STATE OF NEW HAMPSHIRE

BEFORE THE

PUBLIC UTILITIES COMMISSION

DT 10-025

Request for Approvals in Connection with the
Reorganization Plan of FairPoint Communications, Inc., et al.

PREFILED TESTIMONY OF
VICKY WEATHERWAX
ON BEHALF OF FAIRPOINT COMMUNICATIONS, INC.

FEBRUARY 24, 2010

SUMMARY OF PREFILED TESTIMONY OF VICKY WEATHERWAX

Ms. Weatherwax's testimony reports on work being done to improve FairPoint's operational systems. Ms. Weatherwax explains the organization of the Information Technology ("IT") and Internal Business Solutions ("IBS") groups and the Customer Delivery Improvement Program ("CDIP") and discusses progress and plans for 2010.

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Ms. Weatherwax sponsors the following exhibits:

Exhibit VW-1	Resume of Vicky Weatherwax
Exhibit VW-2	FairPoint IT Organization, 2010 IT Roadmap (Confidential)
Exhibit VW-3	Accenture Report (Nov. 25, 2009) (Confidential)
Exhibit VW-3A	Accenture Report (Nov. 25, 2009) (Public)
Exhibit VW-4	CDIP IBS Presentation (Confidential)
Exhibit VW-5	CDIP Program Monthly Report (Feb. 2010) (Confidential)

1 **Q. State your name and business title.**

2 A. My name is Vicky Weatherwax, and I am Vice President of Internal Business Solutions
3 ("IBS") at FairPoint Communications, Inc. ("FairPoint"). My office is located in
4 Portland, Maine.

5

6 **Q. Have you testified previously before this Commission?**

7 A. I have not previously provided prefiled testimony. However, I participated as a panel
8 member and testified before a joint meeting of this Commission, the Vermont Public
9 Service Board and the Maine Public Utilities Commission on September 9, 2009.

10

11 **Q. Please describe your professional and educational background.**

12 A. I joined FairPoint in April 2007 as a contractor and since July 2007 have been a full-time
13 employee. I was hired originally to assist in the Next Generation Network build and was
14 then promoted to Director, Central Office Planning and Engineering.

15

16 In July, 2009, in connection with the executive changes discussed in Mr. Giammarino's
17 testimony, the office of Vice President, Internal Business Solutions, was created to apply
18 a systemic, project management approach to the challenges facing the company with
19 regard to systems and the associated business processes. I was appointed to this position
20 and charged with improving customer service delivery. To help accomplish this I
21 reorganized the project management organization ("PMO"). As part of the IBS
22 organization, the PMO group applies a top-down approach and reviews systems and

processes throughout the company on a project management, end-to-end basis to find long term solutions.

Prior to joining FairPoint I spent fifteen years in computer operations and programming/Information Technology as well as nearly fifteen years in the telecommunications industry, most of which were in Engineering and Planning. In Telecommunications I was employed by Nextel, Sprint PCS and US LEC. My educational background includes a bachelor's degree in Information Technologies and a MBA. My resume is attached as Exhibit FP-VW-1.

Q. What is the purpose of your testimony?

A. As FairPoint's Vice President of Internal Business Solutions, I appear in this proceeding to describe the ongoing efforts to improve the operation of FairPoint's systems and related business processes. My testimony discusses the overall management and organization of FairPoint's Information Technology ("IT") and project management functions and describes the solutions being implemented.

I will first describe the very substantial steps taken by FairPoint's IT organization to address these challenges. After I present an overview of the work that has been done to date on FairPoint's systems, I will discuss the work of the PMO group. In particular, I will describe and report on a key aspect of this work, the Customer Delivery Improvement Program ("CDIP").

In addition to reporting on the CDIP Program, I will address the processes that FairPoint uses to improve the operation of our systems as well as the work involved in developing and deploying enhancements. I provide an overview of the enhancements FairPoint has deployed since July, 2009, of which there have been more than 3,000.

As part of my testimony on the organization of our IT group, I describe how the group—led by Michael Haga, FairPoint's Vice President of Information Technology—and the business side of the company interact to identify and track reported defects and to develop, track and implement system fixes and enhancements.

I also describe some key enhancements deployed to date as well as some of the items that are targeted for delivery over the course of 2010. The outline of the plan known as the 2010 IT Roadmap (Exhibit FP-VW-2 (Confidential)) is included as it serves as the principal ongoing plan utilized to coordinate priorities within IT, with IT's business partners and with management.

<u>FairPoint's Management of Information Technology</u>

Q. Can you provide an overview of the evolution of the overall management of information technology at FairPoint during the past year?

A. Yes. Management changes at FairPoint are described in greater detail by Mr. Giammarino. With respect to the management of IT at FairPoint, these changes have involved the establishment of the IBS group—headed by me—to complement the work

that Mr. Haga oversees as the head of the IT group. These changes have also resulted in the creation of the Chief Information Officer ("CIO") position, currently held on an interim basis by James F. Heddens, to oversee the work done by the IBS and the IT groups. These two groups provide both a "top down" or business outcome oriented direction (via IBS) as well as a "bottoms up" or specific "fix-it" oriented approach (via IT) yielding an appropriate balance between both short-term and longer-term objectives.

Q. Overall, how much work has FairPoint done on its systems?

A. During the last six months of 2009, FairPoint made 3,101 distinct deployments of changes, fixes or enhancements to FairPoint's systems. Of the 3,101 deployments, approximately 2,400 were related to our operating systems; and of that subgroup, approximately 80% of these deployments address order management and provisioning and inventory management in some form. Many of these items reflect our focus on improving call center performance and order flow-through, with a heavy focus on order management, as well as provisioning, activation and inventory management. However, the focus on these items is not to the exclusion of other important areas, including data accuracy, billing, and the further development of our network.

Q. You have noted that FairPoint made some 3,101 deployments between July 1, 2009, and the end of the year. Please discuss the size and responsibilities of FairPoint's IT group.

A. As of the end of December, the IT group (directed by Mr. Haga) had about 300 people (including approximately 200 from Capgemini) working on FairPoint's IT needs, with the majority of these individuals' efforts devoted to the improvement of FairPoint's systems. This figure does not account for the work of other consultants like Accenture, nor does it account for the efforts of other constituents or business support teams. Other areas of responsibility for the IT group include the FairPoint data center and FairPoint's internal networks (voice, data and electronic mail) and support of FairPoint ISP services.

Q. Please outline the IT group's process for implementing system changes when a needed fix or enhancement is identified.

A. The change-management process is organized in a seven-stage waterfall process where business needs/changes or defects are identified, prioritized, documented, designed, coded, tested and "user acceptance tested" in various test environments. Coordinated changes are (in a pre-planned fashion) "batched" into planned releases and implemented into the production environment on a monthly basis. The IT group maintains a separate requirements and testing team, which reviews and certifies both the requirement and its working solution. The testing team assures the solution is reviewed, tested and certified by appropriate users from the business organizations before being implemented. I will provide examples of the IT group's activities later in my testimony.

Q. Please provide an overview of the work that you direct as head of the IBS organization.

A. The objective of the work managed by the IBS organization (a project management role) is to improve systems and processes to enhance the delivery of customer service from order entry through payment and collections and repair. As part of that effort, my team has reviewed, or is reviewing, customer-service-related systems and processes on a Northern New England wide basis and across operational organizations. We have organized the IBS group to allow for more focused oversight, coordination and prioritization of projects.

Although the IBS group has overseen short-term and intermediate-term projects, the current focus of our work is on the implementation of long-term projects. This work is part of our CDIP Program, which we developed with assistance from the consulting firm Accenture, LLP ("Accenture").

The work product produced by Accenture and the process that Accenture employed are described in Accenture's report dated November 25, 2009, which I have included as Exhibit FP-VW-3 (Confidential). The report includes fifteen recommendations made by Accenture, which FairPoint has adopted as the core of its CDIP Program. The CDIP Program Roadmap, also part of Exhibit FP-VW-3 (Confidential), lists each project, as well as the subprojects comprising each project that will be undertaken to carry out Accenture's recommendations and our schedule for these projects.

1 **Role of Accenture in the CDIP Program**

2 **Q. Can you provide additional information about the role Accenture played in the**
3 **CDIP Program?**

4 A. Yes. Accenture is a global management consulting, technology services and outsourcing
5 company and is one of the largest consulting and professional services firms in the world.
6 It has over 177,000 employees that serve clients in more than 120 countries with a strong
7 practice in the Communications Industry. In addition to its experience with business
8 practices, Accenture has experience with complex telecommunications conversions such
9 as the one that FairPoint has undertaken, including experience with the specific systems
10 FairPoint has put in place. For example, Accenture was retained by Hawaiian Telcom in
11 2006 to assist with systems remediation and later, in 2007, to assume responsibility for
12 development and deployment of that company's key customer service and business
13 support systems for the Hawaii properties acquired from Verizon.
14

15 **Q. Please explain Accenture's scope of work.**

16 A. FairPoint retained Accenture in connection with FairPoint's enterprise-wide effort to
17 improve its organization capabilities and the performance of its systems and processes.
18 Accenture's work involved an assessment of four areas: customer relationship
19 management ("CRM"); wholesale order in-take and fulfillment; flow through and
20 provisioning; and billing.
21
22

1 Accenture's report and recommendations reflect several key aspects of their work.
2 Accenture developed a dependencies list that illustrates the interdependencies among the
3 recommendations and other material FairPoint activities. Following the completion of its
4 review and analysis, Accenture developed a preliminary road map, which provides a
5 high-level project implementation plan with projected start and end dates, as well as key
6 performance indices ("KPI") impacts that establish priority for the recommendations.
7 The final report—which incorporates the dependencies list and the high-level project
8 plan—was provided to FairPoint on November 25, 2009, and was filed with the three
9 Northern New England public utility regulatory bodies on November 30, 2009.
10
11 **Q. Please provide further detail about Accenture's work leading to its November 25,**
12 **2009 report?**
13 A. Accenture held preliminary meetings with FairPoint personnel during the week of
14 October 5, 2009. During those meetings, Accenture representatives met with multiple
15 teams focusing on the high-level streams of billing, customer relationship management,
16 flow-through and wholesale. Beginning the week of October 12, 2009, Accenture's team
17 met with FairPoint's working teams in Maine, New Hampshire and Vermont. These
18 meetings continued through October and into early November; Accenture ultimately met
19 with or interviewed more than 150 FairPoint employees, some several times. Accenture
20 also conducted some 36 site visits to FairPoint's work centers, operations centers, and
21 business organizations. This information-gathering work included observing the
22 operation of our call centers and back-office work centers as well as spending time in the

field with our technicians and crews. During the course of its work, Accenture conducted approximately 70 working sessions.

Accenture Recommendations and Their Implementation

Q. Please explain how the fifteen projects reflected in Accenture's final report were determined?

A. Accenture's final report explains that in total, Accenture's assessment yielded over 200 initial recommendations. After the elimination of duplicates, projects with a smaller benefit, and projects that were already in progress, the remaining 150 recommendations were grouped into 34 sets of targeted actions. The 34 areas became projects and were then scored and prioritized based on the likely KPI benefit and the level of effort involved. Additional weight was given to those projects likely to provide additional, more intangible benefits such as increased customer satisfaction.

The results of this effort are reflected in the fifteen projects described in Accenture's final report, each of which is being implemented as part of the CDIP Program that I oversee. Please note that each of these projects contains one or more subprojects. It is via these subprojects that the work described in the fifteen broader projects is carried out. The CDIP Program Roadmap (part of Exhibit FP-VW-3 (Confidential)) lists the fifteen projects and the constituent subprojects involved.

Q. Can you provide some additional detail on the plans to implement these fifteen recommendations?

A. The CDIP Program Roadmap gives the start and end date for each of the individual projects that make up Accenture's highest-priority recommendations. For implementation, the fifteen projects are further divided into 112 specific subprojects along with cross references to specific change requests ("CRs"), defects or maintenance requests. The subprojects are being managed using the FairPoint seven-stage waterfall methodology, and different projects have components that are in different stages: some have been started since the first of the year, some are ongoing, some require planning or depend on other work and are yet to be started and some are completed.

Most of Accenture's recommendations as well as the CDIP Program projects focus on subject areas, systems, and processes that FairPoint has previously identified and for which FairPoint had already started implementing enhancements. Thus, in a number of cases the subprojects identified by Accenture, and included in the CDIP Program, build on ongoing FairPoint projects or yet-to-be-deployed FairPoint enhancements. This subset of projects, identified by the change request or QC number (e.g., items 25 and 78, CR 5234 or QC# 2651, respectively), is an indication that FairPoint's ongoing efforts to improve are appropriately directed at the subject areas, systems, and processes where significant gains can be made.

Q. Can you explain how FairPoint is managing the implementation of the fifteen projects?

A. The structure of the organization that FairPoint has put in place to carry out the fifteen CDIP projects is documented in Exhibit FP-VW-4. It is a presentation on the CDIP Program and provides details about the key stakeholders, their roles and responsibilities, and the procedures being used to implement this important program. Exhibit FP-VW-4 also explains the CDIP Program's relationship to the IT organization and the 2010 IT Roadmap.

I am primarily responsible for assuring that these programs are completed successfully with specific project managers and sponsors assigned to each of the 15 projects. In addition, FairPoint has retained Tim Hale—who worked as an independent contractor for Accenture during the initial phase of the program—to assist in the oversight of the larger and/or more complex projects. The projects have been assigned sponsors from the business side of FairPoint. As the projects progress, the sponsors work with the project managers to assure that the projects are on track to deliver the expected result for our business and our customers. The project managers meet with the sponsors and other stakeholders on a weekly basis.

In most cases, the ultimate IT software oriented work to implement any one of the many subprojects that comprise the fifteen priority projects is performed by members of the IT group. The IBS group that I head, and the IT group headed by Mr. Haga, have

1 coordinated closely to assure that the timetables set are realistic and provide firm
2 deadlines.

3 **Q. You described the timetable in the CDIP Program Roadmap as being "realistic"**
4 **and as having "firm deadlines." How will this schedule impact FairPoint's**
5 **business?**

6 A. The CDIP Program Roadmap lists the fifteen priority projects as well as each of the much
7 more numerous subprojects that implement the fifteen recommendations. Although final
8 "closeout" of the fifteen recommendations will not occur until the third quarter of 2010,
9 the subprojects that comprise the fifteen priority projects are ongoing. In fact, the
10 majority of the subprojects will be completed and implemented before the third quarter of
11 2010—as indicated in Exhibit FP-VW-3 and 5 (both Confidential)—even if final closeout
12 of some of the fifteen priority projects occurs later. Because the work to implement the
13 improvements will occur before the third quarter, we would expect the benefits of this
14 work to be experienced prior to final closeout.
15
16 As the results of the subprojects become better known, business conditions change and
17 new opportunities of improvement emerge, follow-on projects will likely emerge and be
18 prioritized with existing business requests.
19
20 As I said, the IBS group and the IT group worked closely to ensure that the timetable set
21 was a realistic one and that the required support for the projects was made available.
22 From the beginning, the IT group actively participated in Accenture's work by providing

raw data from FairPoint systems, providing system flows to describe how data flows between the systems, providing lists of known issues within the systems and their interfaces, and providing a background of the conversion challenges. The IT group's support of the IBS group also included providing information about the level of effort required to implement Accenture's recommendations as well as a high-level schedule of the time-frame within which solutions for recommendations could be provided. At this juncture, FairPoint has the resources to carry out this work within the timeframe specified in the CDIP Program Roadmap.

Q. Now that the Program has been running for several months, can you provide an update on its progress?

A. Yes. The February CDIP update report, Exhibit FP-VW-5 (Confidential), includes both an executive summary as well as a list of recently completed projects and a list of projects scheduled for completion in the next month. The report also contains a list of the fifteen projects and their constituent subparts that tracks the stage of the project, the targeted release date, and the status. The report indicates that all high-level projects remain on schedule; for those subprojects where the potential for delay has been identified, the IBS team is evaluating steps to get these projects back on track. This last point demonstrates an important part of the project management work that I direct in the IBS group. Beyond having the necessary resources for a project, an integral part of the work being done by the program manager and the project managers is to identify risks to the timely completion of the projects. This type of ongoing risk assessment is a basic

1 part of project management and is something that the IBS continually evaluates as the
2 work progresses.

3 **Q. You mentioned support from Accenture. What role will Accenture or other**
4 **consultants have going forward?**

5 A. We arranged for one Accenture employee to provide continued support as the IBS work
6 progresses. Beyond that, Accenture is not providing additional support. As noted
7 previously, FairPoint continues to evaluate what support is needed and as a result has
8 engaged additional support from Mr. Hale and from Capgemini as appropriate. I believe
9 the IBS group has the resources necessary to manage the work.

10

11 **Key Projects**

12 **Q. Can you highlight several of the projects that could be deemed the most important**
13 **or that have the potential for the largest improvements?**

14 A. Yes, I can, although these areas are covered in more depth in the testimony of Mr.
15 Nolting, Mr. Allen, Mr. Lamphere, and Mr. Murtha. Overall, among the key projects, is
16 the Cross-System Data Synchronization project. The issues related to out-of-synch data
17 impact nearly all aspects of our operations and lead to increased order fall-out, billing
18 issues, manual provisioning and missed key performance indicators. Next, the End-to-
19 End Flow-Through Improvement projects span a similarly large range of systems and
20 have the potential to yield substantial improvements in the timely delivery of service,
21 billing accuracy and customer satisfaction. Finally, the Wholesale/ESG Order,
22 Provisioning, and Billing Improvement projects are aimed at a wide range of our

wholesale operations and are designed (with the other wholesale projects) to improve service for our CLEC partners.

The IBS group is developing metrics to measure the results of the CDIP program projects. While the metrics must be validated, our goal is to have these metrics in place within the next 45 days. This estimate may change as our work continues. I would point out that these measurements likely will not be the same as the metrics used in the service quality indexes in the three states. However, our expectation will be that improvements measured from the CDIP program will result in service quality index improvements, as well.

Q. Can you further explain how the projects related to Cross-System Data Synchronization will yield improved performance and service-quality benefits for the company's customers?

A. The goal of this work is to develop a method to identify out-of-synch data conditions between databases, determine golden or lead database, correct out-of-sync conditions and develop processes to monitor and solve conditions that are out-of-sync from business as usual. The end-to-end architecture team is responsible for monitoring and evaluating out-of-sync data conditions. This team works with the business to correct out-of-sync conditions and to change processes as required.

To aid this work, we utilize a tool known as Martin Dawes Lava Storm to assist in the identification of out-of-sync conditions between databases. The IT group, the End-to-End Architecture team and billing teams have received training on this tool and development efforts are underway. We are currently developing queries for multiple data points between multiple databases. With the assistance of the business organizations, we are also developing reports and dashboards to monitor and maintain data conditions. Additionally, processes are being developed to resolve out-of-sync conditions from the initial findings as well as for ongoing business as usual.

As explained by Mr. Nolting and others, out-of-synch data impacts many aspects of FairPoint's business. Thus, correcting out-of-synch data significantly improves FairPoint performance in areas such as flow through, customer on time delivery, average handle time, rejected orders and billing accuracy.

Q. Please describe the benefits from the End-to-End Flow-Through Improvement projects.

A. The End-to-End Flow-Through Improvement projects focus on improving the various steps orders take that are causing order rejections, flow-through problems and billing problems. This set of projects is not inclusive of all flow-through issues, but addresses top problems including:

- Update the Metasolv (M6) provisioning plan with regard to left–in dial-tone rules. This change allows the inventory to match the actual configurations and eliminate

confusion for the central office technicians as to whether they need to break a circuit or leave it in place.

- Change the way that the Directory Listing ("DL") batch file is processed in Siebel. Currently, DL activity is batched in a separate file from the batch file for other asset activity. This project implements system changes that sort the DL batch file by listing telephone number and order date prior to processing the information in Siebel to assure that DL updates happen in Siebel in the order in which they were received in the virtual front office.
- Create a new process to mechanically calculate a new billing account number ("BAN") in Metasolv (M6) when the BAN field on the ASR is populated with 'N'. The new process creates a new connect order that flows to Siebel and Communications Data Group ("CDG") to establish the new accounts on both platforms. The services and features on the original ASR requesting the new BAN would be held on a separate order in the Metasolv (M6) until the new connect order had successfully created the new BAN in both Siebel and CDG.
- Create new circuit generation rules on switched ASRs to recap all necessary trunk information based on the ASR ACT, ACTI, and LTP value on the Metasolv (M6) orders. A team is defining the requirements for the different combinations of values that occur in these ASR fields that will facilitate flow-through in the provisioning systems.

- Identify qualified DSL loops and enter them into the system enabling the customer service representative to more readily determine if a customer is qualified.
- Develop a process that allows the wholesale customers and service representatives to have an end-to-end view of wholesale orders. Today the completed Metasolv (M6) to Siebel step may not show as complete from Siebel to CDG, which could cause a mismatch in asset consumption and confusion as to true status of order.
- Execute a project which enhances the wholesale view of Siebel which provides the reps a 'CLOSE' function on a DL order. The close function will change the status of the DL activity to 'For Extract' indicating that it is a candidate to be flowed to the downstream DL provider systems (Idearc and Volt Delta).

Overall, the completion of these and other projects improve the rate at which orders flow through automatically. When a higher percentage of orders flow through and are provisioned automatically, we expect that the customer experience will be better in terms of on-time delivery and billing accuracy.

Q. Please describe the service-quality benefits that FairPoint's customers can expect to see from the Wholesale/ESG Order, Provisioning, and Billing Improvement projects?

A. These projects address end-to-end issues with wholesale orders, provisioning and billing. The improvements include:

- The TOS ("Type of Service")-to-USOC ("Universal Service Order Codes") conversion improvement will allow customer service reps to validate USOCs created during the conversion. There will be an account-level structure created to allow for contract information to be stored in Metasolv (M6) and Siebel. A team will be formed to go through the existing TOS-to-USOC generation rules to identify corrections and omissions. This review and remediation process will be focused by class of service so that high-volume/high-dollar products can be worked incrementally.
- The circuit ID will be automatically generated for Specials and Design circuits. This change will reduce the risk of downstream issues due to invalid circuit ID.
- We will develop auto-generation translations for high-cap facilities.
- A process and systems strategy will be created to deliver orders that have multiple circuits on them. Currently, orders with multiple circuits that have issues on a subset circuits are held until all circuits are complete.
- We will evaluate and enhance provisioning plans for wholesale orders.
- We will enable users to clone previously created orders in Metasolv (M6), eliminating the need to retype the same data multiple times.
- We will establish a new function in Metasolv (M6) to create a shell order based on an existing order in Wisor.
- New training will be created and delivered for complex order entry and provisioning.

1 These projects will improve the quality of orders entered, the capability of the customer
2 service representatives ("CSRs") to complete an order more efficiently, flow through for
3 hi-cap orders, and billing accuracy. By improving the accuracy and speed of order entry,
4 these projects are planned to reduce the amount of fall-out and manual intervention that is
5 necessary, allowing FairPoint to deliver what customers have requested faster and more
6 accurately.
7
8 **Other Projects**
9 **Q. For the remaining priority projects, can you provide additional information about**
10 **the project and its expected benefits?**
11 A. Many of the other projects are considered in greater detail by other witnesses, but I will
12 briefly describe the Improved Governance and Change Management Projects.
13
14 The Improved Governance and Change Management projects will be less visible to
15 FairPoint customers, as these projects focus on the creation and documentation of
16 governance by business unit and IT application teams. The team working this project
17 consists of decision makers from business units and the IT group who understand the
18 issues and needs of the company. They will prioritize requests or work items with other
19 requests or work items and approve work items to be addressed. For example, the
20 Training/Job-Aid team has been integrated into the Change Control process and Release
21 Management process allowing both teams to be proactively involved with upcoming
22 changes so training and job-aids are better synchronized with system changes.

1 The implementation of these governance and change management processes enables the
2 IBS group to deliver improvements to the business on a basis that is planned, predictable
3 and of high quality. We anticipate that such a change will enhance organizational
4 support and the appropriate use of resources and help align projects and initiatives with
5 FairPoint's business and corporate strategy.
6
7 **Q. Turning again to the work of the IT group, can you provide additional detail about**
8 **some of the issues that were addressed by the 3,101 deployments you cited earlier?**
9 A. Yes, I will describe some of the work that Mr. Haga and the IT group have done on the
10 Siebel-Metasolv interface and the product configurator, two issues in relation to the CDIP
11 Program noted previously.
12
13 The Siebel-Metasolv interface is a place at which some orders fall out. As a conceptual
14 matter, information flows across this point in several distinct instances. For retail orders,
15 CSRs usually take an order in Siebel and the information flows to Metasolv for
16 provisioning. For wholesale orders, these orders enter the system through
17 Wisor/Synchronoss, move to Metasolv for provisioning and then move to Siebel so that
18 the customer records can be updated. Specifically, wholesale orders move from Metasolv
19 to Siebel as batch files, and systems have experienced errors with records within those
20 files that fail to process (i.e., fall-out). When that happens, although the service has been
21 provided, the customer records would not have been updated. The IT group continues to
22 monitor this process and correct records when fall-out occurs. End-to-end flow-through

1 improvement is one of the areas highlighted by Accenture and is one of the projects
2 pursued as part of the CDIP Program. Note that several of the subprojects tracked under
3 End-To-End Flow Through Improvement in the CDIP Program Roadmap (Exhibit FP-
4 VW-3 (Confidential)) are existing change requests and quality center (QC) issues
5 previously identified.
6
7 Our root cause work on the product configurator has taken several distinct paths. One
8 issue with which we have been working is that all product codes (on the order of 15,000
9 products) provided at the time FairPoint acquired the Northern New England business
10 from Verizon New England Inc., along with all the rules associated with those products
11 (on the order of 600 rules, some of which apply to multiple products) negatively impact
12 the performance and response time of the system. Specifically, when this part of Siebel
13 is activated during the order process, this data—the 15,000 product codes and the
14 associated rules—is loaded on the server, a slow process due to the large amount of data
15 that is loaded. Overall, only 20-25% of the product codes are active. As part of the IT
16 root cause work, we examined whether different hardware configurations or upgrades
17 would be able achieve performance gains and determined that small performance gains
18 were possible with these hardware upgrades. By reducing the number of products loaded
19 into the product configurator, we reduced business voice service, order-entry processing
20 time by 81 seconds, or a 72% reduction in the ordering process. Although the long-term
21 solution involves determining which products should be discontinued and obtaining
22 regulatory approval to discontinue these products, in the interim we have created and

implemented a BVS-Lite (Business Voice Services) suite of most-frequently used Business products, which allows the system to run much faster. As of the beginning of December, the IT group's work on the reduction of the number of product codes and rules had lowered the number of BVS product codes to 197 (from 760) and the number of rules to 208 (from 493). Overall, the number of product codes has been reduced from approximately 15,000 to approximately 8,000. Further work on the reduction of the number of product codes is an issue that is being pursued in the CDIP Program as part of the Product Simplification project.

On another front, the IT work on order entry and order flow is designed to make the process faster and more intuitive so that FairPoint can reduce average handle time and get customers the service they want in a more timely fashion. The IT group's work to reduce the number of product codes and to make the more-often-used product codes more accessible will make the order-entry process faster. We have also reorganized the order entry process to make it more intuitive and more logical for CSRs. As of last September, these changes reduced average handle time from a peak post-cutover time of almost 25 minutes to an average of 13 minutes today. Like the work on the reduction of the number of product codes, further Siebel enhancements are being pursued as part of the CDIP Program through the work on the Siebel Usability and Order Entry Efficiency project.

1 **Interaction With Other Organizations**

2 **Q. You described the organization of the CDIP Program and its interactions with the**
3 **rest of the company, including the IT group. For its part, how has the IT group**
4 **interacted with FairPoint's business organizations?**

5 A. Outside of the IT group's involvement with the CDIP Program, the IT organization
6 interacts with the primary business organizations that support core operations during
7 weekly meetings. It is in these meetings that the recently implemented items, the
8 schedule for upcoming implementations, as well as other issues and action items are
9 formally discussed. These meetings provide an opportunity for the relevant business
10 organizations to understand cross-departmental requests and determine the priority of IT
11 work. By way of example, in advance of the Enterprise Resource Planning meetings, we
12 distribute a list of open defects and change requests to the business lead(s) for review and
13 prioritization. IT then meets to review the open items and establish a final priority for
14 these items. These meetings are not intended to finalize requirements or establish testing
15 plans, which are scheduled throughout the week on an as-needed basis. Following is a
16 description of some of IT's key meetings.
17
18 Siebel Customer Relationship Manager ("CRM") meetings.
19 These meetings provide an opportunity for business teams impacted by changes to Siebel
20 to understand the nature of the requested changes. During these meetings, we establish
21 priorities for the list of changes that have been requested, which could come in the form
22 of individual requests or larger, project-based efforts (such as such as the projects

1 involved in the CDIP Program). During the meeting, IT provides a formal status on work
2 that has been completed, is in progress or is in planning stages. Business groups
3 represented in this meeting include Customer Service, Marketing, Directory, Collections
4 and Sales.
5
6 Kenan BP Billing meetings.
7 These meetings provide an opportunity for the business teams impacted by changes to the
8 Kenan BP application to understand the nature of the requested changes and to track
9 current corrections being developed and deployed by the IT Development team to resolve
10 known billing issues. This meeting is also the forum in which the participants establish
11 priority for the list of changes that have been requested. Like the Siebel CRM meetings,
12 at the Kenan BP meetings, the IT group provides the formal status of work completed, in
13 progress or in planning stages. Business groups represented in this meeting include
14 Billing and Revenue Assurance. A separate meeting is also held to discuss billing related
15 manners with representatives from the Customer Service organization.
16
17 Operational Support Systems ("OSS") meetings.
18 These meetings provide an opportunity for business teams impacted by changes to any of
19 the OSS applications—such as Netcool, GE Smallworld, and Metasolv—to understand
20 the nature of the requested changes. These meetings also provide an opportunity for the
21 participants to prioritize the list of items that have been requested (either as individual

1 requests or larger, project based work). Business groups represented in this meeting
2 include the Service Activation and Service Assurance teams.
3 Wholesale Customer Communications meetings.
4 We continue to conduct Wholesale User Forums and have also instituted Change
5 Management meetings with our wholesale customers to discuss our wholesale business
6 and IT operations support. The Change Management meetings provide an opportunity
7 for CLECs to understand the nature of the requested changes, to learn the current status
8 of reported issues, and to address questions or concerns CLECs may have with recently
9 published Accessible Letters. This meeting also provides an opportunity for CLECs to
10 indicate the relative priority of the requested changes. At the meeting, the IT group
11 provides a status report produced jointly by the IT and Wholesale Support organizations
12 that details the status on work that has been completed, in progress or in planning stages.
13
14 Beyond reporting about the enhancements that have been deployed or developed, the
15 meetings are an opportunity to address feedback from the business concerning recent/past
16 software deployments.
17
18 **Q. Your testimony and testimony by others references work with outside consultants.**
19 **As part of the work to fix known defects or implement enhancements, how are**
20 **FairPoint's vendors involved?**
21 A. When analyzing issues or requests from FairPoint's internal customer base, it is not
22 uncommon for the solution to require a system vendor to modify the core application

since FairPoint, Capgemini, and other third-party contractors do not have the ability to do so. Once the IT group determines that we need a system vendor to make a change, we follow a change request processes required by the respective vendor. Overall, the referral tends to increase the elapsed time required to address the original, internal change request, as another step and team are introduced into the process. Once the change request is referred to the vendor, the IT group continues to track the item until the fix or enhancement is implemented in a test environment, tested, certified and finally deployed as requested. The IT group initiates escalation procedures when delays or failure to deliver on requirements occur.

Recent Systems Developments

Q. What are some of the key items that were modified in the systems during the past several months?

A. I have already discussed a number of specific fixes or enhancements that the IT group has delivered over the course of the past several months and I will address several more here:

- We improved data synchronization between Engineering and Supply Chain Systems. This issue would arise when an order is received and the parts necessary to provision the orders are entered into Oracle's Supply Chain system. The order would then flow to the engineering system. When the part necessary for the order is not actually available, manual intervention is needed from purchasing. This enhancement was the start of a three-phase effort to analyze our parts inventory and to correct conditions where inventories were not consistently

reported across the systems involved. The elimination of a manual step frees up resources to work on other initiatives. This effort continues with the expectation that manual intervention will be further reduced.

- With regard to our Next-Generation Network, we have enhanced the ability to provision Ethernet DSL orders automatically for our new network. We recently announced the completion of the fiber backbone for this network. When we begin to accept new orders, we will be able to automatically provision these orders at a very rapid rate, which will allow us to deliver the service on time. The expansion of this service is an important part of our long-term plans.

- A related enhancement is the ability to perform mass address qualifications for DSL services when a new DSL site is placed in service. For the existing and next-generation network, we now have the ability to qualify addresses in bulk as the new DSL site is brought on line. This change reduces the amount of time spent on address qualification at several steps. Because the addresses are qualified in bulk, when a customer calls to order the service, the engineering group is no longer required to perform individual qualifications if there is a question about availability. Thus, the number of issues our CSRs must refer to the engineering group is reduced.

- We have enhanced the integration between TeleNetwork (a third-party vendor help-desk for high-speed Internet) and MetaSolv to assure that TeleNetwork has the relevant service and customer information (from Siebel) to troubleshoot DSL problems and provide one-call resolution for our customers. With this change, fewer trouble tickets will need to be referred to our Broadband Service Support Group ("BSSG"), resulting in faster resolution of problems for our customers.

- We have automated aspects of our network maintenance and, for example, have automated the movement of Virtual Circuits to relieve exhausted network elements. Previously, when parts of our network became clogged (because of natural growth), we were required to move customers manually to new circuits to rebalance the system. The automation put in place includes re-design and auto-activation of PVCs ("Permanent Virtual Circuits") on the new network element.

- We implemented an enhancement that allows same day listings for certain Directory Listings (Request Type JB or ACT). This change assists the CLEC's in being able to have information updated to the 411 database more quickly.

- We automated port-out cancellation processing from the National Porting Administration Center ("NPAC"), which fixed a data synchronization issue that arose because subscriptions to port a specific number at NPAC are often not submitted at the same time as the order to port the number is submitted to

1 FairPoint. Thus, when a CLEC's subscription in NPAC ran out prior to the port
2 being completed in our system, the to-be-ported number would be disconnected
3 from FairPoint's system. However, because the CLEC's subscription had been
4 canceled, the customer would experience a loss of dial tone. We inserted logic
5 that reports when there has been a change in the NPAC subscription such that the
6 port is no longer good, and there is no disconnection.
7
8 • We have also enhanced the information provided to our Network Operations
9 Center ("NOC") when automatic alarms are triggered. Previously, automatic
10 alarms provided Relay Rack and Slot information, which meant our personnel had
11 to determine which circuit was involved. The deployment of this enhancement
12 means that automatic alarms now include the carrier ID, which decreases the
13 investigation time for the NOC and allows them to respond faster to our
14 customers.
15
16 • A related enhancement is a custom tool we created for loop testing DSL circuits
17 from DSLAM to router. With this enhancement, the NOC receives an automatic
18 alert from NetCool, our network monitoring system, that helps operators identify
19 points of failure during DSL troubleshooting, thereby reducing the time and
20 resources required to resolve the reported issue.
21

1 **Current Systems Plans**

2 **Q. Could you provide some detail about FairPoint's plans for its systems in 2010?**

3 A. The IT group has developed a roadmap for 2010 that tracks the items that have been
4 reviewed and approved by our business team. It is included with my testimony as Exhibit
5 FP-VW-2 (Confidential). The 2010 IT Roadmap was compiled using inputs from our
6 business meetings described previously in this testimony and output from the CDIP
7 Program, as well as corporate objectives generally, to develop a comprehensive list of
8 changes. As previously noted, the work that IT conducts to implement the fifteen CDIP
9 projects is reflected in, but is only a portion of, the 2010 IT Roadmap.
10
11 Below are some of the key deployments noted in the 2010 IT Roadmap, not including the
12 items that have been previously referenced as part of the CDIP Program. The 2010 IT
13 Roadmap is our baseline for IT work. The Roadmap can be and is being updated through
14 the change control processes as business needs arise that were not accounted for when
15 compiling the list. When IT finds fixes or enhancements that can be deployed quickly for
16 a measurable gain, we make an effort to deploy those items as well.
17 • Another part of the automated DSL Testing Tool will allow FairPoint to
18 proactively test (with existing and Next Generation networks) whether DSL
19 service has been properly activated. IT is developing this tool (along with the
20 related DSL tools previously described) to make it easier to determine where a
21 DSL problem is located. Once the enhancement is deployed, operations will run
22 this test prior to the service due date confirming the ordered service has been

provided and address issues prior to a complaint from the customer. See Exhibit FP-VW-2 (Confidential) at 42 ("Service Delivery Productivity Tools").

- Another planned enhancement is the automated testing of Hi-Cap circuits (e.g., a T1 line) during provisioning process. Like the DSL tools described, this automated testing replaces manual work (here, the Frame Continuity Test Dates currently performed) and accelerates the delivery of service to CLECs who accept automated delivery of service notification. This testing promotes proactive identification of troubles with Hi-Cap orders, which reduces subsequent customer troubles and facilitates the identification and correction of troubles more quickly. See Exhibit FP-VW-2 (Confidential) at 39 ("FTTP Auto Provisioning").

- A related planned enhancement is the automated testing of Hi-Cap circuits and dispatch of technicians when troubles are detected on the Hi-Cap circuits. Currently, testing of a HiCap circuit is a part of the work a technician does upon receiving a report from a customer of a problem with the service. Once the process is automated, technicians will be able to more quickly diagnose the cause of the trouble, and either fix the trouble or assign the trouble to the correct work group. See Exhibit FP-VW-2 (Confidential) at 44 ("Service Delivery for Hi-Cap Services").

- To date, much IT focus has been on customizing Siebel for the Customer Care Team and their CSRs so that they can provide customers the service they expect. IT plans the same type of work for other parts of the FairPoint organization such as the Sales Team, Enterprise Services Group, and Government and Education Group so that activation intervals will be improved. These organizations use Siebel in a different manner than that used by the Customer Care Team. Therefore, enhancements for these groups will be different than those currently deployed. See Exhibit FP-VW-2 (Confidential) at 7, 8, 25.

- IT is planning improved Business Intelligence Reporting. This team has a number of pending reporting requests from the business-side of the company (nearly 400 automatically run reports have been requested). Today IT is able to generate many of these reports but this manual process is time intensive. To assist in this situation, IT is conducting a pilot exercise determining if Oracle's Business Intelligence application can deliver the functionality needed. This reporting software would replace much of the ad hoc reporting that takes place today. See Exhibit FP-VW-2 (Confidential) at 92 (Business Intelligence Releases 1 and 2).

Q. In view of your testimony regarding the CDIP Program and FairPoint's systems, can you provide an assessment of FairPoint's technical competence to deliver on these system enhancements?

1 A. I believe that the organization, projects and processes that I have described above provide
2 a comprehensive direction and a sound, integrated plan, and FairPoint is following that
3 plan. I have described the function of the two teams (IT and IBS) which provides
4 checks and balances for the work being planned and executed. I have described the
5 communications and approach for working with the relevant business groups and how the
6 organization appropriately authorizes, prioritizes and confirms the work against both
7 requirements and plans. These sets of actions and plans, with appropriate checks and
8 balances demonstrate FairPoint's managerial and technical competence. Finally, given
9 this due care and professional IT delivery, FairPoint believes the organization will deliver
10 the needed system changes.
11
12 **Q. Does this conclude your testimony?**
13 A. Yes