

1094

cc 1243

124B

97

1

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

RECEIVED  
SEP 02 1998

In The Matter of the )  
Application of the Ohio Bell )  
Telephone Company for Approval ) Case No. 93-487-TP-ALT  
of an Alternative Form of )  
Regulation. )

DOCKETING DIVISION  
PUCO

Deposition of Daniel R. McKenzie, a witness herein,  
called by the Movants for Cross-examination under the statute,  
taken before me, Valerie J. Grubaugh, Registered Merit Reporter  
and Notary Public in and for the State of Ohio, pursuant to  
notice and stipulations of counsel hereinafter set forth, at the  
offices of the Ohio Consumers' Counsel, 77 South High Street,  
15th Floor, Columbus, Ohio, on Wednesday, July 15, 1998,  
beginning at 9:30 o'clock a.m. and concluding on the same day.

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

This is to certify that the images appearing are an  
accurate and complete reproduction of a case file  
document delivered in the regular course of business.  
Technician Anna M. Hix Date Processed Sept 3, 1998

1 APPEARANCES:

2 ON BEHALF OF AMERITECH OHIO:

3 Michael T. Mulcahy, Esq.  
4 Ameritech Ohio  
45 Erieview Plaza, Suite 1400  
5 Cleveland, Ohio 44114

6 ON BEHALF OF THE OFFICE OF THE OHIO CONSUMERS' COUNSEL:

7 Robert S. Tongren, Esq.  
Office of Consumers' Counsel

8 BY: Ann M. Hotz, Esq.  
9 Barry Cohen, Esq.  
Associate Consumers' Counsel  
Office of Ohio Consumers' Counsel  
10 77 South High Street, 15th Floor  
11 Columbus, Ohio 43266-0550

12 ON BEHALF OF THE EDMONT NEIGHBORHOOD COALITION:

13 Ellis Jacobs, Esq.  
Legal Aid Society of Dayton  
333 West First Street, Suite 500  
14 Dayton, Ohio 45402

15 ON BEHALF OF THE APPALACHIAN PEOPLE'S COALITION:

16 Michael R. Smalz, Esq.  
Ohio State Legal Services Association  
17 State Support Unit  
861 North High Street  
18 Columbus, Ohio 43215

19 ON BEHALF OF THE STAFF OF THE PUBLIC UTILITIES  
20 COMMISSION OF OHIO:

21 Betty D. Montgomery, Esq.  
Attorney General, State of Ohio

22 BY: Duane L. Luckey, Esq.  
23 Section Chief  
Steve Nourse  
Assistant Attorney General  
24 Public Utilities Section  
180 East Broad Street, 7th Floor  
25 Columbus, Ohio 43266-0573

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

S T I P U L A T I O N S

1

2

3

It is stipulated by and among counsel for the  
respective parties herein that the deposition of Daniel R.  
McKenzie, a witness herein, called by the Movants for  
Cross-examination under the statute, may be taken at this time  
and reduced to writing in stenotype by the Notary, whose notes  
may thereafter be transcribed out of the presence of the  
witness; that proof of the official character and qualification  
of the Notary is waived; that the witness may sign the  
transcript of his deposition before a Notary other than the  
Notary taking his deposition; said deposition to have the same  
force and effect as though the witness had signed the transcript  
of his deposition before the Notary taking it.

15

16

17

18

19

20

21

22

23

24

25

\*DEPONENT AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

## I N D E X

1

2

3

WITNESS

PAGE

4

Daniel R. McKenzie

Cross-examination by Mr. Jacobs

5

5

Cross-examination by Ms. Hotz

60

6

Cross-examination by Mr. Smalz

82

7

EXHIBITS

MARKED

8

Edgemont Exhibit No. 1 -

53

9

Ameritech USA Advisory Committee

Minutes November 18, 1996

10

OCC Exhibit No. 1 -

65

11

Ameritech USA Advisory Committee

Minutes October 21, 1996

12

OCC Exhibit No. 2 -

70

13

Ameritech USA Advisory Committee

Minutes December 16, 1996

14

OCC Exhibit No. 3 -

77

15

Ameritech USA Advisory Committee

Minutes January 13, 1997

16

OCC Exhibit No. 4 -

80

17

Ameritech USA Advisory Committee

Minutes February 24, 1997

18

19

20

21

22

23

24

25

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*



MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 DANIEL R. MC KENZIE

2 of lawful age, being first duly placed under oath, as prescribed  
3 by law, was examined and testified as follows:

4 CROSS-EXAMINATION

5 BY MR. JACOBS:

6 Q. All right. Would you state your name and job title and  
7 address for the record?

8 A. Name is Daniel R., McKenzie, M-c K-e-n-z-i-e, my job title  
9 is Director-Local Competition Advocacy and Docket Management,  
10 and my business address is 45 Erieview Plaza, Cleveland, Ohio.

11 Q. Okay. Is it all right if I call you Dan?

12 A. That would be fine.

13 Q. Dan, my name is Ellis Jacobs. We have had the opportunity  
14 to meet before. I'm the attorney for the Edgemont Neighborhood  
15 Coalition in this particular proceeding.

16 If at any time any of my questions are unclear, please ask  
17 me to clarify them or repeat them because I do want to make sure  
18 that your answers are what you intend them to be. Will you do  
19 that?

20 A. I will do that to the best of my ability, yes.

21 Q. Thank you. You've given your present job title. How long  
22 have you had that particular job title?

23 A. For about a year.

24 Q. About a year, okay. And before that?

25 A. Before that, my title was Director-Regulatory Affairs.

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

- 1 Q. All right. Your present job title, what are your duties?  
2 A. My primary duty is to interface with the Public Utilities  
3 Commission on any issues having to do with local competition,  
4 and any dockets the Commission may have open that concern local  
5 competition.  
6 Q. Okay. And who is your -- Who do you report to in this  
7 particular job that you now have?  
8 A. My current supervisor is a gentleman by the name of Terry  
9 Appenzeller, A-p-p-e-n-z-e-l-l-e-r.  
10 Q. And what is -- Is that a man or woman?  
11 A. It's a man.  
12 Q. And what is Terry's title?  
13 A. I believe it's the same as mine, Director-Local  
14 Competition. I'm not sure if he has the advocacy and document  
15 management attached to it, but --  
16 Q. Okay. And what division or department or organizational  
17 unit of Ameritech is both -- are both of those jobs contained  
18 within?  
19 A. Both of those jobs report to Ameritech Corporate.  
20 Q. Okay. And you're an employee of Ameritech, not Ameritech  
21 Ohio; is that correct?  
22 A. I'm actually on the payroll of the legal entity of  
23 Ameritech Services.  
24 Q. Ameritech Services, okay. And then let's go back to your  
25 prior job description. Say that again.

\*DEPONENT AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

- 1 A. My title was Director-Regulatory Affairs.  
2 Q. And in that position, you're on the payroll of whom?  
3 A. The Ohio Bell Telephone Company is the legal entity.  
4 Q. Okay. And how long did you hold that job?  
5 A. Approximately two years.  
6 Q. This one for one year, been doing that one for two years.  
7 What job title did you have when you were involved with the USA  
8 Program?  
9 A. Director-Regulatory Affairs.  
10 Q. Okay. As the -- When you were the director of regulatory  
11 affairs, who did you report to?  
12 A. Jim or James C. Smith.  
13 Q. And what was Mr. Smith's job title at that time?  
14 A. I believe it was vice-president-regulatory.  
15 Q. Okay. And in what organizational unit of Ameritech were  
16 you situated at the time you were the director of regulatory  
17 affairs?  
18 A. As I indicated, I was on the payroll of the Ohio Bell  
19 Telephone Company.  
20 MR. JACOBS: If we could go off the record for just a  
21 second.  
22 (Discussion held off the record.)  
23 MR. JACOBS: Let's go back on the record.  
24 BY MR. JACOBS:  
25 Q. Dan, I want -- I'm going to try to ask you some questions

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 designed to help me get a -- to get a feeling for the  
2 organizational context within which your work on the USA Program  
3 took place, so I may not know the right terminology for  
4 organizational units to use, et cetera. I suppose what I'm  
5 saying is this can either be like a long process or a short  
6 process depending on how much help you're willing to give me,  
7 okay?

8 All right. When did you first receive any job assignments  
9 related to the USA Program?

10 A. I was involved with the USA Program at a very high level  
11 during Advantage Ohio because I sponsored the testimony  
12 supporting the stipulation. It really didn't get into any level  
13 of detail.

14 Then I had no further development, or no further  
15 involvement with the USA Program until late 1996.

16 Q. And when you were involved in these higher level  
17 discussions and you were preparing and sponsoring this testimony  
18 related to Advantage Ohio, what was your job title then?

19 A. Director-tariff management.

20 Q. Okay. And who did you report to as the director of tariff  
21 management?

22 A. Jim Smith.

23 Q. Okay. And who were you employed by when you had that job  
24 title?

25 A. Again, I was on the payroll of the Ohio Bell Telephone

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Company.

2 Q. And what organizational unit of Ohio Bell were you situated  
3 within?

4 A. I don't recall at that time whether it was considered  
5 Ameritech Ohio or it was still Ohio Bell, but I reported to Jim  
6 and he was the vice-president of regulatory.

7 Q. Is there a regulatory organizational unit for Ameritech  
8 Ohio?

9 A. At the present time, or at the time --

10 Q. Then, back then?

11 A. Yes, there was.

12 Q. Okay. And you were part of that unit?

13 A. Yes, I was.

14 Q. Okay. Were you part of any other unit or did you have  
15 responsibilities that would relate to any other unit of the  
16 organization?

17 A. No, I did not.

18 Q. Okay. And what was the unit called, what was the correct  
19 terminology, title for that type of unit back then?

20 A. Again, we're talking at the time --

21 Q. Yes, back when Advantage Ohio was coming out.

22 A. It was the regulatory organization.

23 Q. And that's what you -- you didn't call it a division, a  
24 department? I mean, I'm just trying to learn the right  
25 terminology.

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

- 1 A. It was either -- it could have been called -- It was  
2 referred to by various titles. It could have been regulatory  
3 department, it could have been regulatory organization. I think  
4 both were used pretty much interchangeably.
- 5 Q. Okay. So your job was in that unit?
- 6 A. Yes, it was.
- 7 Q. Did you have any -- so there was sort of a line -- you were  
8 sort of the line staff in that unit; is that correct? I mean,  
9 you directly reported to Jim who directly reported to somebody  
10 above him; is that correct?
- 11 A. That's correct.
- 12 Q. Did you have any staff responsibilities for other parts of  
13 the organization?
- 14 A. What do you mean by staff --
- 15 Q. Providing advice or consultation?
- 16 A. We would always respond to questions if someone would  
17 contact us and ask us what we thought about anything that they  
18 were considering, yes.
- 19 Q. And what was your particular area of expertise and  
20 responsibility when you held that job?
- 21 A. Well, again, that job being the director of tariff  
22 management job, I was responsible for all of the tariffs that  
23 Ohio Bell or Ameritech Ohio has on file with the Public  
24 Utilities Commission of Ohio.
- 25 Q. Okay. And you said you sponsored some testimony for

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Advantage Ohio?

2 A. I did.

3 Q. What was the subject of your testimony?

4 A. I was the rate and tariff witness in that proceeding.

5 Q. Okay. And did any of your testimony touch on any Lifeline  
6 or low-income assistance-related matters?

7 A. At the end of the case, after the stipulation was signed?

8 Q. Okay.

9 A. I was presented as a witness to sponsor the overall  
10 stipulation.

11 Q. Okay. But the testimony that you filed earlier on in the  
12 case I gather did not touch on Lifeline or low-income assistance  
13 matters?

14 A. Not that I recall.

15 Q. But you did present some testimony supporting the overall  
16 stipulation. Who else presented such testimony, do you recall,  
17 for Ameritech?

18 A. I was the only witness for Ameritech presenting that type  
19 of testimony.

20 Q. Okay. And were you involved in the negotiations that led  
21 up to the stipulation?

22 A. No, I was not.

23 Q. Well, let me try to break that down because involved I  
24 suppose could mean a number of things. I assume you didn't  
25 attend any actual negotiation sessions?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. That's correct.

2 Q. Did you consult with or advise any of the Ameritech team  
3 that did attend the negotiation sessions?

4 A. I was in contact with Mr. Smith almost daily.

5 Q. Okay. And in the course of those contacts, did you discuss  
6 the matters that were being negotiated?

7 A. I really don't recall any specifics, no.

8 Q. You don't recall whether you discussed those matters or  
9 not, is that your answer?

10 A. Right.

11 Q. Okay. Does it seem likely to you that you would have had  
12 such discussions with him?

13 MR. MULCAHY: I'm going to object on the basis of  
14 relevance at this point. Answer if you know.

15 BY MR. JACOBS:

16 Q. Answer the question.

17 A. Again, I don't recall any specific discussions. He may  
18 have asked me questions that I may not have known where he was  
19 going, I just don't recall.

20 Q. Okay. That's fair to say.

21 Do you recall, were there other people that were on the  
22 negotiating team who you also had daily or routine contact with?

23 A. Yes.

24 Q. Who were those people?

25 A. Mr. Mulcahy.



MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Okay. Anyone else?

2 A. I believe that was it.

3 Q. Okay. And now this question applies to anyone to your --  
4 I'm going to ask you a question that relates to your discussions  
5 with anyone that was on the negotiating team related to  
6 Advantage Ohio. Did you with any of those people have any  
7 discussions during the time period that Advantage Ohio was being  
8 negotiated relating to Lifeline or low-income assistance  
9 programs?

10 MR. MULCAHY: Objection on the basis of relevancy.

11 BY MR. JACOBS:

12 Q. You may answer the question.

13 MR. MULCAHY: Why are we talking about settlement  
14 discussions that took place that resulted in a document that was  
15 filed and approved by the Commission, so --

16 BY MR. JACOBS:

17 Q. You may answer the question.

18 MR. MULCAHY: And I'll instruct the witness as to  
19 whether they can answer the question, okay? Just so we're clear  
20 how it works here.

21 MR. JACOBS: Well, are you going to instruct him to  
22 answer each question? I thought you would instruct him when you  
23 didn't want to answer.

24 MR. MULCAHY: I'll instruct him on whether he should  
25 answer or shouldn't answer.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 MR. JACOBS: Well, the assumption will be he will  
2 answer unless you instruct him not to. Do you disagree with  
3 that?

4 MR. MULCAHY: Yes, I do disagree.

5 MR. SMALZ: Do you want to --

6 MR. MULCAHY: We can stop now and we'll go to the  
7 Hearing Examiner to get the rules straightened out, I guess.

8 MR. JACOBS: Are you instructing him not to answer?

9 MR. MULCAHY: No, I was just trying to say how the  
10 ground rules work. I would appreciate it if you would not  
11 instruct my witness whether he should answer or not answer.  
12 I'll let the witness know when it's time to answer, okay?

13 MR. JACOBS: Okay. Do you want to give him the green  
14 light to answer now? I mean, if we're going to have to wait for  
15 you to give him the green light to answer each question, we're  
16 going to be here a long time.

17 MR. MULCAHY: Well, then we're going to be here a long  
18 time. Go ahead and answer.

19 THE WITNESS: I'm sorry, I don't remember the  
20 question.

21 MR. JACOBS: Could you read back the question?

22 (Record read back as requested.)

23 THE WITNESS: Not that I recall.

24 BY MR. JACOBS:

25 Q. Okay. At that time what was your knowledge or expertise

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 related to low-income or Lifeline-type programs?

2 A. I knew that we had two tariff services in our tariffs,  
3 telephone service assistance and service connection assistance  
4 that were part of the tariffs for which I was responsible.

5 Q. Okay. Beyond knowing of their existence, did you have any  
6 other information or expertise on those programs?

7 A. If you're asking me whether I dealt daily with any kind of  
8 operational issues or anything like that, the answer is no.

9 Q. Okay. Did you deal periodically with any kind of  
10 operational issues related to those types of programs?

11 A. Not on any sort of regular basis. If -- I don't recall any  
12 specific instances, but if someone who was in the business units  
13 working with those particular programs had a question of tariff  
14 interpretation, it is likely they would have brought it to me  
15 for clarification.

16 Q. And could you give me an example of the sort of question  
17 that you would be asked given your knowledge and expertise?

18 A. I might be asked something along the lines of  
19 qualifications, since the tariff spells out certain  
20 qualifications which are necessary for a person to be able to  
21 take advantage of those plans, so I could be asked a question  
22 about is this what the tariff means by this particular  
23 qualification.

24 Q. Okay. Did you at that time have any knowledge of budgeting  
25 or financial implications or ramifications of tariff -- of

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 elements of the tariff? Was that the sort of thing you were to  
2 be involved in, or what were the goals of the tariff?

3 A. Well, with any tariff, one of the goals is to make sure  
4 that it's enforced consistently. However, my understanding of  
5 those plans is that they are pretty much laid out by state law,  
6 so the amount of revenue, for example, that we would receive  
7 under those plans was not really a primary concern, at least to  
8 me.

9 Q. Okay. What is your educational background?

10 A. I have a bachelor of arts degree in economics and a  
11 master's of business administration in finance.

12 Q. Okay. And beside the two positions that we have already  
13 discussed -- When did you first come to work for Ameritech?

14 A. Twenty-four years ago.

15 Q. Okay. And what positions have you held with Ameritech?

16 A. I don't think I could remember them all.

17 Q. Okay. Were they -- In what areas were they?

18 A. They were in the areas of business research, accounting and  
19 finance, and regulatory.

20 Q. Okay. When you were working in the accounting and finance  
21 areas, when was that?

22 A. At various times.

23 Q. Okay. What jobs did you have related to accounting and  
24 finance?

25 A. Again, I don't know that I can recall them all, but I had

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 various assignments in the corporate books organization, which  
2 is where we actually keep the books and records of the company,  
3 and budgets and taxes and in regulatory accounting.

4 Q. Okay. Now, back to the time period when the Advantage Ohio  
5 settlement was being negotiated, were you part of any  
6 discussions related to the financial impact that a modified  
7 low-income commitment would have on the company?

8 MR. MULCAHY: Objection as to relevance. Go ahead.

9 THE WITNESS: Not that I recall.

10 BY MR. JACOBS:

11 Q. Okay. Were you party to any discussions or received any  
12 information related to the likely -- to the number of people  
13 that would be eligible for a modified low-income program that  
14 was being discussed or negotiated in the Advantage Ohio  
15 negotiations?

16 A. Not that I recall.

17 Q. Okay. Were you party to any discussions or did you receive  
18 any information related to the number of people that might  
19 enroll in any modified low-income program that was being  
20 discussed in the Advantage Ohio negotiations?

21 A. Again, not that I recall.

22 Q. Okay. During this time period did you maintain a file  
23 related to the Advantage Ohio negotiations?

24 A. Not that I recall, no. I was not part of the negotiation  
25 team.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. But you were in daily contact with the two -- or at least  
2 with one of the two people that -- well, and routine contact  
3 with the other of the two people that were spearheading  
4 Ameritech's negotiations, correct?

5 A. That is true. But I was having daily contact with those  
6 people long before the negotiations and long after.

7 Q. Okay. How did you go about keeping organized the  
8 information that was being requested from you and the  
9 information that you were providing to those people, meaning  
10 Mr. Smith and Mr. Mulcahy?

11 A. Again, are we talking about day-to-day activities, are we  
12 talking about negotiation support, are we talking about  
13 Advantage Ohio, the formal case? I'm not sure what you're  
14 asking.

15 Q. Okay. During the time period that the Advantage Ohio  
16 negotiations were going on, you indicated that you were in  
17 day-to-day contact with Jim Smith and was it also day-to-day  
18 contact with Mr. Mulcahy?

19 A. Probably not quite as frequently, but quite frequently.

20 Q. Okay. Was Mr. Mulcahy somebody that you, prior to the  
21 Advantage Ohio negotiations, had frequent contact with?

22 A. Yes.

23 Q. Okay. And while you don't remember the specifics of  
24 whether those -- when and whether those day-to-day contacts  
25 involved discussions of the Advantage Ohio negotiations -- am I

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 right about that?

2 A. I don't recall any specific, that's correct.

3 Q. But it does seem likely that there were discussions related  
4 to the negotiations?

5 A. I can't agree with that. I mean, I know I had daily  
6 contact, they may have asked me questions about different things  
7 pertaining to the business, but my role as a witness in the case  
8 was to keep focused on the case, let them go off and see if they  
9 could negotiate a settlement, but I was not to be any part of  
10 those negotiations or providing them any kind of ongoing support  
11 for those negotiations.

12 We tried to keep a pretty firm line, as I recall. But  
13 whether they asked me a question which may have been something  
14 they were considering, who knows.

15 Q. Would you have kept notes about those questions?

16 A. Probably not.

17 Q. If you had kept notes, where would they be preserved?

18 A. Probably wouldn't be. Once the case was settled, I doubt I  
19 would have kept them.

20 Q. If you had kept them, where would they be preserved?

21 MR. MULCAHY: Objection. I think he's answered he  
22 doesn't have any notes or doesn't believe he has any notes. Go  
23 ahead.

24 THE WITNESS: If I had kept them, if I had made notes,  
25 if those questions had resulted in me creating notes and for

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 some reason I decided to keep them, they would probably be in my  
2 office somewhere.

3 BY MR. JACOBS:

4 Q. Okay. Did you receive any documents from Mr. Smith,  
5 Mr. Mulcahy or anyone else involved in the Advantage Ohio  
6 negotiations related to those negotiations?

7 A. Well, after the stipulation was signed and I was designated  
8 to be the witness to present testimony speaking to the overall  
9 stipulation, I received a copy of the stipulation and the plan  
10 and the exhibits that went with it, yes.

11 Q. Did you receive any other documents at that time?

12 A. Not that I recall, no.

13 Q. Did you ever see a document or several documents that was  
14 an internal analysis of the stipulation from Ameritech's  
15 viewpoint?

16 A. Other than something I created myself, no.

17 Q. Okay. Did you create something like that yourself?

18 A. At the time we were implementing after the Commission  
19 ordered and approved the stipulation, I prepared a summary of  
20 the key elements of the case for use by other people within the  
21 company, yes.

22 Q. Okay. And how can we get a copy of that?

23 A. Probably would have to ask my attorney.

24 Q. Okay. But you have that available?

25 A. I might still have it. I'd have to check.



MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Okay. And so that was a summary of the key aspects of the  
2 case prepared by you?

3 A. Correct.

4 Q. And approximately what time frame?

5 A. Late 1994, very early 1995, since we put the rates and  
6 tariffs for Advantage Ohio in January of 1995.

7 Q. Okay. Well, going back to the time period before the  
8 settlement was finalized, though, in the period when it's still  
9 being negotiated, did you receive any documents from any of the  
10 people involved in those negotiations related to those  
11 negotiations?

12 A. Again, I don't recall seeing any, no.

13 Q. Okay. What was your understanding of the anticipated  
14 financial impact of the USA commitment on Ameritech?

15 A. I never had an understanding of an absolute dollar amount  
16 in the aggregate. I knew that since we had increased the  
17 eligibility over and above what was provided for under the state  
18 law, and was contained in the TSA plan, and I knew that since we  
19 upped the size of the discount by an additional dollar that  
20 there would be some amount of money that had those customers  
21 been subscribers before, because of the additional dollar we  
22 would have gotten a dollar per month less revenue per customer.

23 Q. Okay. So your understanding was that for each Ameritech  
24 customer that was already -- or, yeah, each Ameritech customer  
25 that got on the USA Program, you would lose a dollar a month?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. Correct.

2 Q. Okay. Were there any -- Did you have any other  
3 understandings about the potential financial impact of the USA  
4 commitment?

5 A. Well, to the extent that a customer was not qualified under  
6 the old TSA plan, and now was buying service from us, and we  
7 also ran the possibility of not qualifying for the gross  
8 receipts tax credit as provided under state law, which would  
9 amount to another \$3.50 per month per customer, but of course,  
10 when we're talking about these amounts of revenue that would  
11 come in or tax credits that would be there, to the extent we  
12 were able to bring in additional subscribers who were not  
13 customers before, obviously we would have money coming in that  
14 we wouldn't have had before. So there were pluses and minuses.

15 Q. Exactly. Okay.

16 A. But those are kind of the implications that I have in mind,  
17 or had in mind pertaining to what the stipulation would do.

18 Q. Okay. Were there any other financial implications that you  
19 had in your mind?

20 A. At the time we were talking about supporting the testimony  
21 to adopt the stipulation?

22 Q. Okay.

23 A. At that time that was probably it.

24 Q. Okay.

25 A. Later on when we got into -- when I got into for a short

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 while working with the USA Advisory Committee, it became  
2 apparent that there were a lot of other things being discussed  
3 which had more operational and expense-type concerns.

4 Those weren't necessarily revenue concerns, but there were  
5 a lot of things that would also affect the bottom line of the  
6 corporation.

7 Q. Okay. I am going to want to discuss those, and so I'm  
8 going to make a little note to myself to return to that later.

9 A moment ago you said that during -- you were talking about  
10 the time period when you were preparing your testimony, you said  
11 that you ran the possibility of not qualifying for the gross  
12 receipt credit; is that correct?

13 A. That's correct. The state law provides that we would get a  
14 credit on our gross receipts tax for customers who qualified  
15 under the plan as specified in the law, and that included such  
16 things as no flat rate service.

17 Q. Gotcha, okay. And did you run those numbers, or did  
18 someone else run those numbers?

19 A. What numbers?

20 Q. The -- that would -- that showed the impact of possibly not  
21 qualifying for the gross receipts credits.

22 A. Again, I don't know that I ever saw any aggregate numbers.  
23 I know we were talking about a gross receipts tax credit of  
24 \$3.50 per customer per month, but in terms of running numbers, I  
25 don't know what there would be to run.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Well, I'm just using your term. You said we ran the  
2 possibility of not qualifying. What did you mean by that?

3 A. Well, there was a chance that if a customer who prior to  
4 the USA plan coming into existence was a TSA subscriber, if that  
5 customer still bought measured rate service and still qualified  
6 under the qualifications that they had before as a TSA  
7 subscriber, I don't think we would have lost any gross receipts  
8 tax credit.

9 On the other hand, if they were qual- -- if they came in,  
10 they were a customer before but not a TSA subscriber, and they  
11 came in through one of the expanded eligibility requirements or  
12 they came in and wanted a service which was not available under  
13 TSA such as flat rate service, then my understanding, and I'm  
14 not a lawyer, but my understanding was we couldn't claim the  
15 gross receipts tax credit.

16 Q. Okay.

17 A. So it's really a customer-by-customer kind of thing.

18 Q. And did you make some effort, though, to quantify the  
19 possible financial impact?

20 A. I did not, no.

21 Q. Okay.

22 A. My concern was the tariffs, it was not calculating a bottom  
23 line effect to the corporation.

24 Q. All right. Were you aware of anybody that made an effort  
25 to quantify the possible impact?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. I don't know anybody that did. I don't know that anybody  
2 did.

3 Q. Did you have discussions about the need to do so?

4 A. No, not that I recall.

5 Q. But you were aware of the fact that there were these --  
6 these possibilities that if they played out in different ways,  
7 could have varying financial impacts on the company; is that  
8 correct?

9 A. Plus or minus, that's correct.

10 Q. Okay. Was the possible plus or minus swing -- Did you ever  
11 have in your mind some idea what it -- whether it was a  
12 significant number?

13 A. Again, I don't remember ever trying to quantify what that  
14 would be worth in the aggregate.

15 Q. Okay. So you -- I mean, I just want to understand what  
16 you're saying. As far as you know, it was never determined  
17 whether that plus or minus swing could amount to a significant  
18 number?

19 A. I don't know that anybody made that analysis.

20 Q. Okay. You never heard about it being done?

21 A. Not that I recall, no.

22 Q. And you never saw any such thing?

23 You indicated earlier that you had prepared a summary of  
24 the key aspects in late '94 or early '95 of the settlement for  
25 use by other people in the company.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. Yes, I did.

2 Q. Did you prepare any other documents related to that  
3 settlement?

4 A. Yes.

5 Q. Okay. What documents did you prepare?

6 A. For example, we had to implement rate changes as a result  
7 of the rates contained in the stipulation, and I had  
8 responsibility for tariff management so we would have had to  
9 create the tariff filings that would have implemented those  
10 rates.

11 Q. Okay. If an aspect of that tariff filing varied from the  
12 terms of the settlement, would that be your work?

13 A. I don't think I understand your question.

14 Q. Well, if there was something in the tariff filing that  
15 varied from the terms of the settlement or some folks felt that  
16 it did, would it have been your work responsible for what  
17 actually got filed?

18 MR. MULCAHY: I'm going to object to the form of the  
19 question, but go ahead.

20 BY MR. JACOBS:

21 Q. That's fine, let me withdraw that question because it's a  
22 bad question, I'm confused by it.

23 Was it your job to sit down with the settlement in front of  
24 you and translate that settlement into tariff language?

25 A. Yes.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

- 1 Q. Was it anybody else's job as well?
- 2 A. I had people working for me at the time that I may have  
3 asked to do different things with it, but it was my overall  
4 responsibility.
- 5 Q. Okay. And before those tariffs were filed, who were they  
6 approved by?
- 7 A. I really don't know.
- 8 Q. Is it safe to say that they were approved by other people  
9 in the company?
- 10 A. Other people may have seen them, yes.
- 11 Q. Okay. Did Jim Smith see them?
- 12 A. I don't remember.
- 13 Q. Okay. So that was your first contact with the USA Program,  
14 was in the context of settling of the Advantage Ohio case,  
15 correct?
- 16 A. We had a settlement and it contained a USA provision.
- 17 Q. Right. Had you had any -- Had you done any -- I think I've  
18 asked the question.
- 19 What was your next contact with the USA Program?
- 20 A. Other than filing the tariffs to implement the -- all the  
21 provisions of the plan to the extent tariff filings were  
22 required, I don't believe I had any other USA involvement until  
23 the late 1996 time frame.
- 24 Q. And what happened in late 1996?
- 25 A. Mary Smith retired.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. A happy day for Mary Smith.

2 A. From the conversations I've had with Mary Smith, yes.

3 Q. That's good.

4 So late 1996, and what was the significance of her  
5 retirement for you?

6 A. The most direct significance was that until a replacement  
7 was named there were various day-to-day functions that were  
8 going to need to be covered and then eventually to transition to  
9 her replacement when that person came on board.

10 Q. Okay. And so you -- So as it relates to -- As it relates  
11 to USA, what responsibilities did you pick up from Mary Smith?

12 A. From the time when Mary left until Sue Drombetta came on  
13 in, I believe, January of 1997, I stepped in as the regulatory  
14 representative from Ameritech to work USA issues and meet with  
15 the USA Advisory Committee.

16 Q. Okay. And in that capacity, who did you report to?

17 A. Jim Smith.

18 Q. And as things might have related to USA, do you know who  
19 Jim Smith reported to?

20 A. I don't, no.

21 Q. What were your responsibilities related to the USA Program?

22 A. Again, it was a transitional responsibility, since I knew  
23 it was not going to be my permanent assignment, but my  
24 responsibility was to keep things moving forward to implement  
25 the stipulation that we had agreed to.



MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. How did you receive your mandate to assume this function  
2 for the USA Program?

3 A. I don't recall.

4 Q. Do you recall who informed you that you had received this  
5 lucky opportunity?

6 A. I don't recall whether maybe Mary Smith asked me if I would  
7 do it, if Jim Smith told me he wanted me to do it, I just don't  
8 remember.

9 Q. Okay. How were you brought up to speed about the USA  
10 Program?

11 A. I sat down with Mary before she left and discussed what was  
12 going on, some of the various projects she was working on. I  
13 believe I also talked to Sharon Glaspie who was also working the  
14 issues with the committee at that time. And then I started  
15 attending committee meetings.

16 Q. And do you recall when the first committee meeting was that  
17 you attended?

18 A. I don't. It would have been sometime in late '96.

19 Q. I went through the minutes of the advisory committee  
20 meetings, and the first one I saw your name on was October 21st,  
21 1996.

22 A. That sounds about right.

23 Q. That sound about right to you?

24 A. Yes.

25 MR. JACOBS: Do we have the full set of minutes?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 MS. HOTZ: I have October 26, 1996 is the first one,  
2 through February 24th, 1997.

3 MR. JACOBS: Okay. These are the ones with Dan on it?

4 MS. HOTZ: Yeah, those are the ones with Dan's name on  
5 it.

6 BY MR. JACOBS:

7 Q. Would you like to look through the entire stack of minutes  
8 so that you can satisfy yourself as to when you first appeared  
9 and then when you disappeared from the scene? These are the  
10 ones that we found with your name.

11 MS. HOTZ: No, that's just the first ones. There's 10  
12 of the same. And then there's 10 of these and 10 of these.

13 MR. JACOBS: I see.

14 MS. HOTZ: So you want to get a complete set here?

15 MR. JACOBS: Well, yeah, that would probably be  
16 helpful.

17 BY MR. JACOBS:

18 Q. Dan, I want you to be able to be comfortable as to when you  
19 first came to the meetings, so would you like to look at a full  
20 set here and so you can just sort of glance through them and  
21 see?

22 A. The time period sounds about right. I mean, I can look at  
23 them, but I don't know that --

24 Q. Sure. Okay. Well, will you accept, subject to checking,  
25 that October 21st was your first appearance at the advisory

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 committee meetings?

2 A. Well, I don't have any copies of the minutes myself to  
3 verify that that was, but I agree that that was about the time.

4 Q. Okay. Now, you said before you started attending the  
5 meetings you spoke with Mary Smith and Sharon Glaspie. Anybody  
6 else?

7 A. Not that I remember.

8 Q. Okay. And in a general sense, what were the topics that  
9 you covered when you talked with Mary Smith?

10 A. This is going way back. She, as I recall, brought me up to  
11 speed with the issues that were being discussed with the  
12 committee, and kind of the organization of the committee because  
13 there were -- there was the committee as a whole, and then there  
14 were some subcommittees as I recall, as to what the different  
15 subcommittees are, who was working on what.

16 Q. Okay. Did you discuss problems with the program with Mary  
17 Smith?

18 A. Problems. I'm not sure what you mean by problems.

19 Q. Things that had -- Well, that were requiring Mary Smith's  
20 time and attention because they weren't going smoothly or well  
21 from somebody's perspective?

22 A. Well, we talked about some of the activities that were  
23 going on. Some were things that we had agreed to do, and other  
24 things were things that were either we were not agreeing or were  
25 still under investigation. She brought me up to speed with all

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 the issues that she thought were important, I presume. I don't  
2 really know.

3 Q. Okay. And was this a project that was going smoothly at  
4 the time you stepped in?

5 A. There was obviously some contention between the committee  
6 and the company as to whether the plan was being implemented  
7 properly.

8 Q. And do you recall what some of those specific items of  
9 contention were?

10 A. I remember there was a discussion about some of the scripts  
11 that were being worked on with the vendor; there was also an  
12 issue about payment arrangements, and there was also a  
13 discussion about publicity.

14 Q. Any other issues?

15 A. Those are the ones I recall.

16 Q. Okay. Let's talk first about the scripts issue. What was  
17 the issue there?

18 A. I think the big issue that I remember was whether or not  
19 the people that were talking to the customers were properly  
20 following the scripts that were designed for them to follow.

21 Q. Okay. There was concern that they weren't; is that  
22 correct?

23 A. Well, they weren't or some people were concerned that maybe  
24 they weren't, yes.

25 Q. Was that -- Did you investigate that concern?

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. Yes.

2 Q. And what did you determine?

3 A. There were some monitoring sessions where members of -- I  
4 don't believe this was the entire committee, I think it was one  
5 of the subcommittees, where arrangements were made to listen in  
6 on some calls, and basically what we concluded was that while  
7 there were some things at that time that weren't perfect, they  
8 were pretty well following the scripts; where they weren't, we  
9 would have taken corrective action to see that the script was  
10 adhered to.

11 Q. Okay. When you say pretty well followed the scripts, there  
12 were things where people weren't following the scripts, though;  
13 is that correct?

14 A. Whenever you have a process where you're dealing with  
15 people on a scripted basis, you could get questions that don't  
16 exactly fit the questions you think you're going to get asked,  
17 so obviously there's a certain amount of responding to customer  
18 questions that has to go on that cannot be perfectly scripted.  
19 I think there was some discussion about those responses.

20 In terms of the general script, itself, when a customer  
21 would first call in and the vendor was attempting to explain the  
22 program, I don't recall any instances where they didn't follow  
23 the script.

24 Q. In all instances were people who were eligible, deemed  
25 eligible for the program?

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. I don't recall that being an issue on the calls that were  
2 monitored.

3 Q. Okay. With regard to the payment arrangements, what was  
4 the issue there?

5 A. The big issue there was how we -- more or less the order in  
6 which we explained things or how we explained the payment  
7 arrangements to customers. There was at that time a difference  
8 of opinion between some members of the committee and the  
9 company.

10 Q. Okay. What was that difference?

11 A. The company -- The people that were dealing with the  
12 customers where payment arrangements were necessary were  
13 interested in negotiating with the customer how much the  
14 customer could pay, and the committee felt that the first thing  
15 that the company representative should say was this is the  
16 smallest amount of money you have to give me, that was the  
17 essential issue.

18 Q. Okay. And had that issue already been focused in on at the  
19 time you took over Mary Smith's job?

20 A. I remember it being a bone of contention, so I think it  
21 probably had surfaced before, yes.

22 Q. Okay. And when you left, was it still a bone of  
23 contention?

24 A. I think it was, but we were in the process of gathering  
25 some data to analyze whether it really made a difference or not.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Okay. And regarding the issues with the scripts, were the  
2 scripts a bone -- or, was the -- I guess, the performance of the  
3 people administering the script a bone of contention at the time  
4 you took over for Mary Smith?

5 A. I'm not sure I know what you mean by the performance of the  
6 people.

7 Q. Well, was this question of whether the scripts were being  
8 properly read or whether the -- and the interaction with the  
9 customers being handled properly, was that a bone of contention  
10 at the time you took over?

11 A. I don't know that the bone of contention, if you will, was  
12 whether they were reading the scripts properly as much as it  
13 was, as I mentioned before, what you do when a customer asks a  
14 question which deviates a little bit.

15 Q. Okay.

16 A. But there was concern about the customer contacts and how  
17 they were going.

18 Q. Okay. Was that already an issue at the time you took over?

19 A. That was as I recall, yes.

20 Q. Was it still an issue at the time you left?

21 A. I think we had made significant progress. I don't know  
22 that it was totally closed out in everybody's mind, but I think  
23 we had made some progress with the vendor. That's not saying  
24 the vendor was perfect all the time.

25 Q. Okay. The third item you had mentioned was publicity.

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 What was the issue there?

2 A. The issue there was how we make more people aware of the  
3 availability of the program.

4 Q. Okay. And what were the contending views?

5 A. I don't know that anybody was in disagreement with the fact  
6 that it would be good for people to know what their options  
7 were. The questions resolved around the operational nature of  
8 how you would do that.

9 Q. What do you mean?

10 A. I don't know that there was anybody that disagreed that it  
11 was worthwhile to publicize it. We had in the follow-up  
12 stipulation to Advantage Ohio agreed to a publicity budget, in  
13 fact, that the committee could use to publicize it, so there  
14 were discussions about how do we publicize it.

15 The biggest issue I recall was our trying to couple the  
16 publicity with the day-to-day operational needs of the company  
17 so that all of our customers were well served, USA customers as  
18 well as all the other customers.

19 Q. Okay. Explain that issue from the company's perspective.

20 A. One of the ways we were trying to reach the people that  
21 might be eligible were through mailings, and we had approached  
22 some different organizations, including the Ohio Department of  
23 Human Services, because again, the USA plan is predicated upon  
24 people qualified by being eligible for aid under some  
25 established programs, so part of the process was to approach the

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*



MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 people that administer those programs to see, for example, would  
2 they share with us their distribution lists so that we could  
3 mail out information to their subscribers, the people that use  
4 their services.

5 One of the problems we ran into is they didn't feel that  
6 they could make that information available to us, so we tried to  
7 explore well, could we possibly get them to do some mailings for  
8 us, and I know that we did work with them to do that, but one of  
9 the problems we had was all of their mailings went out in one  
10 big shot, it wasn't something like our bills that are scattered  
11 throughout the month, they all went at one date; as I recall, it  
12 was right near the end of the month.

13 So the issue became, gee, if we inform several hundred  
14 thousand people of this plan, what's going to happen, what are  
15 the impacts going to be if -- assuming people are interested and  
16 respond to the information we send out, how do we handle the  
17 calls for these customers, as well as all of our other  
18 customers.

19 Q. Okay. You indicated that your bills get sent out at a --  
20 How are your bills distributed?

21 A. Periodically throughout the month.

22 Q. Okay. Does a different bunch of bills go out each day of  
23 the month?

24 A. I don't know that they go out every day, but there are  
25 various billing cycles. I know at one time there were something

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 like 21 billing cycles, so in a given month we would have been  
2 sending bills out on 20 or 21 different days, a batch of bills  
3 would go out. I should say would go out.

4 Q. Okay. And about how many residential customers does  
5 Ameritech have?

6 A. Now? I haven't seen a number lately, but somewhere in the  
7 range of 2-1/2 to 3 million, probably. When I say customers,  
8 that's how many lines we have, I don't know for sure how many  
9 true customers because obviously some people have more than one  
10 line.

11 Q. Do you know how many bills you send out?

12 A. I don't.

13 Q. Do you know how many business lines you have?

14 A. Not nearly as many, but I don't remember the number.

15 Q. All right. Why don't we just take a very brief break.

16 MR. JACOBS: Let's take five minutes, and we'll be  
17 right back.

18 (Recess was taken.)

19 BY MR. JACOBS:

20 Q. Do you recall when your stint as the contact person for the  
21 USA Advisory Committee ended?

22 A. I don't know that there was a single date, Mr. Jacobs. Sue  
23 Drombetta came on, as I recall, the first of the year in 1997,  
24 and so I remember staying with the committee for a month or two  
25 just to effect that transition to Sue.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Okay. Let me show you, and we don't need to mark this, the  
2 February 24th, 1997 minutes that shows both you and Sue in  
3 attendance, correct?

4 A. That would be consistent with my recollection.

5 Q. Subsequent to that, did you have any contact or dealings  
6 with the USA Program?

7 A. No, I did not.

8 Q. All right. Earlier you had mentioned that during the time  
9 you were involved with the program in the sense we have just  
10 been talking about, there were the issue of operational expenses  
11 and other financial issues came up?

12 A. Yes.

13 Q. What issues came up and in what context?

14 A. Well, we talked a minute or two ago about the mailings.  
15 One of the issues was how do we -- If we were to mail hundreds  
16 of thousands of publicity pieces simultaneously, can we staff up  
17 to the point where we can properly serve our prospective USA  
18 customers, as well as all of our other customers.

19 Obviously such a large amount of publicity all at one time  
20 would cause a significant impact on the people that those folks  
21 would be calling into, be they the outside vendor who we were  
22 using to enroll the subscribers, or the service reps then that  
23 would actually take the actual orders for service, coordinate  
24 the actual installation, those are the same service reps that  
25 all of our customers had to call into.

\*DEPONENT AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1           So we were concerned about, you know, could we staff to  
2   handle the load if we had an onslaught of calls for people that  
3   were interested in the USA Program.

4           There were other issues. We talked about the issue of how  
5   you word payment arrangements and would that -- you know, what  
6   impact would that have on the company.

7           So again, any -- just about anything you would do in terms  
8   of implementing the plan could have repercussions on how you  
9   would need to staff and what the expenses would be.

10   Q.    Okay.

11   A.    Those are just some examples.

12   Q.    Well, how did -- What was the decision-making process in  
13   relationship to these sorts of issues?

14   A.    I'm not sure I understand the question.

15   Q.    Well, how would the company figure out whether to make the  
16   financial commitment to staff up, for instance?

17   A.    One of the things we did was we would work with the -- the  
18   people that ran the separate group, the vendor, to try to  
19   estimate and look at some actual data from when we did send  
20   mailings out, okay, what happened in terms of call volumes.

21           We sent X number out; what happened to your call volumes,  
22   were they the same as every other day or did they go up; if so,  
23   by how many; did they go up in just one day; was it a matter of  
24   a week, was it two weeks.

25           We tried to look at what it did to those call volumes, and

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 figure what it might cost us and whether we even had the people  
2 in the other parts of our business, such as the Customer Care  
3 Center or business office people, that might also get involved  
4 in an installation situation, whether we had enough people to  
5 bring to bear, what are my costs in terms of overtime and other  
6 things.

7 Q. Okay. In relationship to the vendor, what information did  
8 you receive on what the potential cost would be in that context?

9 A. I don't remember any specific numbers. I remember that --  
10 First of all, I wasn't the person that interfaced directly with  
11 the vendor.

12 Q. Do you know who that was?

13 A. I believe it was Susan Murtha. But we did -- I do remember  
14 looking at call volumes and trying to gauge what would happen  
15 when you dump a hundred thousand mailings, you know, in the mail  
16 on a single day, but in terms of any specific numbers that would  
17 have come back, I don't remember.

18 Q. Okay. Sue would have interfaced with the vendor to try to  
19 determine what the costs of staffing up would be, correct?

20 A. Right. And if they could even do it, if they even had  
21 enough people to do it.

22 Q. And what about the question you had indicated that there  
23 would be -- there would be staffing issues for Ameritech,  
24 itself, at the consumer care center?

25 A. Customer Care Center.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Customer Care Center, excuse me.

2 A. Yes.

3 Q. Who interfaced with those people in relation to those  
4 issues?

5 A. That may have been Sue as well -- Susan as well, I don't  
6 really remember.

7 Q. Okay. Well, where did the information that was coming  
8 presumably from the vendor and from the Customer Care Center  
9 related to -- in relationship to the extra cost to staff up,  
10 where was that information -- who was that information fed to?

11 A. Well, I don't know who all would have seen it. I mean,  
12 obviously the people that are responsible for those operations  
13 being working with the vendor or managing the Customer Care  
14 Center surely would have had that information.

15 Q. Okay. Who would then decide whether those costs were  
16 justified?

17 A. I'm not sure in all cases it would have been a matter of  
18 whether the costs were justified or not. In some cases it may  
19 just not have been physically impossible, if the vendor, for  
20 example, couldn't handle it, if the Customer Care Center just  
21 said if we put all of our people on it, we can't cover it. I  
22 don't know that it's always a matter of is it worth it or not.

23 Q. Okay. But if there was that decision to be made in the  
24 context of the two instances we have been talking about, who  
25 would make that decision?

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

- 1 A. As I recall what came out was a recommendation that we feel  
2 we can handle this type of call volume. I don't remember a firm  
3 decision being forthcoming saying no, we won't spend the money  
4 or anything like that, it was a matter of balancing the  
5 business.
- 6 Q. Recommendation from who?
- 7 A. The people that were responsible for running those  
8 organizations, either the vendor, Susan working with the vendor,  
9 or the people working with the Customer Care Center.
- 10 Q. Okay. So recommendation from Sue Murtha and whoever the  
11 head of the Customer Care Center is?
- 12 A. Presumably, yes. Again, I don't remember.
- 13 Q. Recommendations to whom?
- 14 A. They would have fed information back to me to share with  
15 the committee.
- 16 Q. Okay. Was the committee going to make the decision?
- 17 A. The committee implied they wanted to make the decision.
- 18 Q. Was Ameritech going to let the committee make the decision?
- 19 A. On its own, no.
- 20 Q. All right. Who was going to make the decision?
- 21 A. The idea was not to make -- From my standpoint, as I was  
22 doing this, my goal was to implement the stipulation that we had  
23 agreed to.
- 24 If we could find a way to make it work so that the  
25 committee was happy and the operational people were happy, that

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 was the ultimate goal. We were looking for the win-win.

2 It wasn't going to be we're going to have a showdown and  
3 either the committee is going to win or the company is going to  
4 win, that's not what I was trying to do.

5 I was trying to find a way to do the publicity, get as much  
6 out there as we possibly could to implement the stipulation and  
7 at the same time balance the needs of the care center and the  
8 vendor, and all the operational things that had to happen.

9 So it wasn't that one side is going to win or one side is  
10 not going to win, it was more how can we balance these two and  
11 hopefully get everything done.

12 Q. Well, was the staffing for the vendor and the consumer care  
13 center increased such that the mailings were able to go out in  
14 mass?

15 A. We did a number of mass mailings the couple month period I  
16 was there. I don't really remember -- or I don't know if I ever  
17 knew exactly what the true staffing was.

18 Keep in mind that for some of these jobs it takes a fair  
19 amount of training, so it's not a matter of bringing 50 people  
20 in saying sit down, this is what you need to do.

21 I mean, there's a lot of training. We're talking complex  
22 services, USA being among the more complex type things, but  
23 especially in the Customer Care Center, those people would get  
24 calls from all sorts of customers on all sorts of different  
25 services, so it's not something you could staff up quickly and



MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 easily. So I really can't answer your question as to what  
2 happened with staffing levels over that period, I don't know.

3 Q. You don't know whether staffing in either of those --  
4 either by the vendor or the Customer Care Center, whether the  
5 staffing in either of those centers was increased the time you  
6 were responsible for the USA?

7 A. That's true.

8 Q. If there was -- Well, were there any financial decisions  
9 made in relationship to staffing of those two functions during  
10 the time you were performing the Mary Smith role?

11 A. I don't know what staffing decisions may have been made  
12 during that period.

13 Q. Did you make any staffing decisions?

14 A. No, I did not.

15 Q. Did anybody else make any staffing decisions?

16 A. I don't know.

17 Q. Who else might have made staffing decisions?

18 A. Susan was working with the vendor. There may have been  
19 some discussion with the vendor in terms of whether they could  
20 add more people. Again, that's speculation on my part.

21 Q. If it's a budget decision, if the vendor says well, yeah,  
22 we can do it, but we got to be paid twice what we have been paid  
23 because we got to hire twice as many people, would Susan be  
24 empowered to say yea or nay to that sort of financial  
25 commitment?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

- 1 A. She might be, depends on who is picking up the bill within  
2 the company.
- 3 Q. Okay. In this instance, who was picking up the bill within  
4 the company?
- 5 A. I believe the expenses for the vendor for the dedicated  
6 work group that was doing the enrollment were split between the  
7 consumer business unit, which is the group, the business unit  
8 within the company that deals with residential customers, and  
9 Ameritech Ohio.
- 10 Q. And who makes such financial decisions for the consumer  
11 business unit?
- 12 A. I guess ultimately the president of that business unit.
- 13 Q. Who is that?
- 14 A. I don't know.
- 15 Q. Do you know who it was then?
- 16 A. No.
- 17 Q. And who makes such financial decisions for Ameritech Ohio?
- 18 A. That probably ultimately would have been Jackie Woods.
- 19 Q. Okay. Now, with regard to financial staffing, related  
20 financial decisions in the consumer care center --
- 21 A. Customer Care Center.
- 22 Q. Customer Care Center, I'll get this right before I get out  
23 of here. -- as they might relate to USA, who made such  
24 financial decisions?
- 25 A. I don't know.

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Who was picking up the tab for that staff?

2 A. My recollection is the business unit was, but in terms of  
3 the individual involved with making those recommendations and  
4 looking at their staffing, I don't know who that would have  
5 been.

6 Q. Okay. But is the business unit different from the customer  
7 business unit, consumer business unit?

8 A. No.

9 Q. So those are the same entities?

10 A. The Customer Care Center is the portion of the consumer  
11 business unit that actually does the interfacing with the  
12 customers. The old parlance, it's the residence business  
13 office.

14 Q. Okay. Thanks.

15 Well, when you were performing the Mary Smith role for the  
16 committee were you in charge of the USA Program for Ameritech?

17 A. I'm not sure what you mean in charge.

18 Q. Running the show.

19 A. I was the interface with the committee. As I said before,  
20 my goal was to see how we could implement the stipulation, try  
21 to come up with creative solutions if there seemed to be a  
22 difference of opinion, how we could do certain things. But did  
23 I have ultimate budget authority to just say okay, spend a  
24 billion dollars; no, I did not.

25 Q. Okay. Who had such authority?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. I don't know.

2 Q. Okay. From your experience with the organization, who  
3 would have such authority?

4 A. Well, as I indicated, when we're dealing, for example, with  
5 the vendor, those costs were being shared between Ameritech Ohio  
6 and the consumer business unit. The consumer business unit is  
7 the part of the business that deals with residential customers,  
8 that's what they do.

9 And so to the extent that they were picking up the tab for  
10 particular initiatives such as paying for the dedicated work  
11 group that was doing all the enrollment, they would have been  
12 the ones that would have been holding the purse strings.  
13 Obviously if they would have agreed to do certain things, it  
14 wouldn't have gone any further.

15 Q. Okay. But -- Well, did you have any dealings with the head  
16 of that unit while you were performing the Mary Smith role in  
17 relationship to the USA Program?

18 A. Not that I remember, no. Again, I was trying to find  
19 creative solutions, not spend a billion dollars.

20 Q. Well, how much financial authority did you have, was it  
21 something short of a billion dollars?

22 A. I didn't have direct financial authority.

23 Q. Okay. So you didn't have authority to spend dollar one; is  
24 that correct?

25 A. I suppose one dollar I could have spent out of my budget

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 without any trouble, but when we're talking about sizable  
2 amounts of money that these other groups would incur the cost,  
3 no, I did not. I had to work with them to get their support to  
4 implement this.

5 Q. What's a sizable amount of money, what are you talking  
6 about?

7 A. Whatever number is significant to the particular group that  
8 would have to spend it.

9 Q. You said something about spend money out of your budget?

10 A. Well, any organization has a certain budget for such things  
11 as travel expenses and others, my mileage to come down here  
12 today --

13 Q. Right.

14 A. -- obviously is going against a budget.

15 Q. Okay. But -- Well, so what organization's budget could be  
16 tapped -- Which organization's budget could be tapped to further  
17 facilitate the USA Program?

18 A. The likely budgets would be the Ameritech Ohio budget or  
19 the consumer business unit budget.

20 Q. Okay. Was there ever a separate budget for the USA  
21 Program?

22 A. I don't know.

23 Q. You were never aware of such an animal?

24 A. In the couple months I was dealing with these specific  
25 issues, no, I was not aware of a global budget specific to that

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 program.

2 Q. So is it fair to say that your mandate when you're  
3 performing this role was to see if you could solve some problems  
4 without spending any money?

5 A. No.

6 MR. MULCAHY: Objection as to the form of the  
7 question. Go ahead.

8 THE WITNESS: No. I mean, just about anything you do  
9 is going to cost a certain amount of money. It was a matter of  
10 could we work within what the business unit felt was something  
11 they could do to support it, could we find a way to get the  
12 publicity out there.

13 One of the examples I alluded to coming up with  
14 creative solutions is we went through a process whereby we  
15 staggered the mailings rather than mailing to everybody on a  
16 given list, we put so many pieces in the mail that month, the  
17 next month we upped the number of mailings so that we were able  
18 to hopefully have fewer people, or not everybody would get it  
19 all at one day, but some people would see it one month, other  
20 people would see it the next month, to spread that load out, and  
21 as long as the vendor could handle it and the Customer Care  
22 Center could handle the subsequent referrals from the vendor,  
23 then it wasn't an issue. But clearly just about anything you do  
24 is going to cost some money.

25 BY MR. JACOBS:

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Okay. We talked a little bit -- We have just talked about  
2 the authority to -- for financial issues as might relate to the  
3 USA Program, correct?

4 A. We talked about who approved the budgets in this case for  
5 the -- who was picking up the budget for the vendor, yes, the  
6 dedicated work group.

7 Q. Were there other sorts of decisions or authority that would  
8 come to bear on the performance of the USA Program?

9 A. I'm not sure I'm following your question.

10 Q. Were there other decision makers in the organization that  
11 played a role in making decisions related to the implementation  
12 of the USA Program?

13 A. I'm sure all sorts of people within the respective  
14 organizations dealing with these issues would. For example,  
15 obviously Susan would be getting information from the vendor.

16 The customer care people right down to the very low-level  
17 supervision, can I handle the workload, you know, they might  
18 have an opinion, their supervision might have an opinion. Lots  
19 of people would be involved.

20 Q. Were there any organizational structures set up to bring  
21 those sorts of decision makers together to discuss issues as  
22 they related to the USA?

23 A. In the couple months that I was there, no. I didn't bring  
24 anything together.

25 Q. Were there any such organizations in existence when you

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 took over?

2 A. Not specific to that, that I recall, no.

3 Q. Okay. And are you aware of any such organizational  
4 arrangements being established since you left that position?

5 A. No, I'm not. Not that I necessarily would be, but....

6 Q. Okay. Now, one of the things that took place during the  
7 time that you were the Ameritech -- I want to use the right  
8 term. How do I describe your role in relationship to the USA  
9 Program during the time you were playing the Mary Smith role?

10 A. The Mary Smith role works.

11 Q. I know it does, but --

12 A. I guess I viewed myself as the Ameritech representative  
13 that would meet with the committee.

14 Q. To the committee, okay.

15 During the time you were the Ameritech representative to  
16 the committee, one of the things that did happen was the  
17 committee adopted some enrollment goals for the program; is that  
18 correct?

19 A. That's correct.

20 Q. Do you recall when that happened?

21 A. No, but I was only on the committee for a few months, so we  
22 could probably get pretty close pretty quickly.

23 Q. Okay. Let me --

24 MR. JACOBS: Ann, do you have a copy of this that we  
25 can mark?



MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 MS. HOTZ: Yes. Which one is it?

2 MR. JACOBS: It's the November 18th one.

3 MS. HOTZ: If you want to mark it as an exhibit.

4 MR. JACOBS: Edgemont 1.

5 - - -

6 Thereupon, Edgemont Exhibit No. 1 was marked  
7 for purposes of identification.

8 - - -

9 BY MR. JACOBS:

10 Q. Why don't you read through that, okay? You can feel free  
11 to read through the whole thing, I'm going to ask you about  
12 Page 3.

13 A. Okay. Okay, you're referring to what's noted here as Item  
14 5, Evaluation Subcommittee Report?

15 Q. Yes, that's correct.

16 A. Okay, I've read it.

17 Q. You've had a chance to read that?

18 A. Yes.

19 Q. And that's on Edgemont 1. Is that a fair reflection of  
20 what happened in that meeting as it related to that topic?

21 A. I remember there was a discussion about setting goals,  
22 there was strong feeling by at least some people, I don't  
23 remember exactly who on the committee, that we needed to set  
24 goals.

25 I remember there was concern that I had in terms of what is

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 the basis for the numbers that would go forward in terms of  
2 these goals, but I do remember a vote being taken and the  
3 committee voting to adopt the goals.

4 Q. Okay. And do you recall how you voted?

5 A. I didn't vote.

6 Q. Did you -- Do you recall the fact that -- Well, this  
7 reflects that there was a -- that this is a recommendation that  
8 came out of the evaluation subcommittee, correct?

9 A. That's what it would indicate, yes.

10 Q. Did you attend that evaluation subcommittee meeting?

11 A. I don't believe so.

12 Q. Do you recall who from Ameritech had the responsibility to  
13 attend those meetings?

14 A. Meetings -- There were various subcommittees, and we were  
15 kind of split in terms of who handled them. I did some, Sharon  
16 Glaspie did some, I did some, Susan Murtha may have did some, I  
17 just don't remember, but I didn't attempt to attend every  
18 subcommittee meeting.

19 Q. If it was another staff person, another Ameritech  
20 representative that attended the evaluation subcommittee meeting  
21 prior to the November 18th advisory committee meeting, would you  
22 have received a report from that person prior to the advisory  
23 committee meeting?

24 A. Probably.

25 Q. Okay. Would you have received a written report from that

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 person?

2 A. I don't know.

3 Q. Were written reports typically prepared in this context?

4 A. I don't think there was any formal structure to create  
5 written, like documents, like minutes or anything like that, no,  
6 I don't remember any.

7 Q. Or like an e-mail?

8 A. There may have been something or there may have been a  
9 telephone conversation, but I don't remember having anything in  
10 place that would say we always do this in e-mail so we always  
11 document it in writing, I don't remember that.

12 Q. How did you and Sharon Glaspie communicate during the time  
13 you were performing this role?

14 A. We talked periodically.

15 Q. Were there e-mails between the two of you?

16 A. There may have been.

17 Q. Did any of the concerns that you have -- Did you put into  
18 writing any of the concerns you had about these goals that were  
19 adopted?

20 A. I don't recall that I did, no.

21 Q. Whom in the organization at Ameritech did you discuss these  
22 goals with?

23 A. I don't remember any discussion prior to the committee  
24 meeting, who I may have talked to after the meeting, I just  
25 don't remember, Ellis.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Did you discuss it with anybody after the meeting?

2 A. I don't remember.

3 Q. Did you --

4 A. I mean, obviously, certain people who worked these issues  
5 were in attendance at the meeting. Based on the first page,  
6 Sharon Glaspie is shown as being in attendance, Susan Murtha is  
7 having been listed as having been there.

8 Q. Did you receive any written communications related to these  
9 goals from anybody in the Ameritech organization?

10 A. Not that I remember, no.

11 Q. At any time before or after they were adopted?

12 A. Not that I remember.

13 Q. Do you recall discussions with anyone else in the Ameritech  
14 organization after the goals -- before or after the goals were  
15 adopted where concerns were expressed about the goals?

16 A. I don't remember any specific discussions. If there were  
17 any, I'm sure there were concerns voiced just about how hard it  
18 is to get your hands around how many people might be eligible.

19 Q. But you don't remember any such discussions?

20 A. I don't remember any specific discussions, no.

21 Q. Okay. Did you generate any reports to anyone else in  
22 Ameritech that reported on the activities of the advisory  
23 committee?

24 A. You mean in terms of like a status report or something like  
25 that?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

- 1 Q. Any kind of report.
- 2 A. Not that I remember. I mean, I would have had periodic  
3 discussions with different people that were working the issues.
- 4 Q. Okay.
- 5 A. But in terms of creating a report that kind of in my mind  
6 connotes some kind of a formal kind of thing, I don't remember  
7 anything.
- 8 Q. Did you report on the activities of the advisory committee  
9 to any of your superiors in the organization?
- 10 A. I may have.
- 11 Q. Okay. And how would those reports have taken place?
- 12 A. Typically when I was discussing things -- various things I  
13 would be working on, I would discuss all the things I would be  
14 working on, that there was anything of note. Clearly that would  
15 have included USA at the time.
- 16 Q. And that would have been a routine and periodic meeting  
17 with a superior?
- 18 A. I don't know that it would even have been a meeting, it may  
19 have been a phone call, it could have been a face-to-face, it  
20 could have been in a group staff meeting type of a session, it  
21 could have been one-on-one, it could have happened any number of  
22 ways.
- 23 Q. What people are we talking about?
- 24 A. Primarily, Jim Smith.
- 25 Q. What other people?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. Well, if it came up at a staff meeting there would have  
2 been other people that reported to Jim may have been there. I  
3 mean, clearly we would have had discussions that people had on  
4 working on the issues, such as Sharon and Susan, those types of  
5 discussions.

6 Q. Do you recall any specific reports or any specific  
7 discussions with any of these people related to the adoption of  
8 goals by the committee?

9 A. Again, if by report we mean something formal, I do not. As  
10 I said, as we started talking this morning, in terms of any big  
11 calculations as to what the financial impacts would be,  
12 et cetera, it's extremely difficult to know what the eligible  
13 population would be for something like this which obviously  
14 means it's very difficult to establish goals to put a whole lot  
15 of credence in, but other than that general concern, no, I  
16 don't.

17 Those would have been the same types of concerns that we  
18 would have talked about at the advisory committee meeting.

19 Q. You recall that at the beginning of each advisory committee  
20 meeting the minutes were available, presented, typically mailed  
21 out in advance of an advisory committee meeting; is that  
22 correct?

23 A. I don't know that it happened every time, but I think that  
24 was the general practice, yes.

25 Q. And that the secretary gave people an opportunity to amend,

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 revise, et cetera; is that correct?

2 A. I believe that happened, yes.

3 Q. Okay. And that there was a vote to accept or reject the  
4 minutes; is that correct?

5 A. Typically, yes.

6 Q. And do you recall whether that happened in relationship to  
7 the November 18th minutes at the subsequent meeting?

8 A. I don't.

9 Q. Do you have any reason to think that the usual thing didn't  
10 happen in relationship to the approval of the minutes at the  
11 November meeting?

12 A. I really don't have a basis one way or the other. I mean,  
13 I was only on the committee for a few months, and as you  
14 indicated in your previous questions, I know we saw things  
15 before the meeting, in other cases we may have seen them only at  
16 the meeting and I'm not even sure that there weren't cases where  
17 the minutes weren't ready at all for that meeting and may have  
18 been dealt with sometime subsequent to that. I just don't  
19 remember.

20 Q. But as far as you know, there is no -- you do not recall  
21 that the November 18th minutes were not approved after an  
22 opportunity to review them at the subsequent meeting?

23 MR. MULCAHY: Objection. Asked and answered. He said  
24 he didn't know one way or the other.

25 THE WITNESS: I just don't -- I don't know.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 MR. JACOBS: Okay. That's all I've got. Thanks very  
2 much.

3 - - -

4 CROSS-EXAMINATION

5 BY MS. HOTZ:

6 Q. I'll go next, I'm Ann Hotz from OCC.

7 A. Good morning.

8 Q. Going back to when you were talking about what your duties  
9 were with regards to Advantage Ohio and the case that preceded  
10 that, the alt. reg. case?

11 A. The actual proceeding, the alt. reg. proceeding?

12 Q. Right.

13 A. Okay.

14 Q. When you -- you testified on the tariffs; is that right?

15 A. That's correct.

16 Q. And in doing that, did you have to consult with anyone else  
17 at Ameritech with regards to writing your testimony or, you  
18 know --

19 A. Yes.

20 Q. Whom did you have to consult with?

21 A. My boss, Jim Smith, obviously our attorneys.

22 Q. Was there any other parts of the -- of Ameritech, any other  
23 departments that you had to consult with with regards to those  
24 tariffs?

25 A. Not that I recall, no. Are we talking about the tariffs



MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 that we implemented at the end of the case?

2 Q. For your testimony, yeah.

3 A. Okay. Because just to be clear, we proposed certain things  
4 as part of the case as we filed it, certain of those were  
5 accepted, certain were changed as a result of the stipulation.

6 Q. Right. I'm talking about prior to the stipulation.

7 A. The actual sponsored testimony that was filed on my behalf?

8 Q. Yeah.

9 A. Those would have been the people we would have dealt with.

10 Q. Okay. Have you ever testified in any other prior Ameritech  
11 cases?

12 A. Prior to that one?

13 Q. Yeah.

14 A. No, that was the first time I got to testify.

15 Q. Okay. How would you describe Ameritech's position  
16 regarding universal services during the alt. reg. case?

17 A. I'm sorry, did you say Universal Service Assistance?

18 Q. Just the broad idea of universal services.

19 A. What do you mean by universal services?

20 Q. I'm sticking to simply low -- services for low-income  
21 customers.

22 A. Okay. We had, as I mentioned in my discussion with  
23 Mr. Jacobs this morning, we had two specific services that we  
24 offered to low-income subscribers; service connection assistance  
25 and telephone service assistance. They were both in place, as I

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 recall, and there were customers subscribing to them.

2 Q. So they were in place prior to the alt. reg. case?

3 A. I believe they were, yes.

4 Q. And so you were just sticking with what you had prior to  
5 the alt. reg. case?

6 A. That's my recollection, yes.

7 Q. Did you ever have an estimate in your own mind as to  
8 whether the USA Program in aggregate would have a negative or a  
9 positive impact on Ameritech?

10 A. In terms of revenue?

11 Q. Yes.

12 A. I don't believe I did, no.

13 Q. Okay. When you talked to Mary Smith about taking over her  
14 responsibilities with the advisory committee, did she ever  
15 express -- did she ever express to you any difficult -- did she  
16 ever express to you any perceptions that that responsibility was  
17 unpleasant or difficult?

18 A. Yes.

19 Q. Okay. In what way did she say that it was unpleasant or  
20 difficult?

21 A. My recollection is she described the process as being quite  
22 confrontational, that there seemed to be perceptions that the  
23 committee had which weren't exactly the same perception that at  
24 least she had with regards to what we had agreed to in the  
25 stipulation.

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. I'm going back to when you were discussing the problem with  
2 sending out all the mailings at once and having a shortage of  
3 service representatives to answer the calls.

4 A. Okay.

5 Q. You know what I'm talking about?

6 A. I do.

7 Q. I'm wondering, do you recall back then, did Ameritech ever  
8 consider hiring temporaries at that time?

9 A. I guess it hinges on what you mean by considered. Did it  
10 ever come up? I believe it did come up, but the big issue as I  
11 mentioned in my earlier answer was the people that would work in  
12 the Customer Care Center, the service representatives, it's not  
13 something you train for easily, it's a very long, complex  
14 process, and there's quite a time needed to ramp people up to  
15 get them to be proficient to deal with the customers.

16 Q. Okay. When you were talking earlier about how you received  
17 your responsibilities with the advisory committee, you said that  
18 it was something like that you thought it was your job to move  
19 things forward and to implement ideas.

20 A. Right. I mean, the purpose of the committee and  
21 Ameritech's representatives to the committee were to implement  
22 the stipulation. That's what we were trying to do.

23 Q. Okay. What duties did you identify in your mind, or what  
24 tasks did you identify in your mind that you would have to  
25 perform to fulfill those responsibilities?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. I think the first one would be identifying what the issues  
2 were. I mean, obviously a lot of things had happened. This was  
3 late '96, Advantage Ohio, itself, took effect in January of '95.

4 I think the USA plan was a few months after that by the  
5 time it got rolling, but we had been probably working the  
6 process for close to a year and a half so that a lot of things  
7 had been worked out, but first thing would have been identifying  
8 what current issues were, what was currently being discussed,  
9 what were identified as problems or things that we could do  
10 better and then trying to see if we could reach an accommodation  
11 between the company and the committee.

12 Q. So what steps did you have to take in reaching an  
13 accommodation?

14 A. I think the first one is identifying what the issues are.

15 Q. Okay.

16 A. We talked about some of the issues that were being  
17 discussed by the various committees and subcommittees. Then it  
18 was a matter of talking to the people within the company to see  
19 how they felt about what the committee was asking to be done and  
20 trying to see if there was a way to have a meeting of the minds,  
21 again, implement something which would be acceptable to the  
22 company and acceptable to the committee.

23 MS. HOTZ: Okay. I guess now I'd like to move on to  
24 these meetings, the minutes of these meetings that you were in  
25 attendance, and let's see, the first one here is October 21st,

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 1996. I'd like to mark it as OCC Exhibit 1, please.

2

- - -

3 Thereupon, OCC Exhibit No. 1 was marked  
4 for purposes of identification.

5

- - -

6 BY MS. HOTZ:

7 Q. At the top of Page 2, Item 3, there's a reference there  
8 from a -- regarding a letter from Jim Smith.

9 A. I see that, yes, right at the top of the page.

10 Q. Okay. What was the company position as to whether  
11 Ameritech could unilaterally change a prior agreement reached  
12 between the company and the advisory committee?

13 A. I don't recall. I don't recall the specifics of that  
14 letter.

15 Q. What agreement was Ameritech unilaterally changing that  
16 would have brought this issue up?

17 MR. MULCAHY: Objection. Assumes a fact not in  
18 evidence. No foundation for the question. Go ahead and answer.

19 THE WITNESS: Again, I'm not positive what was in this  
20 letter or what the issue that was being discussed that's  
21 referenced in this part of the minutes. I presume these are the  
22 minutes.

23 I don't have -- I don't have a file so I don't have a  
24 way to personally identify and say yes, these are the minutes,  
25 but that's what they appear to be. And I just don't have any

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 way of knowing for sure what this was referring to.

2 BY MS. HOTZ:

3 Q. So you don't have any recollection of this issue at all?

4 A. I can't, based on what I'm reading here just in the first  
5 paragraph on Paragraph 2, be sure what the issue was that we're  
6 talking about.

7 Q. Okay. My next question is from the minutes of the November  
8 18th, 1996 meeting which has already been marked as Edgemont No.

9 1. At the bottom of Page 1, Item 3, it notes that Ameritech is  
10 assigning staff to handle verification by computer tape ODHS  
11 authorization, VRU issues and the Day Med issue, and then it  
12 indicates that no progress has been made because Ameritech  
13 personnel has been busy with other matters. Do you see where  
14 that --

15 A. I see that paragraph, yes.

16 Q. Okay. Did you discuss the advisory committee's concerns  
17 about these delays to anyone at Ameritech?

18 MR. MULCAHY: Object on the basis of a lack of  
19 foundation. Go ahead.

20 THE WITNESS: I can't recall a specific meeting or a  
21 specific conversation. However, there was a recurring theme  
22 through these meetings where the committee was concerned that  
23 things were not moving at the pace that they would have liked to  
24 have seen them move at, so I have to believe that somewhere  
25 along the line the issue came up.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 BY MS. HOTZ:

2 Q. Do you recall any resolution of that issue?

3 A. Which issue?

4 Q. Of things moving slowly.

5 A. I don't recall anything of a global nature. What I recall  
6 is trying to implement solutions to individual issues and move  
7 them forward and complete them and get them off the plate.

8 Q. So do you recall any of these individual issues that are  
9 listed in this Item 3? Do you recall --

10 A. I don't know that I recall every aspect of them, but yes.

11 Q. You recall the individual issues?

12 A. I remember that there were issues about verification,  
13 working with ODHS, Day Med and voice response unit, which is  
14 what VRU stands for, yes.

15 Q. Do you recall what staff person was assigned to the  
16 verification by computer tape issue?

17 A. I don't, although I know that I personally had some  
18 discussion with ODHS, whether it was by computer tape with  
19 concerns for verification. Mr. Jacobs and I had a meeting with  
20 ODHS sometime in that time period where we talked about ways to  
21 speed up the process and make it easier for people to enroll in  
22 the program.

23 Q. Was that issue ever resolved?

24 A. I don't know. I can say it wasn't resolved by the time I  
25 left because ODHS had privacy concerns about making the

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 information available to us.

2 Q. How about the VRU issue, do you recall that issue?

3 A. I believe I do, yes.

4 Q. How was that issue resolved?

5 A. I don't know. It was being investigated when I turned the  
6 reins over to Sue Drombetta.

7 Q. How about the Day Med issue, do you recall that issue?

8 A. I do. We were working with trying to find a way for Day  
9 Med to actually pay a portion of their customers' bills.

10 Q. Do you recall if that was ever resolved?

11 A. I recall discussion about ways that we might be able to do  
12 it, but I don't know that Day Med ever decided that that was  
13 something they wanted to move forward with.

14 Q. Okay. On the bottom of Page 2, the last paragraph, there's  
15 a reference to phones in the lobbies of human services agencies.

16 A. Yes.

17 Q. Do you recall that issue?

18 A. I do.

19 Q. Did Ameritech ever determine how often the phones were  
20 being used?

21 A. I can't answer that. Again, I was only with it for a short  
22 period of time. We were still in the process of placing some of  
23 the phones at the time I was doing this. There may have been  
24 some tracking later, I just don't know.

25 Q. In that same paragraph, the last sentence, it's underlined.



MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. Right.

2 Q. There's a reference to Ameritech having the contractor ask  
3 customers how they found out about the USA Program.

4 A. Yes.

5 Q. Do you recall that?

6 A. Again, I mean the contractor that we would have been  
7 talking about here would be the vendor.

8 Q. That's right, the vendor.

9 A. That customers would contact when they want to enroll in  
10 the plan. This would imply, and it's entirely consistent with  
11 my recollection, that we would have been interested in finding  
12 out again to gauge the effectiveness of our different publicity  
13 methods, how are customers finding out about it.

14 If we're dumping lots of mailings, we hope people are  
15 responding to them, otherwise we're wasting everybody's time, so  
16 again, it is consistent with the kinds of things we were trying  
17 to do. Try to do different things, and gauge their  
18 effectiveness.

19 Q. Did Ameritech ever do that?

20 A. I don't know for sure. I have no reason to believe that we  
21 didn't.

22 Q. Okay. On Page 4, Item 7, there's a reference, I think it's  
23 only in the second sentence, that -- regarding the Ameritech  
24 payment arrangement policy for customers who had been  
25 temporarily disconnected. Do you recall that issue?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. Are we in Item 7?

2 Q. Yeah, it would be the second paragraph.

3 A. I see it. Okay. I do remember there was an issue dealing  
4 with final bills versus temporary disconnects, yes. I don't  
5 remember many of the details, though.

6 Q. Do you recall discussing it with anyone?

7 A. Well, this is one of the issues we would have been working,  
8 so yes, we would have been discussing. I can't point to any  
9 specific conversations.

10 Q. Was the recommendation implemented?

11 A. I'm not sure. I think we were sure moving in that  
12 direction, but we were trying to gather some data, but again,  
13 with the short time that I was on the committee, I'm not  
14 positive that it was changed.

15 MS. HOTZ: Okay. Now I'd like to move on to the  
16 minutes of the December 16, 1996 meeting, and mark it as OCC  
17 Exhibit 2, please.

18 - - -

19 Thereupon, OCC Exhibit No. 2 was marked  
20 for purposes of identification.

21 - - -

22 BY MS. HOTZ:

23 Q. Okay. The bottom of Page 1, Item 3 --

24 A. Okay.

25 Q. -- there's a first sentence there, and I'm wondering if you

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 can read this and clarify something for me.

2 A. Okay.

3 Q. It says, "Ameritech has assigned this to a project  
4 manager". What does this refer to?

5 A. I presume it's referring to the question about the  
6 implementing the change to the voice response unit.

7 Q. Then there's -- the last sentence indicates that, "The  
8 committee agreed that the product manager should attend the next  
9 meeting". Did the product manager ever attend a committee  
10 meaning that you were at?

11 MR. MULCAHY: Project or product?

12 BY MS. HOTZ:

13 Q. Project manager.

14 A. We use both terms in this paragraph. I believe, and again,  
15 I don't know that this is the person that necessarily would have  
16 worked with the VRU issue, but I do know that, or do recall that  
17 Gary Volpe, my recollection is he did attend one meeting at  
18 least by telephone, or at least a portion of a meeting. Whether  
19 he's the person that they are referring here to, I don't know.

20 Q. What did the product manager do in response to this?

21 A. I don't know. This is not an issue that I spent a whole  
22 lot of time with, personally.

23 Q. Is there someone who did, that you know of?

24 A. Somebody would have, but whether it would have been Sharon  
25 or Susan Murtha, I don't know. As I indicated before, we tend

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 to kind of divvy things up just because there was so much going  
2 on.

3 Q. Okay. On the top of Page 3, under Item 6 there is a  
4 reference to the company refusing to accept orders for USA  
5 service by mail.

6 A. I see that.

7 Q. Do you recall that?

8 A. I do.

9 Q. Did you ever discuss that with anybody in Ameritech?

10 A. I'm sure we did, yes.

11 Q. Do you recall why Ameritech would not accept any orders by  
12 mail?

13 A. Yes.

14 Q. What was the reason?

15 A. The biggest issue that I recall was the fact that once --  
16 you want to coordinate service with a customer, there are lots  
17 of questions that need to be resolved, what type of service does  
18 the customer want, you need to go through various identification  
19 information, when would you like it installed, especially if  
20 there's a premise visit required, when are you going to be home  
21 so that we can send an installer out.

22 There's all sorts of things that have to be negotiated with  
23 the customer, so if a customer were to mail in something that  
24 tells us gee, I'm interested in the USA plan, that's all well  
25 and good, but especially if these are customers that don't have

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 telephone service, we would have to follow up then and try to  
2 track them down and it just didn't seem to be an efficient use  
3 of people since a one-on-one contact was going to be needed  
4 sooner or later anyway in order to coordinate the installation.

5 Q. What department in Ameritech gave you this information?

6 A. That would have come from -- primarily from the consumer  
7 business unit, the people who would actually be responsible for  
8 arranging the establishment of the service.

9 Once a customer is qualified as a USA customer, then they  
10 would have been turned over to the Customer Care Center or the  
11 business office where the actual service installation would have  
12 been negotiated and dates and all the other kinds of stuff that  
13 I was describing.

14 Those were the people that were going to have to deal with  
15 that and try to hook up with that customer to arrange and make  
16 sure that we were giving the customer exactly what it is they  
17 thought they were going to be buying.

18 Q. Okay. Top of Page 4, under Item 6, there is a reference to  
19 an Ellis Jacobs letter, Ellis Jacobs' letter to Chairman Glazer  
20 on those subscription numbers. Do you recall that letter?

21 A. No, I do not. It's not to say I didn't see it, I just  
22 don't recall it.

23 Q. In the third paragraph there's a reference -- Let me see if  
24 this is the right one. Okay. Yes, the third paragraph, there's  
25 a reference to data from Ameritech. Do you see that?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. Yes.

2 Q. Committee noted that we have no data from Ameritech. Did  
3 the committee ever get data from Ameritech relating to the  
4 number of customers dropping off the USA Program?

5 A. While I was there, we started reporting data to the  
6 committee dealing with a number of new subscribers enrolling and  
7 things like that. We also had total participation numbers, so  
8 from that information one could determine how many people were  
9 dropping off.

10 Q. So that was information that you gave to the committee?

11 A. I believe it was, yes.

12 Q. The fourth paragraph there's a reference to disconnection  
13 policy. What was the discussion about the disconnection policy?

14 A. I believe this was the time frame where the Commission was  
15 talking about changing its position on how we -- how companies,  
16 telephone companies could disconnect customers for nonpayment.  
17 Up until that time if customers did not pay their long distance  
18 bill they could lose all of their service. It was an issue that  
19 was being debated. I presume that's the issue that's being  
20 referred to.

21 Q. Do you recall discussing this disconnection policy with  
22 anyone at Ameritech?

23 A. At the time of this minute -- these minutes were written?

24 Q. Any time.

25 A. Yes, I do.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. What were the discussions about?

2 A. Well, the discussions were about the impact on the  
3 operations of the company and such things as filing of comments  
4 or petitions for reconsideration, things of that nature.

5 Q. Did you ever discuss with anyone in Ameritech about how the  
6 disconnect policy would be implemented?

7 A. In specific details? No.

8 Q. How did Ameritech implement the disconnection policy?

9 A. I didn't have any direct involvement in working the  
10 specifics of the implementation, so I really don't know.

11 Q. What was Ameritech's response to the committee regarding  
12 their inquiries about the implementation of the disconnect  
13 policy?

14 A. I don't remember at that time that we knew too much about  
15 the facts in terms of how the policy was going to be changed. I  
16 don't know that the policy was officially established at that  
17 time.

18 I think there was recognition that there were -- the  
19 Commission may be changing the policy and that we may need to  
20 reflect that in how we handled USA customers, but I don't  
21 remember knowing for sure what it was we were going to have to  
22 do.

23 Q. Okay. On the bottom of Page 4 and the top of 5, Item 9,  
24 there is a reference to a pilot program. Do you recall that  
25 pilot program issue?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. I don't. I remember that we talked, and Gary Volpe was the  
2 person from Ameritech who was working this issue, we talked  
3 about the issue of call waiting.

4 Again, these are the December minutes, so it's getting  
5 towards the end of my tenure, so in terms of what happened with  
6 that, you know, in terms of going forward, I really don't know.

7 Q. Did you ever discuss the committee's interest in a pilot  
8 program with anyone in Ameritech?

9 A. I know I decided the fact that the follow-up stipulation to  
10 Advantage Ohio obligated us to at least investigate the addition  
11 of call waiting. I don't remember any specifics of a pilot  
12 program, per se.

13 Q. Do you know if a pilot program was ever implemented?

14 A. I do not.

15 Q. The last sentence in Item 9 says, "Joe Meissner should call  
16 another meeting of the subcommittee with Dan McKenzie".

17 A. Where are you? I'm sorry.

18 Q. It's the last sentence on Item 9.

19 A. On Page 5?

20 Q. Yeah, on Page 5.

21 A. I see that.

22 Q. Do you recall that meeting?

23 A. I don't. I remember this being Mr. Meissner's key issue,  
24 he was very concerned with us making call waiting available, but  
25 I don't remember a subcommittee meeting. I just don't recall.



MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Okay. Then I'd like to move on to the minutes of January  
2 13th, 1997.

3 MS. HOTZ: This would be OCC Exhibit 3.

4 - - -

5 Thereupon, OCC Exhibit No. 3 was marked  
6 for purposes of identification.

7 - - -

8 BY MS. HOTZ:

9 Q. At the bottom of Page 1 and top of Page 2 there were two  
10 questions the advisory committee had, and they wanted Ameritech  
11 to be prepared to discuss. Do you see that where it says that  
12 in the minutes?

13 A. I see that, yes.

14 Q. Okay. Do you recall any explanations that were given to  
15 the advisory committee regarding these two issues?

16 A. I remember talking about the need to analyze whatever data  
17 we could get our hands on. I remember questions about what type  
18 of data would be available, but in terms of an absolute  
19 quantified response as to exactly why, for example, people were  
20 dropping off or why they were not showing up, I don't remember  
21 anything definitive was resolved while I was part of the USA  
22 activities.

23 I mean, I know we were gathering data, we were trying to  
24 find out whatever we could find out, but I don't know that any  
25 conclusions were reached during the period that I was part of

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 this.

2 Q. Okay. On Page 2, Item 3.

3 A. Okay.

4 Q. In that item there's a reference to the advisory committee  
5 requesting Ameritech to provide a script addressing individuals  
6 who request a waiver and are refused. Do you see where it's in  
7 there? It's about the --

8 A. Okay. I see it.

9 Q. See it?

10 A. Yes, okay.

11 Q. Okay. Did Ameritech ever provide such a script?

12 A. I don't know that we did because I -- I don't know that we  
13 were rejecting anybody.

14 Q. Okay. So you never heard anything about any numbers  
15 relating to that?

16 A. Not that I know of. As far as I knew, we said we would  
17 maintain a file for anybody we rejected, but I'm not aware we  
18 rejected anybody, because what we did is we talked to the  
19 Commission to find out what process -- prior to this, any  
20 medical waivers were run through the Commission, and the  
21 Commission more or less decided that yeah, we think they ought  
22 to be covered. And so we sat down with the Commission folks to  
23 try to get a feel for what process they would be using.

24 We implemented a similar process, the same process, as far  
25 as I know, and agreed that we -- if we rejected anybody we would

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 keep a file. But I'm not aware that we ever rejected anybody.  
2 Q. Okay. Do you know if anyone ever provided the committee  
3 with a report? There's also a reference in here about a report,  
4 in the same sentence.

5 A. Again, this is kind of like right at the end of my tenure,  
6 I would have already been transitioning things to Sue, so what  
7 she did after point, I just don't know.

8 Q. Okay. On Page 3, Item 12?

9 A. Yes.

10 Q. That first paragraph seems to indicate that you, Gary Volpe  
11 and the product area were in favor of allowing USA customers to  
12 have call waiting. Do you recall that?

13 A. I remember talking about call waiting and whether or --  
14 whether or not it was, A, required by the stipulation -- I  
15 don't recall having any personal problems with the concept of  
16 allowing call waiting. I mean, there are pros and cons to  
17 allowing something like that.

18 Q. What happened to this idea?

19 A. I don't know. According to these minutes, it was looking  
20 pretty positive at this time. What happened subsequent to that,  
21 I don't know.

22 Q. In Item 13, on Page 4, there is a reference to Ameritech's  
23 belief that the minimum amount of arrearages that had to be paid  
24 up front should be a percentage of local service as opposed to  
25 total arrearages. Do you see that?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. Yes, I do.

2 Q. Okay. Is this the case presently?

3 A. I don't know. I mean, I know the Commission was changing  
4 its disconnect rules, but I haven't looked to see what we're  
5 doing at the current time. I just don't know.

6 Q. Do you know whether or not customers are notified up front  
7 when applying for the USA Program that they only have to make  
8 payment arrangements for the local arrearages to get local  
9 service?

10 A. I don't know what the current practice is.

11 Q. Okay. We'll move on to the last set of minutes. February  
12 24th, 1997, which would be OCC Exhibit 4.

13 - - -

14 Thereupon, OCC Exhibit No. 4 was marked  
15 for purposes of identification.

16 - - -

17 BY MS. HOTZ:

18 Q. On Page 4?

19 A. Which document are we looking at?

20 Q. Minutes of the meeting February 24th, 1997?

21 A. Did it go around while I was out of the room, maybe?

22 MR. MULCAHY: Yeah, I didn't take one for you. Here  
23 you go.

24 THE WITNESS: Thank you. Sorry, where was that?

25 BY MS. HOTZ:

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Page 4.

2 A. I have it.

3 Q. There is a motion that extends from -- that begins the  
4 third paragraph, do you see that there?

5 A. I do, I'm reading through it now. Okay.

6 Q. Do you recall that motion?

7 A. Not particularly, no.

8 Q. So --

9 A. I do know that the implementation and some of the issues  
10 with changing the disconnect policy were being discussed, but I  
11 don't recall the motion, per se, no.

12 Q. Okay. So you don't recall discussing this motion with  
13 anybody in Ameritech?

14 A. You mean after the fact?

15 Q. Yes.

16 A. I may have with Sue Drombetta. Sue is the person that was  
17 working the Commission's disconnect docket. So I mean, if it  
18 came up at the meeting and we had discussions, it's quite likely  
19 that we talked about it afterwards, but I can't point to  
20 anything specific, no.

21 Q. What was the Ameritech's response to this motion?

22 A. All I can see here is the fact that the committee voted  
23 unanimously to adopt it and Ameritech did not vote. I think we  
24 thought we were implementing the Commission's disconnect order  
25 to the best of our abilities and consistent with what the

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Commission ordered. Obviously the committee wanted us to do  
2 things a little differently.

3 Q. Do you recognize these minutes?

4 A. I can't say that I do. I don't believe I've ever seen  
5 them.

6 Q. You don't think that you've ever seen them?

7 A. Probably not.

8 Q. Have you seen any of these minutes that I just --

9 A. I would have received the minutes for the period that I was  
10 dealing with the committee. As I indicated before, I didn't  
11 keep copies of them after I transitioned everything, essentially  
12 all my files went to Sue, so whether as she came on and I see  
13 that she is an attendee at this February 24th meeting, you know,  
14 I may have received a copy, I just don't know for sure, but it  
15 would have been pretty much hers to run with at that point.

16 Q. Okay. Do you recognize these from your memory, any of them  
17 from memory?

18 A. I mean, I don't see anything that would tell me that they  
19 clearly are not the minutes. I mean, I just don't have a way to  
20 independently verify it.

21 Q. Okay.

22 MS. HOTZ: That's all I have.

23

- - -

24 CROSS-EXAMINATION

25 BY MR. SMALZ:

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Mr. McKenzie, my name is Mike Smalz and I represent the  
2 Appalachian People's Action Coalition, APAC.

3 A. Good afternoon.

4 Q. Good afternoon.

5 I'd like to ask a number of questions that would clarify or  
6 further fill in the gaps of some of the earlier questions and  
7 answers. To begin with, I understand that you were not involved  
8 in the negotiations surrounding the Advantage Ohio plan; is that  
9 correct?

10 A. That's correct.

11 Q. Do you know who was involved?

12 MR. MULCAHY: Objection. Asked and answered. Go  
13 ahead. I'll also object on the basis of relevance.

14 THE WITNESS: As I believe I indicated earlier, my  
15 recollection is that the primary people from Ameritech that were  
16 involved were Jim Smith and Mike Mulcahy.

17 BY MR. SMALZ:

18 Q. During your testimony in response to Attorney Jacobs'  
19 questions, you mentioned that you had prepared a document that  
20 was a summary of the key aspects of the Advantage Ohio case; is  
21 that correct?

22 A. Yes, I did.

23 Q. And you further testified that you did not know whether you  
24 still had a copy; is that correct?

25 A. I suspect I do, I just don't know for certain.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 MR. SMALZ: Mike, could you make that copy available  
2 to us if it does exist?

3 MR. MULCAHY: Yes.

4 MR. SMALZ: Thank you.

5 MR. MULCAHY: Subject to any objections I might have,  
6 but I'll produce it subject to those objections.

7 MR. SMALZ: I understand.

8 BY MR. SMALZ:

9 Q. Mr. McKenzie, what was your official job title when you  
10 were performing the so-called Mary Smith role?

11 A. I believe I was director-regulatory affairs.

12 Q. And when you held that position, what proportion of your  
13 time at work was spent on the USA Program?

14 A. Again, I held that position for quite a lengthy period of  
15 time. But when I was bridging the period between Mary leaving  
16 and Sue coming in, it's hard to say, but it was a considerable  
17 amount of time, 10, 20 percent of my time, probably.

18 Q. Now, I'd like to focus on some of the issues or problems  
19 that came up during your tenure in that position. Do you know  
20 what kind of training was provided to the CMA workers on USA?

21 A. You say the CMA workers?

22 Q. To the vendor?

23 A. I don't. I don't know the specifics. I mean, they were up  
24 and running at the time I came on. I don't know what all was  
25 done to bring them up and get them up to speed.



MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Do you recall or know what kind of training was provided to  
2 the CCR workers?

3 A. CCR?

4 Q. CCC workers, excuse me.

5 A. The Customer Care Center, the business office people.

6 Again, I don't know the specifics. That, too, was up and  
7 running at the time I was there. We were basically, to use the  
8 phrase, troubleshooting, we were trying to correct things that  
9 the committee had concerns about, but it wasn't in terms of  
10 generally getting the operation up and running, it was up and  
11 running and had been running for a period of time.

12 Q. You did say earlier, I believe, that -- or, you made  
13 reference to a long, complex process of training. Were you  
14 referring to the USA training specifically, or to the overall  
15 training of the workers in the CCC?

16 A. I'm not sure exactly where I used that, but clearly with  
17 regards to the service reps in the Customer Care Center, they  
18 need to be knowledgeable about an entire portfolio of services  
19 that they would deal with customers on.

20 They would need to know all the things about the  
21 requirements for the services, the prices, how to operate the  
22 computer systems that would allow them to mechanically place  
23 orders, or deal with bill questions or any number of things that  
24 might come their way as a result of a customer calling into the  
25 center.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. Now, I understand that you don't recall any discussion of  
2 hiring temps to address the surge in calls during certain time  
3 periods; is that correct?

4 A. I don't -- If there was a discussion, it sure was a fairly  
5 short discussion, just for those very reasons that, you know,  
6 having been with the company now 24 years and knowing a little  
7 bit about how it operates and all the services and things that  
8 we have in our tariffs, I know how complex it is, and so to the  
9 extent that somebody was looking into doing that, to truly bring  
10 new people in, I can understand why they would say it would not  
11 be feasible to do it in the short-term.

12 Q. Were there any reasons other than this long, complex  
13 process of training for not hiring temps in the CCC during these  
14 overflow periods?

15 A. Well, not that I recall. I mean, if it's not a practical  
16 thing to do, it kind of ends the discussion right there.

17 Q. Were there any -- Are there any reasons why temps could not  
18 have been hired for the CCC and trained solely on USA and  
19 assigned solely to handling the USA calls?

20 A. I don't know. Keep in mind that one of the things USA does  
21 is open up from the old Lifeline plans some of the services that  
22 could be -- that could be purchased under the plan.

23 There would still be other issues that could come in. I  
24 don't know all the specifics. I've never worked in that area.  
25 I do have an appreciation for how complex it is.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. On the issue of the drop-out rate of the USA customers, are  
2 you aware of any studies that were done, not just during your  
3 tenure, to ascertain what the reasons were for the high drop-out  
4 rate?

5 A. Just so I'm sure I understand your question, you're talking  
6 about the drop-out rate, are you talking about people who the  
7 vendor would qualify, enroll and then never got service, or are  
8 you talking about people that had service under the USA plan and  
9 subsequently left the program?

10 Q. Well, let's break that down into two questions. My first  
11 question is: Are you aware of any studies that have been done  
12 by Ameritech of the reasons for why people initially qualify for  
13 USA but are not enrolled?

14 A. We were instituting an analysis of calls into the vendor to  
15 identify customers that weren't eligible versus customers who  
16 were eligible but weren't interested, for example, because of  
17 the service restrictions placed upon the services, or other  
18 reasons -- to the extent we could quantify them, other reasons  
19 why they did or did not choose to get on the plan.

20 Q. Do you recall if -- Let me rephrase that.

21 Do you recall whether there were any findings as to what  
22 reasons primarily explained the failure of people who qualified  
23 and didn't enroll?

24 A. We were just starting to gather this data at the time I was  
25 doing it, so I don't know what the final outcome was.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Q. In this study, did the company look at whether the required  
2 down payment and installment payments towards arrearages was a  
3 significant barrier?

4 A. I'm not sure whether that was a specific question that was  
5 being asked or not. Obviously as we discussed earlier, we were  
6 in somewhat of a state of flux because of the Commission's rules  
7 during disconnection that were in the process of changing, but  
8 precisely what was categorized, I don't know.

9 Q. With respect to the fiscal impact of the USA Program on the  
10 company, is it your testimony that it's an open question as to  
11 whether there is a positive or a negative impact on the company?

12 A. And again, just so we're clear, are we talking about, for  
13 example, the revenue impact of offering USA versus not offering  
14 USA?

15 Q. I'm referring to the overall financial impact.

16 A. Total bottom line net income? If anybody has made that  
17 kind of analysis, I don't know about it.

18 Q. You mentioned that one benefit was getting more customers  
19 signed up as Ameritech customers; is that correct?

20 A. That's one benefit we would sure hope would be the result  
21 of all this work.

22 Q. Are there any other benefits that the company derives from  
23 the USA Program?

24 A. Yes.

25 Q. And what are those benefits?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. Well, the USA Program was an integral part of the Advantage  
2 Ohio stipulation, so while it was a part of the negotiations, I  
3 suspect if USA wasn't in there, the stipulation wouldn't have  
4 gone forward at least in that format.

5 Q. Has the company ever looked at any possible benefits in  
6 terms of reduced collection expenses?

7 A. Reduced collection expenses for whom?

8 Q. Let me rephrase the question.

9 Has the company looked at any other cost savings from the  
10 USA Program besides simply signing up more customers?

11 A. Cost savings. I guess I'm having trouble with the  
12 question.

13 Q. For example, is it possible that the company would incur  
14 lesser credit and collection expenses if more people were able  
15 to retain their phone service because of the discount, the USA  
16 discount?

17 A. If you're asking if anybody studied that, I don't know.

18 Q. Could there be possible savings to the company in that  
19 area?

20 A. I have no idea.

21 Q. Could there be possible savings with respect to reducing  
22 bad debt to the company?

23 A. Again, I really don't know.

24 Q. I believe you stated earlier that you -- you don't believe  
25 that you have any written notes concerning your meetings with

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 Jim Smith concerning the USA Program; is that correct?

2 A. That's correct.

3 Q. Would there be any other record of your meetings with Jim  
4 Smith such as tape recordings?

5 A. Not to my knowledge.

6 Q. During the time that you were working with the USA Advisory  
7 Committee, was there any discussion of the option of automatic  
8 enrollment of USA customers?

9 A. I'm not sure exactly what you mean by "automatic  
10 enrollment". If you mean the idea of ways to streamline the  
11 enrollment process so that we could verify kind of on a real  
12 basis whether customers were eligible because they were indeed  
13 on a certain government program, that was some of the things we  
14 were trying to investigate with ODHS and others, yes. If that's  
15 what you mean by automatic enrollment, I'm not sure.

16 Q. Are you referring to computer tape verification?

17 A. I believe that's one of the references in the minutes that  
18 we talked about, or other verification, yes.

19 Q. And during the time you were working with the USA Advisory  
20 Committee, did you look into whether Ameritech operations in any  
21 other states had similar low-income programs?

22 A. My recollection is that there are low-income programs in at  
23 least one other state.

24 Q. And did you look into what methods Ameritech was using in  
25 other states to enroll low-income customers?

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

- 1 A. Did I personally? No.
- 2 Q. Do you know if anyone at the company did?
- 3 A. I don't know. I mean our big issue at the time was if we
- 4 can't get the data because of the Ohio laws and the agencies
- 5 saying that it's confidential and they can't release it, I mean,
- 6 the laws in a different state could be entirely different. If
- 7 they are getting that kind of information, obviously there must
- 8 be a different law or something.
- 9 Q. The consumer business unit that you were referring to --
- 10 A. Yes.
- 11 Q. -- in your earlier testimony, is that part of Ameritech or
- 12 Ameritech Ohio?
- 13 A. I guess both. I believe most of the people in Ohio that
- 14 work in the consumer business unit would be on the payroll of
- 15 Ameritech Ohio, the Ohio Bell Telephone Company.
- 16 Q. And was that also true during the time that you were
- 17 working on USA?
- 18 A. Yes, to the best of my understanding, yes.
- 19 Q. You testified earlier that both the consumer business unit
- 20 and Ameritech Ohio contribute to the cost of operating or paying
- 21 the vendor; is that correct?
- 22 A. Yes. Yes. Okay, yes.
- 23 Q. Do you know what the relative proportions of expenses are
- 24 incurred by those two different entities?
- 25 A. No, I don't.

1 Q. Do you know if one of those entities bears the greater  
2 share of the cost?

3 A. Again, I don't know.

4 Q. I'd like to call your attention to Edgemont Exhibit 1, the  
5 very first exhibit.

6 A. Okay.

7 Q. To Page 3, to Section 5, entitled "Evaluation Subcommittee  
8 Report".

9 A. I see it.

10 Q. Did the company ever make any projections as to how many  
11 customers would be eligible for USA?

12 A. I'm not aware of any, because it's really difficult to do  
13 something like that because -- well, a couple reasons. One is  
14 most of the information that -- regarding the different plans is  
15 not specific to our service territory; it may be by county, it  
16 may be statewide the number of people receiving certain types of  
17 aid, for example.

18 The other thing is there are multiple ways that somebody  
19 could qualify. A given person may qualify under multiple  
20 programs, so you surely couldn't just -- even if you could  
21 isolate it to our territory, I couldn't just add the numbers up.

22 I'm not aware of anybody coming to grips with any kind of  
23 an accurate number, and I guess that's one of the problems I  
24 have with goals.

25 Q. Did the company ever try to come up with a number?



MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 A. I don't know.

2 Q. Did the company obtain numbers of people who were on these  
3 various government programs?

4 A. I remember at one point in time discussions, and I don't  
5 remember whether they were at the committee or where, concerning  
6 a number of people on specific programs. Could very well have  
7 been with ODHS when Mr. Jacobs and I met with them.

8 Q. And is it your understanding that when Ameritech agreed to  
9 implement the USA Program as part of Advantage Ohio, that it did  
10 not have any number, any projections as to how many people would  
11 be eligible?

12 A. Well, I don't know of any. I mean, I don't know what the  
13 people that negotiated had in the back of their mind, but I  
14 didn't prepare a summary of that.

15 Q. Is it possible that Ameritech would have agreed to  
16 implement the USA Program without making any effort to ascertain  
17 the likely cost?

18 A. Is it possible? I suppose it's possible.

19 Q. Is it likely that Ameritech would have tried to project the  
20 cost?

21 MR. MULCAHY: Objection. Calls for speculation. Go  
22 ahead.

23 THE WITNESS: I guess I would not consider it likely,  
24 but that doesn't mean that you would necessarily have to pin  
25 down a specific number.

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 BY MR. SMALZ:

2 Q. If you don't have a specific number, what would the company  
3 have?

4 A. Well, as I indicated before, you don't know -- and again, I  
5 wasn't part of the negotiation so this is conjecture on my part,  
6 but if I were asked to do that analysis and say what might it  
7 cost, one way to do that would be to look at the enrollment for  
8 each of these plans, add the numbers up, knowing that you're  
9 grossly overstating in all probability because of people being  
10 on multiple plans, but at least you could set an outside limit  
11 to what the cost would be.

12 You could come up with some exaggerated number if you  
13 wanted to analyze to a worst case what might it cost. Someone  
14 could have done that analysis. If they did, I don't know.

15 Q. Well, to the best of your knowledge, is it standard  
16 practice for Ameritech to agree to -- to agree to things without  
17 projecting what the costs of those things would be?

18 A. I guess it kind of hinges on what you mean by project. I  
19 mean, would I expect -- again, it's conjecture on my part, but  
20 would I expect that we would go in and sign a blank check? No,  
21 I don't think we would do that.

22 On the other hand, somebody may have figured worst case,  
23 the cost may be X. Of course, there's always the other side of  
24 it, too, you don't know to the extent that you are successful in  
25 bringing people on to the network that aren't on the network

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

1 today, you have additional revenue coming in.

2 I mean, for all I know, the net effect could be positive in  
3 terms of the net effect on the bottom line. But I don't know  
4 specifically what the negotiators had in mind when they did  
5 that.

6 MR. SMALZ: I have no further questions.

7 MR. MULCAHY: Okay.

8 (Signature not waived.)

9 - - -

10 (Thereupon, the deposition was concluded at  
11 12:50 o'clock p.m. on Wednesday, July 15, 1998.)

12 - - -

13

14

15

16

17

18

19

20

21

22

23

24

25

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

## A F F I D A V I T

- - -

STATE OF \_\_\_\_\_, )  
COUNTY OF \_\_\_\_\_, ) SS:

Daniel R. McKenzie, having been duly placed under  
oath, deposes and says that:

I have read the transcript of my deposition taken on  
Wednesday, July 15, 1998, and made all necessary changes and/or  
corrections as noted on the attached correction sheet, if any.

\_\_\_\_\_  
Daniel R. McKenzie

Placed under oath before me and subscribed in my  
presence this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_.

- - -

\*DEPONET AFFILIATE \* CERTIFIED MIN-U-SCRIPT PUBLISHER\*

MC GINNIS & ASSOCIATES, INC.  
COLUMBUS, OHIO (614) 431-1344

C E R T I F I C A T E

State of Ohio, )  
County of Clark, ) SS:

I, Valerie J. Grubaugh, Registered Merit Reporter and Notary Public in and for the State of Ohio, hereby certify that the foregoing is a true and accurate transcript of the deposition testimony, taken under oath on the date hereinbefore set forth, of

DANIEL R. MCKENZIE.  
I further certify that I am neither attorney or counsel for, nor related to or employed by any of the parties to the action in which the deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed in this case, nor am I financially interested in the action.

Valerie J. Grubaugh,  
Registered Merit Reporter  
and Notary Public in and for  
the State of Ohio.

My Commission Expires:  
August 07, 2001.

\*\*\* CAUTION \*\*\*

This certification bears an original signature in nonreproducible ink. The foregoing certification of the transcript does not apply to any reproduction of the same not bearing the signature of the certifying court reporter. McGinnis & Associates, Inc. disclaims responsibility for any alterations which may have been made to the noncertified copies of this transcript

Ameritech USA Advisory Committee  
Minutes of the Meeting

November 18, 1996

Attendees:

In Columbus:

- Ellis Jacobs
- S. Murtha, Ameritech
- Karen Afeld
- Betsy Krieger, OCC

On The Telephone:

- Jan Bolchalk

In Cleveland:

- Sharon Glaspie, Ameritech
- Cassandra McConnell
- Gwen Hill
- Steve Wertheim
- Bill Gruber
- Dan McKenzie, Director Regulatory Affairs
- Joe Meissner
- Clinton Warne

1. The Secretary was absent for the first one-half hour of the meeting.

2. Budget

The brochure was not printed due to the issue of adding a form for signing up for USA. The mailer has been paid for from the budget. The printing of items in braille and other deaf services are not paid for from our USA budget. A total of \$5,036 has been spent. See the budget that was provided.

3. Other reports from Sharon Glaspie

Ameritech is assigning someone to handle several items that need to be accomplished for the USA program. These include verification by computer tape, ODHS authorization, the VRU issue, and the Day Med issue. Thus, no progress has been made on these issues at this time.

It was asked why requests for someone to be assigned was not made right after our last meeting when some of these issues were raised. The answer is that it was a matter of Ameritech personnel being busy with other matters.

The Day Med issue (Day Med is an HMO), involves an offering by that agency to pay a portion of the phone bills of its clients, its desire that a message be placed on the bills that a portion of the bill was paid by Day Med. Ameritech is willing to do this if it can be worked out how to arrange such a message on the bill.

A mailing address for Ameritech is being published instead of the previous address which was causing confusion. This address is used for the sending of documentation to Ameritech. Also, documentation can be faxed to Ameritech at 1-800-664-8364.

Postage paid envelopes are being purchased by Ameritech and will be sent to customers when they request them, and to social service agencies.

The VRU unit issue is being investigated, for the addition of a message and option to go directly to the USA contractor, if this is feasible.

Ameritech is working with Rick Reese of PUCO on the script to have calls be directed to Ameritech rather than the PUCO concerning waivers or exceptions to the prohibition on extra services. A sense of the Advisory Committee was communicated to Ameritech that records should be kept of the waiver requests and any disapprovals, particularly if such requests are going to be made only to Ameritech and not through PUCO. Otherwise the Committee favored this efficiency step. Sharon Glaspie will check to see if they can provide the records to the Committee. Ameritech is still working it out with Rick Reese.

As to the phones in lobbies of Human Service agencies, Ameritech is still looking for a small county in which to place phones in their Human Services office. A meeting is scheduled on December 5th to evaluate the effectiveness of the phones placed in Cleveland. The Company does not know how much the phones have been used, and does not have any statistics or data kept on this subject. Ameritech will check with personnel at the Human Service offices to see how often the phones have been used. The Committee asked that Ameritech have the contractor for USA begin asking how customers found out about USA and whether they used a phone in an agency.

4. Response to Ellis Jacobs letter.

No response has been received to date.

5. Evaluation Subcommittee Report

The Subcommittee met on November 13th. The next meeting will be Tuesday, December 10th at 10:30 a.m. Bill Gruber reported on the Subcommittee's plans to prepare a report that will be reviewed by the entire Advisory Committee and once approved, would be filed with the PUCO, as was our prior report for last year. The Subcommittee recommended to the Committee, and it was MOVED by the Subcommittee, SECONDED by Steve Wertheim: Ameritech shall have as its goal for the number of participants actually registered in the USA and SCA programs the following:

50,000 by March 1, 1997  
100,000 by June 1, 1997  
200,000 by June 1, 1998  
300,000 by June 1, 1999

In the discussion, a concern was raised that many participants may be ineligible once various programs that provide eligibility are eliminated or severely reduced. The Advisory Committee acknowledged that we may need to revise the eligibility criteria and seek Ameritech's agreement on this in the future. It was reported that these numbers for the goal are based on approximately one-half the total number assumed to be eligible in Ameritech territory of 600,000.

The Advisory Committee unanimously approved the motion establishing the goal.

6. Communications Subcommittee

A concern was raised that the mailings through the ODHS are not reaching those who do not get a check by mail nor a medical card. To reach these persons would require a separate mailing. This will be discussed on December 5th at the meeting that Ellis Jacobs and Ameritech are having with ODHS.

It was reported the HEAP will be doing their mailing soon. Ameritech will be including the cards in the HEAP mailings. It was noted that some clients receive HEAP benefits and no other benefits.

The Subcommittee MOVED that the Advisory Committee approve the RFP to hire community groups to provide outreach. The



motion was SECONDED. An issue was raised as to whether the Southeast Ohio territory is too large for a single group to be hired and whether more money is needed. It was decided that proposals could be made for Southeast Ohio based on as much of the area as a group could reasonably cover based upon the amount of money being provided. Other changes were also suggested and agreed upon for the RFP. The amended RFP was unanimously approved by the Advisory Committee.

The Communications Subcommittee will meet again on Wednesday, December 4th at 10 a.m.

7. Training and Enrollment Subcommittee

It is the sense of the Advisory Committee that the Committee has asked previously that the Company shall tell potential USA participants what is required for paying past due bills in order re-initiate service. (The "USA final payment arrangement plan.") The Advisory Committee disapproves of the policy of Ameritech that customer service representatives first ask potential USA participants how much they can afford to pay, before telling them what the minimum payment requirements are under USA. All Committee members agree that this was the previous understanding of the Committee and that Ameritech should implement this change in its script for customer service representatives in the final payment group.

It was MOVED by Joe Meissner, and SECONDED by Clinton Warne, that Ameritech policy on temporary disconnections that have not been referred to the final bill payment personnel, should parallel those policies for new customers. This motion was approved unanimously.

The next meeting of the Enrollment and Training Subcommittee will be Friday, December 13th at 10 a.m.

8. The Advisory Committee reviewed the proposed letter concerning call waiting. The Advisory Committee has previously approved the position that call waiting be included as an option for USA customers, at their cost.

9. The next USA Advisory Committee meeting will be held Monday, December 16th at 11:30 a.m.

Submitted by, 

William M. Ondrey Gruber  
Chief Assistant Director of Law

Secretary

Ameritech USA Advisory Committee  
Minutes of the Meeting

October 21, 1996

Attendees:

In Columbus:

- Dick Hoffman
- Ellis Jacobs
- Rich Pace
- S. Murtha, Ameritech
- Rick Reese
- Karen Affeld
- Mary Smith
- Dan McKenzie, Director Regulatory Affairs
- Mike Mc Kee

On The Telephone:

- Jan Bolchalk

In Cleveland:

- Sharon Glaspie, Ameritech
- Cassandra McConnell
- Art Edgerton
- Gwen Hill
- Steve Wertheim
- Marcel Kidd, Empowerment Center
- Bill Gruber

1. This is Rich Pace's last meeting.

2. MOVED: S. Wertheim moved to ask Karen Affeld to be on the Advisory Committee representing South East Ohio; she is with South East Ohio Rural Action. SECONDED by Art Edgerton. Voted unanimous in favor of adding Karen to the Committee.

3. Letter From Jim Smith of Ameritech to the Advisory Committee. This was his response to Bill Gruber's report to the Advisory Committee from the Subcommittee On Payment Arrangements about its meeting with Jim Smith and Mary Smith. The Committee had previously (September 16) determined to wait to take any further action on its motion concerning the eligibility issue until it receives the response from Jim Smith. Jim Smith responded to the question of whether the Company has taken the position that it can unilaterally change a prior agreement reached between the Company and the Advisory Committee.

At the next meeting, the Committee would discuss whether any party has decided to individually respond to the letter. It was suggested that the Committee should make its concerns known in an official manner as to whether AMeritech would listen to the Committee and keep its promises to the Committee and to the PUCO. MOVED by Jan Bolchalk that the Committee file a letter of concern at the PUCO about Jim Smith's letter. SECONDED by Gwen Hill. The Committee voted 7-0-1 in favor of sending the letter. Ameritech abstained. Ellis Jacobs will write the letter.

4. ODHS Mailing.

A. The mailing went out -- 60,000 to Cuyahoga County clients, on October 2 thru the 4th. They planned on a 5% response says S. Glaspie, but they have been getting a 25% response. Through 10/20/96 they have received an increase of 2100 calls in October over September. Call volume did go down as the month progressed. Many called in the first week. (Ameritech had 7633 calls in September, and 9693 October 1-20. The next mailing is to be 350,000 around October 30-31. Ameritech is trying to work out how to handle the calls. They may postpone mailings.

B. It was asked whether the mailing includes a postage-paid return envelope; the answer is "no". The address is provided. The Enrollment and Training Subcommittee agreed that such an envelope should be provided.

C. Sharon Glaspie noted that there is a 6-8 week lag between the call of a potential USA customer and their actual enrollment in the program.

5. Enrollment Center Performance.

M. Smith's response to C. McConnell was provided. C. McConnell said this is the same response to these issues we have been given previously.

6. Enrollment Process.

A discussion was held on how to make it easier to sign up. Accepting sign up over the phone and verifying eligibility later was one idea. Having the agencies provide a tape transfer is another idea. S. Glaspie will follow-up all of these ideas.

A question arose about those with a need for extra services. PUCO has received over 100 calls in the past 2 weeks from people about the waiver process and eligibility. Sharon Glaspie will check whether customer letters for seeking waivers could be sent direct to Ameritech rather than PUCO.

7. Brochure and Application Form.

No enrollment mail in has been developed. Company has not found a way to implement this agreement. MOVED by S. Wertheim that the mailer, not the brochure, be used until the mail in form is developed and put on the brochure. SECONDED by A. Edgerton. Approved by the Committee 9-0-0.

8. ODHS Lobby Phones.

They are in in Cuyahoga County. Not in Clark Co. yet, due to technical problems. Ameritech is looking for another small County.

9. Miscellaneous.


To get mailer cards, ask S. Glaspie. Cards are in English only, and not in braille either. Brochures will be in Spanish and English, and in braille.

Grassroots promotion contracts policy. A one page document was distributed. The Outreach Subcommittee proposed that Ameritech pay community groups in 7 areas to do community outreach. Ameritech said it must consider this internally. It was agreed that the Subcommittee would discuss and edit the proposal. This probably would not be done until 1997 anyway. It will be discussed early at the next Advisory Comm. meeting.

Reasonable payment arrangements discussed. The PUCO's Order in the Disconnect case is out. Ameritech will provide copies to everyone. Implementation is by Mid February.

MEETING DATES: E & T - 10/25/96; Communications - 11/17/96; Call Waiting - after Meissner drafts letter; Evaluation - 11/13/96.

Submitted by,

William M. Ondrey Gruber   
Chief Assistant Director of Law

Secretary

4-5

Ameritech USA Advisory Committee  
Minutes of the Meeting

December 16, 1996

Attendees:

In Columbus:

- Ellis Jacobs
- Susan Murtha, Ameritech
- Karen Afeld
- Vickie Leach-Payne, OCC
- Dick Hoffman
- Jennifer Reed, PUCO

On The Telephone:

- Jan Bolchalk
- Joseph Meissner

In Cleveland:

- Sharon Glaspie, Ameritech
- Cassandra McConnell
- Steve Wertheim
- Bill Gruber
- Dan McKenzie, Director Regulatory Affairs
- Clinton Warne

1. New numbers were provided for USA subscription. No report for November has been completed yet. Figures are not available by the regular USA Advisory Committee meeting date each month. A report was provided for the number of calls to the USA phone number for the dedicated workgroup. A letter by Ellis Jacobs to the PUCO was also passed out.

2. The budget was discussed. An amount of \$172,000 was available in 1996. Any unspent amount from 1996 will be available in 1997. The Committee requested that Ameritech provide a report at the next meeting showing how the money has been spent, how much money is left for 1997, etc. Sharon Glaspie agreed to provide this report at the next meeting.

3. VRU Unit

Ameritech has assigned this to a Project Manager. A Product Manager is needed as well. There is one in Chicago. Should this person attend our meetings? The Committee agreed that the Product Manager should attend the next meeting.

#### 4. Medical Waivers

The PUCO is asking the Company to handle these rather than at the PUCO. The Committee asked the Company how a potential customer could "appeal" a denial of a waiver request.

It was noted that 112 waivers had been requested of the PUCO in one week, sent mostly from the dedicated workgroup of Ameritech.

Some on the Committee want PUCO to handle the medical waiver request. The Committee all agreed that the Company and PUCO should meet and come up with a protocol for handling these calls. The Company and PUCO agreed to meet and develop a protocol.

The Committee requested that the Company handle requests for waivers based on Committee approval of the protocol. The Committee also requested that Ameritech report to the Committee periodically about the numbers of request for waivers, how many are approved or rejected, why they are rejected, and situations that do not fit the protocol.

This will be discussed on next month's agenda.

#### 5. Verification by Computer Tape

Ellis Jacobs and Dan McKenzie met with the Ohio Department of Human Services. ODHS said that without a written letter of authorization from the client, the ODHS will not release information. The Company was asked to consider eliminating all written verification, and work on an enrollment process by telephone without paper. It will need to get a case number, to audit the system, and to send authorization forms to customers for an audit so that ODHS would release the personal information.

A PUCO representative at the Committee meeting suggested that the Company could check with other utilities to see how they handle this.

The Company left it with ODHS that they will consider doing a verification over the telephone, and to develop questions for auditing and verification.

#### 6. Communications Subcommittee

A. Development of a brochure has been on hold pending the determination of the issue of a mail-in sign up for USA.

4-5

Ameritech USA Advisory Committee  
Minutes of the Meeting

February 24, 1997

Attendees:

In Columbus:

- Ellis Jacobs
- Dick Hoffman
- Rick Reese, PUCO
- Sue Drombetta, Ameritech (614-223-8184)
- Dan McKenzie, Director Regulatory Affairs
- Amy Weinrich, PUCO
- Vickie Leach-Payne, OCC

On The Telephone:

- Jan Bolchalk

In Cleveland:

- Steve Wertheim
- Bill Gruber
- Gwen Hill
- Joe Meissner
- Marcel Kidd, Empowerment Center
- Sharon Glaspie, Ameritech
- Art Edgerton
- Clinton Warne
- Cassandra McConnell

1. It was MOVED by Art Edgerton and SECONDED by Gwen Hill to approve the minutes for the December and January Advisory Committee meetings. The Committee voted UNANIMOUSLY to approve the minutes.

2. Participant Report Provided

See the attached report. As to the issue of why some callers to the special USA number turn out not to be interested in USA even if they are eligible, the Company has been asking these callers why they are not interested. Answers were obtained from 379 callers during the past month. Of these, 179 were interested in call waiting, which is not permitted for USA customers. This is 47% of the total who are not interested.

It was reported that 34% of USA customers are disconnected for non-payment after getting on to USA. Ameritech reported

that this is not exceptional because 31% of all Ameritech residential customers are disconnected for non-payment at one time or another. Also, Ameritech reported that 50% of all accounts have unpaid live balances Ameritech-wide.

The unpaid balances for Ameritech equal 38% of all revenues billed.

One Advisory Committee member asked whether USA customers are being marketed by customer service representatives for other services and then getting dropped off of USA when they sign up for such services. Sue Drombetta will try to get an answer. It was noted that previously when this question has been asked we were told that customer service representatives do not market other services to USA eligible customers.

Ameritech asked that someone on the Committee write up an explanation of the problems concerning the loss of potential participants in USA, and actual participants in the future, due to changes in state and federal human services programs. Joe will work with Marcel Kidd, Steve Wertheim and Gwen Hill to write this up.

As to the VRU unit, S. Drombetta was not sure what we are looking for. The Committee said that it wants USA to be a choice when calling the VRU unit. This has been an ongoing issue, although Sue Drombetta is new to this area. Sue will look into it.

### 3. Live Account Payment Issue

This has been handled by the Training and Enrollment Subcommittee. It was explained to Sue Drombetta that this has been a long standing issue that has gone unresolved by Ameritech. Those who are temporarily disconnected, as defined by Ameritech, have to wait two weeks before their account is sent to the final bill payment unit, which would permit the customer then to sign up for USA. The Committee has asked repeatedly that the Company allow customers who are disconnected to sign up for USA even during the two week period before the account is sent to the final bill payment unit. Dan McKenzie will look into this.

### 4. Mailings

There was a mailing to 690 agencies, including HEAP, social service offices, etc., with a box containing posters, signs and brochures.



In March, Ameritech will contact the Ohio Department of Human Services. There will be about 350,000 people sent medical cards from the Ohio Department of Human Services. The problem raised by the state, is that they say they must send the mailing out all at once, but Ameritech says that it cannot handle the call volume if this many mailing go out at one time and a great number of these people call Ameritech. Ameritech says that the mailing, if it goes out all at once, would at least have to be made at a different time of month, that is not at the beginning, which would be Ameritech's busiest time.

Sharon Glaspie is waiting to hear from HEAP about subsequent mailings to HEAP clients.

5. Call Handling

An internal Ameritech group is going to handle calls rather than an outside contractor. They will be Ameritech employees located in Michigan. They are considered a dedicated workgroup by Ameritech.

6. Budget

Ameritech will provide envelopes, but neither envelopes nor brochures will be paid for from the USA budget. In 1997 \$158,500 has been spent of the budget, leaving \$118,000 remaining. Ameritech is going to pay for putting PSAs out as ads.

7. Disconnect Policy

Ameritech implemented the new PUCO disconnect policy, in part, one month earlier than required. It was implemented on January 13th. The details of implementation must still be worked out. Those who have had their service disconnected due to amounts allegedly owed to long distance companies and have a portion of their balance stemming from service prior to January 13th, cannot be reconnected without entering into payment arrangements for the entire bill, including long distance charges. Ameritech stated that their contracts with the long distance firms are not the reason for this policy.

Also, Ameritech is now using universal blocking of long distance, until the PUCO's order requiring selective blocking goes into effect.

The Staff of the PUCO has met with Ameritech, and hopes to work out this issue. Ameritech is not the only company failing to abide by the order. However, some companies are interpreting the disconnect policy in the manner that the PUCO Staff believes it should be interpreted.

As to the disconnect policy, both the PUCO Staff and the OCC expressed concern. OCC said they are considering what legal action they should take. A conference call was set up involving Ellis Jacobs, Joe Meissner, Marcel Kidd, Vickie Leach-Payne, and Bill Gruber to talk about the disconnect issue.

A MOTION was made by Joseph Meissner, and SECONDED by Art Edgerton and Gwen Hill, as follows:

WHEREAS, the goal of the USA Advisory Committee for Ameritech is to promote universal access to telephone service; and

WHEREAS, many low-income families have had their telephone service terminated due to alleged unpaid local and long distance telephone service bills; and

WHEREAS, the PUCO has adopted a policy prohibiting local exchange companies, such as Ameritech, from disconnecting basic local service, merely for the alleged failure to pay long distance charges; and

WHEREAS, Ameritech and other companies have adopted a policy that they will not reconnect customers whose service has been disconnected, even if that customer pays all local service charges, if there is any alleged debt owed to a long distance provider which debt stems from service provided prior to January 13, 1997; and Ameritech and other companies are requiring such customers to make binding payment arrangements for all local and long distance charges stemming from service prior to January 13, 1997 before providing basic local service; and

WHEREAS, this policy of Ameritech and other companies is unreasonable, confusing, contrary to the letter and intent of PUCO orders, and a hindrance to the goal of universal access to telephone service;

THEREFORE, be it resolved:

1. That the USA Advisory Committee urges Ameritech to adopt a more reasonable policy in line with the letter and intent of the PUCO disconnect order, that will allow the reconnection and/or maintenance of local telephone service if payment arrangements for local service are made, and that local service not be refused to customers merely on the basis that customers have not made binding arrangements to pay pre-January 13, 1997 long distance charges.
2. The USA Advisory Committee encourages customers, including low-income families, to pay their reasonable telephone bills, but the Committee opposes the exclusion of such customers from basic local service, based merely on pre-January 13th long distance debts.
3. That this Motion, upon approval, should be directed to the PUCO.

The Committee voted UNANIMOUSLY in favor of the motion.  
Ameritech did not vote.

7. Payment Arrangements

USA customers are getting the same payment arrangements as had been previously agreed to; 10% or \$50, whichever is less, as a down payment. Ameritech is suggesting to the Advisory Committee that this policy be changed to \$25 as a minimum payment, or 10% or the bill, whichever is greater.

The Committee asked the amount of the average local delinquent balance. This has been asked of Ameritech previously. We have never received a response. Sue Drombetta will check on this.

8. Grass Roots Promotion Grants

Training has been scheduled in Cleveland for Wednesday, February 26th, Columbus on Friday, February 28th, Zainsville on Thursday, February 27th. Other training sessions are being scheduled in Dayton, Akron and Mahoning County. Grass roots groups have been hired to provide outreach in all areas except the Toledo area.

A MOTION was made that Ameritech provide cellular phones to outreach workers in this grass roots promotion campaign, so

that they can provide the phones to potential USA customers during meetings that they hold in the community so that the potential customers can call the special USA number immediately. The MOTION was SECONDED by Jan Bolchalk, Art Edgerton and Dick Hoffman. The MOTION was approved UNANIMOUSLY. The Company stated that they will look into this issue.

It was asked of Ameritech whether outreach workers could verify whether a person is a participant in a program providing USA eligibility, and pass that information on to the Company. Sue Drombetta will check out this issue.

Outreach workers can get postage paid envelopes for the mailings into Ameritech of documentation obtained from potential USA customers. Sharon Glaspie will get enough envelopes for the outreach workers.

A MOTION was made by Steve Wertheim to accept the Stark County Community Action Agency as the outreach agency for that area. Jan Bolchalk SECONDED the MOTION. The motion was approved by the Committee UNANIMOUSLY.

#### 9. Call Waiting

Ameritech stated that they are still exploring this issue. A new project manager has been assigned to this issue in the past month.

Joe Meissner reported that he has considered how an evaluation of the call waiting experiment would be done. He stated that the evaluation would be made of the number of users of telephones per family where call waiting is used, an evaluation of what the phone is used for, the use of call waiting would be measured as to how often it is used and what types of calls are involved in the use of call waiting, and what future needs exist for call waiting in a family, particularly whether a person would continue on USA without call waiting. It was suggested that the existing outreach people being hired by the Company be used for the evaluation.

The Advisory Committee agreed that we should set a date for an answer from the Company on the call waiting experiment request. The Committee asked that Ameritech provide an answer at the next general Advisory Committee meeting.

Joe Meissner will draw up a more formal call waiting experiment evaluation process. Suggestions are needed for how it should be administered.

10. Next Meetings

The Evaluation Subcommittee will meet on March 18th at 2pm. The Enrollment Subcommittee will meet on March 19th. The Communication Subcommittee will meet on March 12th at 10am. The general USA Advisory Committee meeting will be on March 24th, April 21st, and thereafter on the third Monday of each month.

Submitted by,

William M. Ondrey Gruber  
Chief Assistant Director of Law

Secretary

MOTIONS APPROVED AND REQUESTS MADE OF AMERITECH

AT THE MEETING OF FEBRUARY 24, 1997

1. It was MOVED by Art Edgerton and SECONDED by Gwen Hill to approve the minutes for the December and January Advisory Committee meetings. The Committee voted UNANIMOUSLY to approve the minutes.
2. An Advisory Committee member asked whether USA customers are being marketed by customer service representatives for other services and then getting dropped off of USA when they sign up for such services. Sue Drombetta will try to get an answer.
3. Ameritech asked that someone on the Committee write up an explanation of the problems concerning the loss of potential participants in USA, and actual participants in the future, due to changes in state and federal human services programs. Joe will work with Marcel Kidd, Steve Wertheim and Gwen Hill to write this up.
4. The Committee said that it wants USA to be a choice when calling the VRU unit. Sue Drombetta will look into it.
5. The Committee asked that the Company allow customers who are disconnected to sign up for USA even during the two week period before the account is sent to the final bill payment unit. Dan McKenzie will look into this.
6. A MOTION was made by Joseph Meissner, and SECONDED by Art Edgerton and Gwen Hill, as follows:

WHEREAS, the goal of the USA Advisory Committee for Ameritech is to promote universal access to telephone service; and

WHEREAS, many low-income families have had their telephone service terminated due to alleged unpaid local and long distance telephone service bills; and

WHEREAS, the PUCO has adopted a policy prohibiting local exchange companies, such as Ameritech, from disconnecting basic local service, merely for the alleged failure to pay long distance charges; and

WHEREAS, Ameritech and other companies have adopted a policy that they will not reconnect customers whose service has been disconnected, even if that customer pays all local service charges, if there is any alleged debt owed to a long distance provider which debt stems from

service provided prior to January 13, 1997; and Ameritech and other companies are requiring such customers to make binding payment arrangements for all local and long distance charges stemming from service prior to January 13, 1997 before providing basic local service; and

WHEREAS, this policy of Ameritech and other companies is unreasonable, confusing, contrary to the letter and intent of PUCO orders, and a hindrance to the goal of universal access to telephone service;

THEREFORE, be it resolved:

1. That the USA Advisory Committee urges Ameritech to adopt a more reasonable policy in line with the letter and intent of the PUCO disconnect order, that will allow the reconnection and/or maintenance of local telephone service if payment arrangements for local service are made, and that local service not be refused to customers merely on the basis that customers have not made binding arrangements to pay pre-January 13, 1997 long distance charges.
2. The USA Advisory Committee encourages customers, including low-income families, to pay their reasonable telephone bills, but the Committee opposes the exclusion of such customers from basic local service, based merely on pre-January 13th long distance debts.
3. That this Motion, upon approval, should be directed to the PUCO.

The Committee voted UNANIMOUSLY in favor of the motion. Ameritech did not vote.

7. The Committee asked the amount of the average local delinquent balance. Sue Drombetta will check on this.

8. A MOTION was made that Ameritech provide cellular phones to outreach workers in this grass roots promotion campaign, so that they can provide the phones to potential USA customers during meetings that they hold in the community so that the potential customers can call the special USA number immediately. The MOTION was SECONDED by Jan Bolchalk, Art Edgerton and Dick Hoffman. The MOTION was approved UNANIMOUSLY. The Company stated that they will look into this issue.

9. It was asked of Ameritech whether outreach workers could verify whether a person is a participant in a program providing USA eligibility, and pass that information on to the Company. Sue Drombetta will check out this issue.

10. A MOTION was made by Steve Wertheim to accept the Stark County Community Action Agency as the outreach agency for that area. Jan Bolchalk SECONDED the MOTION. The motion was approved by the Committee UNANIMOUSLY.

11. The Advisory Committee asked that Ameritech provide an answer at the next general Advisory Committee meeting on the Call Waiting issue.



Received 2/24/97

# USA PROGRAM PARTICIPATION REPORT

END OF MONTH SUBSCRIBERSHIP LEVELS				NEW PARTICIPANTS ADDED				PARTICIPANTS DROPPED			
	TOTAL PLAN 1	TOTAL PLAN 2	GRAND TOTAL	TOTAL PLAN 1	TOTAL PLAN 2	GRAND TOTAL		TOTAL PLAN 1	TOTAL PLAN 2	GRAND TOTAL	
Sep-96	18,069	12,326	30,395	706	734	1,440		669	1,733	2,402	
Oct-96	18,336	11,854	30,190	1,190	969	2,159		923	1,441	2,364	
Nov-96	19,304	12,192	31,496	1,734	1,068	2,802		766	730	1,496	
Dec-96	19,870	12,359	32,229	2,552	1,130	3,682		1,986	963	2,949	
Jan-97	20,644	12,914	33,558	1,769	1,210	2,979		995	655	1,650	
Cum				7,951	5,111	13,062		5,339	5,522	10,861	

## GEOGRAPHIC SUMMARY

Akron	4,626
Cleveland	5,250
Columbus	5,642
Dayton	2,825
Toledo	2,301
	20,644

VENDOR ACTIVITY		ELIGIBLE NO INT.	NOT ELIGIBLE	PLAN 1	PLAN 2	REFER	OTHER	TOTAL CALLS
Mailing								
Sep-96	60,000	741	1,010	3,090	3,031	1,119	960	9,951
Oct-96	100,000	2,537	1,868	5,550	4,222	2,290	1,473	17,940
Nov-96	200,000	2,587	2,118	6,715	3,770	2,817	2,056	20,063
Dec-96		2,947	2,905	7,335	4,535	8,254	2,991	28,967
Jan-97		1,568	2,090	5,059	4,337	3,981	1,940	18,975
Cum	360,000	10,380	9,991	27,749	19,895	18,461	9,420	95,896

thru 1/30/97

Confidential

It has been the position of the Company that they will only take orders for USA service, or any service, on the telephone and not by mail. Verification can be mailed in, however.

One suggestion was that the call-in center accept written or mail-in subscription forms, and then the call center would call and set up the orders as if they were the customer calling. However, the Company said that they cannot and will not do the mail-in form under any circumstances.

A MOTION was made by Gruber, SECONDED by Vickie Leach-Payne, that we go forward with the brochure without the mail-in form, despite disagreement with the Company on this issue. The Committee UNANIMOUSLY approved developing the brochure without the mail-in form, and that it be developed in English and Spanish and in Braille. The deadline for comments on the brochure is the end of the day Friday, December 20th, which should be provided to Steve Wertheim.

B. Return Envelopes, self-addressed and postage pre-paid

As a rule, the Company does not use postage prepaid business reply envelopes. The issue has arisen as to whether the Company would provide postage prepaid return envelopes for customers to send in verification of eligibility for USA. The envelopes would be available at ODHS offices, other offices, and be mailed out.

The Company said that there is a cost but no budget. The Committee stated that it is not part of the promotional budget available to the Committee but should be part of the Company's cost of signing customers up for USA. Sharon Glaspie will check into whether this can be done, and who would pay.

C. Proposal for Outreach

See the Request for Proposal (RFP) which has been distributed to Committee members. The RFP has already been sent out. Sharon Glaspie talked to external relations persons in the various areas of Ameritech territory in Ohio. It was noted that Canton should have their own outreach group hired. The various external relations persons and committee members from each area would make recommendations on who to hire in each region.

D. Miscellaneous

The cards sent in ODHS mailings have been provided to welfare departments, and they have been printed in Spanish and Braille.

An Ameritech employee has been assigned to the Day Med issue.

Ameritech has drafted a response to Ellis Jacobs' October 25th letter but it has not been approved by Jim Smith of Ameritech yet.

As to Ellis Jacobs' letter to Chairman Glazer on our goals for USA subscription numbers, Dan McKenzie asked the Committee to consider why the numbers subscribing to Ameritech have not changed, and why people are dropping off. The Committee noted that we have no data from Ameritech, despite requesting it, on the numbers dropping off of USA.

The disconnection policy has been distributed to everyone. An Entry was issued by the PUCO. It was discussed how this Order of the PUCO will effect the USA program. The Company noted it has not worked out how the new policy of the PUCO will be applied to USA. They will provide a response at the next USA Committee meeting.

7. Evaluation Subcommittee

The next meeting will be Friday, January 10th at 10am. Bill will send out a draft report in advance. (Note: Bill was not able to send out the draft report in advance.)

8. Enrollment/Training Subcommittee

Ameritech continues to use their script for payment arrangements for potential USA subscribers despite Committee opposition. The Company has agreed to study the issue, and track customers over the next few months. The standard script has customer service representatives asking potential customers how much they can afford to pay up front, despite the payment arrangement agreement with the USA Committee. It was determined by the Subcommittee that there are no issues to discuss in the Subcommittee while Ameritech is looking into the script issue.

9. Call Waiting

Ellis Jacobs contacted OCC, and they wrote a letter supporting a one year pilot project. OCC does have issues that the Committee should look into in considering making call waiting available for USA customers. Joe Meissner is to provide answers to questions raised by the OCC. It was reported by Ameritech that the Company is leaning toward

approving the one year pilot project. Joe Meissner should call another meeting of the Subcommittee with Dan McKenzie.

10. Ad Hoc ODHS Subcommittee

This Subcommittee will look into reaching welfare recipients who do not receive ODHS mailings. This includes HMO participants. Vickie Leach-Payne and Dan McKenzie attended an ODHS meeting with HMOs present. They passed out an article for their newsletters. It was positively received. No further action is planned at this time.

11. HEAP Mailings

These were sent in March, April and May. Approximately 5,000 signed-up after those mailings. It cost \$12,000. A question was raised as to whether we should do this again. The Committee agreed that a mailing should be made to HEAP participants again.

12. Enrollment Numbers

It was noted that the Committee is focused on enrollment numbers, and that the Company is responsible to provide them to the Committee. This is the goal for 1997 for the Committee.

Next meetings of the USA Committee are January 13th and February 24th.

Submitted by,

William M. Ondrey Gruber  
Chief Assistant Director of Law

Secretary

Ameritech USA Advisory Committee  
Minutes of the Meeting

January 13, 1997

Attendees:

In Columbus:

- Ellis Jacobs
- Dick Hoffman
- Rick Reese, PUCO
- Noel Reese, City of Columbus
- Sue Drombetta, Ameritech (replacement for Mary Smith)

On The Telephone:

- Jan Bolchalk
- Gary Volpe, Ameritech, New Product Manager Lifeline Plans  
(from Chicago) Telephone No. 847-248-8607  
(call waiting issue)

In Cleveland:

- Steve Wertheim
- Bill Gruber
- Dan McKenzie, Director Regulatory Affairs
- Gwen Hill
- Joe Meissner
- Heather McCullough, Cleveland Legal Aid

1. The minutes of the meeting of December 16, 1996 were not ready at the time of the meeting and will be mailed to all members.

2. Review of Numbers of USA Callers and Subscribers.

Ameritech stated that they do not know if anyone at Ameritech does any kind of exit interviews for those who leave or are taken off of USA. It was unknown as to why, for example, there were 3,090 persons who showed an interest by telephone by the end of September in signing up for USA, but in November only 1,734 persons were added.

The Advisory Committee requested Ameritech to be prepared for a discussion and explanation at the next meeting as to:

- (a) Why so many USA subscribers are dropping off of the program;

- (b) Why the numbers of persons expressing an interest in USA are not showing up as new additions to the program.

The Company will try to provide this information. It is not clear whether we are losing people at the stage of (1) proof of eligibility, (2) payment arrangements, (3) some other point in the process.

3. Medical Waiver

Ameritech will be willing to do this and ready to go by Wednesday, January 15th. Medical waiver requests by persons wanting to be eligible for USA, but who need other services that would otherwise make them ineligible, should now be made to Ameritech directly, rather than to the PUCO. Ameritech agreed that they will keep a file of those who are rejected. The Advisory Committee asked Ameritech to provide a protocol or script, and a report, concerning those who make a request for a waiver and are rejected. Dan McKenzie will report on this at the next full Advisory Committee meeting. Ameritech stated that they plan to send a letter to customers as to whether they are accepted or rejected from USA based on their request for a waiver.

4. Paperless Verification with ODHS

Ameritech was not able to get in touch with persons at ODHS over the holidays. Ameritech will now work on this matter, which has been assigned to Sue Drombetta.

5. VRU Unit

Ameritech reported on two aspects of this issue. One is the "prequalification using the touch tone pad" matter. Ameritech is looking at this.

The Committee also stressed to Ameritech that we want the USA option placed on the VRU unit phone message when persons call into the general number of the business office, so that they can choose an option labeled in the message as USA. Dan McKenzie will check into the status of this option.

6. Live Account Issue

Ameritech will look at this in the first quarter of 1997.

7. Mailings

Ameritech will determine soon the dates for new mailings. This will be discussed at the next Communications Subcommittee meeting.

8. Day Med

Ameritech has not found a way to put a notice on bills that would state that Day Med is paying a portion of the bill. They can, however, credit bills based on the portion paid by Day Med, but they are not sure whether Day Med will go along with this.

9. Brochure

Suggestions were received by Ameritech from the Advisory Committee on the latest draft of the brochure prior to this meeting. Ameritech will send out a new draft for final review after Sharon Glaspie returns.

10. Return Envelopes

The business office does not, but can, provide return envelopes, but that they must be paid for out of some budget within Ameritech. Steve Wertheim said that Ameritech should at least have return envelopes, without postage prepaid, and all Advisory Committee members agreed that we should go forward with this. Ameritech said that it would do this.

11. October 25th Letter Response

Ameritech has not yet finally approved a response to the October 25th letter from the Advisory Committee.

12. Call Waiting

Gary Volpe of Ameritech is drafting a proposal and believes that there is a very positive outlook for this request within Ameritech. Dan McKenzie from Regulatory has approved this idea. Gary Volpe is looking at it, and the product area is in favor. The request must now go up through management. The Advisory Committee will be given an answer in February, 1997.

The OCC has an issue about how the inquiry will be done at the end of the year trial period. There is a need to decide

now what information is needed so that it can be evaluated later. Joe Meissner will work on this and distribute to all members a proposal for how the inquiry will be conducted and what information must be gathered by Ameritech during the trial period.

### 13. Disconnect Policy

Ameritech agrees conceptually that the minimum amount of payment should be calculated for USA customers based on the local bill, excluding all toll bill amounts. The Company is now concerned, however, that the 10% minimum payment is too low an amount. The Company wants to know whether this issue is open for negotiations. Bill Gruber said that we need to know the amounts of the typical and/or average local bills so that we can determine whether 10% is a reasonable amount for a USA subscriber to pay. The Company will try to provide this information.

It was emphasized that when we talk about the "local bill", we are discussing "non-toll, regulated service charges." The Advisory Committee Chair suggested that an Ad Hoc Committee be set up to meet by telephone before the next full Advisory Committee meeting to discuss this issue. Volunteering for this were Sue Drombetta of Ameritech, Jan Bolchalk, Steve Wertheim, Bill Gruber, and Ellis Jacobs. Ameritech will contact these persons to set up a meeting. The goal is to have a meeting the week of February 10th.

### 14. Budget

A report and proposal for the budget is not available at this time from Ameritech. The Advisory Committee wanted to look at 1996 and 1997.

15. The Communications Subcommittee Meeting will be Thursday, January 23, 1997 at 2pm. Ameritech will set this up.

### 16. Grass Roots Promotion Grants

A discussion was held concerning the status of the various RFPs that were sent out, and whether responses were received to each of them. The goal is to have the programs begin in March 1997.

#### (A) Youngstown

Eighty (80) RFPs were sent out to groups on lists from the United Way and Legal Aid Society. Eight (8) proposals were



received. It was determined by the Ameritech Youngstown representative and the Advisory Committee's Youngstown area representative that the agency must be a Youngstown centered group. This eliminated the Liverpool area. This narrowed the list of proposals being considered to four. Jan Bolchalk and the Ameritech representative agreed on one proposal of the Mahoning Valley Dispute Resolution Service.

(B) Dayton

Fifty (50) RFPs were sent out, and four proposals were received. Ellis Jacobs and the Ameritech representative from the Dayton area chose two groups to perform the work for that area, and those groups were agreeable on the idea of splitting the monies available for the grass roots promotion. The two groups chosen were Saint Mary Development Corporation, and the Martin Luther King Development Corporation.

(C) It was moved by Bill Gruber to approve the two organizations for Dayton and one for Youngstown. The motion was SECONDED by Gwen Hill. The Advisory Committee unanimously approved these selections for Youngstown and Dayton.

(D) The Advisory Committee at the next meeting of the Communications Subcommittee will discuss the remaining proposals for the other areas of Ameritech territory; i.e. Cleveland, Columbus, Akron, Toledo, and Southeast Ohio/Zainsville. Steve Wertheim agreed to contact the Committee representatives from each area. Ameritech will check with their own representative from each area.

(E) The Advisory Committee discussed the need for these organizations to be fully ready to perform the work being requested. Training is required for these groups. Dayton has set up meetings in February to discuss the program itself and what the groups should do and not do in promoting USA. Training must be set up for Youngstown, which may be done by conference call. The Company must set up these training sections and notify the committee representatives from these areas so that the training goes forward on time and is thorough.

17. Evaluation Subcommittee

The report for the ~~Evaluation Subcommittee~~ has not been completed. There was a meeting at which the Subcommittee discussed the report. Bill Gruber will draft the report and then set up a meeting of the Subcommittee.

18. Next meeting of the Advisory Committee will be February 24th.

Submitted by, *WJ*

William M. Ondrey/Gruber  
Chief Assistant Director of Law

Secretary