

William T. Hawke	Steven D. Snyder
Kevin J. McKeon	Janet L. Miller
Thomas J. Sniscak	Steven K. Haas
Norman James Kennard	William E. Lehman
Lillian Smith Harris	Rikardo J. Hull
Scott T. Wyland	Katherine E. Lovette
Todd S. Stewart	Amy A. Whitney
Craig R. Burgraff	

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 [www.hmsk-law.com](http://www.hmsk-law.com)

June 9, 2006

Independent Regulatory Review Commission  
333 Market Street, 14<sup>th</sup> Floor  
Harrisburg, PA 17101

RE: Rulemaking Re: Proposed Revisions to Commission Regulations Governing Extended Area Service (EAS) at 52 Pa. Code §§63.71 – 63.77; Docket No. L-00050173

RE: Report and Recommendation of the Extended Area Service Task Force; Docket No. M-00031703

Dear Commission Staff:

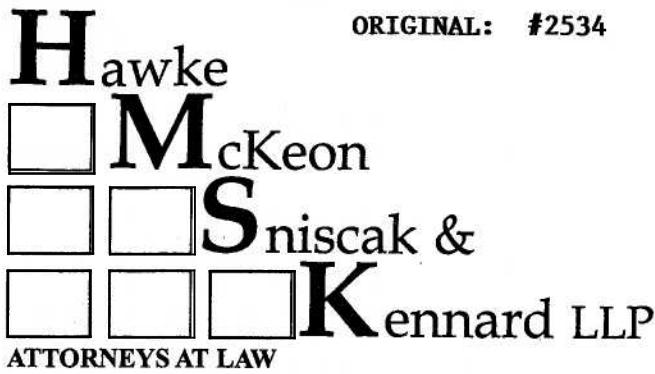
Enclosed please find a courtesy copy of the Comments of the Pennsylvania Telephone Association in connection with the above-captioned matters that were filed with the Pennsylvania Public Utility Commission

Thank you for your attention to this matter. If you have any questions concerning this filing, please feel free to call.

Very truly yours,

  
Norman J. Kennard  
Counsel for the  
Pennsylvania Telephone Association

NJK/ajt  
Enclosures  
cc: David Freet  
Sue Carter



ORIGINAL: #2534

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June 2, 2006

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street – Filing Room (2<sup>nd</sup> Floor)  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Petition Of The Office Of Consumer Advocate For A Rulemaking To Amend Title 52 Pa Code §63; Docket No. P-00021985; **REPLY COMMENTS OF THE PENNSYLVANIA TELEPHONE ASSOCIATION**

Dear Secretary McNulty:

Enclosed for filing with the Commission, on behalf of Pennsylvania Telephone Association, are an original and fifteen (15) copies of the PTA's Reply Comments. A copy of this document has been served upon the other parties in accordance with the attached Certificate of Service.

If you have any questions with regard to this filing, please direct them to me. Thank you for your attention to this matter.

Very truly yours,

  
Norman J. Kennard  
Counsel to the Pennsylvania  
Telephone Association

INDEPENDENT REGULATION  
REGULATORY COMMISSION

2006 JUN -2 PM 4:18

PA PUC  
SECRETARY'S BUREAU

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NJK/ajt  
Enclosure

cc: David Freet

MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF THE OFFICE OF  
CONSUMER ADVOCATE FOR  
A RULEMAKING TO AMEND  
TITLE 52 PA CODE § 63

Docket No. P-00021985

SECRETARY'S BUREAU  
PA PUC

2006 JUN -2 PM 4:18

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**REPLY COMMENTS OF THE  
PENNSYLVANIA TELEPHONE ASSOCIATION**

**I. INTRODUCTION**

The Pennsylvania Telephone Association (“PTA”) filed its “Further Comments” in this docket on April 18, 2006, as did the Office of Consumer Advocate (“OCA”), Verizon Pennsylvania, Inc. and Verizon North, Inc. (“Verizon”), and the National Emergency Number Association, Keystone State Chapter (“NENA”).<sup>1</sup>

The Commission’s Order entered February 9, 2006, provided for the opportunity to file Reply Comments and the PTA hereby submits these in response thereto.

**II. SUMMARY**

As set forth in the PTA’s Further Comments, there is no reason to comprehensively rewrite the Commission’s telephone service regulations and impose additional service regulation upon the wireline telephone industry. The rate of technological advance and the exponential

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<sup>1</sup> These are the comments of which the PTA is aware as filed in this docket and its reply comments are limited to those.

expansion of competition render such an attempt to re-regulate portions of the wireline telephone industry unnecessary and even harmful to the industry.

The OCA attempts to invent an urgent need to justify undertaking an extensive rewrite of the Commission's service regulations based upon several fictions, the most notable of which are:

- There is no competition. Focusing only on VoIP, the OCA ignores the widespread availability of cellular, cable telephony and satellite services.
- This Commission promised that it would open a rulemaking docket on service. Actually the Commission simply deferred two prior matters to this docket for disposition. It never committed itself to revise its regulations.
- Service quality is deteriorating. Through a misinterpretation of BCS reports and manipulation of ARMIS data, the OCA attempts to paint a bleak picture, when, in fact, the worst it can say is that service quality is the same as it has been historically.
- Electric company service is more highly regulated. Here, the OCA ignores fundamental differences which completely distinguish the two industries.
- Other states have more extensive regulations. This observation is not relevant, inasmuch as it fails to take into consideration the service conditions within those states and fails to address the lack of need within the Commonwealth of Pennsylvania. Moreover, the Commission's regulations are similar to a number of other states and, hence, no change can be justified on this basis.

In this Reply, the PTA focuses on the OCA's basic arguments by which it seeks to justify a regulatory intrusion into wireline telephone service issues, as well as the specific regulations highlighted in the OCA's comments.

Finally, the PTA is in agreement with the recommendations of the National Emergency Number Association as they relate to LEC coordination with PSAPs, but not with the more draconian suggestions of the OCA.

### **III. REPLY COMMENTS**

#### **A. Quality of Current Service**

The OCA claims that, in the mid 90's the Commission received similar complaint numbers for all of the utilities, but now the Commission receives more complaints about the telephone industry than any other utility sector.<sup>2</sup> The OCA concludes that this suggests quality of service has declined. Not only is the OCA's data source not specific as to the cause for the complaint, the observation is trite.

A higher rate of complaint for the "telecommunications industry" over the past ten years is not at all surprising given the increased complexity of the services available and the multitude of carriers who provide such services. Customers receive services from numerous carriers within the "telecommunications" sector, each of whom is a source of complaint. For example, customers generally subscribe to one (or more) local exchange carriers, which may be the incumbent or a competitive local exchange carrier or an altogether unregulated carrier. Customers then also presubscribe for long distance service to an interexchange carrier. Customers use wireline services to access the Internet and a variety of other service providers, any of which can create an informal complaint directed to the Bureau of Consumer Services, whether jurisdictional or not. Further, services are complicated and offer many potential sources of confusion and even dispute. This is completely unlike electric or gas service, where a single commodity is sold.

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<sup>2</sup> OCA Comments at 20.

The BCS data base used by the OCA includes all manner of complaints, not just service complaints, and, therefore, cannot be used, as proposed by the OCA, to foist new service regulations upon the telecommunications industry. The BCS-calculated number of overall complaints is an incorrect statistic from which to determine the trending of quality of service, since it includes all manner of complaints, including billing disputes. As to statistics directly related to service quality, the BCS data clearly indicates that the percentage of service-related complaints has fallen since 2001. In fact, service-related complaints have decreased from 61% to 44% from 2001 to 2004.<sup>3</sup>

In addition, the justified complaint level for all types of complaints (there is not a breakdown for service-related justified complaints) has shown a strong decrease from 2003 to 2004, diving from 95% to 86% (9%). The decline in service-related complaints, coupled with the justified complaint decrease, suggest that service-related justified complaints are declining at a faster pace than all justified complaints.

Nor does the OCA properly interpret the ARMIS data. The FCC ARMIS report information is not the same as the Commission's Telephone Quality Service Standards. The ARMIS 43-05 report information is used for benchmarking of a company's total service activity and industry trending; not to measure results against objectives or as a tool to hold companies accountable for service quality. The ARMIS 43-05 uses measures of service that are the result of both company and customer actions.

The data included on the ARMIS reports is more inclusive than the data that should be used to measure service quality that is the company's responsibility. For example, the repair intervals are based on all troubles, even troubles with customer-owned equipment, and include customer

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<sup>3</sup> See attached charts copied from the BCS Annual Report as Appendix "A".

requested appointment date/times. Order installation intervals also include exceptions that would be excluded for state reporting.

For state commission reporting (where it exists), the reporting is defined to include only the activity that is *within the company's control*. For instance, intervals (either for installation or for repair) are based on network troubles (where the trouble is on the company owned network) and when the company appointed the date/time for repair. Measurement of order intervals should also exclude orders where there was a delay due to the customer not being at home or requesting a longer appointed time than necessary, for his convenience.

While it would be inaccurate to interpret data from the ARMIS 43-05 report and then apply the numbers to the State's ILEC service quality requirements, this is precisely what the OCA witness has done in his reply comments.

The industry standard for the Customer Trouble Report Rate ("CTRR") is to use a ratio of total company **network** troubles per 100 access lines. Nowhere on the ARMIS report is a count of network troubles reported, only total troubles. The ARMIS 43-05 reports troubles as defined as:

These are complaints concerning service quality made by customers or end users to ILECs. Such complaints concern problems that have not been reported to the ILEC within the previous 30 days. (FCC Report 43-05 – Rep. De. Column Descriptions page 9 of 18)

In addition to the trouble report numbers including more than company network problems, the ARMIS reports also shows an end-of-year access line count. To derive a denominator to calculate an annual CTRR, the access lines should have been annualized. Access lines are generally decreasing due to competition. To use December access line counts, to reflect each of the 12 months access line numbers, would result in an understated denominator, causing a further inflated CTRR. CTRR numbers for State's ILEC service quality requirements should not be derived from the ARMIS 43-05 reports.

ARMIS reporting of average time to clear a trouble report includes all trouble reports. This includes isolated weekend outages and appointments that are set by the customer. The company has no control over customer requested repair intervals for these particular trouble reports. Where state reporting exists, repair intervals are based on network troubles and exclude customer requested date/times. Therefore, actual trouble clearing time per state standards will be a lower number than is shown in the ARMIS report. Again, using the ARMIS report numbers for trouble clearing time and applying that number to the State ILEC service quality requirements does not provide an accurate picture of ILEC's trouble clearing time.

All of this discussion of trouble rates is really of no consequence, since even using the inflated ARMIS report numbers, each of the Pennsylvania ILECs in the report are **well below** the OCA's proposed new reduced CTRR threshold. Thus, there is no basis upon which to conclude that service is not of acceptable quality.

OCA also mentions the ARMIS Average Installation Interval in Days report in its list of "most helpful reports for monitoring local telephone service."<sup>4</sup> ARMIS reporting of average installation intervals does not exclude the same orders as would be excluded for state reporting. ARMIS includes all orders except those having commitment dates "extended" by customers. Orders requiring excess construction or orders that are initially set outside the state standard interval are not required to be excluded from ARMIS. The State average is lower when these exemptions are removed.

As stated in the examples above, the PTA members take exception to the OCA using the ARMIS reporting information and applying the resulting numbers to the PA PUC Telephone Quality Service Standards. These are different reporting requirements with different purposes. One

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<sup>4</sup> Curry Affidavit at 6.

is for benchmarking and trending, the other is for ensuring average service quality at specified levels.

**B. “Critical” Service**

The OCA attempts to equate telephone service to electric service in order to argue that the same level of service scrutiny imposed upon the electric industry is a justification for more extensive regulation of telephone companies. This similarity is exaggerated. First, electric distribution service is a legal monopoly. There is only one service provider that delivers electricity within a service territory. Customer choice for delivery does not exist. This is clearly not the case with respect to telephone services.

Moreover, the failure of delivery of electricity itself is life threatening. Without electricity, home heating and cooling systems will not operate, causing persons to expire from freezing or heat stroke. A lack of telephone service does not kill anyone. True, if there is an emergency, and the customer seeks to call 911, that connection cannot be made. However, this is not the cause of injury, as is the case with electric service. The PTA is not aware of any single person whose death has been caused as a result of the inability to call 911 due to a service outage. This is completely different from the several well-publicized cases involving electric service terminations due to the inability to pay.

Once again, the OCA is engaging in rhetorical exaggeration.

**C. “Commitment” Made To Open Proceedings.**

The OCA takes the stance that the Commission has promised that it would open a telephone service rulemaking docket. Support is garnered from the Commission’s **deferral** of two matters to this docket. First, the fact that the Commission decided to resolve the issue of service exception reporting to this docket is hardly a basis upon which to add new substantive regulations. Second,

the fact that the Commission deferred the OCA's arguments regarding monitoring of service quality for Verizon is not the same as a promise to support a comprehensive rewrite of the Commission's service regulations. These two actions hardly support the OCA's claim that "the Commission contemplated not only further proceedings . . . but also contemplated a full reconsideration of its quality of service regulations . . ."<sup>5</sup>

The OCA is simply seeking to "guilt" the Commission into acting, rather than developing the merits of its request.

#### **D. Specific Regulations.**

##### **1. Trouble Standards.**

The OCA proposes to reduce the acceptable level of troubles per 100 lines from the current level of 5.5<sup>6</sup> to a proposed level of 5.<sup>7</sup> The PTA fails to understand why the OCA expends such a considerable portion of its comment, when every ILEC reviewed in the OCA's ARMIS data extrapolations has less than 4 troubles per 100.<sup>8</sup> Once again, the OCA is unable to convincingly marshal any support for an extensive regulatory rewrite.

##### **2. Clearing Out of Service Conditions.**

The OCA proposes that, in replacement of the current standard of "substantial action" to clear non-emergency outages within twenty-four hours,<sup>9</sup> that the Commission require out-of-service conditions be repaired 90% within eight hours and report where 85% are not cleared within 24 hours.

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<sup>5</sup> OCA Comments at 9.

<sup>6</sup> 52 Pa. Code § 63.57(f).

<sup>7</sup> OCA Comments at 48.

<sup>8</sup> OCA Comments at 30.

<sup>9</sup> 52 Pa. Code § 63.57(b). Emergency out-of-service troubles must be attended to within three hours.

Simply stated, such a high level metric is not attainable by the telephone industry. These changes could only be affected at great cost to the incumbent local exchange community and without any resulting substantial benefit to the public.

Companies have procedures in place to accommodate customers on the weekends. Essential line service available for customers with a medical condition is an escalated repair. Approximately 30% of trouble tickets for PTA member companies are for customer premise equipment (i.e., deregulated).

Moreover, this section does not address major outages. If major outages were remedied on the basis of appointments, this would cause the dispatch of personnel and material based on time instead of geographic location. Such a deployment would not be the best use of the company's resources or efficiently address the outage problem.

Nor is clearing the trouble the only immediate remedy. Some companies offer to forward the customer's call to a cell phone or another number until service is repaired. Customers often use their cell phones until service can be repaired. In the industry's opinion, this is not an issue from the subscriber's standpoint.

### **3. Backup Battery Power.**

There is no attempt by the OCA to justify further central office battery reserve requirements beyond those that already exist. The PTA is unaware of any outages in the industry attributable to a lack of power reserve. There is no need for the proposed regulation.

Local exchange companies need flexibility to operate their networks. Regulations which demand performance be met in a particular way are inappropriate. For example, companies routinely use portable generators to continue the provisioning of service. Moreover, companies can rely upon each other in obtaining emergency equipment. The industry has worked cooperatively

with the Commission in developing the Emergency Response Handbook which inventories, by company, the equipment available to assist in emergency situations.

#### **4. Exchange Based Reporting**

One of the more significant modifications proposed by the OCA is that service surveillance and reporting be undertaken on an exchange-by-exchange basis, as opposed to the current company-wide surveillance and reporting required by the Commission. As with the OCA's other proposed changes, there is no attempted demonstration of need to provide such regulatory granularity. While the OCA claims that it "could better address localized quality of service issues," there is no claim that service issues can not be locally addressed now or that the lack of exchange level detail inhibits the maintenance of good service or the supervision of service. On the other hand, the imposition of detailed record keeping carries with it more data, more calculations, more tracking, more time spent and more cost. For example, a four-exchange company, under the OCA's proposal, would have four times the amount of work involved.

It is not at all clear whether the OCA proposes that this detail be required of all local exchange companies, including competitive local exchange carriers, since the service regulations now simply apply to "public utilities." To the extent that other local service providers (or interexchange carriers, in the toll service aspect of the OCA's regulations) are not required to report or do not operate on an "exchange" basis, then service quality surveillance and reporting would be excused. This conflicts with this Commission's policy goal of regulatory parity.

#### **IV. PSAP NOTICE**

The Keystone State Chapter of the National Emergency Number Association ("NENA"), an organization representing Public Safety Answering Points ("PSAP"), has filed comments requesting

that PSAPs be notified of an outage affecting 500 or more customers for one hour or greater duration. The Keystone State Chapter of NENA suggests that the Commission's 9-1-1 Task Force is the appropriate form "to develop a reasonable procedure that takes into account both PSAP and lack of concerns . . . it supports the efforts to find common ground."<sup>10</sup> NENA only proposes changes to Chapter 63 if the OCA's regulatory initiative "prevent[s] the work of this sub-committee from having any impact . . ."<sup>11</sup>

The PTA agrees with NENA that PSAP notice is appropriate and is willing to work within the 9-1-1 Task Force sub-committee to develop the appropriate standards. For the most part, the ILECs already maintain a list of all PSAP telephone numbers within their service territory and have identified themselves to those PSAPs. As the PTA interprets NENA's concerns in this regard, they are mostly related to competitive local exchange carriers. The PTA agrees, however, to work with the 9-1-1 Task Force to resolve this issue also.

NENA's suggestions and the PTA's agreement with those suggestions are materially different from the OCA's proposal that a rulemaking docket should be opened which includes a regulation requiring telephone service providers to notify affected PSAPs in the event of a substantial service outage.<sup>12</sup> Simply stated, this situation can be dealt with through the 9-1-1 Task Force without opening a rulemaking docket and layering more regulation upon the telephone industry. A rulemaking is unnecessary to attain the objectives agreed to by both NENA and the PTA. NENA does not support more regulations, but rather working through the Task Force sub-committee.

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<sup>10</sup> NENA Comments at 3.

<sup>11</sup> *Id.* at 4.

<sup>12</sup> OCA Comments at 18.

## V. EXCEPTION REPORTING

As set forth in the PTA's further comments, Act 183 very clearly and specifically limits ILEC reporting requirements that can be compelled by the Commission.<sup>13</sup> The Commission may not require any further reports beyond the nine specified at Section 3015(e), unless the Commission makes specific written findings supporting its conclusion.

The OCA argues that this requirement does not apply as it is superseded by provisions elsewhere in Act 183 or that, alternatively, the further findings required under Section 3015(f) can be met. Neither of these arguments is compelling.

First, the OCA's citation to Section 3019(b) as retaining the Commission's duties to "review and revise quality of service standards relates to the standards themselves and not further reporting."<sup>14</sup> Moreover, such an interpretation cannot stand in view of the explicit provision of § 3015(f) which overrides any other provision of the Public Utility Code when it clearly states:

Notwithstanding any other provision of this title to the contrary, no report, statement, filing or other document or information, except as specified in subsection (e), shall be required of any local exchange telecommunications company unless the commission . . . [makes the requisite findings under § 3015(f)(1)(i) and (ii)].

Therefore, the issue becomes whether or not the standards of Section 3015(e), which is composed of two parts, can be met. As discussed in prior PTA comments on the subject of reporting, these two provisions must be read in the conjunctive. Rules of legislative construction, as well as comments submitted previously by key legislators involved the reenactment of Act 183, all compel this conclusion.<sup>15</sup>

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<sup>13</sup> PTA Further Comments at 8-10.

<sup>14</sup> Parenthetically, this provision also requires that any review or revision of current service regulations by the Commission "shall take into consideration the emergence of new industry participants, technological advancement, service standards and customer demand." 66 Pa.C.S. § 3019(b)(2).

<sup>15</sup> *Section 3015(f) Review Regarding the Lifeline Tracking Report, Accident Report in Service Outage Report*, Docket No. M-00051900, PTA Comments dated October 25, 2005 at 3 and Comments of Representatives Raymond Bundt, Jr. and William F. Adolph, Jr. dated October 24, 2005.

The PTA respectfully disagrees with the Commission's previous equation of service with rates. The first test of Section 3015(f) requires that the Commission render a finding that: "The report is necessary to insure that the local exchange telecommunications companies charging rates under compliance with this chapter in its effective alternative form of regulation." The Commission's Order in justifying requirement of service outage reports, claimed that "quality of service is directly related to just and reasonable rates," citing two rate base/rate of return water cases where service quality was reflected in a utilities rate award. In *Aqua Pennsylvania*<sup>16</sup> the Commission granted a higher return on equity to a water company because of its management performance in improving water quality, customer service, low income customer assistance and regionalization efforts.<sup>17</sup> The Commission particularly noted the relief which Aqua provided to "long-suffering customers of NUI . . ."<sup>18</sup> In *NUI*<sup>19</sup> the Commission had previously found a significant failure on the part of the water utility to provide water that is fit for household purposes, citing two chronic water quality problems, repair issues, billing/metering issues and a whole host of found service infirmities. The company's request for rate relief under § 1308(d) was denied, a decision which was affirmed on appeal and found not to be unconstitutional.

These cases are not relevant at all to the telephone industry. First, § 1308 has been completely repealed and no longer applies as to telephone companies.<sup>20</sup> Secondly, the substantial majority of the industry is currently under price cap regulation and does not receive an award for return on equity. Rather, rates are allowed to fluctuate on the basis of inflation. Thirdly, the § 3015(f)(1) test is applied to determine whether or not rates are in compliance with Chapter 30 and

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<sup>16</sup> *Pennsylvania Public Utility Commission v. Aqua Pennsylvania, Inc.*, 2004 Pa. PUC Lexis 39; 236 P.U.R. 4<sup>th</sup> 218 (Order entered August 5, 2004).

<sup>17</sup> *Id.* at 63.

<sup>18</sup> *Id.* at 63.

<sup>19</sup> *National Utilities, Inc. v. Pennsylvania Public Utility Commission*, 709 A.2d 972 (Pa. Cmwlth. 1998).

<sup>20</sup> 66 Pa.C.S. § 3019(h).

the effective alternative form of regulation. At no juncture in any company's plan is there a reference to or an allowance for adjustments due to service problems. Fourthly, these plans are contractual commitments between the Commission and the company and may only be changed upon the mutual agreement of both.<sup>21</sup> Fifthly, the determination made in the above water cases were made after extensive hearings, based upon allegations of inadequate service in the *NUI* case, without reference to what reports have been filed at the Commission. Similarly, in the case of *Aqua*, the allowed equity return was enhanced based upon testimony, not reports.

For all these reasons, there is no nexus between service quality reporting and rates for the telecommunications industry. While the Commission and the OCA may wish the Commission had the power and even perceive that such power is necessary, it is not available as described above. Generalized statements that the result is absurd, impossible to execute, or not in the public interest are simply too generalized to overcome the specific "notwithstanding any other provision of this title to the contrary" language of Section 3015(f)(1).

Similarly, the OCA's argument that, prior to the enactment of Act 183, the PTA did not oppose the continuation of service exception reports, is not irrelevant anymore. The plain fact is that the statutory landscape has changed and the legislature acted to reduce Commission reporting and information seeking excursions. Even if the PTA were of the mind that the report is appropriate, no one at this docket, including the Commission, should ignore the clear pronouncement of the General Assembly.

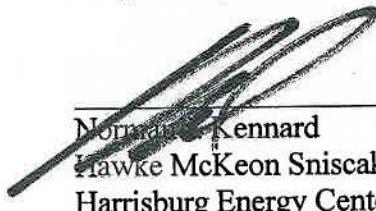
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<sup>21</sup> 66 Pa.C.S. § 3013(b).

## VI. CONCLUSION

The Pennsylvania Telephone Association thanks the Commission for the opportunity to participate in this proceeding and respectfully requests that the Commission decline to initiate a service regulation rulemaking.

Respectfully submitted,

  
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Norman J. Kennard  
Hawke McKeon Sniscak & Kennard LLP  
Harrisburg Energy Center  
100 North 10<sup>th</sup> Street  
P. O. Box 1778  
Harrisburg, PA 17105-1778  
(717) 236-1300  
[njkennard@hmsk-law.com](mailto:njkennard@hmsk-law.com)

Counsel to the Pennsylvania Telephone Association

DATED: June 2, 2006

## Consumer Complaint Categories

Most of the cases found in the consumer complaint categories deal with matters covered under 52 Pa. Code Chapters 63 and 64. The consumer complaint categories table presents the percentage of consumer complaints found in each of the 11 complaint categories for each of the major telephone companies, except MCI Local. The Bureau first classifies all consumer complaints into one of six major problem areas then expands them into one of 11 distinct problem categories for the telephone industry.

### Consumer Complaint Categories: 2001 Major Local Telephone Companies

Categories	ALLTEL	Commonwealth	United	Verizon North (GTE)	Verizon PA***	Telephone Majors
Unsatisfactory Service	35%	29%	18%	41%	34%	31%
Service Delivery	12%	21%	19%	21%	40%	30%
Billing Disputes	17%	9%	24%	13%	8%	13%
Toll Services	7%	17%	10%	4%	2%	5%
Discontinuance/Transfer	4%	2%	2%	3%	6%	5%
Sales Nonbasic Services	6%	2%	10%	5%	1%	4%
Non-Recurring Charges	3%	3%	4%	5%	2%	3%
Credit & Deposits	4%	3%	4%	3%	1%	2%
Annoyance Calls	6%	2%	2%	3%	1%	2%
Rates	1%	2%	1%	1%	2%	2%
Other	4%	10%	7%	2%	2%	4%
Total-Percent*	99%	100%	101%	101%	99%	101%
Total-Number**	69	58	255	182	632	1,196

\*Columns may total more or less than 100% due to rounding error.

\*\*Based on complaints evaluated by BCS as of June 21, 2002

\*\*\*Based on a probability sample of cases

## Consumer Complaint Categories

Most of the cases found in the consumer complaint categories deal with matters covered under 52 Pa. Code Chapters 63 and 64. The following table shows the percentage of 2002 complaints from residential customers of the major telephone companies in each of the 13 categories used by the BCS policy unit to categorize consumer complaints about telephone companies.

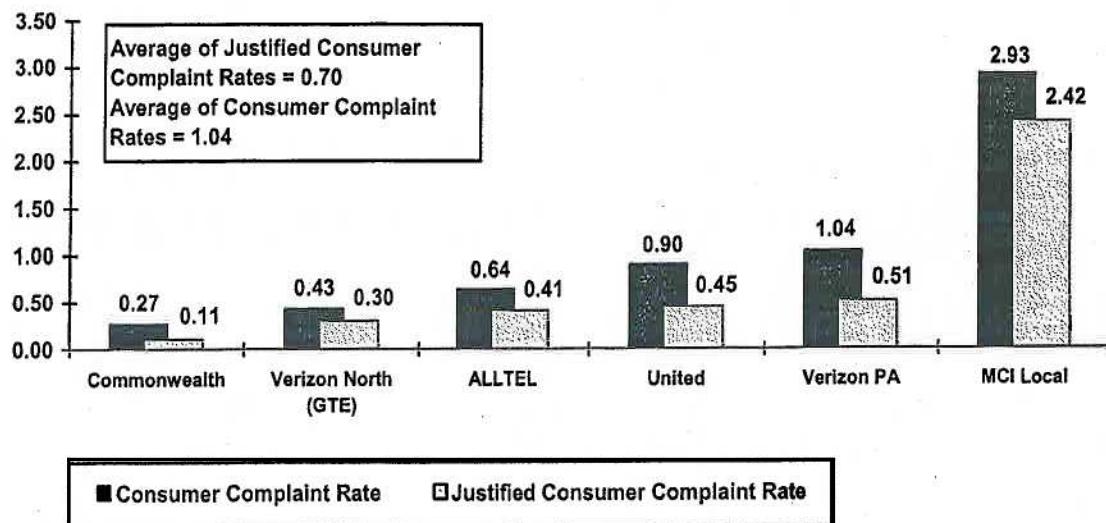
**Consumer Complaint Categories: 2002  
Major Local Telephone Companies**

Categories	ALLTEL	Common-wealth	MCI Local	United	Verizon North (GTE)	Verizon PA	Telephone Majors
Service Delivery	20%	8%	27%	14%	20%	29%	27%
Unsatisfactory Service	35%	25%	9%	12%	48%	26%	24%
Billing Disputes	24%	15%	19%	29%	7%	18%	19%
Toll Services	6%	25%	7%	13%	6%	8%	8%
Discontinuance/Transfer	5%	2%	23%	3%	2%	5%	7%
Service Terminations	2%	12%	10%	14%	4%	2%	3%
Non-Recurring Charges	0%	2%	1%	2%	3%	4%	3%
Sales Nonbasic Services	2%	3%	2%	6%	2%	2%	2%
Credit & Deposits	3%	5%	3%	3%	4%	2%	2%
Rates	1%	2%	0%	0%	2%	2%	2%
Annoyance Calls	0%	2%	0%	1%	2%	1%	1%
Audiotex	1%	0%	0%	0%	0%	0%	<1%
Other	2%	0%	0%	2%	0%	1%	1%
<b>Total-Percent*</b>	<b>101%</b>	<b>101%</b>	<b>101%</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>99%</b>
<b>Total-Number**</b>	<b>110</b>	<b>60</b>	<b>446</b>	<b>235</b>	<b>189</b>	<b>3,383</b>	<b>4,423</b>

\* Columns may total more or less than 100 percent due to rounding.

\*\* Based on complaints evaluated by BCS as of June 20, 2003.

## 2002 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies



- The justified consumer-complaint rate equals the number of justified consumer complaints for each 1,000 residential customers. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- In 2002, the Bureau received fewer complaints from customers about the telephone industry than it did in 2001. However, consumer complaint rates decreased for only two of the major companies. The rate increased for one and was stable for the remaining two companies. BCS did not calculate a consumer complaint rate for MCI Local in 2001.
- For 2002, the industry average for consumer complaint rate is 1.04, while the justified consumer complaint rate is 0.70.
- Appendix D, Table 4 shows the number of consumer complaints and justified consumer complaints for each major telephone company in both 2002 and 2001.

## Consumer Complaint Categories

Most of the cases found in the consumer complaint categories deal with matters covered under 52 Pa. Code Chapters 63 and 64. The following table shows the percentage of 2003 consumer complaints from residential customers of the major telephone companies in each of the 12 categories used by the BCS policy unit to categorize consumer complaints about telephone companies.

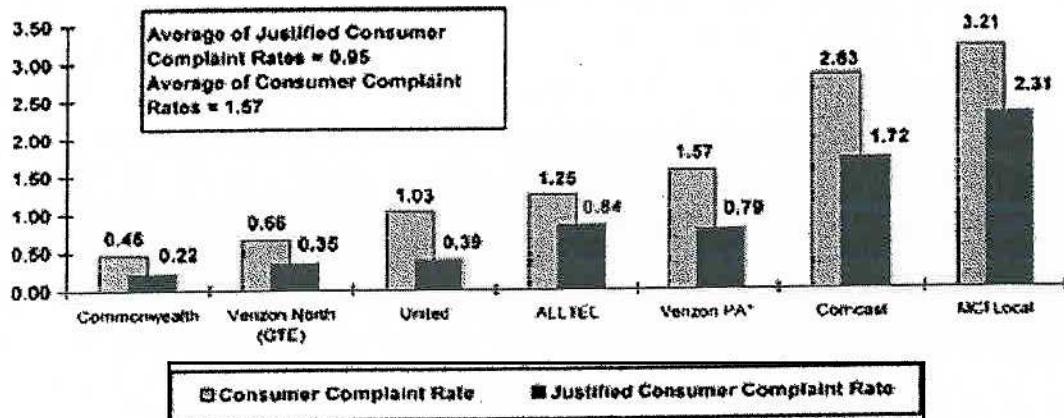
### Consumer Complaint Categories: 2003 Major Local Telephone Companies

Categories	ALL-TEL	Comcast	Commonwealth	MCI-Local	United	Verizon North (GTE)	Verizon PA	Telephone Majors
Unsatisfactory Service	43%	14%	16%	7%	13%	25%	33%	26%
Service Delivery	29%	22%	22%	30%	14%	35%	24%	25%
Billing Disputes	14%	27%	15%	18%	30%	18%	19%	20%
Competition	2%	14%	5%	26%	5%	4%	4%	8%
Toll Services	7%	12%	20%	4%	18%	5%	7%	8%
Discontinuance/Transfer	1%	1%	2%	12%	6%	2%	6%	6%
Credit & Deposits	3%	0%	5%	1%	4%	7%	2%	2%
Non-Recurring Charges	0%	2%	1%	0%	2%	1%	3%	2%
Annoyance Calls	0%	0%	3%	0%	1%	0%	1%	1%
Service Terminations	0%	1%	2%	1%	1%	0%	0%	1%
Sales Nonbasic Services	0%	1%	1%	1%	1%	0%	0%	0%
Other	0%	4%	9%	1%	4%	2%	2%	2%
<b>Total-Percent*</b>	<b>99%</b>	<b>98%</b>	<b>101%</b>	<b>101%</b>	<b>99%</b>	<b>99%</b>	<b>101%</b>	<b>101%</b>
<b>Total-Number**</b>	<b>209</b>	<b>279</b>	<b>108</b>	<b>634</b>	<b>276</b>	<b>303</b>	<b>2,572</b>	<b>4,381</b>

\*Columns may total more or less than 100% due to rounding.

\*\*Based on complaints evaluated by BCS as of June 18, 2004

## 2003 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies



\* Justified consumer complaint rate based on a probability sample of cases in 2003.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- In 2003, the BCS received more complaints from customers about the telephone industry than it did in 2002. Consumer complaint rates increased for all of the major companies except MCI Local. BCS did not calculate a consumer complaint rate for Comcast in 2002.
- For 2003, the industry average for consumer complaint rate is 1.57 while the justified consumer complaint rate is 0.95.
- Appendix D, Table 4, shows the number of consumer complaints and justified consumer complaints for each major telephone company in both 2002 and 2003.

## Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS policy division reviews the complaint, categorizes it into a specific problem category and enters it into the BCS' computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2004 consumer complaints from residential customers of the major telephone companies in each of the 12 categories used by the BCS policy unit to categorize consumer complaints about telephone companies.

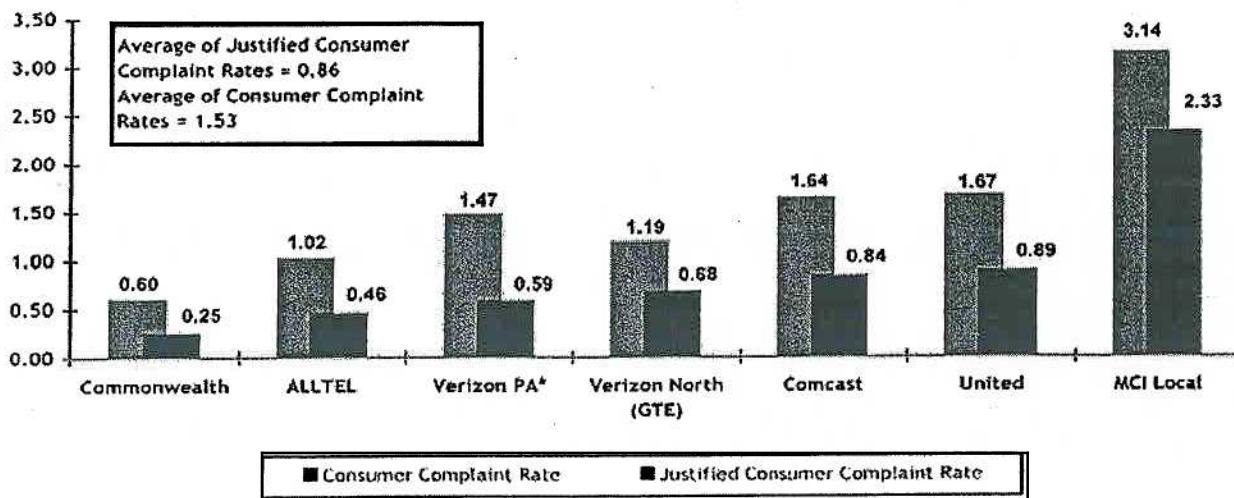
**Consumer Complaint Categories:  
2004 Major Local Telephone Companies**

Categories	ALL-TEL	Comcast	Common-wealth	MCI Local	United	Verizon North (GTE)	Verizon PA	Telephone Majors
Billing Disputes	20%	44%	51%	25%	38%	23%	25%	27%
Service Delivery	32%	23%	18%	31%	9%	41%	27%	27%
Unsatisfactory Service	23%	5%	10%	6%	8%	14%	22%	17%
Toll Services	5%	1%	3%	0%	13%	6%	9%	7%
Discontinuance/Transfer	2%	5%	2%	13%	12%	3%	5%	7%
Competition	2%	2%	2%	20%	1%	0%	4%	5%
Service Terminations	4%	11%	10%	1%	5%	5%	0%	2%
Credit & Deposits	2%	1%	3%	0%	1%	2%	3%	2%
Annoyance Calls	5%	1%	1%	2%	2%	2%	1%	2%
Non-Recurring Charges	1%	0%	1%	0%	4%	1%	2%	2%
Sales Nonbasic Services	1%	1%	0%	0%	5%	1%	0%	2%
All Other Problems	4%	6%	0%	1%	2%	1%	2%	2%
Total-Percent*	101%	100%	101%	99%	100%	99%	100%	102%
Total-Number**	168	142	125	554	361	474	2,130	3,954

\*Columns may total more or less than 100% due to rounding.

\*\*Based on complaints evaluated by BCS as of July 1, 2005.

## 2004 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies



\* Justified consumer complaint rate based on a probability sample of cases.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- In 2004, the BCS received fewer consumer complaints about the seven major local telephone companies than it did in 2003. Consumer complaints and thus consumer complaint rates decreased for four of the major companies while increasing for the other three companies.
- In 2004, the industry average for consumer complaint rate is 1.53. Comcast, United and MCI Local exceeded the industry average in 2004. The industry average for justified consumer complaint rate is 0.86 for 2004.
- Comcast, United and MCI Local have justified consumer complaint rates that are above the 2004 industry average. However, Comcast's justified rate decreased from 2003 to 2004. United's justified consumer complaint rate increased. MCI Local's justified consumer complaint rate was relatively unchanged from one year to the next.
- Appendix D, Table 4, shows the number of consumer complaints and justified consumer complaints for each major telephone company in both 2003 and 2004.

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 2<sup>nd</sup> day of June 2006, served a true and correct copy of the above-referenced Reply Comments of the PTA filed this day, upon the persons and in the manner indicated below:

**Service By First Class Mail**

Philip F. McClelland  
Senior Assistant Consumer Advocate  
Office of Consumer Advocate  
Forum Place, 5th Floor  
555 Walnut Street  
Harrisburg, PA 17101-1921

Cynthia L. Randall  
Verizon Pennsylvania Inc.  
1717 Arch Street, 10<sup>th</sup> Floor West  
Philadelphia, PA 19103

Pamela C. Polacek, Esquire  
McNees Wallace & Nurick  
P.O. Box 1166  
100 Pine Street  
Harrisburg, PA 17108-1166

Timothy W. Baldwin, ENP  
Deputy Director  
Lancaster County-Wide Communications  
P.O. Box 487  
Manheim, PA 17545-0487



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Norman J. Kennard

Dated: June 2, 2006