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October 29, 1999

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

Dear Mr. D'Haeseleer:

Subject: Docket No. 991376-TP

This letter follows up on the October 13 meeting between GTE, the Office of Public Counsel, and Commission Staff, during which Staff offered its rationale for initiation of the above-cited docket. As we stated then, GTE Florida is fully committed to providing quality service to its customers. Although GTE believes many of the Commission's service standards are outdated, GTE has shown good results even under this existing system. GTE's overall scores surpassed the Commission baseline in the last two annual service evaluations. In fact, in the most recent evaluation, in 1998, GTE received the highest overall score among the ILECs, with 84.8 points (against the minimum objective of 75 points). The principal problem identified during that evaluation—the rating of 0+ credit card billed calls—has been resolved. GTE has determined the appropriate credits for all customers who were overbilled in 1998 and 1999. The customer refunds will appear on our October 7 through November 4, 1999 customer bills. The total credit of \$682.95 will be divided among the 2,822 affected customers.

GTE believes that the Commission's service evaluations, as well as GTE's internal and external measurements of service quality and the steady decline in justified FPSC complaints, indicate that the Company provides quality service. To help ensure meaningful Commission assessments of service quality on a prospective basis, we fully support the Commission's initiation of Docket 991473, which is intended to evaluate and potentially revise Commission service standards in consideration of market and regulatory changes. For the time being, however, we understand that Staff has identified certain areas for action on a company-specific basis. As such, we offer the following observations and approach to resolving Docket No. 991376:

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As GTE noted in its first quarter 1999 reports, due to report system problems, GTE does not believe the reported results for Schedule 2 accurately reflected the results for that time period. This was validated by our April 1999 results. Nevertheless, GTE has been experiencing an attrition problem in our installation force which has affected our service results. As a result, GTE has hired 100 employees and plans to hire 200 employees, with additional plans to augment during peak periods. In addition, GTE is conducting a review of its dispatch strategy, force distribution, and appointment clock intervals to address installation intervals and performance in small exchanges.

While we maintain that we provide superior service to our customers, we sincerely wish to satisfactorily address the Commission's concerns and to participate in the planned rulemaking to better identify service priorities and measurements for the future. In order to resolve service performance issues and proceed with the rulemaking, GTE offers to make a settlement payment of \$50,000.

Please contact me if you have any questions or wish to further discuss resolution of this docket.

Sincerely,

Beverly Y. Menard

Beverly Y. Menard
Assistant Vice President

BYM:wjh