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ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)	
On its own motion.)	
)	Docket 01-0485
Adoption of 83 Ill. Adm. Code Part 732.)	On Rehearing

INITIAL BRIEF ON REHEARING OF
MCLEODUSA TELECOMMUNICATIONS SERVICES, INC.

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I. Introduction and Summary of Position

The Commission adopted 83 Illinois Administrative Code Part 732, “Customer Credits” (Part 732” or “the Rule”) in response to the enactment, in 2001, of §13-712 of the Public Utilities Act (“Act”), 220 ILCS 5/13-712, which became effective June 30, 2001. Although §13-712(c) gave the Commission one year (until June 30, 2002) to adopt the rules required by §13-712, the Commission, “[g]iven the urgency of bringing the benefits of Section 13-712 to customers” (Order in Docket 01-0485, Nov. 29, 2001, p. 1), used its emergency rulemaking powers under the Administrative Procedure Act (“APA”) to adopt Part 732 on an emergency basis, effective August 1, 2001. Because, under the APA, an emergency rule can only be in effect for 150 days, it was necessary for the Commission to adopt Part 732 on a permanent basis by December 29, 2001. The Commission did so by conducting a notice and comment proceeding, without hearings, and adopted Part 732 as a permanent rule effective December 29, 2001.

Rehearing Issue 1. McLeodUSA Telecommunications Services, Inc. (“McLeodUSA”) is a competitive local exchange carrier (“CLEC”) that provides basic local exchange service in areas also served by an incumbent local exchange carrier (“ILEC”), Ameritech Illinois (“Ameritech”). McLeodUSA provides retail service using (at least in part) network elements and other wholesale services (including resold services) provided by Ameritech. McLeodUSA and Allegiance Telecom of Illinois, Inc. (“Allegiance”) requested and were granted rehearing on an issue relating to the definition of “appointment” in §732.10 of the Rule, and the related provision in §732.30(c), that together require local exchange carriers (“LEC”) to schedule appointments at customer premises to install or restore service within four-hour windows, and to give the customer 24-hour notice to cancel an appointment.¹ Allegiance and McLeodUSA requested

¹This issue has been designated as “Issue 1” for this rehearing.

rehearing of this provision because they are dependent on actions by Ameritech to provision the majority of their new service installations and to repair the majority of existing installations. At present, the processes in place for installing and repairing service do not enable Allegiance and McLeodUSA to obtain commitments from Ameritech to schedule and keep customer appointments within a four-hour window on a consistent and reliable basis. (Allegiance App. for Reh., p. 2; McLeodUSA App. for Reh., p. 2) Allegiance and McLeodUSA presented several alternative revisions to §732.10 and §732.30(c) that would address this problem for CLECs.

Based on developments during this rehearing, McLeodUSA can accept Commission Staff witness Sam McClerren's recommendation that compliance with the four-hour window requirement for scheduling appointments be postponed until December 31, 2002, for carriers that use the resold services, network or network elements of another carrier to provide service to the customer, in order to give the CLECs' underlying carriers more time to make necessary modifications to their operations support systems ("OSS") to implement the four-hour window requirement. (See Staff Ex. 1.0 Rev., pp. 2-3) During this period, LECs using the resold services, network or network elements of another carrier would be allowed to schedule installation and repair appointments requiring a customer premises visit for a particular day, and would be required to give the customer notice to cancel an appointment by the end of the preceding business day. (McLeodUSA Ex. 1.0, pp. 7-8; McLeodUSA Ex. 1.1 Rev.)

Among other alternatives, McLeodUSA had proposed that the four-hour window requirement be postponed for CLECs until June 30, 2003, to allow adequate time to develop the necessary processes and procedures with Ameritech. (See McLeodUSA Ex. 1.1 Rev.) McLeodUSA's willingness to accept the December 31, 2002 date is based on progress it has made to date in working with Ameritech to develop the necessary OSS modifications, and on

commitments by Ameritech to continue to work assiduously to develop and implement solutions to this problem, as well as on Mr. McClerren's commitment to become personally involved in facilitating this effort.² (See Staff Ex. 1.0 Rev., p. 8)

Rehearing Issue 3. McLeodUSA also was granted rehearing on an issue relating to §732.20(e), which requires an LEC to inform each customer calling to arrange for service installation, report an out of service condition, or schedule an appointment, of the LEC's duty to install, repair and meet appointments within specified time frames set forth in the Rule.³ (See McLeodUSA App. for Reh., pp. 3-4) The Part 732 obligations to install service within five business days of receiving an order, and to restore service outages within 24 hours, are relatively straightforward for ILECs, but this is not the case for CLECs.⁴ Due to the multiple platforms that McLeodUSA uses to provision service to retail customers, and the manner in which McLeodUSA receives service and repair orders at its customer call centers, McLeodUSA's customer service representatives ("CSRs") typically are unable to tell a customer at the time of an initial call how service will be provisioned for the customer or when it will be installed. (See Id., p. 4) McLeodUSA is requesting that the §732.20(e) requirement be eliminated, because

²However, McLeodUSA also requests that the Commission's order on rehearing recognize the possibility that compliance with the four-hour window requirement for CLECs may need to be further extended to no later than June 30, 2003, if Ameritech is unable to develop and implement the necessary OSS modifications for all CLECs by December 31, 2002.

³This issue has been designated as "Issue 3" for this rehearing.

⁴Section 13-712(d)(1) of the Act and §732.20(a) of the Rule state: "A telecommunications carrier offering basic local exchange service utilizing the network or network elements of another carrier shall install new lines for basic local exchange service within 3 business days after provisioning of the line or lines by the carrier whose network or network elements are being utilized is complete." These provisions of the Act and the Rule also provide that the obligation to install basic local exchange service within specified time periods "does not apply to the migration of a customer between telecommunications carriers, so long as the customer maintains dial tone."

compliance with this requirement would place an additional costly (and unequal, compared to ILECs) administrative burden on CLECs, would create customer misunderstanding and confusion and potentially unwarranted expectations, and would unnecessarily extend the length of customer phone calls requesting service installation, repairs or appointments. (See Id., pp. 3-4) McLeodUSA emphasizes that it will fully comply with the provisions of §732.50 of the Rule that require LECs to inform customers of the Part 732 obligations through the use of bill inserts, bill page messages and information in the informational pages of telephone directories, which McLeodUSA believes will sufficiently (and better) educate and inform its customers about its service quality obligations and the possibility of customer compensation for failure to meet those obligations.⁵ (Id., p. 5)

As a less desirable but more workable alternative, McLeodUSA requests that §732.20(e) be modified so as to allow an LEC to inform a customer of the Part 732 service installation or restoration (as applicable) obligations not in the customer's initial phone call, but in a subsequent phone call in which the LEC informs the customer when service is expected to be installed or repaired. (McLeodUSA Ex. 1.1, p. 10) This alternative, which was originally suggested by David Kolata, the witness for the Citizens Utility Board, the City of Chicago and the People of the State of Illinois ("GCI"), would allow McLeodUSA to provide better information to the

⁵McLeodUSA notes that the Illinois Telephone Association, Ameritech, Harrisonville Telephone Company and Verizon ("Joint ILECs") were granted rehearing on an issue relating to §732.50, and are seeking to reduce the frequency with which bill page messages must be used to inform customers about Part 732 obligations. (Joint ILECs App. for Reh., pp. 2-3) Verizon's witness emphasized that Verizon will continue to advise customers of its Part 732 installation and repair obligations during all customer calls requesting service installation or repair. (Verizon Ex. 1.0, pp. 8-9) McLeodUSA urges the Commission to modify Part 732 to allow LECs to use bill inserts, bill messages, information in directories and information provided in customer phone calls to provide information to customers about the LEC's Part 732 obligations in a manner that is most efficient for each LEC in light of its particular operational methods and requirements.

customer and would result in the information being provided only those customers to whom it specifically applies.

II. Issue 1: Sections 732.10 and 732.30(c) – Four-Hour Window for Appointments

Section 732.10 of the Rule as adopted by the Commission effective December 29, 2001, specifies that an appointment for a customer premises visit must be scheduled within a four-hour window, while §732.30(c) of the Rule requires that if an LEC fails to keep a scheduled installation or repair appointment when a customer premises visit requires the customer to be present, the carrier must credit the customer \$50 per missed appointment, unless the LEC has given the customer at least 24 hours notice to cancel the appointment, measured from the end of the four-hour window on the previous day. McLeodUSA recognizes that for competitive reasons, it needs to be able to comply with these requirements in the long run. (McLeod USA Ex. 1.0, pp. 5, 10; McLeodUSA Ex. 1.2, p. 2) At the present time, however, as Allegiance witness Richard Baever and McLeodUSA witness Rod Cox explained, compliance is essentially impossible for CLECs due to their dependence on Ameritech to perform installation and repair work on portions of Ameritech's network used by the CLECs to provision service to their retail customers, and their inability to obtain commitments from Ameritech that will enable them to schedule and keep installation and repair appointments with their customers within four-hour windows on a consistent and reliable basis. (Allegiance Ex. 1.0, pp. 2-3; McLeodUSA Ex. 1.0, p. 5) Allegiance and McLeodUSA therefore requested either (i) elimination, for LECs using the resold services, network or network elements of another carrier to provide service, of the requirement to schedule installation and repair appointments within four-hour windows; or (ii) postponement of the requirement for a period of time to allow the necessary processes and procedures to be developed with Ameritech (and other ILECs) that will enable CLECs to

schedule and keep installation and repair appointments with their customers within four-hour windows on a consistent and reliable basis, even where the work that necessitates the appointment is being performed by the ILEC.

Allegiance witness Richard Baever, Allegiance's Field Operations Manager responsible for managing its installation and repair activities in the Chicago area (Allegiance Ex. 1.0, p. 1), explained the circumstances under which Allegiance must rely on commitments from Ameritech in connection with installation and repair of service. He described the underlying processes with respect to a common type of repair order, "no dial tone". Upon receiving such a call, Allegiance performs a remote test to determine if the trouble is on Allegiance's network or Ameritech's network. (Id., p. 3) If the problem is isolated to Ameritech, Allegiance contacts Ameritech (either via a web-based interface or by telephone) to open a trouble ticket. (Id., pp. 3-4) Ameritech routinely commits to respond to the trouble report for business lines within 24 hours, although Ameritech does not necessarily complete the repair within 24 hours. During this period, Ameritech typically performs its own loop test, and will dispatch a technician to Allegiance's customer's premises if a premises visit is necessary. However, depending on when Ameritech refers the trouble ticket to the relevant central office, the ticket may not be picked up by an Ameritech technician for up to 12 hours. (Id., p. 4) Further, Ameritech does not have a process in place to notify Allegiance when a premises visit is scheduled so that Allegiance can in turn notify the customer. Nor does Ameritech estimate within a four-hour window when its technician will visit the premises. (Id.) Moreover, Ameritech will often place a trouble ticket on hold without notifying Allegiance. (Id., pp. 4-5) All of this makes it impossible for Allegiance to schedule an appointment with its customer within a four hour window, and give 24 hours

notice to cancel the appointment, when the premises visit is required for work on Ameritech's network.

With respect to installation of service, no premises visit is usually necessary if an existing Ameritech customer is converting its basic local service to Allegiance. (Allegiance Ex. 1.0, p. 5) However, for all add and move orders, an Ameritech technician must be dispatched to the Allegiance customer's premises. (Id.) Ameritech generally commits in advance to make the visit on a particular date, but not during a four-hour window. As a result, Allegiance is able to tell its customer that the Ameritech technician's visit will be on a specific day, but cannot reliably estimate a four-hour window for the visit. (Id., pp. 5-6) As Mr. Baever summarized:

Because Ameritech does not make the four-hour appointment window commitments to Allegiance that the rule requires, Allegiance cannot make such commitments to its customers. . . Ameritech currently makes no specific commitments to Allegiance with respect to when Ameritech's technician will arrive at our customer's premises for a repair. For add or move installation orders, Ameritech usually commits in advance to a day when it will make a necessary premises visit, but does not commit to a four-hour window. As a result, Allegiance cannot commit to its own customers with confidence that a premises visit will occur during a four-hour window. Similarly, Allegiance is unable to give 24 hours' notice when a premises visit will not be made within a specific four-hour window. (Allegiance Ex. 1.0, pp. 2-3)

McLeodUSA witness Rod Cox, Senior Manager of Performance and Compliance, described similar problems in meeting the four-hour window requirement for appointments. McLeodUSA is unable to schedule appointments at its customer's premises within four-hour windows that it has confidence in keeping because McLeodUSA's principal wholesale provider, Ameritech, will not provide McLeodUSA with a corresponding appointment, or with a commitment to complete any needed work in a time frame that will support the four-hour window. (McLeodUSA Ex. 1.0, p. 6) Generally, Ameritech will only provide a commitment as to when it will have the work done (e.g., by 4 P.M. the following day). (Id.) As another

example, Ameritech will often change “hot cuts” that are scheduled customer conversions to “all day commits”, and often notifies McLeodUSA of this change on the day it is made. (Id., pp. 10-11) This makes it difficult if not impossible for CLECs to make appointments with their customers (where a customer premises visit is needed in connection with the hot cut), and also prevents CLECs from complying with the requirement to give 24 hours notice to the customer of a missed appointment.⁶ (Id.) Finally, this situation cannot be resolved by sending a McLeodUSA technician to do the necessary work on Ameritech’s network, since Ameritech (quite appropriately) will not allow McLeodUSA technicians to do repairs on Ameritech’s network. (Id., p. 7) The end result, however, is that McLeodUSA is dependent on Ameritech’s wholesale responsiveness in meeting the requirements of Part 732. (Id.)

Mr. Baever and Mr. Cox described the consequences to CLECs, under the present circumstances, of being required to comply with the four-hour window requirement of Part 732 for scheduling customer premises appointments. Mr. Baever stated that “Allegiance is exposed to liability for customer credits in virtually every instance where an Ameritech technician must make a premises visit to Allegiance’s customer. In addition, Allegiance risks alienating customers when four-hour windows are not honored.” (Allegiance Ex. 1.0, p. 3) In these instances, the customer holds Allegiance responsible. (Id., p. 6) Similarly, Mr. Cox explained:

[I]f McLeodUSA schedules appointments within four-hour windows, a large portion of those appointments may not be kept, resulting in frustration and inconvenience for our customers. Customers blame McLeodUSA for missed appointments, not the wholesale service provider. Customers who experience missed appointments will be very upset with McLeodUSA and could switch to another provider. (McLeodUSA Ex. 1.0, p. 5)

⁶The practice of changing scheduled “hot cuts” to “all day commits” has been raised by KPMG as Observation 222 in its Section 271 testing of Ameritech’s OSS. (McLeodUSA Ex. 1.0, p. 10)

In addition, even if a CLEC could obtain reimbursement from Ameritech under §732.35 for credits the CLEC must pay to its customer due to missed appointments – which is debatable (see McLeodUSA Ex. 1.0, p. 6) – this is not a satisfactory outcome. Damage will have been done to the CLEC’s reputation in the view of the customer who was inconvenienced by the missed appointment, and additional work is caused for the CLEC. (Allegiance Ex. 1.0, p. 6; McLeodUSA Ex. 1.0, pp. 6-7) Further, the CLEC’s performance will look worse in comparison to the ILEC’s performance in terms of numbers of credits issued for failing to keep appointments, as reported on the Commission’s website pursuant to Section 732.60. At this time, when many consumers are sensitive about the viability of CLECs, such reporting could be very damaging to CLECs’ chances for competitive success. (McLeodUSA Ex. 1.2, pp. 2-3)

In response to the testimony of Messrs. Baever and Cox, Staff witness Sam McClerren testified that a CLEC’s ability to successfully schedule appointments in a four-hour window is presently limited due to the lack of OSS development. (Staff Ex. 1.0 Rev., p. 2) He noted that the OSS provided by wholesale providers and used by CLECs are not robust enough to provide the information needed to comply with the four-hour appointment window requirement. (Id., p. 5) He testified that if an appointment is missed, the CLEC must provide immediate credit to its customers and then prove it is owed money by the ILEC; even if the CLEC is successful, the time element of money is involved. (Id.) He recognized that a more significant aspect is the damage to the CLEC’s reputation: if the CLEC misses a four-hour appointment due to an ILEC’s unwillingness or inability to schedule appointments in a four-hour window, the customer will be disappointed. (Id.)

Mr. McClerren recommended that the Commission should give the CLECs’ underlying carriers more time to make the necessary OSS modifications to implement the four-hour

window. Accordingly, he recommended that implementation of the four-hour window requirement for CLECs should be postponed to no later than December 31, 2002. (Staff Ex. 1.0 Rev., pp. 2-3)

McLeodUSA is willing to accept Mr. McClerren's recommendation to resolve Issue 1. McLeodUSA had proposed (as its preferred alternative of the three it offered, see McLeodUSA Ex. 1.0, pp. 9-10) that compliance with the four-hour window requirement be postponed for CLECs until June 30, 2003, to allow adequate time to develop the necessary processes and procedures with Ameritech. (See McLeodUSA Ex. 1.1 Rev.) McLeodUSA's willingness to accept the December 31, 2002 date is based on progress made to date by McLeodUSA in working with Ameritech to develop the necessary OSS modifications (see McLeodUSA Ex. 1.2, pp. 1-2), and on commitments by Ameritech to continue to work assiduously to develop and implement solutions to this problem, as well as on Mr. McClerren's commitment to become personally involved in facilitating this effort. (See Staff Ex. 1.0 Rev., p. 8) However, McLeodUSA requests that the Commission's order on rehearing recognize the possibility that compliance with the four-hour window requirement for CLECs may need to be further extended -- to no later than June 30, 2003 -- if Ameritech is unable to develop and implement the necessary OSS modifications for all CLECs by December 31, 2002.

McLeodUSA notes that GCI witness Mr. Kolata, as well as Mr. McClerren, testified to the effect that if an underlying carrier is not providing an adequate level of service to a CLEC, or will not adjust its systems to provide an adequate level of service to the CLECs, then the CLECs should file a complaint with the Commission to get the situation resolved. (Staff Ex. 1.0 Rev., p. 6; GCI Ex. 1.0 Rev., pp. 3-4) However, at this time there is a question as to whether the underlying problem is really poor ILEC performance. Until this Commission adopted Part 732

in an expedited manner, there were no requirements or procedures for an ILEC to respond to installation requests or trouble reports from a CLEC in a manner that would support four-hour commitments for CLEC customer appointments. The practical reality is that the wholesale processes have not caught up with the retail requirements. The situation is symptomatic of the problems resulting from the fact that the “retail” service quality requirements of HB 2900 have already been placed in to effect, while the “wholesale” service quality rules (mandated by §13-712(g) as adopted by HB 2900) appear to be a year or more away from being in place.⁷ (McLeodUSA Ex. 1.2, pp. 3-4) Further, complaint proceedings are an expensive, resource-diverting and uncertain means to resolve the particular wholesale process issues presented by the four-hour window requirement, and are not conducive to reaching the result that is needed here, which is development of a set of wholesale service procedures between ILECs and CLECs that will allow the CLECs to meet the requirements of Part 732. (*Id.*, p. 4)

Accordingly, the definition of “appointment” in §732.10, and §732.30(c), should be modified, as follows:

Section 732.10

“Appointment” means an arrangement made by a telecommunications carrier to meet a customer within an agreed 4 hour window, or, until December 31, 2002, between 8 A.M. and 4 P.M. on a particular day if the carrier uses the resold services, network or network elements of another carrier to provide service to the customer, at the customer’s premises to perform work on the network.

Section 732.30(c)

If a carrier fails to keep a scheduled repair or installation appointment when a customer premises visit requires a customer to be present, the carrier shall credit the customer \$50 per missed appointment. A credit required by this subsection (c) does not apply when the carrier provides the customer with 24-hour notice of its inability to keep the appointment. The 24-hour notice period shall be construed to

⁷Proposed Part 731, the carrier-to-carrier wholesale service quality rules mandated by §13-712(g), are being developed in Docket 01-0539.

mean 24 hours notice by the end of each 4 hour window the day before the scheduled appointment, or until December 31, 2002, by 4 P.M. of the business day preceding the day of the scheduled appointment if the appointment has been scheduled, by a carrier that uses the resold services, network or network elements of another carrier to provide service to the customer, for between 8 A.M. and 4 P.M. of a particular day.

III. Issue 3: Section 732.20(e) – Providing Information to Customers Concerning the LEC’s Duties to Install and Repair Service and Keep Appointments, at the Time of the Initial Customer Phone Call

Section 732.20(e) of the Rule requires an LEC to inform each customer calling to arrange for service installation, report an out-of-service condition, or schedule an appointment, of the LEC’s duty to install, repair and meet appointments within the time frames specified in the Rule. McLeodUSA requests a modification of this requirement because it will impose a difficult and costly administrative burden on McLeodUSA, it could result (at least based on McLeodUSA’s current operations) in the information being provided to many customers who do not need it, and it will result in customer confusion and misunderstanding. The Rule provides for other means to convey this information to customers – means that are much less likely to result in customer misunderstandings – which McLeodUSA intends to fully utilize. (McLeodUSA Ex. 1.1, p. 11)

The requirement of §13-712(d)(1) of the Act and §732.20(a) of the Rule for an LEC “offering basic local exchange service using the network or network elements of another carrier” is to “install new lines for basic local exchange service within 3 business days after provisioning of the line or lines by the carrier whose network or network elements are being utilized is complete.” Under McLeodUSA’s current methods of receiving orders and provisioning service, its CSRs are simply not able to determine, at the time of a customer’s initial call to order new service, how McLeodUSA will be provisioning the service.⁸ Thus, the CSRs do not know what

⁸If the customer is calling to switch his or her existing basic local exchange service from another carrier to McLeodUSA, then the obligation to “install” the “new” service does not apply in any

services or elements McLeodUSA may need to order from an ILEC to provision the customer's service, when those services or elements can be expected to be provided by the ILEC, and thus when three business days after the ILEC's delivery date will occur.

McLeodUSA uses a variety of service platforms to offer competitive local service, including resale of basic local service, resale of Centrex service, UNEs, UNE-Platform, or UNE-L (where McLeodUSA leases a loop and uses its own switching), and in some cases solely its own facilities. McLeodUSA uses multiple combinations of these platforms to provision service to its customers. The economics for a particular customer and the customer's location will determine which platform McLeodUSA will use to provide service to that customer. (McLeodUSA Ex. 1.0, pp. 12-13) Until certain information about the customer and the customer's location are ascertained, the CSR who receives a service order will not necessarily know which service platform is going to be used to serve the customer. This is determined later by service order management personnel based on the economic and operational (including network availability) parameters of the customer's order, the customer's geographic location and the platform or platforms that McLeodUSA is using to provide service in that area, and other factors. (Id., p. 12)

For example, a customer may ultimately be served with McLeodUSA-owned facilities with no provisioning required from a wholesale provider, in which case McLeodUSA's obligation would be to complete the service installation within five business days after receipt of the customer's complete order. (McLeodUSA Ex. 1.0, p. 13) On the other hand, McLeodUSA may need to order UNEs from the wholesale provider to serve the customer, in which case

event: §13-712(d)(1) of the Act and §732.20(a) of the Rule provide that their requirements do not apply to the migration of a customer between telecommunications carriers, so long as the customer maintains dial tone.

McLeodUSA's obligation would be to complete the service installation within three business days after the wholesale provider's provisioning is completed. (Id.) Under McLeodUSA's current system and procedures its CSRs do not have access, at the time of the initial customer contact, to the information needed to make these determinations. (Id.) Thus, compliance with the requirement of §732.20(e) to inform the customer at the time of the initial service order call, that McLeodUSA must install the service within a specified time frame, would require that McLeodUSA's CSR make a number of determinations that the CSR is unable to make under McLeodUSA's current systems and procedures. (Id., p. 12)

Additionally, McLeodUSA receives calls from Illinois customers for service installation orders and outage reports or repair requests at its six regional call centers (soon to be consolidated to three centers serving McLeodUSA's 25-state operating area).⁹ Thus, in order to comply with §732.20(e), McLeodUSA's CSRs must first ascertain that the call is coming from Illinois, and then use a different protocol for service order and repair calls received from Illinois than the protocol used for calls received from other states. This will diminish the efficiencies of McLeodUSA's consolidated call center operations. (Id., pp. 13-14)

Further, the requirement to comply with §732.20(e) is likely to lead to customer confusion or unwarranted expectations, as well as more extended phone calls between customers and CSRs, for numerous reasons:

- ? Given the way in which McLeodUSA processes orders, as described above, there is a strong possibility that the information will be conveyed to some customers who are not supposed to receive it, and not conveyed to other customers who are supposed to receive it. This will result from the necessity of forcing the CSR, who is not a trained provisioner, technician or engineer, to make judgments about

⁹Operating with a limited number of regional call centers provides greater efficiencies for McLeodUSA that are extremely important to its efforts to compete successfully in a price-sensitive market. Other CLECs also use consolidated regional or national call centers. (McLeodUSA Ex. 1.0, p. 13)

how the customer's service will be installed or repaired, and then determine which information, if any, about McLeodUSA's obligations needs to be conveyed to the customer. (McLeodUSA Ex. 1.0, pp. 14-15)

- ? Because McLeodUSA uses services and elements of an ILEC to serve most of its customers, McLeodUSA's CSRs cannot know, at the time of receiving the initial service order, the date by which the ILEC will provision the wholesale service(s) or element(s), and thus will not be able to identify a date certain (three business days after the ILEC completes provisioning of the wholesale service(s) or element(s)) by which McLeodUSA must install the customer's service. (McLeodUSA Ex. 1.0, p. 15) Use of a generic message such as "we must install your service within eight days" may well prove to be incorrect depending on what platform McLeodUSA ultimately uses to serve the customer. This could result in customer confusion, misunderstanding and disappointment.
- ? If an agreement is reached with the customer to install service on or by a particular date, then the "five business days" or "ILEC plus three business days" obligations will not apply. However, an agreement to install service on or by a particular date may not be reached with the customer until after the specific manner in which the order is to be processed is determined, which likely will occur after the customer's initial call. (McLeodUSA Ex. 1.0, p. 15)
- ? Section 732.30(e) contains seven exemptions or exclusions from the requirements to install service or clear an outage condition within specified time periods. Unless the customer is advised of these exemptions at the time of the initial contact, which would greatly lengthen the conversation with the customer, an unwarranted expectation may be created on the customer's part as to when service will be installed or an outage restored. Further, it is highly unlikely that a customer would understand all the exceptions that a CSR would attempt to explain. (McLeodUSA Ex. 1.0, p. 16)
- ? Any efforts to eliminate the potential confusion during the initial customer call (e.g., by having the CSRs give a more detailed statement to the customer about McLeodUSA's (potential) obligations, or through the CSR's responses to the customer's questions) will serve to prolong the call. This will create additional costs for the time required for the call, as well as delaying the CSR in getting to the next caller. In order to maintain its answer time objectives for calls to its "business office" and "repair" office, McLeodUSA is likely to have to increase CSR staffing. (McLeodUSA Ex. 1.0, p. 16)

Staff witness Alcinda Jackson and GCI witness David Kolata opposed McLeodUSA's proposal to eliminate the requirement that LECs must inform customers calling to order service installations, report out-of-service conditions, or schedule appointments, of the LEC's

obligations to install and restore service, and to keep appointments, in accordance with time periods specified in the Rule. Ms. Jackson contended that the provision of §732.20(e) requiring LECs to advise customers at the time they call to order service of the LEC's obligation to complete the service installation within a specified time period, is required by the Act.¹⁰ (Staff Ex. 2.0 Rev., p. 6) Ms. Jackson's premise is incorrect. Section 13-712(d)(1) of the Act requires an LEC "to inform the customer of its duty to install service within this timeframe [specified in §13-712(d)(1)]", but it does not prescribe when or how that that information is to be conveyed. That is a matter that has been left to the Commission's reasoned discretion through rulemaking.

Ms. Jackson also contended that McLeodUSA should not have to implement extensive revisions to its existing systems and procedures for receiving and processing orders to comply with §732.20(e), and that the requirement could be satisfied by providing a minimal level of generic information to the customer. (Staff Ex. 2.0 Rev., pp. 6-9) She suggested that "[t]he required information could easily be programmed into McLeod's answering system as a brief announcement to be provided to McLeod's customers, prior to a customer service representative answering a call for repair or installation." (*Id.*, p. 7) There are numerous problems with this suggestion:

- ? As noted earlier, calls from customers in many states, including Illinois, come into the same McLeodUSA call centers. Thus, callers from other states would have to listen to this Illinois-specific message.
- ? Customers calling to request that their service be switched from another LEC to McLeodUSA would have to listen to this message even though the obligation to install service within a specific time frame does not apply to them. Not only would this result in unnecessary information being provided to those customers, but these customers may in fact believe that the service installation obligation applies to their order.

¹⁰Ms. Jackson correctly did not contend that the Act requires an LEC to notify a customer, at the time the customer calls to report a service outage, of the LEC's duty to restore service within 24 hours. (See Staff Ex. 2.0 Rev., p. 6)

- ? Similarly, customers calling with other service-related inquiries (all of which come to the same 800 numbers), such as billing questions, would have to listen to the recorded message. (McLeodUSA Ex. 1.2, p. 6)
- ? The recorded message would need to be a very generic message, probably one that would state the service installation obligation in terms of the longest conceivable interval (taking into account the maximum amounts of time required for ILECs to provision various services and UNEs). The information provided would not be specific to the particular customer's order. More importantly, the information is simply not conducive to being provided by a recorded message in a manner that will not engender more confusion for the customer, and lead to more questions from the customer when he or she finally reaches a CSR. (McLeodUSA Ex. 1.2, pp. 5-6)
- ? The recorded message will be irritating to customers. Customers do not want to listen to recorded messages when they call with service-related inquiries; they want to reach a live CSR as quickly as possible. (McLeodUSA Ex. 1.2, p. 5)

More generally, Ms. Jackson's view that the LEC's CSRs should not need to get into lengthy discussions with the customer over the service installation and repair obligations is unrealistic. Even the briefest of messages will cause customers to ask more questions and lengthen the duration of the call, as well as potentially create further confusion. (Id., p. 7)

GCI witness Mr. Kolata did not dispute that the information a CLEC may have to provide to a customer with respect to the time period within which the CLEC is obligated to install service is not as straightforward as it is for an ILEC (i.e., within five business days). Nor did he dispute that McLeodUSA could be required to implement extensive revisions to its existing systems and procedures for processing orders for service installation, in order to comply with §732.20(e). He did, however, contend that McLeodUSA should have provided specific estimates of the costs it would incur. (GCI Ex. 1 Rev., pp. 5-6) However, McLeodUSA witness Mr. Cox noted that to develop such cost estimates, it would be necessary to identify and develop the specific process changes and training modules needed in order to comply with §732.20(e) –

which is exactly what McLeodUSA is trying to avoid having to do by having this provision of the Rule modified. (McLeodUSA Ex. 1.2, pp. 9-10)

McLeodUSA emphasizes that although it is proposing to eliminate the “initial call” information requirement of §732.20(e), it is not proposing to provide no information to customers about its Part 732 obligations. Section 732.50 of the Rule requires LECs to convey this information to their customers on a regular basis through bill inserts, bill messages and information in directories. These vehicles should be sufficient to educate and keep customers aware of the LEC’s obligations with respect to installing service, restoring service and keeping appointments, as well as with respect to the availability of customer compensation when these obligations are not met (the latter information is not required to be provided in the initial customer phone call). (McLeodUSA Ex. 1.0, p. 18) Further, conveyance of the information through these printed media is likely to be more comprehensive and effective in reaching customers, as well as much less susceptible to customer misunderstanding and confusion, than information conveyed in a telephone conversation – it will insure that each customer gets the same clear, concise information about these requirements. (Id.; McLeodUSA Ex. 1.2, pp. 6, 9)

Accordingly, McLeodUSA believes, for the reasons stated thus far in this brief, that the §732.20(e) requirement to inform customers, at the time of the initial customer phone call, of the LEC’s obligations to install and repair service and meet appointments within specified time frames, should be eliminated.

However, there are also two alternative approaches suggested in the record for the Commission to consider. First, GCI witness Kolata suggested that a more appropriate revision than complete elimination of the §732.20(e) requirement would be to require CLECs to inform the customer of the CLEC’s obligation to install or repair service within a specified time frame in

a later call, once the manner in which the service will be provisioned or repaired has been determined and an appointment can be set. (GCI Ex. 1 Rev., pp. 5-6) From McLeodUSA's perspective, this approach would eliminate the need for its CSRs to attempt to make determinations, at the time of an initial call, as to how the customer's service will be provisioned or repaired. It would also avoid providing the information to customers that do not need it, and eliminate the likelihood of extended conversations between the CSR and the customer on this topic in the initial call. For new service installations, McLeodUSA is usually able to determine specifically how the service will be provisioned within one to two days after receipt of the customer's order, based on receipt of a firm order confirmation ("FOC") or commitment from the underlying ILEC. (McLeodUSA Ex. 1.2, p. 10) The FOC should also specify when the ILEC will provision the necessary wholesale services or UNEs, thereby enabling McLeodUSA to specifically advise the customer of McLeodUSA's service installation obligation under the "ILEC plus 3 business days" requirement of §732.20(a). Thus, allowing McLeodUSA to provide the information on its service installation or repair obligations in a subsequent phone call to the customer, at the time specific information is known about how and when the service will be provisioned or repaired, is far preferable from McLeodUSA's perspective (and more useful and informative to the particular customer) than is the current requirement of §732.20(e).

Second, the Joint CLECs have proposed revisions to §732.50 of the Rule to reduce the frequency with which bill messages describing the LEC's Part 732 obligations must be sent to customers. In supporting this proposal, Verizon has emphasized that it will continue to advise every customer who calls to order service, report an outage, or schedule an appointment, of its obligations to install service, repair service or keep the appointment in accordance with the time frames specified in the Rule. (See Verizon Ex. 1.0, pp. 8-9; Verizon Ex. 2.0, p. 20) Based on

Verizon's testimony, providing this information to customers in the initial phone call is effective and efficient for Verizon (and the use of multiple bill inserts per year is not); however, for the reasons described above, this is not the case for McLeodUSA. (McLeodUSA Ex. 1.2, p. 9) In light of the record, the Commission should consider modifying §732.20(e) and §732.50 to provide greater flexibility to allow each LEC to use the method or methods (from among those provided for in the Rule) that are most efficient and cost-effective for each LEC in its particular circumstances for conveying information to its customers about its Part 732 obligations. (Id.)

IV. Conclusion

1. For the reasons given in Section II of this brief, McLeodUSA Telecommunications Services, Inc., requests that the Commission revise the definition of "appointment" in §732.10 of Part 732, and §732.30(c), as proposed by McLeodUSA herein, to postpone until December 31, 2002, implementation of the requirement that LECs utilizing the resold services, network or network elements of another carrier must schedule appointments for customer premises visits within four-hour windows.

2. For the reasons given in Section III of this brief, McLeodUSA requests that the Commission eliminate the requirement of §732.20(e) that a LEC must inform a customer calling to order service, report an outage or schedule an appointment, during that initial phone call, of the LEC's obligations to install or repair service or keep appointments in accordance with the time periods specified in Part 732. Alternatively, the Commission should adopt one of the other revisions to Part 732 on this topic suggested herein.

