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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
2000 Biennial Regulatory Review --	)	CC Docket No. 00-229
Telecommunications Service Quality	)	
Reporting Requirements	)	

MICHIGAN PUBLIC SERVICE COMMISSION COMMENTS
On the
NOTICE OF PROPOSED RULEMAKING

The following comments are on behalf of the Michigan Public Service Commission (MPSC).

The MPSC has relied on the reports provided by the Federal Communications Commission (Commission) to monitor the quality of service provided in our state. Michigan has suffered a dramatic degradation in the quality of service provided by Ameritech/SBC. The reports have provided invaluable support in service quality proceedings in our states. These reports have not only allowed us to monitor our state but also compare our performance to that of other states in a meaningful way. Because of the ongoing serious service problems of Ameritech we will continue to rely heavily on the reports that the Commission has developed. These reports are needed on a quarterly basis. It would be helpful if they were more timely (monthly), however we realize this may not be practical.

The Federal Communications Commission, in this proceeding, proposes to streamline and reform the existing service quality monitoring program to further what is perceived to be the congressional mandate. The Commission proposes to eliminate reporting of many categories of information and thereby significantly reduce the regulatory burden for carriers, as well as to modify how other information is reported so that it may be more useful to consumers and to state and federal regulators.

The MPSC relies on the information filed with the Commission in the Service Quality Monitoring program. We also greatly appreciate the Commission's Staff for putting the information into charts and graphs that show the trends. We believe this new initiative <u>will not</u> give consumers the tools they need to actively participate in a competitive marketplace and will <u>detrimentally reduce</u> state regulator's access to data necessary to determine if the service quality goals of the 1996 Act are being met.

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MPSC opposes the proposal to eliminate the bulk of the existing service quality reporting requirements. These requirements make more sense in today's market than ever before. We must be vigilant to ensure that deregulation does not cause service quality to deteriorate. While the Federal Communications Act does require that the Commission, in every even-numbered year beginning in 1998, review all regulations that apply to the operations and activities of any provider of telecommunications service and determine whether any of these regulations are no longer necessary or in the public interest as the result of meaningful economic competition between providers of the service, we do not have meaningful economic competition between providers of basic local service at this time. Therefore, it is premature for the Commission to reduce in any way the existing service quality requirements contained in the Automated Reporting Management Information System (ARMIS) 43-05 Report (Service Quality) and ARMIS 43-06 Report (Customer Satisfaction).

The MPSC hopes to continue to work with the Commission to ensure that consumers enjoy high quality telecommunications service throughout the United States. Two years ago, the National Association of Regulatory Utility Commissioners (NARUC) proposed service quality monitoring in a White Paper. The state commissions are actively involved with service quality issues. MPSC supports the comments in the White Paper and the current service quality reporting requirements in order to monitor trends on a consistent basis as we try to introduce meaningful competition.

The MPSC agrees with the Commission that even in a robustly competitive environment, public disclosure of quality of service information can be an important way to safeguard consumer interests. MPSC encourages the Commission to be committed to maintaining and, when possible, improving the traditionally high level of service quality enjoyed by American consumers, in furtherance of the 1996 Act's mandate. However, with the proposed streamlined reporting requirements, carriers will report far too little information in order to monitor service quality. While the states may, and likely will, continue to impose additional service quality reporting and performance requirements on carriers operating in our jurisdictions, it is useful to have reports that can be compared across state lines. The national monitoring "floor" represents a uniform framework that can serve to minimize overall burdens associated with reporting the information and at the same time provide an efficient method of data collection that serves the interests of the carriers, consumers, and state and federal regulators alike.

The MPSC agrees with the Commission that "service quality" has many dimensions, including customer service, billing practices, and network performance. We realize that the current notice only refers to service quality as data regarding the provisioning of telecommunications services, the maintenance and repair of telecommunications equipment and facilities, and the frequency and duration of various network troubles. In the future it would be helpful for the Commission to consider expanding the reporting requirements to cover the other important areas of service.

The MPSC recognizes that the current monitoring program was implemented in 1991 as part of our transition to price cap regulation. The program was adopted to ensure that price cap local exchange carriers (LECs) would maintain a high level of service quality and to allow for a full evaluation of these carriers under price cap regulation. In the Ameritech region, the company's service quality has not been maintained and in fact has deteriorated to all time lows.

The MPSC would like to commend the Common Carrier Bureau for their past work in establishing the reporting requirements to capture trends in service quality and infrastructure development in the telephone industry under price cap regulation. The integration of the reports into ARMIS, was very helpful. Also, making the trends available on the Commission's website was a great improvement in distribution of the data to the states and consumers.

As the telecommunications market grows more competitive, the need for companies to provide good service to attract and keep customers should serve as an incentive to maintain high quality service. Under such circumstances the MPSC foresees less of a regulatory role in monitoring service quality, however we are far from that point at this time. Given the relatively early stage of development of competition, information about service quality allows consumers to make informed choices about their telecommunications service providers, and allows regulators to continue enforcement of existing providers to continue to provide reasonable service. MPSC agrees that information about service quality, like price, can and does have an effect on consumer purchasing decisions.

The Commission should not consider the quality monitoring program used for the airline industry as a potential model for the telecommunications service quality program. The program for the airline industry is predominantly voluntary and the telecommunications one should not be. The information required from the airlines is minimal and does not focus on measurements that have the greatest importance to consumers. Additionally, regulators need more information to keep informed and point to when there are service problems. Minimal information is not adequate when holding formal hearings on service performance.

The MPSC encourages the Commission to keep the current ARMIS 43-05 Service Quality Report as is. The price cap incumbent LECs should continue to provide information on different measures of service quality. The report's five tables: (1) installation and repair intervals for interexchange carriers (IXCs); (2) installation and repair intervals for local service customers; (3) trunk blockage; (4) total switch downtime and occurrences of two minutes or more duration; and (5) federal and state service quality complaints should be maintained. The ARMIS 43-06 Customer Satisfaction Survey should also be maintained We strongly encourage the Commission to continue to make the information publicly available on it's website.

Recently the Communications Workers of America (CWA) released a copy of a report it provided to the Public Service Commission accusing Verizon Communications of falsifying its service record. Verizon, the nation's largest phone provider, criticized the report, and said it found no evidence of misreporting by its managers. However, the CWA study, which was funded by Verizon and based on 2,000 interviews with Verizon employees and 2,000 confidential phone calls, claims otherwise. It accuses managers of purposely changing dates on reports to make repair work appear more timely, of "possible consumer fraud" for failing to service consumer in-home wiring issues, and of closing repair requests before repairs have been completed. Because of this potential misreporting problem, service quality is called into question. One addition to the monitoring that is in place today should be some form of audit of the company submitted information.

Currently, only price cap LECs file the ARMIS 43-05 and 43-06 reports. The Commission does not collect service quality data from small incumbent LECs, including those serving rural areas, nor does the Commission collect this data from competitive LECs (CLECs). The NARUC White Paper concludes that service quality data would be more meaningful for all interested parties, including consumers and state commissions, if all LECs -- including CLECs -- reported such data. MPSC believes that if consumers had access to service quality data from all carriers providing local exchange service in their area, they would be in a better position to make an informed choice between, or among, carriers. Currently there are no meaningful marketplace forces adequate to provide incentives to CLECS to voluntarily disclose information about service quality. The imposition of these requirements on CLECs and smaller LECs fits into the transition from traditional regulatory treatment to the competitive open market while trying to ensure that service quality is maintained and customers have access to information. To reduce the burden companies could file electronically every six months (instead of quarterly like the price cap LECs).

The MPSC opposes voluntary service quality reporting procedures for certain carriers. The Commission should establish mandatory service quality reporting for incumbent LECs exceeding a threshold of lines served. For example if the company has to pay into the Universal Service Fund, they should be required to report, and voluntary service quality reports would be allowed for all other carriers. The voluntary reports would have to be in the same format and use the same definitions as the required reports to facilitate comparisons between carriers. In addition, the data in the voluntary reports would need to be reported with the same frequency required in the mandatory reports, to facilitate useful comparisons by consumers.

Resellers and competitors that purchase network elements from an incumbent LEC may have no control over the service quality of the resold service or the purchased elements. This may impact their service to retail customers. Customers have no way of knowing how the underlying network is configured and who is to blame for the service problems. The service quality measures should take into account problems due to the conduct of the

incumbent. The resellers can have a statement that they resell the facilities of others, but not try to place blame on other carriers for lack of service.

Currently, carriers subject to ARMIS 43-05 file such reports on an annual basis. In the 1996 Act, Congress required that ARMIS data be filed only on an annual basis. NARUC's Service Quality White Paper proposes that the Commission gather service quality information on a quarterly basis. The companies should file the information quarterly especially in light of the fact that in recent months the service quality has started to deteriorate. If the service levels continue to deteriorate, service quality information may need to be collected more frequently than quarterly.

Individual states may require more frequent service quality reporting because of individual need. The Commission should consider obtaining the information reported to the states and making it more publicly available as part of it overall service quality reporting. The Commission could act as a federal clearinghouse for information gathered at the state level. MPSC would be able to transmit to the Commission whatever service quality information we collect on a more frequent basis. If there are variations in the in state reporting requirements MPSC would be glad to note them and the Commission could just foot note these differences when reporting.

Service quality information can enable consumers to compare carriers in their area and make informed choices between, or among, carriers. Publicizing service quality data on the Commission's web site is effective. The MPSC agrees with the Commission that because carriers are required to report accurate information to the Commission, and the Commission can require carriers to correct inaccurate data, collecting information at the federal level provides some ability to ensure that the information is accurate, which ultimately benefits consumers. The Commission however should consider some minimal audits of the data submitted. Additionally carriers should be encouraged to post their data on their web sites with information concerning the number of complaints filed with the Commission and state commission. Customers can also obtain the information by calling the Commission or going to public libraries and accessing the information.

Currently Michigan mandates no other regular service quality information. We have been using exclusively the information collected by the Commission. Our desire is that the Commission's data be the only data required in order to reduce reporting requirements and to have data comparable across all jurisdictions.

While carriers that currently file ARMIS 43-05 data must retain the data for four years. The underlying data need not be retained more than two years. The Commission could relax its underlying data if an audit of the underlying data is done on a random basis.

Table I of the ARMIS Report 43-05 Service Quality Report, currently provides information from price cap incumbent LECs about the installation and repair of access services provided to inter-exchange carriers. In Table III of the same report, price cap carriers provide information about common trunk group blockage. This information is

useful and is going to be needed more as the RBOCs are allowed to compete in the inter-exchange market. While IXCs are probably able to monitor service quality through operation of their business relationships with the incumbent local exchange carriers the MPSC needs the information to monitor service quality. It will be useful for the regulators and consumers to have a baseline to evaluate the service quality in this area as LECs are allowed into in-region long distance services.

The Commission should continue to collect the information contained in Table IV of ARMIS Report 43-05. MPSC believes the competitive pressures to achieve network reliability in today's marketplace have not been sufficient to replace the need for reporting of network reliability data. The Network Reliability and Interoperability Council (NRIC) serves to bring together leaders of the telecommunications industry with academic and consumer organizations to explore and recommend measures that would enhance network reliability in a more timely manner. Carriers should be required to report in ARMIS 43-05, Table IV, the number of switches serving specified numbers of lines and the number of times switches are down from two minutes or longer. The number and duration of switch outages and interoffice transmission facility outages indicates the carrier's performance in providing continual access to the full capabilities and benefits of the network. This data should continue to be gathered in ARMIS as a complement to information collected on large switches by the Network Reliability Council. Together this information has permitted regulators to monitor and assess network reliability, which is important to consumers because such outages affect service in their area.

The MPSC continues to support the NARUC White Paper which contains additional proposals for refining the Commission's quality monitoring program. These include more detailed measurements related to maintenance and repair intervals, answer time performance, and network performance. The White Paper also proposes that the reports be made available to the public to allow interested parties to assess the data, and to provide consumers with information about their telecommunications carriers.

In summary, the MPSC opposes the elimination of service quality reporting, at least until robust competition exists, and certainly not when Ameritech's service quality is at abysmal levels and competition is anemic.

Submitted on behalf of

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