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March 7, 2006

Filing Center
Public Utility Commission of Oregon
550 Capitol Street N.E., Suite 215
Salem, OR 97308-2148

Re: Petition of AT&T Communications of the Pacific Northwest, Inc., et al.

Dear Filing Clerk:

Enclosed for filing, please find the original and copy of the Petition for Variance From the Application of OAR 860-032-0012(8) [PUBLIC VERSION], original and copy of AT&T's Motion for Issuance of Standard Protective Order and original and copy of the CONFIDENTIAL VERSION of the Petition for Variance.

Thank you for your assistance. Please contact our office with any questions or problems.

Very truly yours,

Davis Wright Tremaine LLP

A handwritten signature in black ink, appearing to read 'Leslie A. Thompson', written in a cursive style.

Leslie A. Thompson
Legal Assistant to Sarah K. Wallace

Enclosures

cc: Dan Foley

**BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON**

UM _____

In the Matter of the Petition of AT&T
COMMUNICATIONS OF THE PACIFIC
NORTHWEST, INC., AND TCG
OREGON for Variance from the
Application of OAR 860-032-0012(8)

PETITION FOR VARIANCE
FROM THE APPLICATION OF
OAR 860-032-0012(8)
[PUBLIC VERSION]

1. Pursuant to ORS 756.500 and OAR 860-013-0015, AT&T Communications of the Pacific Northwest, Inc., and TCG Oregon (collectively "AT&T") hereby request that the Public Utility Commission of Oregon ("Commission") grant this Petition for Variance from the Application of OAR 860-032-0012(8). In support of its Petition, AT&T states as follows:

2. AT&T provides access lines in Oregon as a competitive telecommunications service provider ("CLEC"). AT&T's contact information for purposes of this Petition is:

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3. OAR 860-032-0012(8) sets forth the standard for the permissible average speed of answer time for calls to a business office or repair service center of a CLEC providing access lines in Oregon.¹ This standard requires CLECs to measure the answer time from the first ring at

¹ The service quality reporting required by OAR 860-032-0012 (Retail Telecommunications Service Standards for Competitive Telecommunications Providers) "is limited to POTS-type telecommunications service." *In the Matter of Rulemaking to Amend Oregon Administrative Rule 860-023-0055, 860-032-0012, and 860-034-0390, Retail*

the CLEC's business office or repair service center (or from the point a call answered by an automated answering system is directed to its representatives) to the time the call is answered by a live CLEC representative. CLECs must calculate either: (1) the monthly percentage of the total calls placed to the business office or repair service center and the number of calls answered by representatives within 20 seconds; or (2) the average speed of answer time for the total calls received by the business office or repair service center. OAR 860-032-0012(8)(a)(C). A CLEC must either answer 80% of calls within 20 seconds or have an average speed of answer time of 50 seconds or less. OAR 860-032-0012(8)(b)(A). Once a CLEC reports one measure or the other, the CLEC cannot change the selected measure without obtaining permission from the Commission. OAR 860-032-0012(8)(c)(B).

4. AT&T requests a variance from the standards set forth in OAR 860-032-0012(8)(b)(A) and (c)(B) because AT&T's normal methods of operation do not allow exact compliance with this standard. As an alternative standard, AT&T proposes to either: (1) answer 60% of customer calls to its business office or repair service center representatives in 20 seconds or less; or (2) have an average speed of answer time of 180 seconds or less. Further, AT&T proposes that it be permitted to satisfy either alternative standard on a monthly basis and not be required to elect compliance with only one standard.

DISCUSSION

5. AT&T provides access lines or POTS lines to approximately BEGIN
CONFIDENTIAL *** [REDACTED] *** END CONFIDENTIAL residential and business customers in the state of Oregon. Because AT&T maintains over 10,000 access lines in the state, it is required to measure and report pursuant to the Retail Telecommunications Service Standards.

6. AT&T has diligently endeavored to report all required service measurements and to comply with the applicable service quality standards. AT&T has, however, experienced extreme difficulty meeting the minimum service level standard set forth in OAR 860-032-

Telecommunications Service Standards, OPUC Docket No. AR 492, Order No. 05-1260: Order Amending Rules at 4 (December 21, 2005).

0012(8), which governs the average speed of answer for customer service calls. Even so, AT&T and SBC, which recently merged, have long histories of providing reliable services and quality customer support. In February, the new AT&T was named by Fortune magazine as the “Most Admired Telecommunications Company for 2006.”² With regard to the specific performance standard at issue – the average speed of answering calls – not one of AT&T’s residential or small business local customers in Oregon complained to this Commission about AT&T’s speed of answering calls last year.³

7. AT&T is an international telecommunications carrier that provides a wide variety of telecommunications services to business and residential customers across the United States. In order to serve these customers in an efficient and responsive manner, AT&T has established BEGIN CONFIDENTIAL *** [REDACTED] *** END CONFIDENTIAL geographically dispersed call centers that serve the business office and repair service needs of either residential or small business customers. These business office call centers currently take calls 14 hours a day during the work week and for over 8 hours on Saturdays. A repair service center is available 24 hours a day, seven days a week.

8. This multiple national call center approach allows AT&T to respond to customers’ concerns that transcend state geographical boundaries and affords efficient service subscription and repair processing. This multiple call center design, while appropriate for AT&T’s customers because of its efficiency as one-call assistance, prevents AT&T from exact compliance with a state-specific standard for call answer times. Oregon consumers call the same 800 numbers as customers in Washington, Idaho, New Mexico, and other states. All calls are assessed in our network to determine which call center site will be able to answer the call the quickest and then are distributed accordingly. To meet a state-specific standard, AT&T would

² See <http://money.cnn.com/magazines/fortune/mostadmired/snapshots/1182.html>(accessed February 23, 2006).

³ In the interest of full disclosure, last year there was one residential, stand-alone, *long distance* customer that did send a letter to the Commission regarding a concern about her bill and having to wait too long to speak to an AT&T customer service representative. Of course, there are several multiples of AT&T long distances customers compared to the number of AT&T local service customers in Oregon.

either need to devise some mechanism to give Oregon consumers preference in answering calls to the detriment of non-Oregon consumers *or* staff and equip all of the call centers so that the Oregon standard would apply to all consumer calls regardless of where they are located. To staff and provide the infrastructure necessary to meet the Oregon-specific answer time standards on a monthly basis for all of its customers would be cost prohibitive compared to the relative size of AT&T's operations in Oregon.⁴ Accordingly, AT&T is seeking a variance from the Oregon-specific call answer time standard.

9. AT&T's inability to obtain exact compliance with the Commission's call answer time standard does not mean that AT&T provides poor customer service. During the last quarter of 2005, AT&T averaged answering BEGIN CONFIDENTIAL *** [REDACTED] *** END CONFIDENTIAL of its Oregon residential customer calls within 20 seconds on a monthly basis. For small businesses, AT&T averaged answering BEGIN CONFIDENTIAL *** [REDACTED] *** END CONFIDENTIAL of its small business customer calls on a nationwide basis within 20 seconds. Further, specifically in Oregon, the quality of service currently provided by AT&T's centralized customer call centers is evidenced by the lack of complaints received by the Commission regarding the quality of AT&T service in Oregon and the lack of complaints about answering times for AT&T's call centers in general. AT&T has reviewed its records for customers obtaining local service from AT&T that made complaints to the Commission, Attorney General, and AT&T Executive Appeals office for the year 2005. No complaints were received regarding answering times for AT&T's call centers despite the fact that AT&T has thousands of residential and small business customers in Oregon obtaining local service from AT&T. In light of the low level of customer dissatisfaction expressed to the Commission about AT&T's service to Oregon consumers, consumer dissatisfaction with AT&T's service is not a concern.

⁴ AT&T has projected the costs to equip and staff all call centers that serve residential and small business consumers within the average speed of answer times specified in the Commission's regulation would be approximately BEGIN CONFIDENTIAL *** [REDACTED] *** END CONFIDENTIAL in one-time implementation expenses and BEGIN CONFIDENTIAL *** [REDACTED] *** END CONFIDENTIAL in incremental costs on an annual basis.

10. The Commission anticipated that full compliance with the Retail Telecommunications Service Standards would not always be reasonable or appropriate. Consequently, the Commission adopted OAR 860-032-0012(14), which provides an opportunity for competitive telecommunications provider to request a variance or waiver from one or more of the provisions of OAR 860-032-0012. OAR 860-032-0012(14) specifically provides:

A competitive telecommunications provider whose normal methods of operation do not provide for exact compliance with these rules may file for a variance from, or waiver of, one or more of these rules if it specifically indicates the alternative standards to be applied or indicates which standards would be waived.

11. Pursuant to this provision, AT&T requests that the Commission grant it a variance from the measurement, reporting and objective standard requirements of OAR 860-032-0012(8). AT&T's current call center operations provide an appropriate level of customer service to its Oregon customers as demonstrated by customer surveys conducted by AT&T and the lack of customer complaints about the speed of answering calls.⁵ Granting AT&T a variance from the standards of OAR 860-032-0012(8) would not undermine the Commission's goal of ensuring safe and adequate telecommunications service.

12. As an alternative standard, AT&T proposes to either: (1) answer 60% of customer calls to its business office or repair service center representatives in 20 seconds or less; or (2) have an average speed of answer time of 180 seconds or less. Further, AT&T proposes that it be permitted to satisfy either alternative standard on a monthly basis and not be required to elect compliance with only one standard.

13. AT&T's proposed alternative standard is reasonable in a competitive environment and will ensure that AT&T maintains its acceptable level of service. Also, allowing AT&T to report compliance when either requirement is satisfied on a monthly basis without getting

⁵ AT&T had adopted a "One & Done" approach to measure customer satisfaction. The approach measures the percentage of customers whose problem is resolved the first time the customer contact a business office or repair service center with a specific issue and includes any previous contact with AT&T via IVR, the internet, or service representative. For January 2006, BEGIN CONFIDENTIAL ***[REDACTED]*** END CONFIDENTIAL of all issues for customers provided access line service by AT&T were resolved on the first contact

advance Commission permission protects consumers because AT&T will still demonstrate an acceptable level of service, but with less susceptibility to monthly fluctuations in one variable or the other.


CONCLUSION

14. For the reasons discussed above, AT&T respectfully requests that the Commission grant AT&T a variance from the application of OAR 860-031-0012(8) and apply AT&T's proposed alternative standard.


Respectfully submitted this 7th day of March 2006.

AT&T COMMUNICATIONS OF THE PACIFIC
NORTHWEST, INC. AND TCG OREGON

DAVIS WRIGHT TREMAINE LLP

By: 
Sarah K. Wallace, OSB No. 00292

and

By: 
Dan Foley
General Attorney & Assistant General Counsel
AT&T Services, Inc.

**BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON**

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In the Matter of the Petition of AT&T
COMMUNICATIONS OF THE PACIFIC
NORTHWEST, INC., AND TCG
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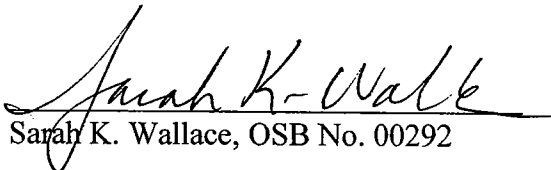
AT&T'S MOTION FOR ISSUANCE
OF STANDARD PROTECTIVE
ORDER

AT&T Communications of the Pacific Northwest, Inc., and TCG Oregon (collectively "AT&T") respectfully move the Public Utility Commission of Oregon ("Commission") to enter the Commission's standard protective order in this proceeding. Because company-specific confidential and proprietary information will be disclosed and used in this docket, it is appropriate that the Commission's standard protective order be issued and that such information be disclosed pursuant to the protective order.

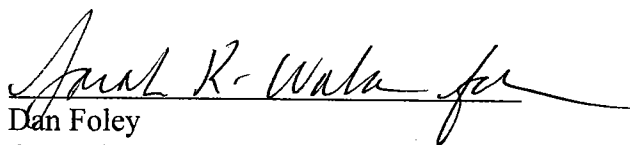
AT&T therefore respectfully requests that the Administrative Law Judge issue the standard protective order for use in this proceeding pursuant to OAR 860-012-0035(k).

Respectfully submitted this 7th March 2006.

DAVIS WRIGHT TREMAINE LLP

By: 
Sarah K. Wallace, OSB No. 00292

AT&T COMMUNICATIONS OF THE PACIFIC
NORTHWEST, INC. AND TCG OREGON

By: 
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AT&T Services, Inc.

Attorneys for AT&T