATED." DO YOU AGREE?

280 A. No. As pointed out above, the data presented by Ms. Baldwin do not show that service
281 quality has deteriorated in the Global Valley and Rochester Telephone territories. Nor do

282 the data show any nexus between the transition to Frontier's billing and support system
283 and any alleged deterioration in service quality. In fact, actions of the regulatory
284 commissions in the states with jurisdiction over those companies show that they are
285 satisfied with Frontier's performance since the acquisitions and with the transition of
286 those properties to the new billing and support platform.

287 Q. HAS FRONTIER MADE ANY OTHER MAJOR ACQUISITIONS THAT WERE NOT
288 REVIEWED BY MS. BALDWIN?

289 A. Yes. In March 2007, Frontier acquired Commonwealth Telephone in Pennsylvania
290 which serves approximately 316,000 access lines. Commonwealth was successfully
291 converted to Frontier's billing and support platform in October 2007. Although Ms.
292 Baldwin mentions the Commonwealth acquisition at page 27 of her testimony, she did
293 not include Commonwealth in her analysis of service quality for Frontier's recent
294 acquisitions.

295 Q. FRONTIER HAS PREVIOUSLY SUBMITTED TESTIMONY CONCERNING ITS
296 ACQUISITION AND SUCCESSFUL CONVERSION OF COMMONWEALTH.
297 HAVE YOU MADE ANY INQUIRY INTO COMMONWEALTH'S SERVICE
298 QUALITY SINCE ITS ACQUISITION?

299 A. Yes. Since Commonwealth is not a price cap company, it is not required to file ARMIS
300 data. However, as part of the Order approving the acquisition of Commonwealth,
301 Frontier was required to file Service Quality Reports with the Pennsylvania Public
302 Utilities Commission (PaPUC). I have reviewed the PaPUC reports for 2007 and 2008

303 and to date for 2009. I have also reviewed Commonwealth's customer complaints from
304 2007 through September 2009. During this time period, both total complaints and
305 network-related complaints have declined. I also contacted the Pennsylvania Office of
306 Consumer Advocate and asked if there had been any problems related the acquisition of
307 Commonwealth by Frontier and the conversion to Frontier's billing and support platform.
308 I was informed that they were not aware of any problems and had received few, if any,
309 complaints concerning Commonwealth.

310 Q. MS. BALDWIN CONCLUDES THAT SERVICE QUALITY HAS DETERIORATED
311 IN THE TERRITORIES ACQUIRED BY FRONTIER AND THAT SERVICE
312 QUALITY PROBLEMS HAVE BEEN ASSOCIATED WITH THE CONVERSION TO
313 FRONTIER'S BILLING AND SUPPORT PLATFORM. DO YOU AGREE?

314 A. No. Ms. Baldwin's assertions that service quality has declined in the territories acquired
315 by Frontier are belied by the reports of the state regulators with jurisdiction over Frontier
316 which find that service quality is good. Moreover, none of the data presented by Ms.
317 Baldwin show any connection between the conversion of the acquired companies to
318 Frontier's support platform and service quality problems.

319 Q. BASED ON FRONTIER'S PAST TRACK RECORD OF INTEGRATING
320 ACQUISITIONS, DO YOU ANTICIPATE ANY SERVICE QUALITY PROBLEMS
321 AS A RESULT OF THE FRONTIER/VERIZON TRANSACTION?

322 A. While all integrations present challenges and require careful planning, Frontier's
323 experience in integrating diverse properties and transitioning those properties to

324 Frontier's billing and support platform gives me confidence that the same results will be
325 achieved with the Frontier/Verizon transaction. Moreover, Frontier will be able to
326 transition the Illinois service area to the Frontier billing and support system at Frontier's
327 discretion over the next few years following closing. While Ms. Baldwin sees this as a
328 risk, in my opinion this extra time to prepare and execute the platform transition is a
329 positive benefit which should help ensure a smooth change-over, when and if that occurs.

330 **IV.**
331 **RESPONSE TO TESTIMONY**
332 **CONCERNING SERVICE QUALITY COMPARISONS**

333 Q. DID ANY WITNESSES IN THIS PROCEEDING PRESENT DATA COMPARING
334 SERVICE QUALITY METRICS OF THE COMPANIES INVOLVED IN THIS
335 TRANSACTION?

336 A. Yes. Susan M. Baldwin presented testimony comparing selected service quality metrics
337 of Frontier and Verizon within Illinois. She also compared certain service quality metrics
338 of Verizon and Frontier at the holding company level. Charles King on behalf of DOD
339 also presented service quality data for Frontier and Verizon from Illinois and at the
340 holding company level. Staff witness McClerren presented testimony comparing service
341 quality metrics of Verizon and Frontier in Illinois to Illinois service quality standards.

342 Q. AFTER REVIEWING THIS SERVICE QUALITY DATA, DID THE WITNESSES
343 COME TO THE SAME CONCLUSIONS?

344 A. No. Ms. Baldwin concludes: "My analysis of Frontier's service quality compared with
345 Verizon in Illinois, Verizon at the holding company level, and in territories that it has

346 acquired, raises concerns about Frontier’s ability to take on an acquisition of the scale
347 contemplated by the proposed transaction without probable adverse impact on Illinois
348 consumers’ quality of service. ... Although Frontier professes a willingness to provide
349 more customer focus than does Verizon, Frontier lacks the financial, technical, and
350 managerial resources that Verizon possesses, and, therefore, the proposed transaction
351 would create serious risks for consumers.” (Baldwin Testimony, pp. 81-82). On the
352 other hand, Staff witness McClerren concludes: “Obviously, both of these companies are
353 generally able to provide telecommunications services, and have done so in Illinois for
354 many years. Both companies generally achieve reasonable levels of service quality.
355 ...With some notable exceptions, both companies have a history of successfully meeting
356 Part 730 [Illinois service quality] requirements.” (McClerren Testimony, pp. 14-15.)
357 However, because of concerns that service quality would decline in Verizon areas of
358 Illinois to be acquired by Frontier, Mr. McClerren proposes that two conditions be
359 imposed on the transaction: (1) a restriction on the payment of dividends to the parent if
360 service quality falls below a service quality floor; and (2) a requirement to present an
361 operation support systems integration plan. (*Id.*, pp. 41-45). DOD witness King
362 proposes similar conditions concerning quality of service. (King Testimony, pp. 19-21.)

363 Q. PLEASE SUMMARIZE THE TESTIMONY OF SUSAN M. BALDWIN
364 CONCERNING SERVICE QUALITY COMPARISONS.

365 A. At pages 66 to 83 of her testimony, Ms. Baldwin engages in two separate analyses. She
366 first presents the ARMIS data of Frontier and Verizon operating companies in Illinois for

367 installation intervals, trouble reports, initial trouble reports, and repeat trouble reports.
368 Based on this data, she concludes that “Frontier’s service quality appears to be
369 declining.” (Baldwin Testimony, p. 70.) Ms. Baldwin then compares ARMIS data for
370 Verizon and Frontier at the holding company level for installation intervals, initial trouble
371 reports, initial out of service intervals, repeat trouble reports, and repeat out of service
372 intervals. Ms. Baldwin concludes that Frontier has a higher incidence of trouble reports
373 than does Verizon and is taking longer to repair outages. Ms. Baldwin ultimately
374 questions whether Frontier has the resources or incentives to maintain high quality
375 service after the transaction is approved.

376 Q. DO YOU AGREE WITH MS. BALDWIN’S CONCLUSIONS?

377 A. No. Ms. Baldwin’s comparison of service quality metrics for Frontier’s current Illinois
378 service suffers from the same shortcomings noted in her analysis of recent Frontier
379 acquisitions. The broad conclusions that she draws from the holding company
380 comparisons certainly do not necessarily flow from the data she presents.

381 Q. HOW DO YOU ASSESS THE HOLDING COMPANY DATA PRESENTED BY MS.
382 BALDWIN?

383 A. The data appear to be accurate, but do not support the broad conclusions made by Ms.
384 Baldwin. The average installation intervals and initial trouble reports (Baldwin
385 Testimony, pp. 74-75, Fig. 11 and 12) appear to favor Verizon, but the graphs of the
386 metrics for initial out of service intervals, repeat trouble reports, and repeat out of service
387 intervals (Baldwin Testimony, pp. 76-80, Fig. 13 – 15) show a mixed bag. Based on this

388 data, Ms. Baldwin concludes that Frontier could be failing to invest in its outside plant,
389 and that customers are waiting longer to have their service restored. As previously
390 mentioned, Frontier reported data includes customer-negotiated appointments and
391 troubles involving unregulated high-speed Internet services. More importantly, Ms.
392 Baldwin can point to no state proceeding raising concerns about Frontiers quality of
393 service or level of investment in outside plant. The data that Ms. Baldwin presents is not
394 sufficient to support the conclusions she reaches.

395 Q. PLEASE SUMMARIZE THE TESTIMONY OF CHARLES KING CONCERNING
396 QUALITY OF SERVICE ISSUES.

397 A. At pages 16 to 19 of his testimony, Mr. King presents holding company data for Verizon
398 and Frontier that are very similar to those presented by Ms. Baldwin. After reviewing
399 this data, Mr. King concludes: "... it is important for the Illinois Commerce Commission
400 to monitor Frontier's service performance. To be a deterrent against service degradation,
401 the Commission should be prepared to impose sanctions if service performance
402 deteriorates."

403 Q. DO YOU TAKE ISSUE WITH MR. KING'S RECOMMENDATIONS?

404 A. No. While my experience with monitoring Frontier's service performance in West
405 Virginia and my review of Frontier's service performance following its acquisitions of
406 Commonwealth and Global Valley and operations system conversions in Rochester
407 suggest that the service quality in Verizon's Illinois operations is unlikely to decline
408 following the transfer to Frontier, Mr. King's recommendation sounds very similar to

409 what the Illinois Commerce Commission already does to monitor service quality. Other
410 witnesses will present Frontier's response to proposed conditions.

411 Q. PLEASE SUMMARIZE THE TESTIMONY OF SAMUEL MCCLERREN
412 CONCERNING QUALITY OF SERVICE ISSUES.

413 A. Mr. McClerren reviewed the following service quality metrics for Verizon and Frontier in
414 Illinois for the period July 2008 through June 2009: operator answer time; directory
415 assistance answer time; repair office answer time; business office answer time;
416 installation intervals; out of service intervals; and trouble reports per 100 lines. Mr.
417 McClerren characterized Frontier's performance during the period he reviewed as poor in
418 relation to repair office answer times and out of service intervals, and unacceptable in
419 relation to business office answer times.

420 Q. WHAT IS YOUR REACTION TO FRONTIER'S REPAIR OFFICE ANSWER TIMES
421 AND BUSINESS OFFICE ANSWER TIMES?

422 A. Frontier is aware that they have had a problem with call center answer times and have
423 taken steps to improve performance. As shown on Attachment 2 to the testimony of Mr.
424 McClerren, repair office answer times have met the standards of Part 730 every month
425 since January 2009 (page 3), and business office answer times have met Part 730
426 standards every month since March 2009 (page 4). As reflected in Exhibit 2.1 to Mr.
427 Daniel McCarthy's testimony, extending Mr. McClerren's review to include Frontier's
428 performance for the three more recent months of July 2009 through September 2009
429 shows continued Frontier compliance in meeting the repair office and business office

430 answer times. Frontier's recent performance evidences its efforts to make improvements
431 to provide quality service to Illinois customers.

432 Q. WHAT IS YOUR REACTION TO FRONTIER'S OUT OF SERVICE INTERVALS?

433 A. Again, as reflected in Exhibit 2.1 to Mr. Daniel McCarthy's testimony, extending Mr.
434 McClerren's review to include Frontier's performance for the three more recent months
435 of July 2009 through September 2009 shows continued Frontier compliance in meeting
436 the out of service intervals. In addition, the out of service performance for the nine
437 Frontier Illinois ILECs in aggregate for the twelve month period October 2008 through
438 September 2009 achieved the 95% standard set forth in Part 730. Aside from the fact that
439 more recent data shows continued Frontier compliance with this service quality standard,
440 I note again that Frontier's reporting methodology may result in longer reported service
441 intervals. As I mentioned above in reaction to Ms. Baldwin, Frontier's reported intervals
442 include customer-negotiated appointments and Saturdays, Sundays and holidays. Finally,
443 Frontier has taken exclusions (which are available in case of extreme weather events, for
444 example) for a very low percentage (2%) of out of service conditions during the last year.
445 All of these factors tend to increase reported out of service intervals. Nevertheless,
446 Illinois is the state with direct authority over the outage interval standard and is in the
447 best position to determine if the reported metrics are actually translating into service
448 quality problems.

V.

RESPONSE TO TESTIMONY CONCERNING BROADBAND

449
450
451 Q. AT PAGES 40 TO 60 OF HER TESTIMONY MS. BALDWIN DISCUSSES
452 BROADBAND, INCLUDING A DISCUSSION OF WHAT SHE DEEMS
453 BROADBAND “LITE” SERVICE. AT PAGE 41 SHE STATES: “FRONTIER’S
454 BROADBAND ‘LITE’ (768 KBPS DOWNLOAD SPEED) WOULD BE A STEP
455 BACKWARD FOR ILLINOIS RATHER THAN A STATE OF THE ART PRODUCT.
456 THE COMMISSION SHOULD BE WARY OF FRONTIER PROMISING
457 ‘BROADBAND’ BUT DELIVERING AN OUTDATED PRODUCT.” DO YOU
458 AGREE WITH MS. BALDWIN’S STATEMENT?

459 A. No. Frontier currently provides a range of broadband products with a standard residential
460 broadband service of 3 Mbps, although faster speeds are available in some areas.
461 Frontier’s High Speed Internet (HSI) “Lite” offering provides download speeds of 768
462 kbps, and is simply an option available to customers which is cheaper than higher tier
463 services. Although HSI “Lite” is slower than standard 3 Mbps service, it is substantially
464 faster than dial-up service and represents a significant improvement for customers
465 currently without broadband service.

466 Q. DOES HSI “LITE” QUALIFY AS BROADBAND SERVICE?

467 A. Yes. As set forth at page 48 of Ms. Baldwin’s testimony, 768 kbps service meets NTIA’s
468 definition of broadband, as well as the definition of “advanced telecommunications
469 service” contained in Section 13-517 of the Illinois Public Utility Act. 220 ILCS 5/13-
470 517 (defining “advanced telecommunications services as: “services capable of

471 supporting, in at least one direction, a speed in excess of 200 kilobits per second (kbps) to
472 the network demarcation point at the subscriber's premises.”).

473 Q. AT PAGES 65 TO 66 OF HIS TESTIMONY DR. SELWYN ALSO SUGGESTS THAT
474 FRONTIER’S BROADBAND SERVICES ARE SLOW. DOES THIS RAISE A
475 CONCERN?

476 A. No. Frontier’s existing service territory contains on average more rural areas than the
477 Verizon properties that are part of this transaction. The distances to reach customers is
478 often much greater in rural areas, making it more difficult to provide higher speed
479 broadband service on a reliable and consistent basis. Nevertheless, Frontier has a history
480 of deploying facilities so that consumers in all parts of its service territory, including rural
481 areas, can have access to broadband services. In my opinion, access to any type of
482 broadband service from the local incumbent telephone provider is better than no
483 broadband service at all.

484 Q. DOESN’T MS. BALDWIN AGREE AT PAGE 45 OF HER TESTIMONY THAT IT IS
485 BETTER TO HAVE BROADBAND ACCESS THAN NO BROADBAND?

486 A. Yes, but once again she seems to imply that the only choice consumers will have is
487 between slow broadband or no broadband. As discussed above, Frontier’s HSI “Lite” is
488 only one option available to customers within a range of broadband products. Moreover,
489 available speeds are not static. At the same time that broadband is being deployed into
490 currently unserved areas, available speeds are increasing as network infrastructure is
491 upgraded.

492 Q. WHY HAS FRONTIER BEEN ABLE TO ACHIEVE ITS HIGH BROADBAND
493 AVAILABILITY RATES THAT ARE A PUBLIC BENEFIT OF THIS
494 TRANSACTION?

495 A. I have personally asked this question of Frontier many times over the years, both before
496 and after I retired as Director of the Consumer Advocate Division. Based on my
497 experience with Frontier in West Virginia, it appears that there are several factors leading
498 to high availability. First, the focus of Frontier is on serving rural markets. In other
499 words, serving customers in rural areas is Frontier's primary business. Second,
500 expanding broadband access throughout its service territory is an explicit Frontier policy.
501 Third, Frontier views lower concentrations of customers as economic to serve. For
502 example, Frontier will upgrade to broadband a remote terminal serving as few as 35
503 customers. Fourth, Frontier uses AdrenaLine™ xDSL conditioner technology, which
504 expands the effective reach of DSL broadband on a copper wire pair from 18,000 feet to
505 24,000 - 35,000 feet depending on the gauge of the wire and other factors. This
506 technology improves the economics of serving low-density areas and makes it possible to
507 reach customers that otherwise would have no land-based broadband options.

508 Q. AT PAGE 46 OF HER TESTIMONY MS. BALDWIN STATES: "FRONTIER HAS
509 NOT PROVIDED SUFFICIENT EVIDENCE THAT IT WILL DEPLOY
510 BROADBAND MORE AGGRESSIVELY THAN AND SUCCESSFULLY THAN
511 WOULD VERIZON." AT PAGE 67 OF HIS TESTIMONY DR. SELWYN ALSO
512 STATES: "[T]HERE IS NOTHING ABOUT FRONTIER'S ANNOUNCED PLANS

513 AND REPRESENTATIONS THAT SUGGESTS IT WILL DO ANYTHING MORE TO
514 BRING STATE-OF-THE-ART BROADBAND TO THE CURRENT VERIZON
515 ILLINOIS AREAS THAN VERIZON HAS DONE UP UNTIL NOW.” DO YOU
516 AGREE?

517 A. No. These statements are hard for me to understand since the undisputed facts are that
518 Frontier has already deployed broadband to over 90% of its customers nationwide.
519 Frontier has demonstrated that it can and will deploy broadband aggressively and
520 successfully even in extremely rural areas. The acceleration in the deployment of
521 broadband will be one of the primary benefits flowing from approval of this transaction.

522 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

523 A. Yes, it does.

524 **APPENDIX A**
525 **BACKGROUND AND QUALIFICATIONS OF**

526 **BILLY JACK GREGG**

527 Q. WHAT IS YOUR EDUCATION BACKGROUND?

528 A. As an undergraduate I attended Austin College in Sherman, Texas, and the University of
529 Glasgow, Scotland. I received my B.A. degree in history and government from Austin
530 College in 1971. I attended the University of Texas School of Law in Austin, Texas and
531 received a J.D. degree from that institution in 1974. I was admitted to the West Virginia
532 Bar the same year.

533 Q. WHAT IS YOUR JOB EXPERIENCE?

534 A. From 1974 to 1977 I was employed as an assistant attorney general assigned to the West
535 Virginia Human Rights Commission. From 1977 to 1978 I was in private practice in
536 Hurricane, West Virginia. From 1978 to 1981 I was senior staff attorney for the U.S.
537 Department of Interior Field Solicitor's Office in Charleston, West Virginia, assigned the
538 primary duty of enforcing the Surface Mining Control and Reclamation Act of 1977. In
539 such capacity I became familiar with the coal mining practices and regulations in the
540 states of West Virginia, Virginia, Maryland and Pennsylvania, as well as acquiring
541 working knowledge of national and international coal markets. In 1981 I was appointed
542 first director of the Consumer Advocate Division, charged with the responsibility of
543 representing residential utility ratepayers in West Virginia. In this capacity I became
544 familiar with virtually every aspect of electric, gas, telephone and water service in the
545 State, as well as with Federal actions which affect State regulation of utility service. In
546 2007 I retired from the Consumer Advocate Division and became an independent
547 consultant and principal in the firm Billy Jack Gregg Universal Consulting. I offer
548 consulting services in the areas of energy and telecommunications, with emphasis in the
549 areas of universal service, intercarrier compensation and broadband.

550 Q. HAVE YOU HELD ANY POSITIONS IN NATIONAL ORGANIZATIONS?

551 A. Yes. I served as the Treasurer of the National Association of State Utility Consumer
552 Advocates from 1996 to 2000, and served on the Executive Committee of that
553 organization from 1992 to 2000. In 1998 I was appointed to the Rural Task Force of the
554 Federal-State Joint Board on Universal Service, and served on that body until its work
555 was completed in 2001. I served on the Board of Directors of the Universal Service
556 Administrative Company in 2001 and 2002. From March 2002 until my retirement in
557 2007 I served as a member of the Federal-State Joint Board on Universal Service. Since
558 2000 I have served on the Board of Directors of the National Regulatory Research
559 Institute (NRRI).

560 Q. HAVE YOU EVER TESTIFIED BEFORE LEGISLATIVE BODIES?

561 A. Yes. I have testified numerous times over the years before the West Virginia Legislature,
562 and before committees of both houses of Congress. In addition, I have testified before
563 committees of the legislatures of Virginia, Pennsylvania and Tennessee.

564 Q. HAVE YOU EVER TESTIFIED BEFORE UTILITY REGULATORY AGENCIES?

565 A. Yes, I have testified in the following cases:

566 **Public Service Commission of West Virginia**

567 General Telephone of the Southeast, Case No. 81-612-T-42T; (Rate Case Settlement)

568 C&P Telephone Co. of W.Va., Case No. 83-383-T-42T; (Rate Case Settlement)

569 Wheeling Electric Company, Case No. 84-191-E-42T; (Rate Case Settlement)

570 C&P Telephone Company of W. Va., Case No. 84-755-T-T; (Party-line Elimination)

571 Monongahela Power Co., Case No. 87-072-E-GI et al. (Fuel Review);

572 Hope Gas, Inc., Case No. 87-434-G-30C (Purchased Gas Adjustment);

573 MCI Telecommunications Co., Case No. 83-259-T-SC *et al.* (Flexible Regulation Plan);

574 Monongahela Power Co., Case No. 88-082-E-GI, *et al.* (Fuel Review);
575 C&P Telephone Co. of W.Va., Case No. 88-589-T-A (Winfield Plan);
576 C&P Telephone Co. of W.Va., Case No. 89-041-T-PC (Exemption Petition);
577 U.S. Sprint Communications Company LP, Case No. 89-596-T-P *et al.* (Annual Reports);
578 In the Matter of Certification of Competitive Telecommunications Services,
579 Case No. 90-477-T-GI;
580 C&P Telephone Co. of W. Va., Case No. 90-424-T-PC; (Cost Allocation Manual)
581 C&P Telephone Co. of W.Va., Case No. 90-613-T-PC, (Incentive Regulation Plan);
582 West Virginia Cellular Telephone Co., Case No. 90-659-C-PC (Deregulation Petition);
583 Monongahela Power Co., Case No. 91-213-E-GI *et al.* (Fuel Review);
584 GTE South, Inc. and Contel of West Virginia, Case No. 93-0425-T-PC (Incentive Plan);
585 C&P Telephone Company of W.Va., Case No. 93-0957-T-GI (Seven Digit Dialing Plan);
586 Bell Atlantic-West Virginia, Inc., Case No. 94-0725-T-PC (Incentive Regulation Plan);
587 General Investigation into IntraLATA Competition in West Virginia,
588 Case No. 94-1103-T-GI;
589 West Virginia-American Water, Case No. 95-1202-W-CN (Plant Certificate
590 Application);
591 Monongahela Power Company, Case No. 97-0183-E-GI *et al.* (Fuel Review);
592 Bell Atlantic-West Virginia, Inc., Case No. 97-1461-T-PC (Incentive Regulation Plan);
593 Monongahela Power Company, Case No. 98-0101-E-GI *et al.* (Fuel Review);
594 West Virginia Power Gas Company, Case No. 98-0448-G-PC (Safety Related
595 Surcharge);
596 Bell Atlantic-West Virginia, Inc. Case No. 98-1091-T-T (National Directory Assistance);
597 General Investigation, Case No. 98-1531-T-GI (Cross-LATA Local Calling);
598 Monongahela Power Company, Case No. 99-0261-E-GI *et al.* (Fuel Review);

599 Citizens Telecommunications, Case No. 99-1530-T-PC, (Incentive Regulation Plan);
600 Bell Atlantic-West Virginia, Case No. 99-1620-T-GI, (Disposition of Additional
601 Universal Service Funds);
602 Bell Atlantic-West Virginia, Case No. 99-1633-T-PC, (Cross-LATA Local Calling);
603 Verizon-West Virginia, Inc., Case No. 00-0705-T-PC, (Incentive Regulation Plan);
604 Easterbrooke Cellular Corp., Case No. 03-0935-T-PC (Eligible Telecommunications
605 Carrier);
606 Verizon-West Virginia, Inc., Case No. 04-0292-T-PC (Petition to Cease Regulation);
607 MCI Communications Services, Inc., Case No. 05-1233-T-GI (Billing Line Items);
608 Verizon-West Virginia, Inc., Case No. 06-0481-T-PC (Petition to Cease Regulation);
609 General Investigation, Case No. 06-0708-E-GI (Electric Net Metering and
610 Interconnection Standards);
611 Appalachian Power Company and Wheeling Power Company, 08-0278-E-GI (ENEC);
612 Monongahela Power Company and The Potomac Edison Company, 08-1511-E-GI
613 (ENEC);
614 Appalachian Power Company and Wheeling Power Company, 09-0177-E-GI (ENEC);
615 Frontier Communications Corporation, New Communications Holding Company, Inc.,
616 and Verizon Communications, Inc., et al, 09-0871-T-PC (Transfer of Control).

617 **Federal Communications Commission**

618 In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45,
619 (1998 *en banc* panel of the Federal-State Joint Board on Universal Service on the issues
620 of affordability and consumer issues);

621 In the Matter of Implementation of Section 224 of the Act, WC Docket No. 07-245 (2008
622 declaration on the issue of pole attachment rates).

623 **Alaska Public Service Commission**

624 In the Matter of Investigation into the Impact on Alaska Consumers and Carriers of
625 Intercarrier Compensation Reform by the Federal Communications Commission, Case
626 No. R-06-6 (2006 testimony on Missoula Plan).

627 **Georgia Public Service Commission**

628 Universal Service Proceeding, Case No. 5825-U (2000 testimony on structure of state
629 universal service fund).

630 **Ohio Public Utilities Commission**

631 Frontier Communications Corporation, New Communications Holding Company, Inc.,
632 and Verizon Communications, Inc., et al, Docket No. 09-454-TP-ACO (Transfer of
633 Control).

634 Q. BESIDES CASES IN WHICH YOU HAVE TESTIFIED, HAVE YOU
635 PARTICIPATED IN REGULATORY CASES AS AN ATTORNEY?

636 A. Yes, as Director of the West Virginia Consumer Advocate Division and as Senior
637 Attorney in the Field Solicitor's Office, I handled hundreds of regulatory cases as an
638 attorney.

639 Q. DO YOU HAVE ANY PUBLICATIONS?

640 A. Yes. From April 2001 to March 2006 I published semi-annually through the National
641 Regulatory Research Institute *A Survey of Unbundled Network Element Prices in the*
642 *United States.*⁸ In 1996 I co-authored *The Telecommunications Act of 1996: A Guide for*
643 *Educators*, through Appalachia Education Laboratory, Inc.

644 Q. HAVE YOU RECEIVED ANY AWARDS?

⁸ The UNE Surveys are available on-line through the University of Florida's Public Utility Research Center at <http://www.cba.ufl.edu/purc/research/UNEdata.asp>

645 A. Yes. In 2007 I received the *Robert F. Manifold Lifetime Service Award* from the
646 National Association of State Utility Consumer Advocates.

Filed Session of November 12, 2008

**STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE**

November 6, 2008

TO: THE COMMISSION

FROM: OFFICE OF TELECOMMUNICATIONS

SUBJECT: CASE 08-C-0405 - In the Matter of Quality of Service provided by Local Exchange Companies in New York State.

This memorandum is for informational purposes. No action is required.

FRONTIER COMMUNICATIONS¹
Third Quarter 2008 Service Quality Report

SUMMARY

The quality of telephone service provided by the local exchange subsidiaries of Frontier Communications during the third quarter of 2008:

- Met Commission-established performance thresholds for the local exchange subsidiaries of Frontier Communications, 97.8% of the time;
- Met all merger-related and other service requirements for Frontier's subsidiaries; and,
- Experienced an increase in service-related consumer complaints to the Commission.

BACKGROUND

Frontier Communications is a holding company that serves over 2.4 million access lines in 24 states. In New York State, it owns the incumbent local exchange

¹ Citizens Communications announced a name change to Frontier Communications, effective July 31, 2008.

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companies of Citizens Telecommunications Company of New York, Inc. (Citizens of NY), Frontier Telephone of Rochester, Inc. (FTR), Frontier Communications of New York, Inc. (Frontier of NY), Frontier Communications of Ausable Valley, Inc. (Ausable), Frontier Communications of Seneca-Gorham, Inc. (Seneca-Gorham), Frontier Communications of Sylvan Lake, Inc. (Sylvan Lake), and Ogden Telephone Company (Ogden). Through these subsidiaries, Frontier Communications serves about 634,739² access lines in New York State through 210 central offices. Overall, Frontier Communications serves a significant portion – about 8.7% – of the total traditional access lines in the State, but has lost approximately 21,600 access lines since the previous quarter. More than 13,300 of these line losses were in FTR.

The geographic areas and lines (as of September 30, 2008) served by each subsidiary are shown in the following table:

Frontier Communications' Local Exchange Subsidiaries in New York		
Subsidiary	Access Lines	Geographic Area Served
Citizens of NY	230,888	Parts of 31 Counties Statewide
FTR	313,714	Parts of Genesee, Livingston, Monroe, Ontario, Steuben, Wyoming and Yates Counties
Frontier of NY	50,539	Parts of Orange and Ulster Counties
Ausable	5,934	Parts of Clinton, Essex and Franklin Counties
Seneca-Gorham	7,365	Parts of Ontario and Yates Counties
Sylvan Lake	11,297	Part of Dutchess County
Ogden	15,002	Part of Monroe County
NYS Corporate Total	634,739	

Under the Commission's Service Standards, 16 NYCRR 603, local exchange carriers serving 500,000 or fewer access lines are only required to report Customer Trouble Report Rate (CTRR), and each subsidiary of Frontier Communications currently serves fewer than 500,000 lines. FTR had reported on additional metrics as part

² Of these lines, about 899 are on a resale basis.

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of a permanent condition of its now expired incentive plan, the Open Market Plan (OMP).³ Appendix A contains a summary of the Commission's Telephone Service Standards as well as the other metrics applicable to FTR through the third quarter. Appendix B is a glossary of terms used in this memorandum.

DISCUSSION

This report groups and summarizes performance results for the third quarter of 2008. Detailed results by metric and entity are being measured as required by the standards and tracked by Staff, but are not presented in detail unless it is necessary to explain a significant service problem. The Service Standards contain four groups of metrics measuring maintenance, installation, network, and answer time performance. Of these four, only maintenance is addressed below. As previously mentioned, Frontiers' local exchange subsidiaries are required to report only CTRR on a routine basis. Other regulatory requirements related to service quality are also discussed.

Overall and as shown in the following table, the Frontier local exchange subsidiaries met Commission established thresholds of performance 97.8% of the time during the third quarter on those metrics they are required to report. The chart has been updated through September. These overall results are discussed in more detail in this report.

³ In October 2008 in Case 08-C-1140, the Commission eliminated the duplicate service quality reporting requirements required by the OMP.

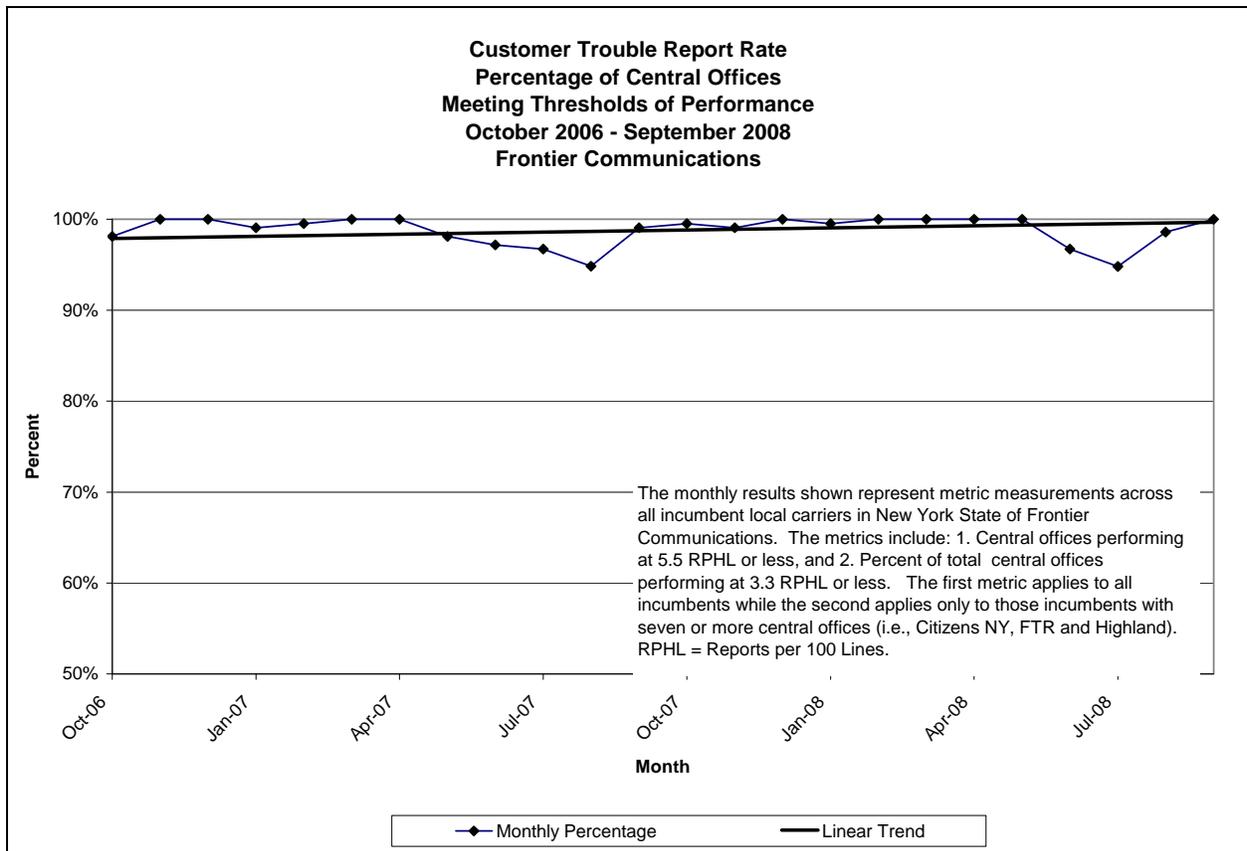
Frontiers' ILEC Companies
Frequency of Meeting CTRR Threshold Performance Levels
3rd Quarter and Year-to-Date

Metric	2008					
	3 rd Quarter			Year-to-Date		
	Opportunities	% Met	% Missed	Opportunities	% Met	% Missed
CTRR Combined	639	97.8%	2.2%	1,917	98.9%	1.1%
a) CTRR < 5.5	630	97.9%	2.1%	1,890	98.9%	1.1%
b) 85% CTRR < 3.3	9	88.9%	11.1%	27	92.6%	7.4%

Maintenance Service

The subsidiaries' central offices generally met the Commission's established levels of CTRR performance.⁴ The following chart shows that during the third quarter 625 (97.8%) of the 639 central office measurement opportunities met or exceeded the monthly CTRR performance thresholds of the standards.

⁴ Performance for two CTRR metrics of the standards are combined in the chart: 1) A threshold level of 5.5 reports per hundred lines (RPHL) or less per central office per month for all seven subsidiaries, and 2) a threshold level of 85% or more central offices at 3.3 RPHL or less per month for those three subsidiaries serving seven or more central offices (Citizens NY, FTR and Frontier Communications of NY).



This performance is slightly below the third quarter results for 2007. Staff notes that most central offices overall were well below 3.3 reports per 100 lines.

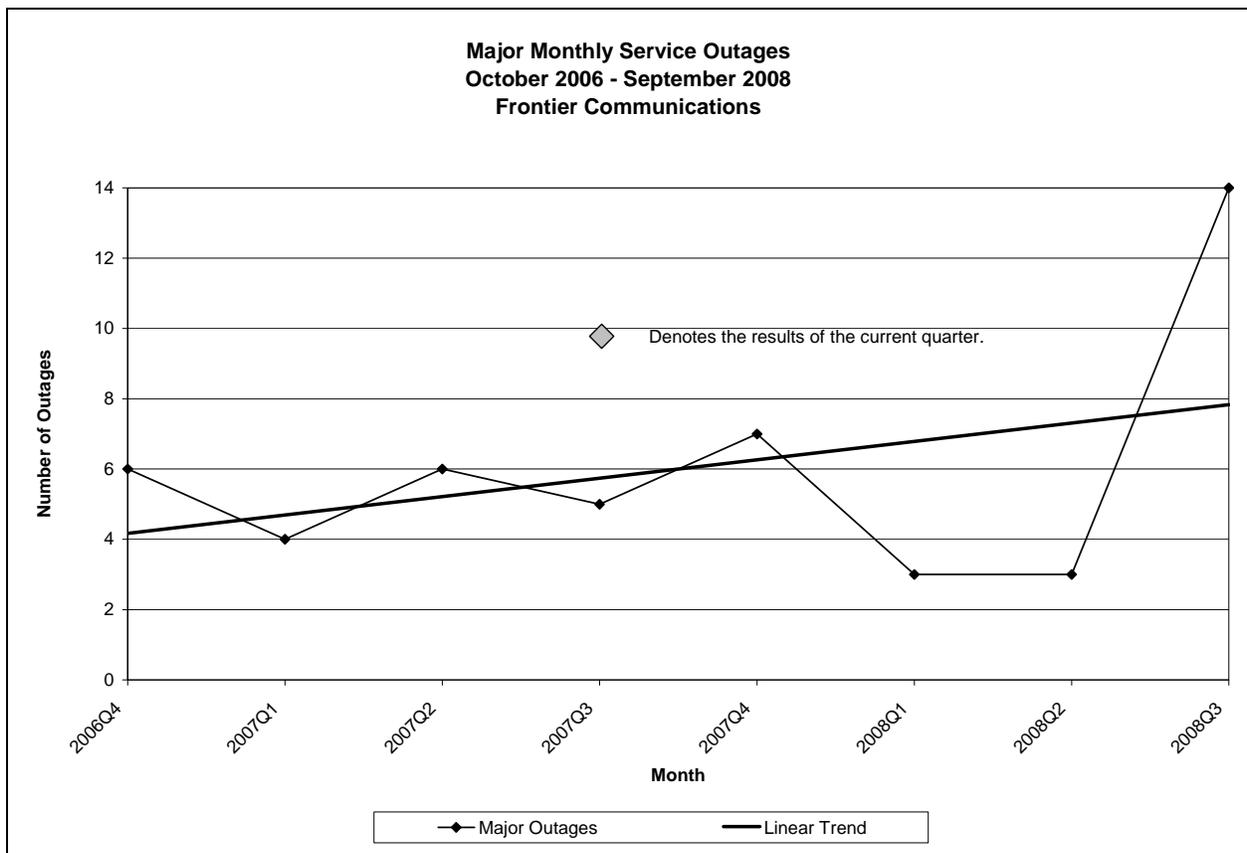
Service Inquiry Reports

When service results in a measured entity (e.g., central office) consistently fail to meet the threshold performance level of a given metric, the appropriate subsidiary must submit a Service Inquiry Report⁵ detailing the reasons for the poor performance as well as the corrective action taken. There were no such situations in the third quarter of 2008.

⁵ Service Inquiry Reports (SIRs) are required under 16 NYCRR 603.4 whenever a Service Standards’ metric is not at or better than the threshold for the current month and any two of the previous four months. These reports identify specific regions where improvements are required, detail the reasons for poor performance, describe the corrective action being taken, and identify an expected improvement date.

Major Service Outages

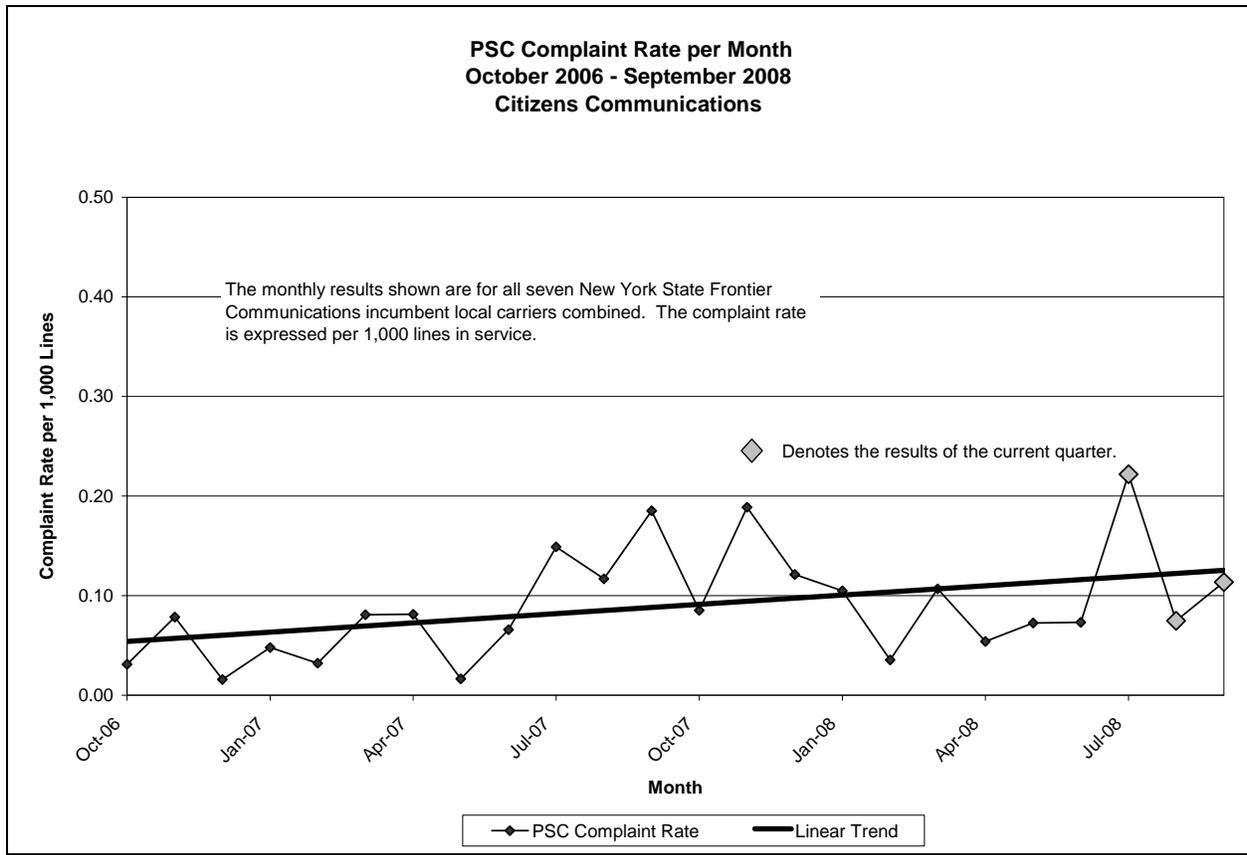
The standards also enjoin carriers to minimize major service outages, and to report such events to Staff when they occur. There were fourteen such outages during the third quarter of 2008, up from five during the third quarter of 2007. Frontier of New York had 10 outages while FTR had four. Four of the Frontier of New York outages were related to central office equipment problems, three were related to contractor damage to underground cable, two were storm-related, with one of those a direct lightning strike, and one was related to a technicians error. Three of the FTR outages were central office equipment problems, while one was storm-related. Staff closely monitors outages and, where appropriate, performs a root cause analysis of the failure for reliability purposes. The overall trend remains good as shown in the following chart.



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Complaints to the Commission

Complaints are not a part of the Commission's Service Standards, but serve as an independent measure of service quality apart from performance reported by the carriers under the standards. The following chart shows an increase in complaints during the third quarter of 2008. There were a total of 22 complaints for the third quarter of 2008, up from 11 during the second quarter. This compares to 27 complaints for the third quarter of 2007. Nine of the 22 complaints for this quarter were Citizens of NY complaints, and 4 of those were service-related. FTR recorded 8 complaints for the quarter, of which 4 were service-related. In addition, Ausable had 2 complaints, Frontier of NY had 2 complaints and Ogden recorded 1 complaint. Staff had addressed complaint issues with the company last year, and had seen a decreased complaint level during the first half of 2008. Staff will continue to monitor the complaint level for the remainder of 2008, to see if the third quarter was an anomaly. It does not appear to staff that this is a serious concern at this point.



Merger-Related and Other Service Quality Performance

Merger requirements relating to service quality were established for most subsidiaries, and continued for FTR, when Citizens Communications acquired the former Frontier local exchange subsidiaries on July 2, 2001. All subsidiaries except FTR, which was covered by permanent conditions of the OMP until October 15, 2008⁶ were required to maintain a performance level of 90% or more of a given subsidiary’s central offices at or below a CTRR level of 3.3 reports per 100 access lines in any 12-month period ending each calendar quarter. All subsidiaries met this quarterly goal.

FTR achieved all necessary requirements in order to avoid a dividend suspension for calendar year 2007, and was meeting the requirements in 2008 up to the

⁶ On October 15, 2008, the Commission adopted the Joint Stipulation and Agreement, modifying the remaining OMP conditions. The 4th Quarter 2008 report will reflect these changes.

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modification of the OMP provisions. Details on its performance in this regard are shown in Appendix A.

Service Quality Reporting Under the Joint Stipulation and Agreement

As noted, the Commission adopted the Joint Stipulation and Agreement at its October 15, 2008 session. This Agreement considers the overall service quality of the combined Frontier ILECs, and includes a dividend suspension and customer rebates should service quality fall below an acceptable level. Under the agreement, no Frontier incumbent local exchange carrier would be able to make dividend payments to the parent holding company if service quality fell below a certain level.

For purposes of the Agreement⁷, service quality will now be measured and reported monthly on a combined company basis and the customer rebate system will be based on the total number of “measurement opportunities” on a 12-month rolling basis. A measurement opportunity is the monthly CTRR performance of each central office. A customer rebate equal to 25% of the flat monthly basic service charge will be applied to bills when the companies fail to achieve 90% of its offices at or lower than 3.3 reports per 100 access lines over a 12-month average. During periods when performance thresholds are missed, the rebate will double to 50% of the monthly service charge for each office where the CTRR measurement exceeds the higher threshold of 5.5 CTRR per 100 access lines. The 50% rebate is payable when the 25% rebate would have been payable. Dividends will be suspended if service quality fails, such that Frontier’s CTRR level falls below the performance threshold for three consecutive months. The suspension will end when the carriers meet the performance threshold for three consecutive months.

⁷ While the Agreement provides that the CTRR thresholds for rebates and dividend restrictions be calculated on a company wide basis, Frontier will continue to report CTRR to Staff on a company by company basis.

CONCLUSION

The local exchange subsidiaries of Frontier Communications operating in New York State met or exceeded the Commission's Service Standards for the third quarter of 2008. FTR also met its service requirements relating to dividend payments.

All merger-related service performance targets of the other subsidiaries have been met during this quarter. This report will be modified to reflect the new reporting requirements that took effect on October 15, 2008, as of the next quarterly report. This memorandum is for informational purposes and no action is required.

Respectfully submitted,

BRUCE J. MILLER
Utility Engineer 3

Reviewed by,

GREGORY C. PATTENAUDE
Chief, Carrier Performance
Office of Telecommunications

SAUL M. ABRAMS
Assistant Counsel

Approved by,

CHAD G. HUME
Director
Office of Telecommunications

Attachments

OVERVIEW OF SERVICE QUALITY MEASUREMENT

The primary criteria for measuring telephone service quality are the Telephone Service Standards, which were adopted by the Commission in 1973 (Opinion No. 73-40, Case 26158) and revised in 1989, 1991, and 2000. The Service Standards appear as Part 603 of 16 NYCRR and require measurement of service quality in four separate categories: 1) Maintenance Service, 2) Installation Service, 3) Network Service, and 4) Answer Time Performance. Within these categories there are 10 metrics, each with its own threshold level of expected performance. There are also a number other requirements in the standards which are not expressed in terms of a metric such as minimizing service interruptions and maintaining procedures for operating under emergency conditions. These are grouped into a category called "Other" in this appendix. Staff receives monthly reports of service measurements in these categories that are analyzed to evaluate the level of service quality delivered to consumers.

Maintenance Service

Maintenance Service measures the reliability of the telephone network, and how quickly it is repaired when a customer experiences a problem. There are three metrics as follows: (1) Customer Trouble Report Rate (CTRR), measured by the number of customer reported troubles per 100 lines in service; (2) Percent Out-of-Service Trouble Reports Not Cleared within 24 Hours (OOS >24); and (3) Percent Service Affecting Trouble Reports Not Cleared within 48 Hours (SA>48).

CTRR is measured in two ways. First, performance in each of Citizens' 210 central offices should meet an expected performance level or threshold of 5.5 or less Reports per 100 Lines (RPHL). Second, for each of those Citizens subsidiaries that serve more than seven central offices, 85% of each subsidiary's offices should perform in a threshold range of 3.3 or less RPHL. All subsidiaries of Citizens are not required to report OOS>24 and SA>48. For OOS>24, the threshold is that no more than 20% of all out-of-service conditions take longer than 24 hours to be repaired. For non-out-of-service conditions or SA>48, the threshold is that no more than 20% of all such troubles take longer than 48 hours to be repaired. Taken together, these two metrics ensure that every customer reported trouble condition has an expected repair interval of either 24 or 48 hours.

Installation Service

Installation Service measures the utility's ability to provide basic service to a new customer.⁸ There are two metrics for installation service as follows: (1) Percent Basic Service Installations Completed Within 5 Days (% Installed in 5 days), and (2) Percent Missed Basic Installation Appointments (% Missed Installations). The thresholds for these are 80% or higher, and 10% or less, respectively. No subsidiaries of Citizens are required to report Installation Service.

Network Service

Network Service measures the ability of the telephone network to complete interoffice calls by measuring the percentage of total calls that are blocked on final trunk groups, the last available route to complete an interoffice call. The threshold for this metric is the identification of each final trunk group that consistently (i.e., for three consecutive months) has calls blocked in excess of 3% of total calls within the busy hour. The intent is to be sure that unusual levels of call blocking during the typical busy hour do not occur. No subsidiaries of Citizens are required to report on this metric.

Answer Time Performance

Answer Time Performance measures how quickly the company answers the telephone in each call center when customers call for service. There are three metrics for answer time performance that are specific to the type of call center including repair, business office and local operator assistance.⁹ The thresholds are 80-100% of calls answered within 30 seconds for each repair and business office, and an average speed of answer of 0-3 seconds for each local operator assistance call center. No subsidiaries of Citizens are required to report Answer Time Performance.

The following chart summarizes the metrics and associated thresholds of expected performance of the previously discussed groupings of metrics in the standards.

⁸ Basic service is defined as the first residence line or the first 5 business lines to a customer, excluding other types of service orders for such things as additional features (e.g., Call Waiting, Caller ID), or additional lines beyond these minimums.

⁹ Companies may report Local Operator Assistance either as a percentage of calls answered within 10 seconds, or as an average speed of answer time.

SERVICE QUALITY MEASURES		
Effective October 2000		
SERVICE ELEMENT	REPORT NOMENCLATURE	PERFORMANCE THRESHOLD (Monthly)
MAINTENANCE SERVICE: ⁽¹⁾		
Customer Trouble Report Rate (Initial Reports) Per individual central office entity	Reports per 100 access lines	5.5 or less
Percentage of total entities (for those providers with 7 or more offices) at 3.3 or less	Reports per 100 access lines	85.0 or more
Out-Of-Service Clearing Time	Percentage of OOS over 24 hours	20.0 or less
Service Affecting Clearing Time	Percentage of S. A. over 48 hours	20.0 or less
INSTALLATION SERVICE: ⁽²⁾		
Basic Service Installations	Percentage installed within 5 days	80.0 or greater
Missed Basic Service Installation Appointments	Percentage missed	10.0 or less
NETWORK SERVICE:		
Final Trunk Group Blockages	Percentage of calls blocked	3.0 or less
ANSWERING TIME PERFORMANCE: ⁽³⁾		
Business Office	Percentage answered within 30 seconds	80.0 or greater
Repair Service Bureau	Percentage answered within 30 seconds	80.0 or greater
Local Operator Assistance ⁽⁴⁾	Percentage answered within 10 seconds	90.0 or greater
Local Operator Assistance ⁽⁴⁾	Average answer time (seconds)	3.0 or less
^{1.} Overall Customer Trouble Report Rate results shall be reported at the central office entity level. All other Maintenance Service results shall be reported at the appropriate maintenance administrative entity level. ^{2.} All Installation Performance results shall be reported at the appropriate installation administrative level and shall exclude those instances where the subscriber requests a later date or where substantial construction is required. ^{3.} All Answering Time Performance results shall be reported at the appropriate administrative entity levels. ^{4.} Measured either as a percent of answered calls or as an average answer time, but not both.		

OTHER

Service Inquiry Reports

The standards define localized situations that might require corrective action by the utility. In general, any consistent, non-threshold performance in a measurement entity (central office, bureau, district, call center or final trunk group) for any of the previously discussed metrics requires the company to file a Service Inquiry Report, a report identifying the cause of the performance and any corrective action being taken.

Major Service Outages

The standards also enjoin carriers to minimize major service outages, and to report such events to Staff when they occur. Such interruptions can occur for any number of reasons including damage to cables by contractors, fire, floods and terrorists activities. Such interruptions include both physical and cyber incidents that affect a company's network, facilities, services or operations.

Special Services

The Commission also has Special Service Guidelines addressing the quality of service utilities are expected to provide on Special Services¹⁰ in the areas of ordering, maintenance and installation quality. These guidelines are not part of the Commission's Rules and Regulations, but have been established via Commission order. Staff receives monthly service quality reports on these types of services only from Verizon, as it is the only carrier currently meeting the reporting criteria as defined in the Special Services Guidelines.

Complaints to the Commission

While not a service standard, the number of complaints against a utility is a measure of service quality. Traditionally, such complaints are stated as a rate per 1,000 lines per year so that comparisons between companies can be made. The threshold used to indicate good performance is set at 0.074 or lower per year.

SERVICE REQUIREMENTS OF THE OMP

The Open Market Plan¹¹ (or, the Plan) is based on service performance standards as stated in the rules prior to the substantial revisions adopted in October 2000. While the Plan expired on December 31, 2004, some requirements relating to holding company arrangements were permanent and did not expire. One of those requirements links annual service quality performance to the potential to withhold dividend payments to FTR's parent company, Citizens Communications. Essentially, FTR must achieve the annual service quality targets of the OMP in order to continue to make dividend payments.

¹⁰ Special Services are non-basic services, most of which are non-switched, and require engineering design review before being installed. Some may require construction of fiber facilities. They include alarm, video, foreign exchange and other services, but the majority demanded are high speed data circuits of 1.5 megabits and higher transmission rates.

¹¹ Case 93-C-0103 – Petition of Rochester Telephone Corporation for Approval of Proposed Restructuring Plan.

The following chart shows the service measurements of the standards prior to modification in October 2000 that are used for determining if FTR can continue to make dividend payments, and do not apply to other companies.

SERVICE QUALITY MEASURES				
Prior to October 2000				
SERVICE ELEMENT	REPORT NOMENCLATURE	SERVICE RATINGS		
		OBJECTIVE	WEAKSPOT	
MAINTENANCE SERVICE: (1)				
Customer Trouble Report Rate	Report per 100 access lines	0.0 - 4.2	Over	7.0
Missed Repair Appointments	Percentage of missed appointments	0.0 - 10.0	Over	15.0
Out-Of-Service Clearing Time	Percentage of OOS over 24 hours	0.0 - 20.0	Over	30.0
INSTALLATION PERFORMANCE: (2)				
Regular Installations	Percentage installed within 5 days	85.0 - 100.0	Below	70.0
Installation Appointments	Percentage missed	0.0 - 3.0	Over	10.0
ANSWERING TIME PERFORMANCE: (3)				
Business Office	Percentage answered within 20 seconds	90.0 - 100.0	Below	85.0
Business Office	Percentage all positions busy	0.0 - 10.0	Over	15.0
Repair Service Bureau	Percentage answered within 20 seconds	90.0 - 100.0	Below	85.0
Repair Service Bureau	Average answer time (seconds)	12.0 - 16.0	Over	27.0
Directory Assistance	Percentage answered within 10 seconds	86.0 - 100.0	Below	83.7
Directory Assistance	Average answer time (seconds)	0.0 - 6.3	Over	6.9
Intercept	Percentage answered within 10 seconds	86.0 - 100.0	Below	83.7
Intercept	Average answer time (seconds)	0.0 - 6.3	Over	6.9
Toll & Assistance	Percentage answered within 10 seconds	90.8 - 100.0	Below	87.5
Toll & Assistance	Average answer time (seconds)	0.0 - 2.8	Over	4.1
<p>1. Overall Customer Trouble Report Rate results shall be reported at the central office entity level. All other Maintenance Service results shall be reported at the appropriate maintenance administrative entity level.</p> <p>2. All Installation Performance results shall be reported at the appropriate installation administrative level and shall exclude those instances where the subscriber requests a later date or where substantial construction is required.</p> <p>3. All Answering Time Performance results shall be reported at the appropriate administrative entity levels. Utilities can report either the percent answered within the specified time, or the average, but not both.</p>				

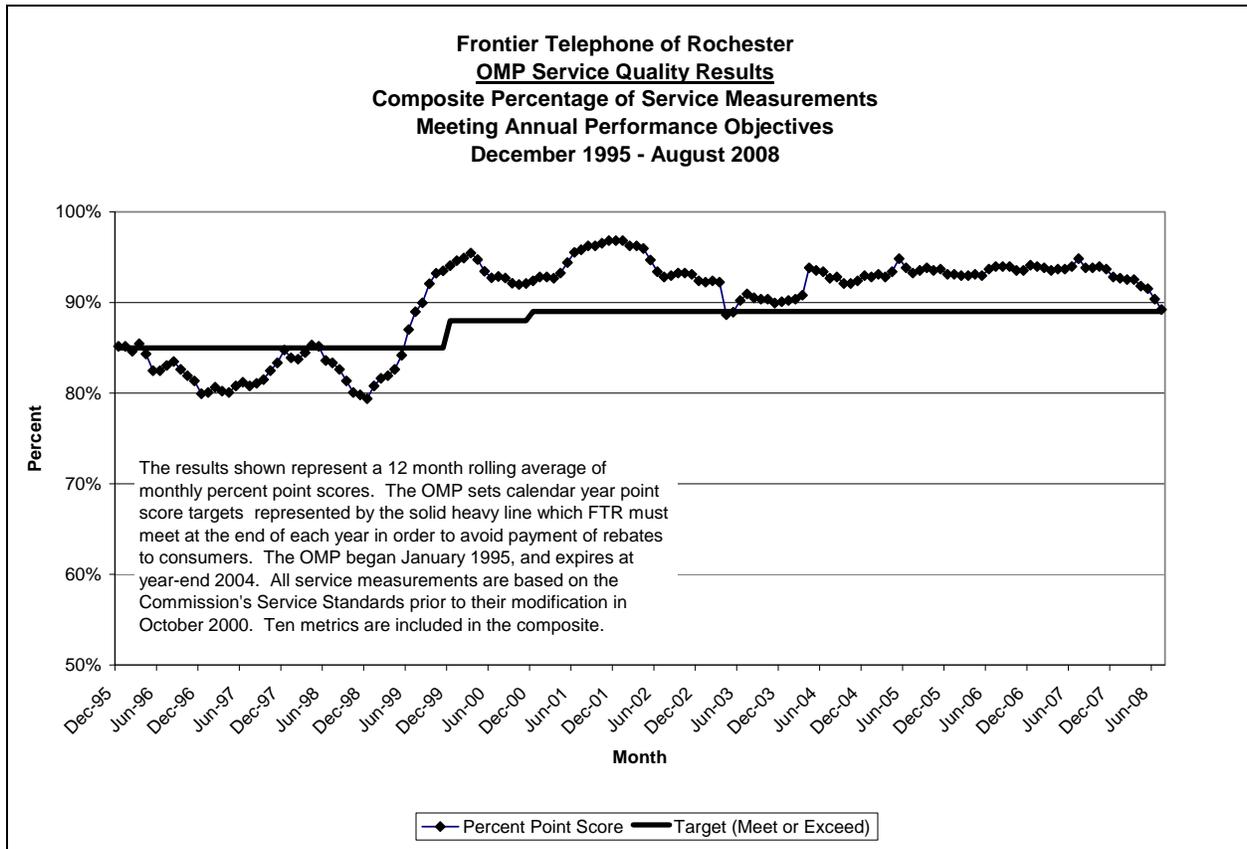
FTR must provide Objective Level service at least 89% of the time on all metrics in the Service Standards each year. It also can experience no more than one Surveillance Level Failure (three consecutive months or more of poor service performance for any metric) in any calendar year, and meet defined limits for customer complaints to the Commission.

Open Market Plan Service Quality Status

FTR met its year-end 2007 service performance targets in order to continue to make dividend payments to Citizens Communications, and was on target to do so again in 2008. This is shown in the following table. This chart will be modified in the next quarterly report, in order to reflect the new criteria adopted in the October 15, 2008 Joint Stipulation and Agreement.

FTR's OMP Service Performance			
<i>OMP Measurement Category</i>	<i>12 Months-to-Date Sept. 2008</i>	<i>Calendar Year 2008 OMP Goal</i>	<i>Comment</i>
% Objective Level Measures – All Metrics	90.2%	=>89%	On Target
PSC Complaint Rate – 12 month average per 100,000 lines	0.55	=<4.7	On Target
PSC Complaint Rate - 24 month average per 100,000 lines	0.53	=<7.4	On Target
Number of Surveillance Level Failures	0	=<1	On Target

The following chart illustrates the company's performance over the past twelve years of the OMP, in terms of a 12-month rolling average of the Percent Objective Level Measure. That is, the chart depicts the frequency that FTR met or exceeded the expected level of performance on a group of ten metrics and 58 measured entities, or a total of 696 measurements per year.



Glossary

CLEC	Competing Local Exchange Carrier – Any one of many local exchange carriers (LEC) competing with an incumbent LEC. It may be reselling the incumbent carrier's services or be providing service via its own facilities.
ILEC	Incumbent local exchange carrier – Any one of the 40 traditional, full service, facilities-based, wireline telephone carriers providing local exchange telephone service as of February, 1996.
Incentive Rate Plan	A method of regulation that substitutes for rate base regulation wherein the carrier agreeing to such a plan is generally allowed the ability to earn a higher rate of return than would normally be allowed under rate base regulation in exchange for certain guarantees to the regulator such as no change in rates over a given period of time, and a level of service quality that, if not met, would result in rebates to consumers.
Intercept	The process of redirecting a telephone call to an operator or to a recording to another telephone number or message.
LEC	Local Exchange Carrier - A term designating the group of carriers providing local exchange telephone service consistent with the Commission's requirements for such carriers. It includes all ILECs and CLECs.
Objective Level	A level of telephone service quality performance representing good service to consumers that local exchange carriers are to strive to consistently attain as defined in Title 16 NYCRR, Part 603.12(b) prior to October 2000.
OMP	Open Market Plan – An incentive rate plan specific to Frontier Telephone of Rochester, the former Rochester Telephone Company.
PSC Complaints	Consumer complaints filed directly with the Public Service Commission against telephone companies.
Rate Base Regulation	A method of regulation that determines the allowed rate of return for a carrier based on its level of investment and expenses.
Reseller	A certified carrier that uses the facilities of another carrier to provide services to consumers.

Service Inquiry Report	Consistent telephone service quality performance outside of the Threshold range for three out of five months (including the current month) requiring the local exchange carrier to submit a corrective action plan to Commission Staff as defined in Title 16 NYCRR, part 603.
Surveillance Level Failure	Consistent telephone service quality performance at the Weakspot Level for three or more months in a row requiring the local exchange carrier to submit a corrective action plan to Commission staff as defined in Title 16 NYCRR, Part 603.13 prior to October 2000
Target	A set level of expected performance used to characterize performance as established in an incentive rate plan (e.g., VIP and PRP) for various aspects of service quality.
Threshold Level	A level of telephone service quality performance which separates good service from less than desirable service as defined in Title 16 NYCRR, Part 603.
Weakspot Level	A level of telephone service quality performance below which immediate analysis and corrective action may be required as defined in Title 16 NYCRR, Part 603.12(c) prior to October 2000

Certificate of Service
(Docket No. 09-0268)

The undersigned certifies that a copy of the *Pre-Filed Rebuttal Testimony of Billy Jack Gregg on Behalf of Frontier Communications Corporation* were served upon the following persons by e-mailing a copy of same this 13th day of November, 2009.

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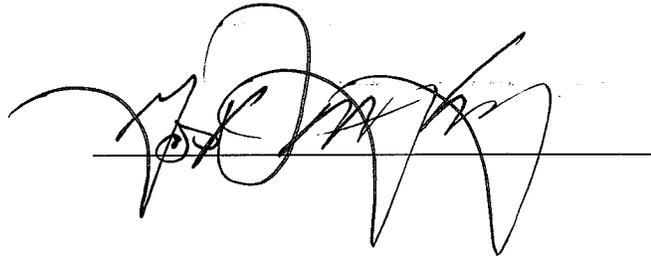
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A handwritten signature in black ink, appearing to read "Charles W. King", is written over a horizontal line. The signature is stylized and cursive.