

Schumaker & Company



Telecommunications Industry Projects

TELECOMMUNICATIONS ASSIGNMENTS

Verizon New York

New York, New York

As a subcontractor, Schumaker & Company consultants held *Project Manager*, *Lead Consultant*, and *Senior Consultant* positions to perform a review and evaluation of Verizon NY's efforts to provide retail service quality that consistently met the requirements of the New York telephone service standards, as required by the New York Public Service Commission (PSC), for the Office of Telecommunications, New York Office of Public Services. In February 2002, the PSC ordered Verizon NY to institute a retail service quality plan, so named the Verizon Incentive Plan (VIP). After comparing 2002 service results with the same period in 2003, results generally declined and the PSC ordered an investigation to be conducted to review Verizon NY's retail service quality effort from four perspectives: performance, analysis, capital expenditures and maintenance, and best practices. Analyzed, documented, and verified, through findings based on identifiable and measurable information and data, to ensure that Verizon NY's existing service quality plans and practices of the five VIP service objectives (customer trouble report rate, percent out of service over 24 hours, percent installation completed in five days, PSC complaints, and outliers), NY telephone service standards, and company guidelines meet applicable service quality performance standards, including reasonably foreseeable events and contingencies. Developed and documented recommendations to improve or modify these service quality practices and/or plans where existing plans and practices were not sufficient to ensure that applicable standards were met. Reviewed Verizon NY's processes for service quality performance and its employees, technology, and work processes related to the planning, design, construction, installation, maintenance, repair, and delivery of product to retail customers within Verizon NY's service territory. This one-year assignment involved 12 consultants (of which Schumaker & Company provided five) and required over 6,900 hours for a total project cost of approximately \$1,600,000, in which Schumaker & Company's share was approximately \$720,000.

Verizon Pennsylvania

Philadelphia, Pennsylvania

As a DCI subcontractor, performed a review and evaluation of Verizon PA's performance metrics and related remedies, as required by the Pennsylvania Public Utility Commission (PaPUC). The PaPUC supported Verizon PA's application for Section 271 relief (i.e. authorization for offering long distance service within its serving area), based on satisfactory performance with respect to the FCC's 14 check list items, which define areas in which incumbent local exchange carriers must demonstrate that they have irrevocably opened their markets to local competition by providing non-discriminatory support to competitive local exchange carriers. The PaPUC ordered the investigation to be conducted one year after approval of Verizon PA's Section 271 application. Reviewed Verizon PA's processes for performance metric development (pre-ordering, ordering, provisioning, maintenance/repair, network performance, billing, operator services, and general standards) from source system inputs (including operational support systems and manual data input) to the data mart, where performance reporting occurred. Examined the utility's underlying information and operations support systems that provided data for use in calculating the performance metrics and remedies. Obtained the source information from Verizon and attempted to replicate the information and calculations in a separate data warehouse using various technologies, such as Oracle 8i, SAS, and Microsoft SQL server tools. Developed computer code to represent the C2C performance metrics and worked with Verizon PA and the PaPUC to resolve differences identified. Also ran comparisons, compiled, and documented results for pre-ordering and maintenance/repair metrics. This five-month assignment involved 15 consultants (of which Schumaker & Company provided six) and required over 4,700 hours for a total project cost of approximately \$990,000.

TELECOMMUNICATIONS ASSIGNMENTS

***Indiana Utility Regulatory Commission,
SBC Ameritech Indiana. and Other Settling Parties***

Indianapolis, Indiana

Performed a service quality performance review of SBC Ameritech Indiana after it experienced significant service quality performance problems during the year 2000, especially as related to service provision to residential and small business customers. These problems prompted an investigation by the Indiana Utility Regulatory Commission and other parties, including the Indiana Office of Utility Consumer Counsel, Citizen's Action Coalition of Indiana, Inc., United Senior Action of Indiana, Inc., and the AARP (collectively referred to as the Settling Parties), which resulted in this review. Analyzed, documented, and verified, through findings based on identifiable and measurable information and data, that Ameritech Indiana's existing service quality plans and practices ensure that out-of-service repairs, new installations of primary service, repair center speed of answer, and business office speed of answer meet applicable service quality performance standards, including reasonably foreseeable events and contingencies. Developed and documented recommendations to improve or modify these service quality practices and/or plans where existing plans and practices were not sufficient to ensure that applicable standards were met. Focused on Ameritech Indiana's service quality performance and its employees, technology, and work processes related to the planning, design, construction, installation, maintenance, repair, and delivery of primary telephone service to residential and small business customers within Ameritech Indiana's service territory, including network/outside plant, call center operations, and related management functions (including, but not limited to, the accuracy of business forecasting of customer demand, and the recruitment and training of needed personnel). This six-month project involved seven consultants and 2,000 hours for a total project cost of \$446,971.

State of Michigan, Michigan State Police, Communications Division

Lansing, Michigan

Assisted Michigan State Police by developing a needs assessment and overall financial disbursement strategy for the specific monies collected under the authority of Public Act 78 of 1999, Section 409(E), specifically the Wireless E911 \$.03 Priority Fund, whose monies were collected over a 2-year timeframe. Developed a strategy for disbursement of these monies to provide appropriate funding for identified and needed services, initiatives, and products; developed selection criteria and evaluated proposals from the public safety answer point (PSAP) community for disbursement of funds; and recommended proposals for consideration by the Michigan Legislature. This project involved five consultants, with costs of approximately \$145,000.

ALLTEL Pennsylvania

Kittanning, Pennsylvania

For the Pennsylvania Public Utility Commission, performed a stratified management and operations review focusing on functions and activities performed by ALLTEL PA, its associated companies (ALLTEL Telephone Service Corporation, ALLTEL Corporate Services, ALLTEL Supply, ALLTEL Publishing), and its parent company (ALLTEL Corporation). We also reviewed staffing plans and levels; diversity/EEO; and affiliate relationships and transactions with other ALLTEL companies. Services provided primarily by affiliated companies are administrative, technology, and procurement functions and activities. This 7-month project involved 11 consultants and 2,000 hours of work for a total project cost of \$342,000.

TELECOMMUNICATIONS ASSIGNMENTS

Commonwealth Telephone Company

Dallas, Pennsylvania

For the Pennsylvania Public Utility Commission, performed a stratified management audit of Commonwealth Telephone Company involving a diagnostic review of all company operations, followed by an in-depth review of nine pre-identified issues and an in-depth investigation of any problematic areas identified in the diagnostic phase. This 12-month assignment involved 12 consultants and 3,000 hours for a total project cost of approximately \$315,700.

Illinois Bell Telephone Company

Chicago, Illinois

For the Illinois Commerce Commission, performed a focused review of affiliate relationships between IBT and its affiliates: Ameritech Corporate, Ameritech Services, Inc., Ameritech Information Systems, Inc., and Bell Communications Research, Inc. (Bellcore). Involved a comprehensive review of all activities by these affiliates, focused on the cost assessment, value assessment, and impact assessment of these relationships on Illinois ratepayers, as well as an assessment of IBT's billings to its various affiliates. Testified before the ICC on our findings and conclusions. Schumaker & Company was a subcontractor on this assignment.

U S WEST

14 Western States

For the National Regulatory Research Institute, conducted regulatory impact reviews of two affiliate companies of U S WEST. These studies, performed from a regulatory perspective, examined the effect on rates and ratepayers of the operations and allocations from both companies in each of the 14 states affected by these operations. Addressed various aspects of the affiliated relationships and transactions between two unregulated U S WEST affiliates – U S WEST, Inc. and Advanced Technologies, Inc. – and the effect of these transactions on U S WEST Communications ratepayers. Developed a computerized regulatory impact model for use by the project team and the 14 states in analyzing the impact from modifying methodologies used. This ten-month assignment involved six consultants and more than 6,000 hours for a total project cost of \$622,000.

New England Telephone Company

Boston, Massachusetts

For the Massachusetts Department of Public Utilities, performed a focused management review of New England Telephone's affiliate transactions, including 10 to 12 different entities that account for almost \$1 billion annually. Several of NET's support functions (information systems, methods and procedures, purchasing and materials management, legal, and others) were being provided through affiliated companies. Other products and services also were provided by affiliates, including research and development activities. Our review examined the affiliate service cost structure to pinpoint areas for potential cost savings. The Department of Public Utilities and NET accepted all of our 43 recommendations. One recommendation led NET to establish a revised mechanism for reporting to each of the state commissions within the five-state region. This eight-month assignment involved eight consultants and required over 4,000 hours for a total project cost of approximately \$440,000.

