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OFFICE OF THE VICE PRESIDENT

December 20, 2000

Mr. Alan Bausback
Director, Office of Communications
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Dear Mr. Bausback:

On November 1st, CWA submitted a report to the Public Service Commission entitled Service Quality and Service Quality Reporting at Verizon-NY (the “CWA Report”). On December 1st, Verizon presented a reply entitled “Verizon-NY Response to Communications Workers of America Report on Service Quality and Service Quality Reporting” (the “Verizon Response”). Verizon concludes that the CWA Report was “politically motivated” and that the “allegations are unfounded and untrue.” In the sections following this letter, CWA rebuts Verizon’s criticisms. In this letter, CWA recommends that the PSC institute an operational audit of Verizon’s service quality measurement practices if it has any question about the validity of CWA’s data and conclusions.

As detailed in the sections following this letter, the CWA Report was released only after the failure of a two-year campaign to bring service quality problems to the attention of Verizon management and the formal termination of the CWA Service Quality Program mandated by the Performance Regulation Plan (the “PRP”).¹ Throughout that two-year period, Verizon management refused to undertake any serious effort to comprehensively address service quality

¹ The CWA service quality program formally terminated at the end of August. CWA filed a petition for an extension of the program for the life of the PRP. It is our understanding that the PSC approved the petition and extended the program as part of the Consent Agenda at its December 13th meeting.

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issues. For example, Verizon rebuffed requests by CWA Service Quality Program staff to obtain access to company data to determine the extent of such problems. Verizon also failed miserably to protect whistleblowers adequately – indeed one whistleblower was even punished by management.

Verizon takes issue with the CWA Report's conclusion that there is a widespread pattern of inaccurate service quality reporting. This conclusion is based on two levels of data. A broad and significant sample of workers from around the state (2,000 surveys were returned and analyzed) affirmatively answered survey questions concerning whether they had seen management or been directed by management to inaccurately record service quality data. The survey indicated, but did not verify, broad patterns of reporting abuses.

The second level of data, the 2,000 Hotline Reports, provided the documentation that did verify the existence of the problems identified in the survey. The CWA Report based its conclusions only on those reporting abuses that were documented by specific Hotline reports extending over time and location. The abuses identified in the CWA Report cannot be isolated to just one manager, at one location, at one point in time. An individual incident might seem innocent by itself. However, the Hotline Reports revealed a pattern of many individual incidents that extended through time and occurred at different locations. The CWA Report also identified not one, but many different management practices that result in the reporting of inaccurate service quality data. Overall, the CWA Report uncovers a broad pattern of reporting abuse. Verizon may not directly condone such activities but its inability to recognize such problems and act on them represents inefficiency, a lack of resolve, or a tacit level of approval.

The PSC is now presented with two opposing viewpoints. The CWA contends that Verizon management is guilty of widespread abuses in service quality reporting. Verizon contends there is no pattern of abuse and that internal controls are effective in identifying such instances. CWA recommends that the PSC conduct its own audit of Verizon's management practices – if the PSC has any doubt about the conclusions contained in the CWA Report. Even Verizon stated in its response that “It is impossible for us to completely respond to them without a responsible investigation.” Verizon should readily agree to a responsible PSC audit if it truly believes its own statement that such abuses are isolated and individual. Such an audit would

allow the PSC to make its own independent judgment as to the extent of service quality reporting abuses at Verizon.

There is a precedent for such an audit. In 1994, the PSC released a report entitled “An Operational Audit of New York Telephone Company Service Quality Standards Measurement Practices” (“PSC Audit”). The PSC Audit concluded:

“Overall, the data provided to the Department of Public Service is often inaccurate and based upon assumptions that reduce the usefulness of this data in evaluating the quality of service received by New York Telephone’s customers.”

As detailed in the sections following this letter, many of the same management practices criticized in the PSC Audit released in 1994 were also identified in the CWA Report using data extending from 1998 through 2000. These practices include backtiming, stopping the clock, the falsification of data, inconsistent computer tests, and bypassing the system.

CWA is ready to assist the PSC if it decides to audit Verizon’s service quality reporting practices provided that whistleblowers will be protected from investigation, discipline and future retribution.

The PSC could initiate one and/or two types of operational audit. The PSC could conduct a targeted audit. In this case, CWA would provide the PSC with information that was specific enough to identify a particular location and time frame but general enough to protect the anonymity of the whistleblowers. The PSC could then conduct an audit of the service quality data for that location over the specified period of time. CWA is confident that such targeted audits will verify the specific documented cases reported to the CWA Hotline. The PSC could also conduct a more comprehensive and wide-ranging audit of Verizon’s service quality reporting practices and the reported data. This audit could be conducted initially or after the targeted audit if the PSC were still not convinced about the extent of the problem. In either case, the audit should not simply look at numbers or identify patterns of abuse. It should also identify the underlying causes of such practices.

The purpose of the CWA Report and any subsequent PSC audit would be to identify problems in order to solve them. Verizon’s knee-jerk response is to punish individuals who inaccurately report service quality data. It is not CWA’s intention for Verizon to fire managers or

conduct a witch-hunt. CWA opposes a vindictive campaign against managers because the problems are systemic. Indeed, such intermittent disciplinary actions will not solve the underlying problems and will be counterproductive. For example, company policies actually provide benefits to managers who inaccurately report data except in those relatively rare cases in which they are caught and disciplined. Moreover, it is CWA's experience that lower level management will retaliate if they feel they are under attack by workers i.e., the reporting of service quality abuses. The result would be a low-level war between management and workers. Customers would suffer unnecessarily.

The CWA requests that the PSC take three steps to set up a process to resolve and rectify the broad patterns of service quality abuses identified in the CWA Report.

- 1) Conduct an operational audit of Verizon's service quality measurement practices to verify the charges contained in the CWA Report. The CWA is ready to assist PSC staff in this effort provided that whistleblowers are protected.
- 2) Develop a remedial program – with the participation of CWA - to address these problems in a systematic and comprehensive manner. The underlying causes of these problems would have to be identified. Systemic problems would require systemic solutions that guarantee the future validity of service quality data and the delivery of high quality service.
- 3) Conduct a comprehensive reevaluation of Verizon-NY's performance in relation to service quality targets and recalculate the penalties levied against the company as part of the PRP. The existence of documented inaccurate service quality data calls into question all the service quality reports previously submitted by the company to the PSC.

CWA hopes that the CWA Report and subsequent actions by the PSC will result in a serious, comprehensive and cooperative effort to protect against future service quality and service quality reporting problems. CWA stands ready to work with the PSC and Verizon in this effort. CWA Vice President Mancino expressly stated that “CWA wants to work with management and the PSC to insure that proper procedures are followed to guarantee the future validity of service quality data as well as to develop better methods to insure that our members are allowed to provide the high quality service our customers deserve.”

Please contact me at 212 344-2515 if I can be of any assistance to you or your staff on this matter.

Sincerely,

Kenneth R. Peres
District One Research Director

CWA REBUTTAL TO VERIZON RESPONSE

The following sections answer the charges made in the Verizon Response. These sections are organized in five parts. Part A examines the reasons and timing for the release of the CWA Report. The second part focuses on the methodology utilized by the CWA Report. Parts C and D detail the failure of the Verizon Response to adequately address the specific charges of inaccurate service quality reporting contained in the CWA Report. The final part examines the importance of management policies that hinder the ability of workers to deliver quality services

PART A. VERIZON REFUSED TO COOPERATE IN A TWO-YEAR CWA EFFORT TO GET THE COMPANY TO SERIOUSLY ADDRESS SERVICE QUALITY ISSUES AND EVEN ATTEMPTED TO STIFLE WHISTLEBLOWERS

1) The CWA Report Was Only Released After The Failure of A Two-Year CWA Effort To Get Verizon Management To Seriously Address Service Quality Issues

Verizon Allegation: “The release of this report seems politically motivated... If the Union had supportable evidence of what it alleges in this report, it had an obligation to bring it to the attention of Verizon at the time it was discovered, not at a time that suits its political needs.”²

CWA Response. CWA tried over a two-year period to get the company to work together on these issues. The company responded by refusing to admit that there was a problem – and it still refuses to make such an admission. In March 1998, the CWA started a series of letters to upper level Verizon executives informing them about the CWA Service Quality Program. From July through December 1998, CWA asked that the company assist CWA Program staff in obtaining more detailed service quality information as mandated in the Performance Regulation Plan.

“New York Telephone shall provide the Communications Workers of America and/or its CS/SQ Program staff with any requested information regarding service quality reports, service quality targets and penalties,

² December 1, 2000 Letter from William Allan of Verizon to Allan Bausback of the PSC that accompanies the Verizon Response, p. 2. (the “Verizon Cover Letter”).

service reporting procedures, and staff levels as they relate to the delivery of service.”³

The company refused to answer our queries. The company only responded after CWA brought the problem to the attention of the Public Service Commission. Even then, the company would allow access to data only if the CWA would agree to a gag order about discussing the results of the analysis with any other party.⁴ In other words, CWA would not have been able to use its analysis of the data even for the purpose of informing the PSC about any potential or actual service quality issues. These limitations were not acceptable and, in CWA’s opinion, contravened the language of the Performance Regulation Plan.

CWA also informed the company that the CWA data indicated a significant pattern of service quality reporting abuses once this became clear after our initial set of workshops, surveys and Hotline reports. CWA asked the company to meet with the union to set up a process to cooperatively identify and rectify service quality problems. In response the company asked the CWA to turn over all its data so that management could take action if needed. CWA refused to do this without ironclad guarantees that “whistleblowers” would be protected from investigation and discipline. As will be detailed in the next section, the company security agents interrogated whistleblowers. Obviously, the company did not live up to its part of the bargain.

CWA persisted in its attempts to get the company to jointly address service quality issues. In September 1999, CWA proposed a structure for a joint union-management program to identify and address service quality issues. The company’s counter proposal amounted to an attempt to deflect the program from improving service quality to increasing productivity. In addition, the company’s proposal included a blanket “gag order” that would have prevented CWA from addressing service quality issues with any other groups or in any other forums – including the PSC. Obviously, CWA found the company’s proposal to be unacceptable.

³ Case 92-C-0665, “Performance Regulation Plan for New York Telephone Company” Section III K, Subsection 6, September 26, 1994 (the “PRP”).

⁴ CWA stipulated that company documents would be confidential and treated as proprietary information.

CWA still did not give up. In a meeting in January 2000, a high level Verizon executive agreed to work together to examine one service quality issue and work to resolve any identified problems. Subsequent meetings did take place in May and June. However, these meetings were interrupted by the August strike. The meetings were not reconvened due to the company's uncooperative and antagonistic post-strike attitude toward CWA. After two years of being rebuffed by Verizon management, the CWA report was formally presented to the PSC on November 1st.

Verizon errs when it alleges that CWA threatened to release its findings publicly because we were "upset with the direction the End User Service Quality Collaborative Process was headed."⁵ Instead, CWA persisted throughout this period in our failed attempts to get Verizon to seriously deal with its service quality issues without involving other parties. The CWA Service Quality Program never publicly released any information summarizing, analyzing or detailing the results of the surveys or hotline reports until the release of the November 1st report to the PSC.

Verizon also alleges that CWA presented the report because of the "intense union/Verizon dispute over disciplinary action the company has taken for work stoppage related incidents."⁶ CWA is fully confident that the frivolous disciplinary actions taken by the company during the strike will be overturned in arbitration. CWA believes that the PSC should not enter into such specific labor-management issues. However, it should be recognized that Verizon is blatantly trying to deflect the attention of the PSC away from the content of CWA's Service Quality Report.

2) Verizon Management Interrogated CWA Whistleblowers and In One Documented Instance Punished A Whistleblower

Verizon Allegation: "The code requires that employees immediately report any known or suspected misconduct to allow for investigation and follow up. It also makes clear that 'acts of retaliation for reporting such information will not be tolerated.'"⁷

⁵ Verizon Cover Letter, p. 2.

⁶ Ibid.

⁷ Verizon New York Response to Communications Workers of America Report on Service Quality and Service Quality Reporting at Verizon NY (the "Verizon Response"), p. 3.

CWA Response. In April 1999, CWA and Verizon agreed to a small pilot project to see if we could work together. This agreement came almost a year after our initial attempt to get the company to cooperate on service quality issues. As part of the “pilot” project CWA provided the documentation for eight cases of service quality reporting abuses. On the one hand, the test cases were to allow the company to determine whether our Hotline reports could be verified. On the other hand, the test cases would allow CWA to determine whether the company would work with the union to resolve such problems while protecting the “whistleblowers.”

It was CWA’s understanding that no whistleblower would be involved in any investigation or be disciplined. However, the company immediately turned the test cases over to Security. Security agents interrogated at least two whistleblowers before the union was notified. CWA vehemently objected to the company’s actions and let it be known that union representatives would be present at any future interrogations. The company stopped the interrogations. The company’s actions would have produced a “chilling” effect over the entire program if allowed to continue. Obviously, the company failed the pilot test.

Another case indicates management’s attitude to whistleblowers. In January 2000, a technician uncovered 52 jobs in which data had been falsified. The technician notified company security. The next day the technician was transferred to another location much further from his home. The technician, suffering from heart problems, had to be taken to the hospital. He was transferred back to his original job location only after a concerted effort by CWA. Such actions do not reflect well on the company’s commitment to protect whistleblowers.

3) Verizon Did Find Evidence of Wrongdoing by Management In The Cases Presented By CWA

Verizon Allegation: “After numerous requests and only with the assistance of staff, were we able to get a sample of eight CWA hotline allegations. Verizon found no wrongdoing.

Our investigation found no evidence of misconduct on the part of managers and no evidence that the service standards were manipulated. This report is more of the same.”⁸

CWA Response: In fact, Verizon did find evidence of misconduct and even attempted to discipline two managers implicated by the CWA provided test cases. However, Verizon desisted after the intervention of top CWA officials. CWA knew from experience that such disciplinary action taken as a result of worker initiatives would lead to retribution by lower level management. CWA wanted to insure that the program identify and resolve the “systemic” causes of widespread service quality problems rather than punish one or two token managers.

Verizon gets its facts wrong again when it states that the test cases were provided only through the intervention of the PSC. As previously discussed, CWA went to the PSC because the company would not assist CWA Program staff in obtaining more detailed service quality information as mandated by the PRP. The test cases were part of the “pilot project” that was developed in a meeting solely attended by representatives from the company and the union.

PART B. VERIZON ATTEMPTS TO DENY BROAD PATTERNS OF SERVICE QUALITY ABUSE BY MISREPRESENTING THE CWA REPORT

4) The CWA Used Surveys To Indicate Whether A Broad Pattern of Service Quality Reporting Problems Did Exist – Not As A Substitute For The Documentation of Specific Abuses

Verizon Allegation: “The CWA attempts to present its survey as fact. They are not fact and the CWA’s attempt to use them this way reveals the weakness of their allegations. If you have no proof, do a survey of your constituents and present its results as evidence. Survey results should never replace factual evidence where it is available.”⁹

CWA Response. Verizon obviously does not understand the methodology used in the CWA Report. In 1998 and 2000, the CWA conducted a two part analysis to identify whether there were service data reporting problems at Verizon-NY. The first part was

⁸ Verizon Cover Letter, p. 2.

⁹ Verizon Cover Letter, p. 3.

based on an analysis of a survey used to identify whether there were broad patterns of inaccurate service quality reporting. The CWA survey represents a significant sample. Two thousand surveys were returned from a distribution of 5,000. A 40% return rate is impressive. In addition, the sample of 2,000 was taken from a universe of 32,000 workers – not all of who work in areas relevant to the PSC reporting system. This represents a very significant sample size. It would correlate to a survey response of 708,100 from Verizon’s 11.3 million access lines.

The surveys included questions directed specifically to workers with different craft titles. The returned surveys fairly represented the work force in terms of titles and work locations across the state. The CWA Report included the results from those specific questions that were posed to more than one job title. A significant number of respondents from around the state affirmatively answered survey questions relating to inaccurate service quality data. CWA did not utilize survey results as a substitute for the documentation of specific service quality abuses as Verizon charges. Instead, the surveys were used solely to identify, rather than verify, the existence of broad patterns of reporting abuses.

5) The CWA Hotline Reports Document The Specific Abuses Identified in the Survey

Verizon Allegation: “We... find it irresponsible on the part of the CWA to reach the sweeping conclusions it reaches in the report without any real proof.... While the CWA presents these calls to its hotline as fact, they are just unsubstantiated allegations.”¹⁰ “The report identifies... hotline reports. Due to the generality of the information provided, it is not possible to comment on these allegations.”¹¹

CWA Response: The second stage of our analysis sought to determine whether the patterns identified in the surveys could be verified and documented. The CWA installed a Hotline (1-888-CWA-4311) as mandated by the PRP. This Hotline generated over 2,000 reports from workers providing information on specific instances of service quality reporting abuses.

¹⁰ Ibid.

The CWA Report only provides a number of representative examples from the Hotline Reports for each category of service quality reporting abuse. The Verizon Response attempts to castigate CWA for only using general language when explaining the examples. However, the Report does not utilize more specific information because CWA has a duty to protect the “whistleblowers” from company retribution. As indicated in Section 2, company security agents interrogated “Whistleblowers” when CWA previously gave the company more specific information on eight examples of reporting abuses. The CWA has invited the PSC staff to examine our data with the understanding that they guarantee the anonymity of the whistleblowers and protect them against company investigation and retribution. Verizon should not be so cavalier in its statements about the viability of the Hotline reports given the fact that the company did investigate and verify a number of CWA provided test cases as explained in Section 3.

6) The CWA Hotline Reports Are Verifiable

Verizon Allegation: “Most of these examples are two and three years old and so generalized as to be of little use... If these problems were as serious and widespread as CWA alleges, it would clearly be in a position to produce more current examples to support its case.”¹²

CWA Response: The Hotline Reports identify and document the existence of a widespread pattern of service quality reporting abuses that span a three year period. The documentation detailing these abuses remains valid whether the examples are taken from this year, last year or the year before. Moreover, the Hotline Reports can be verified from Verizon’s own database. More current information will be gathered after the PSC issues its order extending the CWA Service Quality Program. The CWA is ready to assist the PSC in any investigation of our Hotline Reports as long as the whistleblowers are protected.

7) The CWA Report Represents Enough Information To Require Further Investigation by the PSC

¹¹ Verizon Response, pp. 9, 10, 13,16, 17,18, and 21.

¹² Verizon Cover Letter, p. 5.

Verizon Allegation: “The CWA allegedly identifies 2,000 calls made to its hotline. Even if these calls were valid, these 2,000 calls were made over five years, from a pool of over 30,000 Union employees and based on millions of service measurement entries per year for service orders and trouble reports.”¹³

CWA Response: CWA has reported the results of a broad survey and has documented 2,000 cases over a two and a half year period to prove there is a widespread pattern of service quality abuse over the entire state and over time. Verizon would like the public and the PSC to think that such behavior is isolated to individual instances. There are two problems with Verizon’s attempt to minimize the significance of the Hotline Reports.

First, Verizon errs in relating the number of Hotline Reports to the number of employees and the number of troubles reported to Verizon by its customers. Instead, the 2,000 Hotline Reports should be measured against the number of managers identified and disciplined by Verizon for misreporting data.

Second, Verizon would not allow CWA Service Quality Program staff to obtain access to the company’s database. This prevented CWA from expanding its analysis beyond the specific Hotline Reports. In other words, Verizon is criticizing the CWA Report because of limitations imposed by Verizon itself.

PART C. VERIZON’S INTERNAL PROCEDURES DO NOT ADEQUATELY ADDRESS THE ISSUES RAISED BY THE CWA REPORT

8) The Company’s Code of Business Conduct Has Not Prevented Managers From Inaccurately Reporting Service Quality Data

Verizon Allegation: “Our Code of Business Conduct is Verizon’s most important control... It seems that managers would be taking a great risk to direct employees to misreport clearing times... direct employees to improperly change appointments”¹⁴

CWA Response: Verizon contends that the Code of Business Conduct (the “Code”) is the company’s most important bulwark against the willful presentation of inaccurate service quality data. However, CWA contends that the Code, while expressing company goals,

¹³ Verizon Cover Letter, p. 4.

¹⁴ Verizon Response, pp. 1, 10, and 12.

has not faithfully and consistently been heeded in the field. The misreporting of service quality data is so widespread and has been common practice for so long that it has become “business as usual.” The PSC audit in 1994 uncovered a significant number of schemes through which management inaccurately reports service quality data. The CWA Report documented many of the same practices using data from 1998 through 2000.

There are built-in incentives that provide management with a motive to inaccurately report service quality data. Managers are monetarily rewarded if they meet or exceed their service quality targets. Managers also increase their chances of promotion if they consistently meet these numbers. The question is whether the Code and the risk of getting caught provide a stronger disincentive to stop managers from altering the data. CWA has received more than 2,000 reports of inaccurate service quality reporting. It appears that numerous managers have decided that the benefits outweigh the risks.

As previously stated, CWA opposes a policy of selected disciplines in response to a systemic problem. The Verizon Response basically states that company policy is primarily based on the Code and such disciplinary actions. Yet, the company has not provided any information on the number of disciplinary actions that it has taken over the last few years against managers for inaccurately reporting service quality data. Nor has the company provided any proof that its internal controls have been effective in addressing the problems identified in the CWA Report. Verizon’s reference to the theoretical impact of the Code cannot be a substitute for the reality of whether the Code is effectively enforced.

9) The Company’s Internal Controls Do Not Adequately Uncover The Types of Inaccurate Reporting Identified in the CWA Report

Verizon Allegation: “Any time that allegations of misreporting or of other activities which may impair the accuracy of the service quality data come to the attention of the Company, Verizon takes steps to investigate and takes appropriate disciplinary action, including dismissal, where appropriate. These controls have been effective in the past and continue to be the most effective and efficient method to ensure reliability and accuracy in the reporting service quality data.”¹⁵

¹⁵ Verizon Response, p. 1.

CWA Response: The Verizon Response states that the GuideLine has proven “effective.”¹⁶ It refers to the dismissal earlier this year of two managers for improperly closing out trouble reports. However, how effective can this system be given the fact that CWA has uncovered hundreds of reports of inaccurate management reporting?

The Verizon Response also refers to the Quality Assurance Team which can “adjust the results for errors that are found...and improves accuracy.”¹⁷ However, the QAT review is often limited for a number of reasons. First, it is difficult for the QATs to identify falsified data. For example, managers can enter generic codes that are difficult to locate – a problem that will be discussed in section 10. Second, the QATs cannot identify troubles that are not entered into the system because customers are given the personal reach numbers of managers – a problem discussed in section 13. Third, miscoding can also present an obstacle to the QATs. This problem was noted by the 1994 PSC Audit,

“the Quality Assurance Team trouble report analysis only identifies inconsistencies in trouble report recording, but does not look for specific problems related to employee training in proper coding...the [QAT] reports only indicate whether its reviews agree with the service quality results reported by the repair center under review.”¹⁸

Finally, the QAT, to the knowledge of CWA, has not, on its own, uncovered any of the 2,000 cases identified by the CWA Hotline.

PART C. VERIZON FAILS TO REBUT CWA’S CHARGES OF SPECIFIC WAYS IN WHICH MANAGEMENT INACCURATELY REPORTS SERVICE QUALITY DATA

10) Managers Have The Ability to Go Into Computers To Directly Falsify Service Quality Data

Verizon Allegation: “It is true that many of our systems do allow users to make service quality measurement entries and link them to employee codes other than their own. This fact alone does not prove any misconduct. Often managers have to correct incorrect data

¹⁶ Verizon Response, pp. 4-5.

¹⁷ Verizon Response, p. 5.

¹⁸ New York Public Service Commission, “An Operational Audit of New York Telephone Company Service Quality Standards Measurement Practices”, January 28, 1994 (the “PSC Audit”), pp. 58-61.

entries or otherwise enter new information. Security has the ability to trace recent trouble report entries back to the individual responsible for entering it.”¹⁹

CWA Response: Verizon readily admits that managers can alter service quality data using codes other than their own. CWA has documented instances of managers changing data not to correct inaccuracies but to improve performance numbers. In some instances, a generic code has been used that allows a manager to alter the data while minimizing the possibility that the changes could be traced. In other instances, managers have changed data and entered the codes of other employees.

This is not a new problem. In 1994, the PSC’s own audit recognized the ability of management to enter and/or change service quality data at will.

“New York Telephone’s computer does not... prevent improper employee codes from being entered into the system... This situation could allow an employee to enter fictitious trouble reports into the system using another employee’s code number... Such manipulation of data could, for example, enable managers to “improve” their clearance time for trouble reports. Fictitious trouble reports are virtually undetectable, unless an employee is physically caught inputting them into the computer.”²⁰

Verizon states that “Where Verizon can trace entries back to the individuals responsible when such allegations are made, corrective or disciplinary actions are taken.”²¹ There are two implicit admissions in this statement. First, not all such violations are reported. Indeed, as the PSC Audit makes clear, it is extremely difficult to identify managers going into the system to inappropriately alter service quality data. Second, Verizon implicitly admits that it might not be able to track such changes back to the manager responsible.

Verizon criticizes the CWA survey question asking respondents whether they have seen a manager closing out or changing the status of a job. Verizon counters that “there are numerous reasons why a supervisor might change the

¹⁹ Verizon Response, p. 8.

²⁰ PSC Audit, p. 29.

²¹ Verizon Response, p. 8.

entry, not the least of which is that the entry was incorrect.”²² Verizon fails to admit that there are important financial incentives for supervisors to change data inappropriately in order to serve their own interests.

Verizon seeks to portray the ability of managers to change computer records as merely a function of correcting service quality data mistakes. However, entering such data is the specific job of represented workers. It is not management’s job to enter or alter such data. Indeed, this is a violation of Verizon’s contract with CWA and is subject to grievance and arbitration. However, the labor-management side of this problem is not the issue here. The problem is that Verizon’s lack of adequate controls can have a significant impact on the data presented to the PSC. The PSC Audit took great pains to differentiate the tasks of workers who input data from those of managers who have the job to “manage” the workforce.

“In addition to serving as a receiving and storage medium for trouble reports, the Company’s computer system has a number of other related modules which perform a variety of tasks such as: assigning field technicians, prioritizing work activities, mapping, etc. A fundamental internal control in most computer systems is to limit the access of individuals to only the modules they need to perform their jobs. The purpose of this limitation is to separate duties so that there are sufficient checks and balances to minimize unintentional errors and/or possible manipulation of data.

“Although repair clerks are responsible for inputting trouble reports into the system, managers (who use other modules to manage the workforce) also have the ability to input and update trouble reports. These same managers are evaluated on their performance in repairing troubles and meeting repair appointments. However, the Company’s computers give managers the ability to create and modify trouble reports.

“In order to have an effective system of checks and balances, it is important to separate and restrict the duties of employees who are held accountable for managing operations from those who are responsible for performing the day-to-day work activities. By allowing managers to have

²² Ibid.

the ability to change trouble report records, the Company is not effectively separating these duties.”²³

Finally, Verizon also fails to admit that, under the current system, it does not have the ability to prevent managers from improperly altering data and that it is severely limited in its ability to even identify those managers who do. The PSC Audit recognized such problems when it made the following recommendation.

“New York Telephone should limit the ability of managers to create or modify trouble reports in the Company’s computer system only to times of emergency or strike periods.”²⁴

The PSC directed the company to work with Department of Public Service staff (the “DPS Staff”) to take corrective action in order to address this recommendation among others. The company’s plan in 1996 was strikingly similar to the plan offered in the Verizon Response.²⁵ The Department of Public Service staff summarized the company’s 1996 “implementation response” in the following manner.

“... a Company announcement [was issued] informing managers that they are not to create, modify or closeout trouble reports, except CRSAB and CSB managers who have a customer on the line... In lieu of having the read-only restriction, [the Company] has placed layers of reviews (QAT samples, QAT Adhoc and Quality Analyzer) to uncover scoring errors and data manipulation that may be associated with the managers’ ability to create and modify troubles.”²⁶

The CWA surveys and Hotline reports have shown that these “layers of review” are inadequate.

11) Managers Direct Workers to Backtime

²³ PSC Audit, p. 30.

²⁴ PSC Audit, p. 68.

²⁵ Case 92-C-1159, “Implementation Order Issued and Effective March 15, 1994” (the “PSC Audit Implementation Order”).

²⁶ Case 92-C-1159, Report of the Office of Utility Efficiency and Productivity Communications Division to the Commission, August 8, 1996, Attachment 2, Recommendation 2.5.

Verizon Allegation: “Backtiming is used to reflect the time that service was restored or the “clear time” of the trouble report. It allows the Company to measure our performance against the actual time that a trouble report was cleared instead of when it was closed out in the computer system... The Code contains numerous protections against the type of activity the CWA describes here.”²⁷

CWA Response: The Verizon Response again fails to admit that backtiming is a problem. The company’s only response is that there are instances when backtiming can be rationalized and that any improper activity is protected by the Code. Yet, the PSC 1994 Audit also recognized that backtiming represented a problem in relation to service quality data reporting and recommended that the company prohibit it outright.

“Generally, the clearing date and time is automatically entered by the trouble reporting computer when a repair clerk or a field technician inputs the clearing entry into the computer. However, the computer-generated date and time can be overwritten with an earlier date and time... The Company gave a number of reasons why it believed this practice was acceptable... While there are plausible reasons to allow the records to be backtimed, by allowing this practice [the Company] could also [allow] for individuals to inappropriately or incorrectly backtime trouble reports. Because of the possibility of error or manipulation that this practice presents, Staff believes that the Company’s computer system should be modified to prohibit backtiming.”²⁸

The PSC Staff actually was told that the company was going to prohibit backtiming.

New York Telephone has recognized that its internal controls would be improved by prohibiting employees from overwriting the computer-generated date and time. As a result, the Company’s Vice President and General Manager-Operations Staff has committed that New York Telephone will modify its computer system by the first quarter of 1994 to prohibit this practice. Staff believes that this is a positive change by the Company.²⁹

Obviously, such a “positive change” has not occurred. After almost 7 years, the company still allows and defends backtiming – even though it is used inappropriately to alter service quality data.

²⁷ PSC Audit, p. 11.

²⁸ PSC Audit, p. 55.

²⁹ PSC Audit, pp. 55-56.

12) Managers Direct Workers to Close Out Jobs Before They Are Cleared

Verizon Allegation: “We do ask employees to use the time when a line was put back into service as the ‘clear time’ even if there is additional miscellaneous work that needs to be done such as cleanup. While once could argue whether the job was ‘complete’ the measurement standard is whether the trouble on the line is cleared.”³⁰

CWA Response: CWA agrees that the proper procedure should be to “close out” a trouble when it is cleared. For example, an out-of-service trouble should be coded as cleared, or “closed out”, when dial tone is restored. At that point, the technician would go on “routine time” to finish whatever else had to be done with that particular job. However, it has been common practice for management to direct workers to close out a job at the time that a technician isolated the problem as opposed to the time when the problem actually was fixed and dial tone restored. The CWA survey indicated that such practices were widespread. The CWA Hotline Reports documented specific instances of such practices. Workers report that such management directives are especially prone to take place when the repair was in danger of going over the company’s commitment time.

13) Management By-Passes The PSC Reporting System

Verizon Allegation: “It is true that some customers that demand an extra measure of attention are given direct reach numbers at times. There is no reason to believe that a trouble report is not entered just because a customer calls a number other than the CSB. Employees have incentives to be sure that reports are entered for such calls. Managers that receive such calls will want the record to reflect that they took action on a difficult customer’s problem. Associates that receive calls will want to get productivity credit for any time they spend resolving the problem. It is quite surprising that the CWA objects to a practice whereby customers receive additional and somewhat more personalized service.”³¹

CWA Response: CWA does not object to customers receiving additional help but believes that all calls made to special numbers, just like calls made to the regular repair numbers,

³⁰ Verizon Response, p. 10.

³¹ Verizon Response, pp. 17-18.

should be reported to the PSC. It is quite surprising that Verizon only states that it has “no reason to believe...”

Bypassing the system through special numbers is not a new problem: it was specifically identified in the PSC’s 1994 audit.

“Customers may perceive these direct contacts with managers and foremen as receiving more responsive service; however, this process bypasses those controls that the Company has in place to receive trouble reports....³²

The Verizon Response states that managers have incentives to record such special calls as troubles in the reporting system. However, managers have significant monetary incentives to make their service quality numbers. A manager’s service quality performance can be improved by reducing the number of subsequent or even new trouble reports that are recorded for PSC purposes. One way to achieve such a reduction is to give special reach numbers to customers. Calls to these reach numbers are not necessarily recorded for PSC reporting purposes. Managers have an incentive to take “difficult problems” out of the PSC reporting system because they would significantly harm the manager’s performance numbers by increasing the number of subsequent or repeater troubles and the likelihood of missing company commitment times.

The Verizon Response also stated that technicians have an incentive to report calls made to reach numbers as formal trouble reports for productivity purposes. However, a technician must go to a job whether he/she is dispatched through regular channels or directly by a manager who is bypassing the system. In the later case, it would then be the responsibility of the manager, not the worker, to report the job for productivity purposes.

The PSC Audit made the following recommendation to address the problem of bypassing the system.

“A process should be instituted to ensure accurate and complete reporting of trouble reports made to special numbers or, in the alternative, the Company should stop providing customers with the direct numbers of

³² PSC Audit, p. 68.

managers and foremen and all customer trouble reports be received only through the standard repair numbers...³³

The PSC's Audit Implementation Order directed the company to address the issue of special reach numbers.³⁴ The company's plan basically consisted of an announcement.

"... a company announcement [was issued] re-emphasizing that all trouble reports conveyed to a [company] employee by customers or their representatives, using any form of communication, must be entered into the trouble report system before any repair activity may commence... In addition, the Company announcement reminds employees not to work on any trouble without a trouble report in the system."³⁵

Staff made the following recommendation after reviewing the company's plan.

"Since [the Company] has opted to continue the use of "special numbers," it is Staff's opinion that the potential systemic problem of troubles not being entered in the system still exists. Conversely, special numbers can serve to improve service for many customers and therefore have value. The QAT review of this process offers Staff some reassurance that NYT is taking reasonable steps to ensure that calls to special numbers are properly recorded and reported."³⁶

Such "reassurance" may need updating given the data collected from the CWA surveys and Hotline reports.

14) Inaccurate Computer Testing

Verizon Allegation: "It is Verizon's practice to automatically retest lines as they are being assigned to a technician. If the line tests OK at the time of dispatch, it is rejected back to the center for further test and analysis while the technician is dispatched to another job. This trouble is not closed out but rather the customer is contacted to verify that the service is working properly. If it is not working according to the customer's satisfaction, Verizon will take whatever corrective action necessary... It is wasteful to dispatch technicians on working lines. Better to dispatch on hard troubles and correct those that have come clear if they repeat."³⁷

³³ PSC Audit, pp. 27-28.

³⁴ PSC Audit Implementation Order.

³⁵ Case 92-C-1159, Report of the Office of Utility Efficiency and Productivity Communications Division to the Commission, August 8, 1996, Attachment 2, Recommendation 2.4.

³⁶ Ibid.

³⁷ Verizon Response, p. 17.

CWA Response: There are a number of problems with Verizon’s computerized line tests. At any time, the company can alter the parameters of these tests to be less sensitive to crucial testing limits. For example, the company can change the parameters of the test equipment to transform what would have been an out-of-service condition into a Test OK. Thus, a metallic trouble that should normally be dispatched can miraculously become a Test OK merely by changing the parameters of the test equipment. Of course, this does not clear the trouble or address the customer’s needs. However, such changes in the parameters do allow Verizon to reduce its dispatches and costs while improving the data reported to the PSC. Workers have filed CWA Hotline Reports documenting cases in which lines that were previously tested as out-of-service were re-tested as Test-OK even though the customer did not have dial tone and no work had been done to correct the customer’s problems.

The 1994 Audit Report also criticized the company’s computerized line tests for their inconsistency.

“Overall, it was found that the line test produced widely varying results... Based on the results of this system, a repair clerk could reach a number of conclusions, from the line having no trouble, to various problems with the customer’s telephone set, to moisture problems with the line, to an invalid circuit arrangement. In effect, the repair clerk would reach a decision on how to handle and record the trouble, based on test results that changed from minute to minute.”³⁸

15) Passing Installations to Repair

Verizon Allegation: “It is true that some installation orders may be completed without the service working properly but no one should ever knowingly complete a service order if the service is not working... Sometimes we complete orders, believing that the service is working, only to find out later that there is a problem... It may have worked initially and for a variety of reasons including subsequent activity of that associate or other associates in the area, it may have later deteriorated. Verizon acknowledges that this situation may

³⁸ PSC Audit, p. 21.

happen. It doesn't prove that CWA's allegation that orders are intentionally marked completed prior to service being provided."³⁹

CWA Response: CWA appreciates Verizon's admission that installations may be reclassified improperly as repair troubles. However, it should be noted that the Verizon Response targets "associates" i.e., workers in the field, as the culprits and not management. The CWA stands by the survey results and Hotline reports from workers in the field and in bureaus showing a consistent practice of reclassifying uncompleted installations as repair troubles. Field technicians throughout the state have noted that they often go to repair a trouble on a new line and are approached by customers who remark that the line never worked. Workers also report that on many occasions there is not even a dial tone at the feeder because the installation was returned for lack of facilities even though it had been closed out as complete.

16) Changing Commitments Without A Customer Request To Do So

Verizon Allegation: "It is possible for someone to change a commitment date or time without direction from a customer. The computer system cannot validate the customer's choice automatically. The computer system must be flexible enough to accommodate customer requests... At times, the Company changes appointment commitments without a customer request. This may be driven by force to load and volume issues. This new appointment is entered as an employee report to facilitate and prioritize mechanized dispatch the next day. The original commitment for the day which was missed is not changed and recorded as a commitment miss."⁴⁰

CWA Response: The company admits that it changes appointment commitments without a customer request and without notifying the customer. Then it attempts to rationalize these cases by referring to flexibility. The Verizon Response misses the point. CWA has verifiable Hotline reports showing that the company not only changes commitments without customer knowledge but also inaccurately codes these changes as customer originated which excludes them for PSC reporting purposes. CWA also believes that there

³⁹ Verizon Response, pp. 15-16.

⁴⁰ Verizon Response, pp. 12-13.

is another issue involved here. It is important that the company meet the commitments made with its customers. While any company requires flexibility, a consistent pattern of missed commitments due to company fault can reflect an underlying problem of too few workers chasing too many customer troubles. It also seems to be a common courtesy for the company to notify customers about any changes. This is especially critical when changes are made to appointment times.

PART D. CUSTOMER TROUBLES, CPE & INSIDE WIRE MAINTENANCE PLANS

There are two basic issues involved with Customer Provided Equipment (“CPE”). The first concerns the improper coding of troubles to CPE. This problem affects not only the company’s service quality performance vis-à-vis the PSC but also the provision of credits for customers with out-of-service conditions. The second issue involves the company’s policy of minimizing the dispatch of workers to fix customer problems even for customers with wire maintenance service plans.

17) Improperly Coding Troubles To CPE

Verizon Allegation: “It is a long-standing practice to exclude CPE troubles from our reported results... When customers call to report a trouble, they are warned that they will incur a charge if we dispatch on their trouble report and find that the line is OK and the trouble is caused by their inside wire or CPE... Upon hearing this warning, many customers decide to check their CPE rather than risk this charge or wait for a dispatch. If they choose this option, we close out their report as ‘customer to check CPE’ which is excluded from the results. Such a close out is completely up to the customer... On occasion, it may take several attempts for the customer to identify whether the CPE or inside wire are the cause of the trouble.”⁴¹

CWA Response: All CPE troubles are excluded from the PSC’s service quality performance measures. Thus, the coding of troubles to CPE can improve Verizon’s performance, reduce penalties, and enhance the performance numbers of individual managers. There are a number of points at which troubles can be improperly coded to CPE. First, troubles can be coded to CPE even when computer testing reveals that such troubles

are, in all probability, caused by the company network, not the inside wire or CPE. For example, CSAs are directed to identify a trouble as CPE if the computer test reveals a problem from a set list of VER codes – i.e., codes that identify the origination of the trouble. In an effort to reduce dispatches, the company’s list of VER codes includes test results that indicate that the trouble in all probability originates in the company’s network.

Second, the company increases the likelihood of coding troubles as CPE by giving customers a warning that any dispatch could cost them additional money – even when the testing system reveals that the problem is located in the company’s system. This was a problem identified in the PSC Audit.

“Staff’s review found that repair clerks give this warning even though the Company’s testing system indicated that the problem was probably caused by New York Telephone’s equipment... In effect, customers may be dissuaded from pursuing Company-caused problems because of the emphasis placed on possible maintenance charges and thus result in the under-reporting of missed repair appointment and out-of-service greater than 24 hours standard.”⁴²

The PSC staff made the following recommendation.

“A procedure should also be developed wherein New York Telephone should only give the maintenance of service charge warning for troubles which its line testing system shows are probably caused by inside wiring or by customer provided equipment.”⁴³

The company attempted to address this recommendation in response to the PSC Audit Implementation Order. The company proposed “more testing and analysis...allowing the company to better advise customers of the likely source of their trouble while they are on the line with the Company.”⁴⁴ Staff basically accepted the company’s plan.

“Staff has monitored a limited number of CSB clerks receiving trouble calls from customers and have reviewed some of the results of the QAT monitoring

⁴¹ Verizon Response, pp. 14-15.

⁴² PSC Audit, p. 77.

⁴³ Ibid.

⁴⁴ Case 92-C-1159, Report of the Office of Utility Efficiency and Productivity Communications Division to the Commission, August 8, 1996, Attachment 2, Recommendation 3.6.

efforts. [The Company] has done additional testing while the customer is on the line and has provided training to its employees as necessary.⁴⁵

Unfortunately, Customer Service Administrators – those who handle many of these calls – state that training is inadequate. The combination of inadequate training and inappropriate VER codes often lead customers to mistakenly assume that the trouble is in their CPE or inside wire –including those customers with maintenance plans.

Third, even after checking their CPE, customers who report the same trouble can be told to check their CPE again. Even the company admits that this can occur. The CWA received many reports of multiple close outs to CPE. Fourth, management at the dispatch centers can direct workers to code troubles to CPE in order to “make the numbers.”

It should also be noted that the inaccurate coding of troubles to CPE could directly reduce the amount of out-of-service credits received by customers. The clock only starts ticking for out-of-service credits after a trouble is coded as out-of-service – not when the trouble was initially reported and the customer agreed to check their CPE as directed by the company. Thus, the company gains time by coding troubles to CPE. Again, the PSC Audit Report identified this problem:

“Moreover, if after checking his/her equipment, a customer has to again call New York Telephone to have a trouble repaired, the Company begins to measure the length of the outage from the time that the customer calls the second time. In effect, the Company does not begin measuring the service outages from the time it was first notified of the problem. This practice not only potentially could impact the magnitude of the percentage of out-of-service troubles cleared within 24 hours service quality measure, but also potentially reduces the likelihood that a customer will receive the appropriate out-of-service credit.”⁴⁶

CWA has received hundreds of Hotline Reports documenting multiple closeouts to CPE for customers reporting the same trouble.

18) Possible Fraud – CPE and Customers with Wire Maintenance Plans

⁴⁵ Ibid.

⁴⁶ PSC Audit, p. 41.

Verizon Allegation: “The Plans do not insure that the Company – not the customers – will be responsible for checking and fixing any inside wire or CPE problem. These optional Plans simply address whether the customer will be charged for certain dispatches... Even customers with the Full Service Plan sometimes prefer to work with us to trouble shoot their service rather than wait... Moreover, sometimes it takes several attempts for customers to accurately check all their CPE and inside wire. Repeated calls from a customer are not any indication of willful misconduct.”⁴⁷

CWA Response: The company contends that the inside wire maintenance plans do not insure that Verizon will be responsible for fixing any inside wire or CPE problem – only whether customers will be charged for dispatches. This will definitely come as a surprise to many customers with the maintenance plan. For example, Verizon’s own mailing makes the following statement.

“When you report a problem with your telephone wire or jacks inside your home, we know you’ll want it fixed as soon as possible. With Verizon’s IWMP [Inside Wire Maintenance Plan] we’ll dispatch an experienced Verizon technician to your home or office to fix the problem at no cost to you beyond the monthly charge for inside wire maintenance service... With Verizon’s Inside Wire Maintenance Plan: ‘first we take care of the problem. Then, we take care of the repair bill’”⁴⁸

Customers with the wire maintenance plans are paying Verizon to ultimately dispatch workers to fix problems – whether the problem originates with the company’s network or the inside wire. Yet, CWA has documented many instances of the company directing customers with the full maintenance plan to check their CPE – even after multiple callbacks reporting the same trouble. CWA believes that the company is not properly informing customers about the limits of the wire maintenance plans or not adequately implementing the plans in its attempt to minimize dispatches.

PART E. VERIZON WANTS THE PSC TO IGNORE MANAGEMENT POLICIES THAT HINDER THE ABILITY OF WORKERS TO DELIVER QUALITY SERVICES

The CWA Report examines two areas in which Verizon is experiencing major service quality problems. The first area concerns the inaccurate reporting of service quality

⁴⁷ Verizon Response, pp. 20-21.

data and constitutes the major part of the CWA Report. The second area concerns the obstacles management places in the path of workers who want to do a quality job.

The PRP specifically directs the CWA Service Quality program to examine the quality of services delivered by the company in addition to the accuracy of service quality data reports.

“3. The CS/SQ [the CWA Customer Service/Service Quality] Program shall consist of the following activities:

a). Program staff shall educate New York Telephone CWA member employees in the importance of providing quality service to customers and shall examine and assess the delivery of service by the Company.”⁴⁹

Under this directive, the CWA conducted statewide workshops in 1998 and 2000 examining the quality of services delivered by the company. A total of 2,000 workers attended these workshops. The conclusion expressed by the participants and in follow-up interviews is clearly expressed in the CWA Report: there are significant problems within Verizon that make it difficult for workers to deliver high quality services to customers.

Verizon objects that

“...none of these issues are appropriate for Commission intervention. These are matters covered by collective bargaining agreements... These allegations should be ignored.”⁵⁰

Obviously, Verizon does not want the PSC to know that there is a significant shortage of copper pairs, that its workers do not receive proper training, are not given the tools to do the job, and are prevented from better serving customers because management focuses on quantity rather than quality.

Unfortunately, these issues affect service quality for many Verizon-NY customers. For example, Verizon touts its investment of \$2 billion in New York. However, this investment is either inadequate or not targeted to specific strategic needs. Many field

⁴⁸ Verizon, “Maintenance Plan: Our Inside Wire Maintenance Plan Keeps You Talking” December 2000.

⁴⁹ PRP, Section III K (3a).

⁵⁰ Verizon Cover Letter, p. 3.

technicians have complained how the lack of copper pairs inhibits their ability to repair or install plain old telephone service for business and residential customers. In addition, Verizon's current problems providing DSL and other special services result directly from the lack of investment in good copper for the company's network infrastructure. This new technology that will enhance the economy of New York requires clean copper pairs for the transmission of data at high speeds. Verizon has been particularly sluggish in upgrading its cable and expanding the number of available copper pairs. Meanwhile, the company has been aggressively promoting DSL even though it has not been able to adequately deliver the service. In other words, Verizon has added too many stores to the mall without increasing the size of the parking lot.

The company has tried to band-aid the lack of copper pairs by utilizing Added Main Line carriers ("AMLs") or Digital Added Main Line carriers ("DAMLs"). These allow one pair of wires to serve two or more telephone lines. Verizon states that "AMLs are a success story."⁵¹ Unfortunately, neither AMLs nor DAMLs, which have proliferated throughout Verizon's New York territory, can adequately carry DSL or other high-speed data transmission technologies.

The CWA Report also provides examples of how the company sacrifices quality for the sake of quantity. Productivity programs and unnecessary job stress are especially onerous for workers with direct contact with customers (such as service representatives, maintenance administrators, customer service administrators and operators) and prevent them from adequately servicing the needs of customers. The CWA Report details specific problems with Verizon's policies on discipline, adherence, monitoring, and poor training that stand as obstacles to quality. The Verizon Response sought to defend such programs.

"Productivity requirements for call takers are necessary to ensure that callers will not have to wait long to reach an agent and that the representative has the objective to complete the call efficiently so as not to waste the customer's time."⁵²

⁵¹ Verizon Response, p. 22.

⁵² Verizon Response, p. 24.

Unfortunately, Verizon's policies often "waste the consumer's time."

The Automated or Voice Response Units (the VRUs") provide an example of the company's disregard for the time of the customer. The Verizon Response sought to dismiss CWA's charge that customers were very frustrated by the VRUs.

"The CWA has significant self-interest in eliminating Voice Response Units (VRUs) completely since it believes that the elimination will require more Union jobs... In addition, the service quality standards correctly count VRU time as work time. Page 23 of the October 6, 2000 Measurement Guidelines states, 'Timing begins when the call first reaches that queue having direct access to a representative, and ends when the call is answered.'"⁵³

The CWA stands by its survey in which 93% of the service representatives and 100% of the operators positively responded to a question asking whether they receive customer complaints about Verizon's Automated or Voice Response Units (the "VRUs"). Clearly, the VRUs increase the time that customers spend waiting for a satisfactory response to their queries. Verizon has not disputed this point. The question to the PSC is not the impact of VRUs' on jobs or profits but their impact on consumers.

The fact that VRUs actually increase the time consumers are kept waiting on the line is not new. The 1994 PSC Audit expressly identified this issue.

"However, much of the time that customers must wait after reaching the automated system is not included in the New York Telephone's repair service average speed of answer data reported to the Department of Public Service."⁵⁴

"New York Telephone's use of an Automated Repair Service Line has significantly extended the length of time many callers wait to reach the repair service bureau. However, almost none of this time is measured or reported to the Public Service Commission."⁵⁵

"When Staff adjusted New York Telephone's average speed of answer data to accurately reflect the delays customers encounter due to the Automated Repair Service Line, the company's performance for average speed of answer falls below objective level."⁵⁶

⁵³ Verizon Response, pp. 19-20.

⁵⁴ PSC Audit, pp. 106-107

⁵⁵ PSC Audit, pp. 111-112.

Verizon is more committed to decreasing costs and increasing profits than to any commitment to “not waste the customer’s time.”⁵⁷

CWA stands by the Report’s examination of those management policies that hinder the ability of workers to deliver quality services. It is generally understood that the first step in solving a problem is to admit it exists. The company should use this opportunity to begin a process of working with CWA to solve, rather than ignore, important service quality problems.

⁵⁶ PSC Audit, p. 112.

⁵⁷ Verizon seems quite proud of itself when it stated that Ken Peres represented CWA in the discussions about the impact of VRUs on service quality as part of the End User module of Case 97-C-0139. Ken Peres did in fact represent CWA in these discussions. So what? Verizon conveniently forgets that throughout these discussions CWA consistently opposed Verizon’s anti-consumer positions in this matter. CWA argued that the PSC should require companies to include the time spent in the never ending maze of VRU menus in the calculation of average answer time performance - a recommendation made in the 1994 PSC Audit. Unfortunately, industry representatives - including those from Verizon – opposed this recommendation. The CWA then proposed that the PSC adopt the Florida or Ohio standards that include two basic consumer-friendly protections. In these states, the initial message must give the customer the option of transferring to a live representative at any time. Also, a customer is automatically transferred to a live representative if the customer fails to interact with the system for a period of ten seconds following a prompt by the system. The CWA also proposed that the PSC adopt the added Florida protection that such automated systems not contain promotional or merchandising material unless the customer selects and chooses to receive such information. The industry also opposed these proposals.

CWA is proud to have championed these consumer friendly proposals before the PSC. Verizon objects that CWA is self-serving since such proposals would require more workers. Verizon chose profits over quality by opposing these proposals adopted in other states. Unfortunately, Verizon is in a service industry in which there is often a direct correlation between the number of workers providing service and the quality of the service provided. Customers consistently suffer when there are too few workers relative to the demand for services. Verizon’s love affair with VRUs is primarily a function of decreasing expenses and increasing profits and not one of better serving the customer. Verizon does not seem to care that customers constantly complain about the longer waiting times and the frustration accompanying their inability to get the information they need from the VRU system. Unsurprisingly, Verizon opposed any attempt to include VRU waiting time in its calculation of average speed of answer. The company would much rather ignore the problem - and support any performance measure that hides the fact of longer wait times from the public.