

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Frontier Communications Corporation,)
New Communications Holdings, Inc. and) Case No. 09-454-TP-ACO
Verizon Communications Inc. for Consent)
and Approval of a Change in Control.)
)

**PREPARED DIRECT TESTIMONY OF LAURA FRIEDMANN ON BEHALF
OF CINCINNATI BELL EXTENDED TERRITORIES LLC**

October 14, 2009

1 **Q. Please state your name, title and business address.**

2 A. My name is Laura Friedmann. I am a manager at Cincinnati Bell Extended
3 Territories LLC (“CBET”). My business address is 221 East Fourth Street,
4 Cincinnati, Ohio 45202.

5 **Q. Please describe your educational and professional background.**

6 A. I have a bachelor’s degree in business administration from the University of
7 Cincinnati and an MBA in Entrepreneurial Studies from Xavier University. I
8 began my career at Cincinnati Bell Telephone in 1984 in Regulatory Affairs and
9 have held management positions in the Business Sales Major and National
10 Accounts Markets and as a Retail Buyer in the Consumer Division. I then moved
11 to the Carrier Market where, for five years, my duties included Collocation,
12 Accommodation, Product Management and Market Management for ISPs. For
13 the last five years I have managed CBET’s Ohio relationships with Incumbent
14 LECs such as AT&T, Embarq, and, now, Verizon. Those relationships resulted in
15 the establishment of twenty six central office collocation sites and seventeen
16 subloop collocations.

17 **Q. Please describe CBET’s CLEC status in Ohio and its relationship with**
18 **Verizon North.**

19 A. In June, 2008, with the activation of collocation arrangements in two Verizon
20 North central offices, CBET began submitting unbundled network element
21 (“UNE”) service orders for loops. By early September, 2008, CBET had
22 completed six Verizon North collocations. CBET currently has an Ohio

1 embedded base of 57,000 access lines, 23 percent of that base having DSL
2 service.

3 **Q. Please describe the purpose of your testimony.**

4 A. CBET seeks to ensure that the proposed transaction will address and not
5 perpetuate the poor customer service and service quality CBET receives from
6 Verizon North which causes CBET to miss the Commission's MTSS guidelines
7 governing provisioning and repair of UNE loops. Second, CBET seeks to ensure
8 that the proposed transaction will address and not perpetuate the unresolved repair
9 issues concerning ADSL compatible 2-wire UNE loops (that allow concurrent
10 transmission of high-speed data and POTS). Lastly, CBET seeks to ensure that
11 the proposed transaction is not only seamless in terms of there being no
12 "disruption of service" but that it include measures to assure that Frontier will
13 successfully activate and repair service – all measures of customer satisfaction.

14 **Q. What are CBET's concerns over the provisioning of UNE loops?**

15 A. As an Ohio telephone company, CBET is subject to the Commission's MTSS
16 standards for the installation and repair of service. When CBET provisions
17 service using UNE loops obtained from Verizon North, it is completely dependent
18 upon Verizon North to provision those loops in a manner that allows CBET to
19 meet the Commission's MTSS requirements.

20 **Q. What has CBET done to try to improve the service it receives from Verizon**
21 **North?**

22 A. In an effort to improve the service it receives, CBET issued two Expedited
23 Dispute notices to Verizon North – a process outlined in the Interconnection

1 Agreement to addresses service-impacting issues. Verizon North did not timely
2 respond in accordance with the provisions of the Interconnection Agreement to
3 either of those notices, nevertheless, to date CBET has refrained from filing an
4 arbitration complaint. To foster a spirit of cooperation, and at the request of the
5 Verizon North account team, CBET has tried to be pragmatic in obtaining
6 improvements in the standards of service. CBET has had several meetings with
7 the Verizon North Ohio President, has met with Commission Staff and Verizon
8 North in informal discussions, and has regular conference calls with Verizon
9 North Team Leaders.

10 **Q. How do you respond to the contention by Verizon North that there has never**
11 **been any finding through the Interconnection Agreement dispute resolution**
12 **process by the Commission or an arbitrator that Verizon North has breached**
13 **any of its Ohio Interconnection Agreements?**

14 A. In response to the two formal dispute notices CBET sent to Verizon North
15 regarding claimed breaches of the CBET Interconnection Agreement, Verizon
16 North asked CBET not to file an arbitration case, but to meet with it on an
17 informal basis to try to address CBET's complaints. In addition, CBET has
18 attempted to use informal mediation through Commission staff and Verizon North
19 to address the problems. Those problems were still not resolved to CBET's
20 satisfaction when CBET learned of the proposed sale to Frontier. CBET
21 intervened to try to get its issues addressed when Verizon North and Frontier
22 would both have a high incentive to do so. If CBET's concerns are not resolved
23 either in this proceeding or externally with Verizon North, CBET may still have

1 to file for arbitration. Thus, the reason there has not been a formal complaint or
2 an adverse ruling against Verizon North is not because there are no complaints,
3 but, instead, because CBET has attempted to work these issues out other than
4 through the formal complaint process. CBET believes these problems must still
5 be solved one way or another before Verizon North should be permitted to sell its
6 Ohio exchanges to Frontier.

7 **Q. How do you respond to Verizon North's claim that it has been able to work**
8 **with any CLEC that has raised issue about its wholesale service to resolve**
9 **those issues?**

10 A. CBET has tried to work with Verizon North voluntarily, but its issues have not
11 been resolved to its satisfaction.

12 **Q. What does CBET seek to achieve by intervening in this proceeding?**

13 A. CBET seeks to ensure that a change in control does not create the potential for
14 deterioration of service. Specifically, CBET seeks to ensure that the proposed
15 purchaser is committed to process improvements and that it will provide adequate
16 service to wholesale customers so that they can meet their obligations to their
17 end-users under the Commission's MTSS guidelines.

18 **Q. Do you agree that Verizon North provides very good service to CBET?**

19 A. No. CBET continues to have issues regarding the timeliness and quality of loop
20 provisioning and repair of DSL compatible loops.

21 **Q. What has been CBET's experience with the provisioning of UNE loop orders**
22 **by Verizon North?**

1 A. Verizon North has not provided CBET with UNE loop service that permits CBET
2 to consistently meet the Commission's MTSS guidelines.

3 **Q. What percentage of CBET's end-user POTS UNE-Ls are being installed**
4 **within the Commission's MTSS guidelines?**

5 A. To date, Verizon North has provisioned UNE loops for CBET within the
6 Commission's MTSS guidelines only 74% of the time. This statistic does not
7 include loops that have to be conditioned for DSL service, only loops used for
8 POTS and non-conditioned DSL-qualified loops. This number is a combination
9 of both new loops and conversions.

10 **Q. What influences this number and what is being done to improve this**
11 **percentage?**

12 A. In the short duration of the Verizon North/CBET relationship, there are several
13 issues that have impacted this ever-fluctuating percentage (it has been as low as
14 53%, but never better than 75%): In early 2009, Verizon North moved its call
15 center to Maryland, resulting in a number of problems with the provisioning of
16 loops. CBET was unable to view loop conversions electronically in the ordering
17 system known as eWPTS and the Verizon North account team was unable to
18 provide adequate direction on the correct process. CBET issued several trouble
19 tickets on this issue at Verizon North's request and the issue was escalated.
20 Months later, Verizon North eventually communicated to CBET that the ordering
21 system would not have that capability. In order to obtain notice of the conversion
22 completions, CBET was required to pay for coordinated conversions. However,
23 that timed, coordinated activity overwhelmed Verizon North's field personnel and

1 caused severe order backlogs. CBET was asked to stop. For a brief time Verizon
2 North provided CBET with telephonic notice of loop conversions, but then
3 abruptly changed the procedures without notice, resulting in conversions being
4 completed without the associated number port and CBET end users not receiving
5 inbound calls. There were also other general system failures of which Verizon
6 North was unaware until CBET brought them to its attention. CBET continues to
7 send Verizon North due date issues for analysis yet no single root cause has been
8 identified for this chronic issue.

9 **Q. What do you say about Verizon North's contention that it met 96% of its**
10 **Performance Incentive Plan metrics over the last year?**

11 A. CBET believes that the 96% statistic is a distortion of Verizon North's
12 performance with regard to those wholesale activities that truly matter to CLECs
13 and their customers. Many of Verizon North's statistical measurements are
14 limited to orders that "flow through" automatically. In reality, many of the
15 problems faced by CLECs have to do with orders that do not flow through
16 automatically, but which are rejected for various reasons or which require manual
17 attention. Many of these rejections are caused by Verizon North errors or
18 limitations in its ordering systems that are not the fault of the CLEC and are not
19 captured in the statistics cited by Verizon North. Nor do the MTSS provisioning
20 standards to which CLECs are subject distinguish between orders that flow
21 through Verizon's systems and those that do not.

22 **Q. How do you respond to Verizon North's claim that it meets the MTSS**
23 **requirement to install new service within 5 days 90% of the time?**

1 A. CBET has never experienced that level of service. CBET has only seen UNE
2 loops timely installed approximately 74% of the time. If Verizon North is
3 meeting the 5 day standard more than 90% of the time for retail customers, then
4 CLECs are not receiving service parity.

5 **Q. Why should Verizon North's loop provisioning practices be of concern to the**
6 **Commission if Verizon North will no longer be operating the Ohio**
7 **exchanges?**

8 A. This transaction has been promoted as a seamless transition to Frontier using the
9 same systems and personnel. If Verizon North is unable to provide service to
10 CLECs that enables them to meet the MTSS installation standards, it is difficult to
11 see how Frontier will do that using the same systems and personnel.

12 **Q. What should the Commission do about this problem with respect to this**
13 **transaction?**

14 A. The Commission should require 100% compliance with MTSS standards and, to
15 assure that CLECs are receiving parity of service, Frontier should be responsible
16 to indemnify CLECs for any MTSS violations that are caused by its failure to
17 timely provision or repair UNEs used by a CLEC to provide retail service.

18 **Q. What has been CBET's experience with Verizon North with respect to DSL-**
19 **compatible loops?**

20 A. Verizon North refuses to make repairs on DSL-compatible loops when the trouble
21 on the loop affects the voice portion of the service.

1 **Q. Please describe the problems CBET has experienced with respect to the**
2 **repair of ADSL compatible, UNE 2-wire-loops that allow concurrent**
3 **transmission of high-speed data and POTS.**

4 A. CBET’s Interconnection Agreement with Verizon North states that the network
5 interfaces to be provided will include “... two-wire, voice-grade copper loops that
6 are conditioned to transmit analog and digital signals needed to provide, for
7 example, ISDN, ADSL, HDSL ...” Verizon North has refused CBET’s requests
8 for repair of DSL-conditioned loops if those loops encounter trouble that only
9 affects voice service, not data service. In order for the circuit to receive repair
10 attention, CBET must report the circuit as dead – even if the circuit simply
11 experiences static in the voice spectrum of the loop. Verizon North states that its
12 reason for denying voice repair is because the circuit is viewed as a data only
13 circuit, therefore, it can have no voice problems. In an attempt to facilitate voice
14 repair, CBET requested that Verizon North either supply new ordering guidelines
15 (NC/NCI codes) or supply a new product (one that permits the concurrent
16 transmission of data and POTS). Verizon North contends that the ordering
17 procedures were not at fault and that product alternatives such as line sharing, line
18 splitting, and the ADSL-compatible UNE 2-wire Loop featured on their
19 Wholesale website would not suffice.

20 **Q. Has this problem been resolved to CBET’s satisfaction?**

21 A. No. To date, there is no resolution of this issue. Presumably, this problem would
22 be handed to Frontier to address. Meanwhile, the repair policy for the voice

1 portion of a DSL-compatible loop remains undefined for CBET's end user
2 customers.

3 **Q. Are you satisfied with how Frontier proposes to address these issues?**

4 A. No. From the testimony that has been filed and the discovery responses received
5 from Frontier, it is CBET's understanding that Frontier plans to continue using
6 the same systems and methods and procedures as Verizon North. Frontier has
7 stated that it has no plans to make any changes to any of the Verizon North
8 systems and it denies that there are any current flaws in those systems.

9 **Q. Do you have any other concerns about how Frontier will manage DSL-**
10 **compatible loops?**

11 A. Yes. One of the public interest benefits that Frontier says will result from
12 approval of the proposed transaction is that it plans to expand the availability of
13 retail broadband service. At the same time, it plans to continue Verizon North's
14 methods and procedures with respect to the installation and repair of DSL-
15 compatible loops. If CLECs do not receive the same level of service for UNE
16 loops used to provide retail broadband service as Frontier provides to its own
17 retail customers, CLECs will be placed at a competitive disadvantage.

18 **Q. What should the Commission do about this?**

19 A. The Commission should require that Frontier provide repair service to CLECs for
20 DSL-compatible UNE loops equal to that which it provides to its own retail
21 customers. If Frontier provides repair service on such loops to retail customers
22 for problems that affect voice service, it should provide the same service to
23 CLECs when trouble on the loops affects voice service.

1 **Q. What other assurances does CBET seek for good customer service other than**
2 **Frontier’s assurance that end-user customers will not have their service**
3 **disrupted?**

4 A. CBET has experienced first-hand a number of customer service issues that did not
5 result in service disruption, but did cause significant end-user dissatisfaction. As
6 an example, when Verizon North moved its call center, CBET experienced hold
7 times as long as two hours. This prevented timely resolution of repair issues,
8 trouble tickets, and clarification of orders that Verizon North placed in jeopardy.
9 In many instances, end-user customers could not be given any expectation as to
10 the time or date their service would be turned up or repaired. Verizon North’s
11 initial solution to the long hold times was to increase staff levels with untrained
12 personnel, to have them answer incoming calls and take messages. Call backs
13 and answers to the issues did not come until days later. This improved hold
14 times, but not the underlying service problems. This narrow approach to a multi-
15 department problem demonstrates how a seemingly simple reorganization coupled
16 with narrow performance measurements (*e.g.*, call answer times), enables more
17 significant problems to persist.

18 **Q. Does CBET have other concerns about the proposed transaction that are not**
19 **based on Verizon North’s current systems?**

20 A. Yes. In his deposition, Mr. McCallion of Verizon North stated that there was a
21 plan to move the call center that provides service to CLECs from Maryland to
22 North Carolina. Mr. McCarthy of Frontier had no knowledge of this plan or what
23 Frontier planned to do to assure that CLEC service would not suffer as a result.

1 **Q. Why is the location of the call center that services CLECs of concern to**
2 **CBET?**

3 A. Within the last year, Verizon North relocated the call center to Maryland, which
4 was staffed by personnel who were unfamiliar with the practices used by Verizon
5 North in its Western Region. In addition, the call center was understaffed and
6 unable to manage the order and call volume necessary to support CLEC activity.
7 CBET experienced lengthy answer delays and often was unable to reach a person
8 who was knowledgeable about the practices in place in Verizon North's Ohio
9 territory. CBET fears that relocating this call center to North Carolina will cause
10 a repeat of the problems that occurred when the call center was moved to
11 Maryland. It appears unlikely that the call center personnel in Maryland that have
12 been trained to address Ohio issues will be relocated to North Carolina. Frontier's
13 witness was unaware that this move was even happening or how it was going to
14 be managed to avoid the earlier problems.

15 **Q. What should the Commission do about this?**

16 A. CBET believes that the Commission should condition any transaction on the
17 purchaser broadening its measurement of service quality and appointing
18 champions capable of multi-departmental control over staffing and process
19 improvement. In addition, the Commission should place performance standards
20 on the CLEC call center so that calls are timely answered by a sufficient number
21 of trained personnel.

1 **Q. Aren't the problems that CBET is complaining about just Interconnection**
2 **Agreement issues that should be worked out between CBET and Verizon**
3 **North?**

4 A. No. CBET has worked diligently with Verizon North to try to rectify these
5 problems, without total success. Permitting Verizon North to simply sell its Ohio
6 operations to Frontier will not solve the problems, but only drop them in the lap of
7 Frontier. Verizon North should not be permitted to simply avoid these problems
8 by selling them. This transaction affords the Commission an opportunity to solve
9 the problems at a time when both parties to the transaction have an incentive to
10 get that done.

11 **Q. Does that complete your testimony?**

12 A. Yes.

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Summary: Testimony of Laura Friedmann electronically filed by Mr. Douglas E. Hart on behalf of Cincinnati Bell Extended Territories LLC