

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings)
against GTE Florida Incorporated for)
violation of service standards)
_____)

Docket 991376-TL

REBUTTAL TESTIMONY

OF

JOHN C. APPEL

April 20, 2001

01 APR 19 2001 15

DOCUMENT NO.
04967-01

1 Q. PLEASE STATE YOUR NAME.

2 A. My name is John C. Appel.

3

4 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND
5 WORK EXPERIENCE.

6 A. I received a bachelor's degree in business administration from the
7 University of Florida in 1971, and I began my career with GTE (now,
8 Verizon) that same year. After serving in a number of management
9 functions in Florida, I was named a Division Manager there in 1985. I
10 became Director of Operations for GTE Communications Corporation
11 in 1987. In 1988, I was appointed South Area Director, Business
12 Services. I held that position until 1990, when I became Assistant
13 Vice-President, Business Services, at GTE Telephone Operations
14 Headquarters in Texas. In August 1992, I was appointed Regional
15 Vice-President and General Manager for GTE California, then in
16 October 1993, I was named President of the Texas/New Mexico
17 Region. I remained in that position until 1994, when I became Senior
18 Vice-President, Regional Operations, again at Telephone Operations
19 Headquarters. In 1996, I was promoted to Executive Vice-President of
20 Network Operations and, finally, in 1997, I was named President of
21 GTE Network Services. I held that job until my retirement from the
22 Company on June 30, 2000.

23

24 Q. WHAT WERE YOUR RESPONSIBILITIES AS PRESIDENT OF
25 NETWORK SERVICES?

1 A. I was responsible for nationwide retail and wholesale marketing, sales,
2 operations, and customer service for the Company's regulated local
3 exchange wireline business, formerly known as GTE Telephone
4 Operations. At year-end 1999, the Network Services business unit
5 served 26.1 million access lines in 28 states.

6

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
8 **PROCEEDING?**

9 A. I will provide a national corporate perspective on the importance of
10 meeting Commission service quality objectives. In particular, I will
11 address Public Counsel witness Poucher's claims concerning the
12 actions and motivations of GTE's corporate management. I will show
13 that Headquarters has always viewed compliance with this
14 Commission's service quality standards to be a critical objective for the
15 management team in Florida. There is no support for Mr. Poucher's
16 allegations that Headquarters forced GTE Florida Incorporated
17 (GTEFL, now Verizon Florida Inc.) to pursue profits in deliberate
18 disregard of the Commission's installation and repair standards.

19

20 **Q. DOES CORPORATE MANAGEMENT HAVE A FORMAL PROGRAM**
21 **FOR MONITORING THE REGIONS' COMPLIANCE WITH SERVICE**
22 **STANDARDS?**

23 A. Yes. As the former senior executive responsible for such matters at
24 the national level, I have firsthand knowledge of the emphasis the
25 Company places on service quality results, especially the achievement

1 of state Commission quality standards. In fact, after I became Senior
2 Vice-President of Regional Operations in 1994, one of my
3 undertakings was to enhance national management's ability to
4 effectively assess region performance on Commission service
5 measures. At the time, there was no consistent, uniform national
6 reporting from the regions in this regard. I recognized the need for,
7 and oversaw the development of, a monthly report focussing on
8 company performance versus service quality standards in each state.
9 That report was instituted and refined over a period of months. From
10 that time forward, the results were reviewed monthly and deviations to
11 standard, both positive and negative, were the subject of conference
12 calls and other communications between local and national
13 management. In addition, usually at least twice a year, national
14 leaders held comprehensive operations reviews in each Region, where
15 these results were addressed in greater detail. Moreover, as the
16 documents produced to OPC show, Headquarters raised its concerns
17 outside the structured monitoring program whenever necessary, and
18 required more frequent updates on problem areas. (See, e.g., Ex.
19 JCA-1). I also expected the Florida President to monitor service results
20 against PSC measures on a daily basis and to raise service-related
21 issues with the management team as often as necessary. From a
22 corporate perspective, the Region President is ultimately responsible
23 for PSC service standard results in his or her respective state(s).

24
25

1 Q. HOW IMPORTANT ARE PSC SERVICE QUALITY STANDARDS IN
2 ASSESSING REGION PERFORMANCE?

3 A. They are critical. As one of the executives charged with monitoring
4 the Regions' success in meeting Commission objectives, I repeatedly
5 reinforced that the achievement of PSC standards was a fundamental
6 and basic expectation of our regional management teams and was not
7 to be traded off for any reason.

8
9 The need for the Company to comply with PSC repair and installation
10 standards is a continuing theme in communications from Headquarters
11 to the Regions. Public Counsel is well aware of this fact, as GTEFL
12 produced many such documents in response to Public Counsel's
13 discovery requests in this proceeding. Mr. Poucher even included one
14 of these in his Direct Testimony exhibits (as Ex. REP-3 at 1-2, included
15 here as Ex. JCA-1). It is a note from me to Red Keith (who was, at the
16 time, Senior Vice-President, Regional Operations), dated April 25,
17 1998. It stresses my concern about GTEFL's PSC service standard
18 results in the previous several months and concludes: "We are at
19 great risk and I expect extraordinary action to achieve sustained
20 performance to objective....Please take strong action to get these
21 measures to objective ASAP. I will expect *sustained* improvement as
22 well, and the Regional Presidents in the underperforming areas must
23 make a positive difference quickly. I will expect regular updates from
24 you concerning our performance and would like to receive the first one
25 on 5-8-98."

1 This is not the kind of language one would expect from a company that
2 had undertaken a course of willfully violating Commission rules.

3

4 Even when the Florida Region reported good news as to service
5 results, as was the case with GTEFL's overall score for the PSC's
6 1997 audit, Headquarters' response was "we can do better." (Ex. JCA-
7 2)

8

9 **Q. DOESN'T THIS KIND OF EVIDENCE DISPROVE MR. POUCHER'S**
10 **CONTENTION THAT HEADQUARTERS FIRST TOLD LOCAL**
11 **MANAGEMENT THAT MEETING PSC STANDARDS WAS**
12 **MANDATORY AFTER THIS DOCKET BEGAN (POUCHER DT AT**
13 **21)?**

14 **A.** It certainly does. The only support Mr. Poucher offers for this allegation
15 is the following statement: "After hearing news of the PSC report, M.L.
16 Keith advised John Ferrell, the new Florida President who replaced
17 Pete Daks, that JCA's (John Appel—head of nationwide network
18 operations for GTE) expectations were that PUC measures are not the
19 measures to be traded off—he considers them to be the baseline
20 performance required." (Poucher DT at 21.)

21

22 Mr. Poucher has grossly misrepresented the referenced document
23 and its timing. That document (for which Mr. Poucher provided no
24 citation) is attached. It is an e-mail from Red Keith to John Ferrell. It
25 states, in its entirety:

1 "I HAVEN'T SEEN THE REPORT YET—BUT HAVE ALREADY
2 HEARD FROM JCA THAT FLA. REGION PERFORMANCE IN
3 THIS AREA IS NOT ACCEPTABLE. HE UNDERSTANDS
4 THAT WITH HIGH VOL'S SOME TRADE OFF'S MUST
5 OCCUR, BUT HE EXPLAINED THAT HIS EXPECTATIONS
6 ARE THAT PUC MEASURES ARE NOT THE MEASURES TO
7 BE TRADED OFF—HE CONSIDERS THIS TO BE THE
8 BASELINE PERFORMANCE REQUIRED.

9
10 PLEASE WORK WITH YOUR TEAM TO IMMEDIATELY
11 IMPLEMENT PLANS TO BRING PUC PERFORMANCE BACK
12 IN LINE. I WILL EXPECT TO HAVE YOU REVIEW WITH
13 VALARIE YOUR TEAM'S ACTION PLANS BY SEPT. 2, 1999.

14
15 (Ex. JCA-3.)

16
17 This e-mail message is dated *August 26, 1999*. This show cause
18 proceeding was initiated on September 10, 1999. GTE had no
19 advance knowledge of its initiation, and, in fact, learned about the
20 docket only after OPC served discovery on GTEFL on September 20.
21 Thus, the document only emphasizes that Headquarters has always
22 considered compliance with PSC standards to be paramount. The
23 report I refer to in the e-mail was the regular monthly service report I
24 discussed earlier. It had nothing to do with the show cause
25 proceeding.

1 After having had the opportunity to review the documents the
2 Company produced to Public Counsel, Mr. Poucher should realize his
3 allegation is unfounded. During the entire period at issue here,
4 Headquarters management, including me, made it very clear that
5 meeting PSC service standards is a fundamental expectation, and
6 extremely important to customer and company interests. Mr. Poucher
7 claims that Headquarters management had only to give Mr. Ferrell the
8 order to bring Florida's repair and installation performance back in line
9 and it was done. (Poucher DT at 21.) The fact is that Headquarters
10 had been telling the Florida Region to improve results for quite some
11 time prior to the initiation of this proceeding. If something as simple as
12 a directive from Headquarters could have improved results, then this
13 would surely have happened much earlier.

14
15 I know from experience that better results on these measures are the
16 product of significant operational analysis, management focus, and
17 hard work on the part of the entire Florida team. As Mr. Ferrell
18 testifies, he and his team drew up a plan for achieving sustained
19 improvement over a year and a half ago, and took several other
20 corrective actions even before then. His approach has translated into
21 a higher level of compliance with the PSC's service quality standards.

22

23 **Q. WAS FLORIDA REGION PERFORMANCE IN MEETING PSC**
24 **STANDARDS A FACTOR IN JOHN FERRELL'S SELECTION AS**
25 **PRESIDENT OF GTEFL?**

1 A. Yes. I supported John Ferrell's selection, and I know that a primary
2 objective was to find an individual with deep operations experience and
3 strong leadership skills who would be capable of delivering balanced
4 overall performance, including sustained compliance with PSC
5 objectives in Florida. Mr. Ferrell's operations background is extensive
6 and we believed he would have the ability to understand and remedy
7 ongoing problems while making the most efficient use of resources. In
8 addition, because Mr. Ferrell's immediate previous position had been
9 Director of Remote Operations Support for GTE, we knew he was
10 acutely aware of the corporate emphasis placed on satisfying state
11 PSC service quality objectives.

12

13 **Q. HAS MR. FERRELL MET HEADQUARTERS' EXPECTATIONS?**

14 A. I haven't spoken with current corporate management, but I do know he
15 has met the expectations we had for him when he was chosen as
16 President. I am told that service results have been excellent for more
17 than a year now, so it is obvious that the strategies that Mr. Ferrell and
18 his team implemented have paid off. These results reaffirm that
19 knowledgeable, aggressive and resourceful leadership is critically
20 important to meeting service standards.

21

22 Nevertheless, attaining the expected level of productivity was not easy
23 or immediate. As Mr. Ferrell testified, he was at certain points strongly
24 reminded of the importance of achieving rapid improvements, as my
25 Exhibit JCA-4 indicates.

1 Q. HOW DO YOU RESPOND TO MR. POUCHER'S STATEMENT THAT
2 THE CORPORATE SOLUTION WAS NOT TO COMPLY WITH THE
3 PSC'S RULES, BUT TO CHANGE THEM (POUCHER DT AT 10) ?

4 A. Mr. Poucher is wrong; he has drawn a conclusion without any
5 supporting evidence. He quotes one line of a May 1998 note to me
6 from Brad Krall, Vice-President of Centralized Operations; it states,
7 "the only real answer to this issue is to change the regulation in
8 Florida." (Poucher DT at 10 & Ex. REP-3 at 3.) This document does
9 not even concern installation or repair standards; it refers to the
10 Commission's answer time standard, which is not at issue in this case.
11 In any event, Mr. Poucher neglects to point out the action I took in
12 response to Mr. Krall's note—scheduling a meeting to "discuss our
13 plans for meeting the FPSC standards." (Poucher Ex. REP-3 at 3.)

14
15 Contrary to the impression Mr. Poucher tries to create, the documents
16 produced to OPC confirm the importance that both GTEFL and GTE
17 Headquarters place on meeting the service standards. I have attached
18 just a few of these documents to my testimony; many others were
19 produced to OPC (and Staff) and Mr. Poucher attached some to his
20 own testimony. Again and again, communications within GTEFL and
21 to and from Headquarters and GTEFL reflect the critical importance of
22 meeting the Commission standards. In short, Mr. Poucher's premise
23 that the corporation chose to advocate less stringent standards rather
24 than "make a firm corporate commitment to meet the PSC rules,"
25 (Poucher DT at 11), is demonstrably false.

1 Q. MR. POUCHER'S THEORY SEEMS TO BE THAT HEADQUARTERS
2 KNEW FLORIDA'S BUDGET WAS INSUFFICIENT TO ALLOW THE
3 COMPANY TO MEET SERVICE STANDARDS. IS THAT TRUE?

4 A. Absolutely not. As Mr. Diamond testified, compliance with PSC
5 objectives is a fundamental assumption underlying every operating
6 company budget. Just as Headquarters expects service standards to
7 be met, it expects management to run the company as efficiently as
8 possible. Both local and national management understand that this is
9 not an easy task, but it is essential to achieve both goals.

10

11 GTEFL's budget was based on reasonable productivity assumptions
12 for the years at issue, but many factors can upset projections. As
13 Messrs. Ferrell and Diamond testify, the El Nino weather phenomenon
14 was an extraordinary event that had a significant impact on service
15 results, as did a loss of talent and difficulties filling vacancies with
16 qualified people.

17

18 In any event, the causes for the repair and installation standards
19 issues do not present sufficient justification to penalize GTE. As I
20 understand the law here, the Commission has the latitude to impose
21 fines only when a company willfully violates Commission service
22 standards. No Company can be expected to be perfect and the failure
23 to meet the limited standards at issue is not tantamount to willful
24 violation of Commission standards. As the record shows,
25 Headquarters never sanctioned departure from Commission service

1 standards, either in the budgeting process or in other contexts, and, in
2 fact, repeatedly emphasized that achieving these standards was a
3 fundamental expectation.

4

5 **Q. HASN'T FLORIDA MANAGEMENT SOMETIMES EXPRESSED THE**
6 **VIEW THAT THEY WERE NOT GIVEN ENOUGH BUDGET**
7 **DOLLARS?**

8 A. Certainly, and this is no surprise. But declining to give each region as
9 much money as it would ideally like doesn't mean that corporate
10 management decided to ignore service standards, or, for that matter
11 that the region's request was justified. In my time as an upper level
12 executive with GTE's corporate operations, I never heard any state's
13 local management tell me they had gotten plenty of budget dollars to
14 meet all challenges in a particular year. Their jobs are difficult and
15 challenging, and obviously it would be easier to run a company with an
16 unlimited budget, but I know of no company, especially in the
17 telecommunications industry today, where efficient use of resources is
18 not considered critical to success. As Mr. Ferrell acknowledges, and
19 as I have stressed time and again, it is very important to meet both
20 cost and quality objectives. If the company leadership fails to
21 effectively balance these goals, it will not survive for long.

22 **Q. WILL HEADQUARTERS CONSIDER A REGION PRESIDENT'S**
23 **REQUEST FOR ADDITIONAL BUDGET DOLLARS?**

24 A. Yes. Such requests are carefully considered in the context of the
25 Region's overall performance. If additional dollars are warranted, they

1 are provided, as is apparent from Mr. Poucher's acknowledging that
2 GTEFL was granted an additional \$14.6 million in mid-year 1999.
3 (Poucher DT at 19.) Headquarters continually benchmarks each
4 region's performance against all other company regions and any
5 available outside data to help understand whether local management
6 is doing all that it can with the resources it has been given. If
7 execution is lacking in this regard, the focus will be on improvement in
8 those weak areas instead of allocating additional budget dollars.

9

10 **Q. IS FLORIDA TREATED ANY DIFFERENTLY IN TERMS OF THE**
11 **CHALLENGES IT IS EXPECTED TO MEET?**

12 **A.** No. As competition in telecommunications markets increases each
13 year, management is expected to become more and more efficient. It
14 was never true, as Mr. Poucher implies, that GTEFL was treated
15 relatively less favorably than other regions. (Poucher DT at 19-20). It
16 would make no sense for corporate management to arbitrarily
17 disadvantage Florida vis a vis other regions, when Florida was GTE's
18 second biggest and most significant market. While there are more new
19 entrants here than in many other Verizon regions, the Company
20 believes that opportunities for future growth are promising as long as
21 the Company can remain competitive from a cost and quality
22 standpoint.

23

24 **Q. MR. POUCHER ALLEGES THAT THERE IS A "GTE**
25 **HEADQUARTERS PLAN" TO SELECT SERVICE AREAS FOR**

1 **PREFERENTIAL TREATMENT IN THE INSTALLATION AND**
2 **REPAIR OF BASIC SERVICE. (POUCHER DT AT 20-21.) DID**
3 **SUCH A PLAN EXIST?**

4 A. As Mr. Ferrell explains, corporate management for a period of time
5 required a *reporting* breakdown of certain service quality measures by
6 competitiveness of exchange. It was used principally to evaluate the
7 viability of investments in new products or services in particular areas.
8 In addition, this *reporting* requirement only re-emphasized that meeting
9 PSC standards was a fundamental expectation in *all* exchanges.

10

11 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

12 A. There is absolutely no evidence supporting Mr. Poucher's allegations
13 that GTE's corporate management decided to undertake a course of
14 sacrificing service quality results in order to improve profits. To the
15 contrary, I and others at Headquarters vigorously and continually
16 stressed the critical importance of complying with the Commission's
17 service quality standards. The fact that the Company does not have
18 an *unlimited budget* to spend on repairs and maintenance certainly
19 does not justify Mr. Poucher's *simplistic conclusion* that it willfully
20 violated service standards. Indeed, the Commission would have
21 substantial cause for concern if there were no evidence of the
22 company's striving to use its resources in the most efficient manner
23 possible.

24

25

1 Q. DOES THAT CONCLUDE YOUR TESTIMONY?

2 A. Yes.

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4-25-98

To: Red Keith

Subject: PUC/PSC Measures

Red:

We have made continuing progress in meeting our PUC/PSC objectives in most of our states.

I appreciate the effort that has yielded this result and hope you will reinforce the positives with the Regional Presidents in the areas where we are meeting our goals.

I remain concerned about our performance in Florida, where we have missed the 90.005 Repaired Within 24 Hours objective 9 out of the last 10 months and Repair Appointments Met 4 out of the last 5 months. We are at great risk and I expect extraordinary action to achieve sustained performance to objective. I trust you will take the action required.

Also, in Texas we have missed Primary Service Orders Completed in Five Working Days for 7 consecutive months. This too is avoidable and unacceptable from the customer's perspective. Again, aggressive action is called for.

003759

Finally, in the South Region, we have missed
90 003 Troubles Cleared in 24 Hours 4 out of
the last 6 months in Alabama, and
90 003 Troubles Cleared in 24 Hours for
13 consecutive months in North Carolina.

These measures reflect poor service to end
users as well as below objective performance.

Please take strong action to get these measures
to objective ASAP. I will expect sustained
improvement as well, and the Regional
Presidents in the underperforming areas
must make a positive difference quickly.

I will expect regular updates from you
concerning our performance and would
like to receive the first one on 5-8-98.

Thanks,

John Appel

5-10-98
PSC/PUC folder
- JCA

INTERCOMPANY CORRESPONDENCE



May 8, 1998

Reply to:
HQE04B52 - Irving, TX

REDACTED

To: J. C. Appel - HQE04H14 - Irving, TX

Subject: PSC/PUC MEASURES UPDATE

In reference to your note on the poor performance in the Florida and Regions' PUC measurements, we are continuing to apply aggressive action to improve these PUC targets. The Regional teams and their leaders are fully aware of the importance of these measures, as with others, that will drive customer satisfaction and value. Current results are as follows:

<u>Region</u>	<u>Measurements</u>	<u>Objective</u>	<u>April 1998</u>
Florida	% OOS/24	95%	97.1%
Florida	% Repair Appt. Met	95%	96.3%
	% OOS/24	---	---
	% OOS/24	---	---
	Orders Completed in 5 Days	---	---

Recent and continuing action plans are in place to address the root causes driving these poor results. While I have discussed with you the circumstances that have aggravated these problems, excessive trouble from storms and vacancies, considerable attention is being placed on sustainable improvements.

As you can see from the numbers above, Florida has surpassed the April target; however, continued pressure and resources will be applied to sustain it within budget targets.

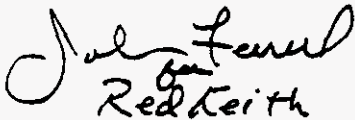
Data for April is not yet available for However, extensive action plans are in place, and we are seeing a turnaround in many key objectives. I will update you when the numbers are received.

REDACTED

J. C. Appel
May 8, 1998
Page 2

While April results have improved to just short of the PSC objective, continued implementation of improvement plans are underway to meet the more stringent internal objectives. results have slipped considerably and are being addressed. The recent ORR in revealed considerable opportunity for improving operating efficiencies and quality. The team has been placed on Quality and Financial Watch, which will result in close scrutiny and assistance from Headquarters staff to facilitate improvements.

Though we are making progress, I want to assure you these and other critical indices are being dealt with aggressively. I will update you further as the data becomes available. If you have further questions or comments, please call me.



Red Keith

M. L. "Red" Keith, Jr.
Senior Vice President-
Regional Operations

MLK:sko



**NETWORK
SERVICES**

Docket No. 891376-TL
Rebuttal Testimony of John C. Appel
Exhibit JCA-1
FPSC Exhibit No. _____

April 20, 2001
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INTRACOMPANY CORRESPONDENCE

Reply To
FLTC0100
Tampa, FL

July 20, 1998

To: M. L. Keith - HQE04E52 - Irving, TX

Subject: **WEATHER UPDATE**

Red, as you know, going into the weekend we had almost 5000 cases of total trouble. We did require a sixth day on Saturday, brought in IP, contractors and BZT volunteers and everyone worked ten-hours. As a result of this effort, trouble looked much better this morning with a total trouble count of 2683 (1829 in Inland and 854 in Coastal). As you can see, Coastal trouble looks reasonable, but there are still problem areas in Tampa, Lakeland and Winter Haven, plus we had extensive storms Sunday afternoon.

Today, we worked twenty-four cable splicers in the Lakeland/Winter Haven area to continue the effort to get our trouble counts in control. We worked no additional IP people in the Coastal Division. Out-of-service defaults are set on same day and non-outs in some districts are at day one and two.

The weather forecast for today and the rest of the week is 40 to 50 percent chance for afternoon thunderstorms, which is not too far off the norm for this time of year, but the intensity of the storms is significantly above average.

To provide an example of what we faced last week, we took a snapshot of a week in June versus last week and we processed 10,000 more cases of trouble last week compared to the week of June 14 through June 20, 1998.

We are doing everything we can to control our budget. We are scrutinizing carefully those hours that are being used for things other than work driven by customer demand activity such as training, meetings, etc.

I will try to call you tomorrow morning. If you need additional information, please let me know. I will keep you posted.

Peter A. Daks
Regional President-Florida

PAD:bam

000103

INTRACOMPANY CORRESPONDENCE



GTE Network Services

Docket No. 991376-TL
Rebuttal Testimony of John C. Appel
Exhibit JCA-1
FPSC Exhibit No. _____
April 20, 2001
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January 28, 1998

Reply to:
HQE04H14
Irving, TX

REDACTED

To: Red Keith - HQE04B52 - Irving, TX
Brad Krail - HQE04G23 - Irving, TX

Subject: PUC/PSC MEASURES

I just completed a review of the December 1997 PUC/PSC Measures Report. While performance was generally strong in most states, there are some trouble spots, i.e., Florida, where Regional Operations execution is falling short of the standards. Missed Operator Services and Care answer times are also negatively affecting these states as well as some others. Bad weather was clearly a factor in some of the misses.

I am counting on you to ensure strong emphasis on meeting these objectives and good results throughout 1998. In addition, if you haven't done so already, I recommend that you direct proactive contact with the regulatory commissions, in the states where we are performing the worst, to explain why we had difficulty in December and reassure them of our commitment to achieving these objectives.

Thank you for your continuing attention to this very important area of performance.

John C. Appel
President
GTE Network Services

JCA:lc

c: Kevin Payne - HQE01146 - Irving, TX

004014

To: Nancy Franklin@TEL.EXEC@TXIRV
From: Myrt Mullins@TCC.EXEC
Cc:
Bcc:
Subject: Weather Update - January 27, 1998
Attachment:
Date: 1/27/98 4:55 PM

Red:

This is a follow-up to yesterday's note concerning weather and trouble counts.

As I mentioned, we anticipated receiving some heavy storms Monday night and Tuesday. Fortunately while we did receive some rain it was not anywhere near what was expected. For the most part, we received an inch or less of rain across the Region.

I also thought it might be helpful to give you an update on where we are with trouble we have experienced so far for the month of January with rainfall:

The trouble count this morning was 3562 which is traveling downward, and the expectation is that we should have good weather through Friday which will continue to enable us to drive this down. This in turn will have a significant impact on reducing overtime and bring us back into budget levels.

Defaults for OOS and NOS are coming back in line and we are working hard to get a handle on out-of-service/24 hours up to PSC standards.

we record rainfall for Tampa for the month of January is 8.02" of rain (set in 1948). The average rainfall for January is 1.99" January year-to-date, we are at 4.64" of rain.

For your information, I have also listed different geographic areas with year-to-date rainfall:

Ruskin - 4.69"
Tampa International airport - 4.64"
Lakeland - 3.12"
Lutz - 4.06"
Sarasota/Bradenton - 9.63"
Tarpon Springs - 4.0"
Clearwater - 3.98"
St. Petersburg - 4.51"
New Port Richey - 4.43"

I have also faxed to your office the article about Bell South's issues that I mentioned on our conference call. It doesn't help, but at least we're not alone.

000099

One last item....I know Gerry Taubert is going to discuss this with you tomorrow, but if you recall I had recommended that we re-shoot the video tapes that we are using for our Kaset training pilot several weeks back. The original price was about \$100,000 which was prohibitive. I took it upon myself to have my team meet with Kaset in an attempt to re-negotiate that price downward. We are now setting at \$21,500 (\$14,500 for our cost of production and a \$7,000 consulting fee for Kaset) to reproduce three video tapes. This will enable us to:

1. Have employees wearing GTE uniforms.
2. Hanging door hangers for no access.
3. Incorporating Sell One More as an expectation.
4. Drive GTE trucks.

I again would recommend we do this. At this cost I think we can get a lot in return on a national basis. If you have any questions before you would decide not to do it, please give me a call.

I'll keep you posted.

Pete

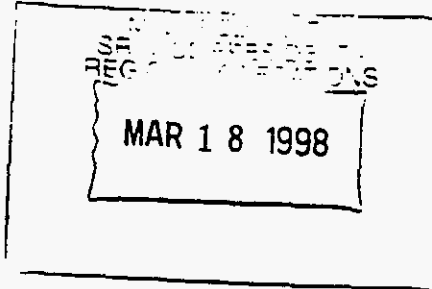
Docket No. 991376-7L
Rebuttal Testimony of John C. Appel
Exhibit JCA-1
FPSC Exhibit No. _____
April 20, 2001
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000100



Peter Daks

March 17, 1998



Red,

We finally received our formal response regarding our PSC audit conducted last year. Overall the results are favorable. As Debby Kampert's note indicates, where commission standards were not met, the groups responsible are already working on responses.

I'm not sure if John will receive a copy, so I would appreciate you passing the "good news" along.

Pete
PAD:mmm
Attachment

*John -
FYI - the final report
is in, there were no
surprizer - we can do better
however -
Red 3/19
cc: Sla Reg file*

To: John Ferrell@TCC.EXEC@FLTPA
From: Red Keith@TEL.EXEC@TXIRV
Cc: Nancy Franklin@TEL.EXEC@TXIRV
Subject: FLA PUC MEASURES
Attachment:
Date: 8/26/99 3:31 PM

*Follow up letter
attached*

E.J. 9-10-99

JOHN,

I HAVEN'T SEEN THE REPORT YET--BUT HAVE ALREADY HEARD FROM JCA THAT FLA. REGION PERFORMANCE IN THIS AREA IS NOT ACCEPTABLE. HE UNDERSTANDS THAT WITH HIGH VOL'S SOME TRADE OFF'S MUST OCCUR, BUT HE EXPLAINED THAT HIS EXPECTATIONS ARE THAT PUC MEASURES ARE NOT THE MEASURES TRADED OFF--HE CONSIDERS THIS TO BE THE BASELINE PERFORMANCE REQUIRED.

PLEASE WORK WITH YOUR TEAM TO IMMEDIATELY IMPLEMENT PLANS TO BRING PUC PERFORMANCE BACK IN LINE. I WILL EXPECT TO HAVE YOU REVIEW WITH VALARIE YOUR TEAMS ACTION PLANS BY SEPT. 2, 1999.

RED

*Valarie -
pke work with
check L. in your review
of this - any better
ways of doing this?*

*Red
9/2*

9 pages

12-2-99
Briefed Chuck Lee
12-3-99
Briefed Herb Foster

GTE Telephone Operations - World Headquarters
600 Hidden Ridge
Irving, TX 75038

Remote Operations Support
Fax: 972/719-7440

To: Red Keith Date Sent: 12-2
Barry Paulson Time Sent: _____
 _____ # of Pages: 15
 (Excluding Cover Sheet)

From:

	<u>Phone</u>	<u>Mail Code</u>
<input checked="" type="checkbox"/> Valarie Shreve	972/718-3414	HQE04D12
<input type="checkbox"/> Susan Onken	972/718-7432	HQE04D05
<input type="checkbox"/> Ed McGary	972/718-3016	HQE04D03
<input type="checkbox"/> Bobby Morgan	972/718-8175	HQE04D02
<input type="checkbox"/> Lloyd Whitson	972/718-3014	HQE04D04

*****Message*****

12-3-99 7:45am

Red Keith arranged for he and I to speak to John Ferrell. Advised Mr. Ferrell that meeting budgets and RSC standards are minimum expectation & Florida has not done either in 1999. Clearly stated that we expect a sharp and sustained positive turn from Mr. Ferrell and his team, whom he strongly endorsed and supported during our call. Stressed that results