

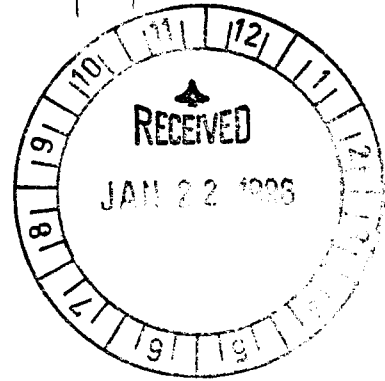


GTE Telephone Operations
Florida Operation

One Tampa City Center
201 N. Franklin Street
P.O. Box 110
Tampa, FL 33601-0110

January 19, 1996

Mr. Walter D'Haeseleer, Director
Division of Communications
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850



Dear Mr. D'Haeseleer:

**Subject: Docket No. 950778-TL - Service Standards
Response to Data Request dated November 14, 1995**

Enclosed is GTE Florida's response to your request for information regarding customer survey and service standards. We look forward to participation in the February 23 workshop.

If you have any questions or require additional information, please call Debby Kampert at 813/224-6505.

Sincerely,

Beverly Y. Menard

Beverly Y. Menard
Regional Director - Regulatory & Industry Affairs

BYM:DBK:wjh
Enclosures

DOCUMENT NUMBER-DATE

00992 JAN 26 1996

FPSC-RECORDS/REPORTING

GTE Florida Incorporated
Docket No. 950778-TL
Responses to Staff's Service Quality Data Request

1. In Florida, in the past 5 years, has your company attempted to measure customer satisfaction by collecting customers' opinions and views on whether or not customers are receiving a satisfactory quality of service?

Response: Yes.

If yes, please provide a description of the methodology employed in each campaign to collect this information including:

- a. The entity(ies) responsible for overseeing the performance of the study;

Response: The GTE Quality Measurement and Results Group oversees performance of GTEFL's customer satisfaction surveys.

- b. the entity(ies) responsible for directly gathering the data;

Response: An independent firm gathers the customer survey data.

- c. the objective(s) of the study;

Response: GTEFL's surveys are designed to measure customers' perceptions of GTEFL's service quality and customer service.

- d. The time period that the study covered;

Response: GTEFL's customer survey process is done on a continuing basis, with results prepared and reported internally every month.

- e. The group of customers studied as defined at the outset of the study;

Response: GTEFL studies all of its residential and business sets.

- f. The customer profiles of study respondents;

Response: GTEFL is not certain what "customer profiles" means in this question. As noted above, GTEFL samples its entire customer base.

- g. specifically how the customers were chosen (if a random sample was used, the exact method by which it was defined) and why you believe that this was an appropriate way to measure;

Response: Customers are randomly chosen from each type of business and residential segment keeping in mind established quotas needed to obtain a statistically valid sample. The randomization is performed in accordance with well-accepted statistical sampling techniques. Separate but identical sampling processes are performed for each of the two GTE divisions (Inland and Coastal) in Florida, so that each division is represented appropriately on a stand-alone basis. Random number generators are used to obtain the customers to be sampled in each customer segment to be surveyed in each of the two divisions. In GTE's experience, use of the random number generator is the method which best prevents any systematic patterns from occurring in the sample.

h. the method of data collection (personal interview, telephone interview, mailed questionnaire);

Response: GTEFL uses telephone interviews.

i. the information, if any, that was provided to the respondent at or immediately before the time of the interview or the receipt of the questionnaire;

Response: No preparatory information is provided to the customer.

j. the questions that were asked of customers in the order in which they were asked;

Response: The specific details of GTEFL's survey methodology are highly confidential. GTE spends substantial sums of money on designing unique survey programs to measure customer satisfaction. Public disclosure of its specific survey questions and techniques would give competitors an undue market advantage in fashioning their own methods of measuring customer satisfaction. Data of this nature have become increasingly sensitive in light of the revisions to Chapter 364 which authorized much greater competition in areas traditionally reserved to the LECs. Because GTEFL faces increasing competition in all of its lines of business, it is critical to avoid any risk of conferring any advantage on its competitors through the regulatory process. If the Staff believes it needs more information on particular aspects of GTEFL's survey methodology, a Company representative would be happy to talk with Staff confidentially about these details. GTEFL believes this is the best approach, given the informal nature of the Staff data request.

k. the compilation of the results of the study including any conclusions that were drawn and any actions that were taken as a result of the conclusions; the level of dissatisfaction which resulted in company action in response to the results of the study; and

Response: Information about GTEFL's survey results and any actions taken in response to them is highly confidential because of its competitive sensitivity. With this information, GTEFL's competitors could discern GTEFL's weaknesses and tailor their own marketing strategies accordingly. GTEFL would prefer to disclose information of this type only in confidential conversations with the Staff.

1. The evaluations of the study's accuracy;

Response: GTEFL does have processes in place to evaluate the accuracy of its studies and redesign the customer surveys as necessary. However, these details about study methodology are highly confidential, as explained in response to item g, above. GTEFL would prefer to disclose them only in confidential discussions with the Staff.

2. Which quality of service rules (Rules 25-4.066 through 25-4.080, F.A.C.) Does your company recommend modifying or deleting? Provide reasons for your recommendations.

Response: The attached matrix outlines specific service standards that GTE believes should be eliminated or substantially changed at a minimum. In general, revisions are necessary to give the LECs additional flexibility in meeting the various types of service standard measurements the Commission has established. GTEFL emphasizes, however, that its suggestions are just a first step in the process toward greater reliance on the marketplace that the legislature intended in revising Chapter 364. In an efficiently functioning marketplace, no rigid service standards are necessary. Competition will ensure superior customer service; if a company does not provide such service, it will go out of business. Specific service standard measurements, such as those that exist today, disrupt the normal competitive process because they interfere with the LECs' decisions about resource allocation and other operational aspects of the business. For instance, a reduction of just 5% in repair commitments met could make a significant difference in GTEFL's ability to respond to the most urgent customer needs. GTEFL has limited personnel. If it is forced to meet a rigid (and unduly high) repair commitment number, it will need to shift resources from one area--for example, service order installation--to repair completion. The LECs should, instead, be permitted to allocate their resources on an ongoing basis according to the demands of the marketplace. Movement away from Commission-mandated standards toward greater reliance on the consumer complaint process (which would apply to all market participants, rather than just LECs), for example, would be more consistent with fostering rational competition.

The negative effects of arbitrary service standards on the LECs' operations will be

exacerbated to the extent that their competitors are not held to the same standards. Service standards force the LECs to make operational decisions based on regulatory fiat, regardless of marketplace dictates or what a customer may find acceptable in a particular instance. This will obviously weaken the LECs' competitive position vis-a-vis new entrants which remain free to run their businesses and allocate their resources as they choose, in accordance with the market. The ultimate result is that the service standards, intended to help the consumer, will only harm him in the long-run, as less qualified and less efficient entrants seize the opportunity to capitalize on the LEC's unilateral market constraints. If any service standards are deemed necessary in this interim period toward transition to greater competition, the same standards should be imposed on all market participants. Indeed, it makes no sense to impose service standards on the LECs, which have longstanding track records in providing service, while leaving the new entrants free of such constraints. Consumer protection measures make more sense for new entrants with little or no history in Florida than for companies with decades of service experience.

3. Does your company recommend incorporating customer satisfaction surveys into the quality of service rules? Which rules would need to be changed, supplemented, or deleted? Provide reasons for your recommendations. If customer satisfaction surveys were so incorporated, who do you recommend conduct the surveys--FPSC, LEC, others?

Response: In order to form a definite opinion, GTEFL would need more information on exactly how the surveys would be incorporated into the service rules. GTEFL's current consumer survey methodology measures factors other than service quality and is not likely to neatly fit the Commission's objectives for measuring customer satisfaction. As such, GTEFL would be opposed to any rule changes that might force the company to spend extra money on modifying its surveys or doing additional surveys. In addition, GTEFL's surveys are critically important from a marketing and competitive standpoint. If the Company is compelled to do different or additional surveys tailored instead to Commission objectives, it might undermine GTEFL's ability to effectively carry out its ongoing survey program and therefore compromise any competitive advantage the Company derives from its existing survey process. Moreover, as GTEFL pointed out above, GTEFL's survey methodology and results are highly confidential. Incorporating survey data into the Commission's service quality rules would likely entail numerous confidential filings and the risk of public disclosure. GTEFL cannot support these kinds of additional burdens on its operations and its ability to compete.

If the Commission does opt to incorporate customer satisfaction surveys into its rules,

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Data Request on Service Quality
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it is essential that any new requirements be applied to all market participants, not just the LECs. As discussed above, any new requirements are very likely to cost the LEC more in terms of time and money. This additional, regulatory drag on GTEFL's operations is certain to weaken the Company's competitive position in a marketplace where holding down costs is the key to success. The LECs should not be forced to bear non-market burdens that are not also imposed on their competitors. Further, if there is any need to monitor service quality, GTEFL believes this need is greater for new and untested entrants which lack the long service history of the LECs.

**GTE Florida, Incorporated Response
Modification of Service Standards**

Measurement	Current FPSC Standard	GTEFL Comments/ Suggestions
OOS Trouble w/in 24 hours	25-4.070(3)(a) 95% cleared w/in 24 hours	95% is extremely difficult to achieve and requires uneconomic deployment of resources. Relaxation of standard required.
Network Trouble Reports per 100	25-4.070(6) 6 per 100	Open Docket No 951283-TL proposes to eliminate this standard; to eliminate the requirement to keep obsolete records of trouble reports.
Repair Commitments Met (Repair Appts Met)	25-4.0770(2) 95% of all appts each month	95% is extremely difficult to achieve and requires uneconomic deployment of resources. At a minimum, relaxation of standard is required. Standard should be percent commitments met; commitment date jointly agreed to between company and customer rather than arbitrary time set by rule.
Primary Service order Install (R1, B1 only)	25-4.066(2) 90% of all requested for primary service w/in 3 working days.	Standard should be percent commitments met; commitment date jointly agreed to between company and customer rather than arbitrary time set by rule.
Service Order Commitments (Order Appts Met)	25-4.0770(2) 95% of all appts each month	95% is extremely difficult to achieve and requires uneconomic deployment of resources. At a minimum, relaxation of standard is required. Standard should be percent commitments met; commitment date jointly agreed to between company and customer rather than arbitrary time set by rule.

**GTE Florida, Incorporated Response
Modification of Service Standards**

Measurement	Current FPSC Standard	GTEFL Comments/ Suggestions
Dial tone w/in 3 seconds	25.4.071(3)(a) 95% w/in 3 seconds	Open Docket No 951283-TL proposes to eliminate this rule; since no longer required due to technology advances.
Business Office Answer Time	25-4.073(d)(IVRU)* 85% w/in 55 seconds of last digit dialed	Current time of 55 seconds does not allow efficiencies of an IVRU. The 55 seconds was derived prior to companies having experience with the automated units.
Repair Office Answer Time	25-4.073(d)(IVRU)* 95% w/in 55 seconds of last digit dialed.	Current time of 55 seconds does not allow efficiencies of an IVRU. The 55 seconds was derived prior to companies having experience with the automated units.

*** FPSC Rule 25-4.073(2) Answering time studies using actual data or any statistically valid substitute for actual data shall be made to the extent and frequency necessary to determine compliance with the rule. The company shall add ten seconds to the answer time for each call. This ten second constant will substitute for actual data on the time required for the call to connect to the company's facilities.**