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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

April 3, 2009 - 10:18 a.m.  
Concord, New Hampshire

RE: DT 07-011  
VERIZON NEW ENGLAND, ET AL:  
Transfer of Assets to FairPoint  
Communications, Inc.  
(Status Conference regarding FairPoint's  
Cutover Process)

PRESENT: Chairman Thomas B. Getz, Presiding  
Commissioner Graham J. Morrison  
Commissioner Clifton C. Below  
  
Diane Bateman, Clerk (until 12:20 p.m.)  
Jody Carmody, Clerk (from 12:31 p.m. to end)

APPEARANCES: (No Appearances taken)

COURT REPORTER: Steven E. Patnaude, LCR No. 52  
Susan J. Robidas, RPR/LCR No. 44

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1 P R O C E E D I N G S

2 CHAIRMAN GETZ: Okay. Good morning,  
3 everyone. Today's proceeding is a status conference in  
4 docket number DT 07-011, concerning the FairPoint  
5 Communications' Cutover Process. Let me start by  
6 explaining how this status conference will be conducted  
7 today. First, I will summarize for the record the recent  
8 procedural history leading to the status conference this  
9 morning. Then, FairPoint Communications will provide its  
10 report on the status of Cutover. After which, the parties  
11 to docket DT 07-011 will be given the opportunity to state  
12 their experiences or concerns with Cutover, and customers  
13 will also be given the opportunity to comment. Our plan  
14 today is to take a brief recess around 11:30, take the  
15 lunch recess around 1:00, and resume before 2:30. And, we  
16 will stay as long as necessary today to work through the  
17 comments of the parties and the questions from the  
18 Commission and public comments.

19 Anyone who is not a party to the docket  
20 who would like to speak should fill out a comment form  
21 that are available at the front desk and should be in the  
22 back of the room. Check the box on the form if you would  
23 like to speak and hand it in. When the time for public  
24 comment comes, I will call the names in the order that I

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1 receive them and ask you to come to the podium. If you  
2 want to make a written comment instead, then you can make  
3 that comment on the same form and hand it in, and we will  
4 include it with all the comments we have received to date.

5 Now, as for the procedural summary for  
6 background for this status conference, on February 27,  
7 FairPoint filed a motion to modify a merger condition  
8 proposing to make a scheduled prepayment of principal in  
9 June, instead of March. On March 3rd, Commission Staff  
10 sent a letter to Mr. Nixon, FairPoint's president,  
11 indicating that the Telecommunications and Consumer  
12 Affairs Division of the Commission had received numerous  
13 inquiries from both wholesale and retail customers that  
14 cause grave concern about the process of Cutover to the  
15 Company's new operational support system. FairPoint was  
16 directed to respond to a set of specific questions by  
17 March 6th, and, on March 6th, Mr. Nixon responded to  
18 Staff's questions. Also, on March 6th, the Consumer  
19 Advocate filed a motion for a hearing on FairPoint's  
20 motion to delay payment and on the status of FairPoint's  
21 compliance with other merger conditions. On March 13, we  
22 issued an order that scheduled a technical conference for  
23 March 20, to allow discovery on FairPoint's motion. We  
24 set a hearing on the motion to delay payment for March

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1 26th, and we scheduled the Status Conference this morning,  
2 and at that time directed FairPoint to be prepared to  
3 provide a detailed description of its progress in the post  
4 Cutover Process. On March 16, FairPoint objected to the  
5 Consumer Advocate's motion for a hearing. And, on March  
6 19, One Communications, a CLEC, filed a letter seeking  
7 clarification as to whether it would have the opportunity  
8 to provide information during the Status Conference  
9 regarding the experiences that CLECs are having with  
10 FairPoint. On March 19, FairPoint filed a letter  
11 indicating that it would make the scheduled debt payment  
12 on March 31, and therefore it asked to cancel the hearing  
13 that was set for March 26. On March 24, Commission Staff  
14 submitted its summary of the technical session held on  
15 March 20, and, among other things, that letter explained  
16 the different views of parties to this proceeding on how  
17 the Status Conference should be conducted. And, on March  
18 26th, the March hearing for the 26th was canceled.

19 Now, on March 30, a secretarial letter  
20 was issued explaining that the purpose of the status  
21 conference today is to gather information on FairPoint's  
22 post Cutover transition and its plan to stabilize  
23 operations to acceptable levels. And, that the Status  
24 Conference would be conducted like a legislative hearing,

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1 which means that there will be no cross-examination today.  
2 However, in that letter, we noted that, based on what we  
3 hear today, we will determine what steps should be taken  
4 next, including whether to schedule adjudicative hearings  
5 on Cutover and other issues.

6 Now, we have filed with us by FairPoint,  
7 on April 1, its Stabilization Plan. Yesterday, the  
8 Consumer Advocate submitted a letter expressing its  
9 position that the Status Conference today should be  
10 conducted as an adjudicative hearing. But, as I've  
11 already noted, the Status Conference will not be conducted  
12 as an adjudicative hearing, but such hearings may be the  
13 next steps in the process.

14 Finally, I'll note that we received  
15 yesterday a Petition to Intervene in this proceeding by  
16 CRC Communications, a CLEC, and they will be given a  
17 chance to speak to the issues that affect them with the  
18 other CLECs to this proceeding.

19 Now, that brings us up-to-date on the  
20 procedural aspects of this Status Conference. I'm going  
21 to turn to FairPoint, and, Mr. Nixon or Mr. McHugh, who's  
22 going to be making the presentation this morning?

23 MR. MCHUGH: Good morning, Mr. Chairman,  
24 Commissioners Below and Morrison, let me just introduce

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1 FairPoint's team. Going from your right to left, we have  
2 Michael Haga, of FairPoint; Peter Nixon, president of  
3 FairPoint; Jeffrey Allen is next to Mr. Nixon; then, from  
4 Capgemini, we have Daniel Burger; next to Mr. Burger is  
5 Steven Rush of FairPoint; and next to Mr. Rush is Richard  
6 Murtha of FairPoint. In addition, we have other folks who  
7 might be of assistance today. And, just so we can follow  
8 along the table, it's Attorney Frederick Coolbroth and Pat  
9 McHugh, from Devine, Millimet; this is Attorney Michael  
10 Morrissey, Assistant General Counsel of FairPoint; next to  
11 Mr. Morrissey is Brandon Gullett, also of CapGemini, next  
12 to Mr. Gullett is Karen Mead of FairPoint; and Mr. John  
13 Smee of FairPoint is next to Ms. Mead. Thank you, Mr.  
14 Chairman.

15 CHAIRMAN GETZ: Okay. Thank you.

16 Mr. Nixon, are you prepared to begin?

17 MR. NIXON: I am. Thank you. First,  
18 let me acknowledge that the various aspects of the post  
19 Cutover integration has not gone as we had in meeting the  
20 expectations of our ourselves or our customers.  
21 Certainly, the Call Center levels, as well as the service  
22 order installation time lines are not, we believe, at  
23 acceptable levels. These we know and acknowledge have  
24 resulted in a significant number of escalations to you

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1 all. And, then our efforts to resolve those on a timely  
2 basis have, in many cases, fallen short.

3 The issues that we face today are  
4 primarily in the area of billing inquiries, late service  
5 orders, and they are being addressed and we are putting in  
6 place various mitigation steps. The areas again that  
7 we're facing of call volumes, those are predominantly, and  
8 we'll get into it with more detail, are being driven by  
9 billing questions, in terms of inquiry, errors in the  
10 bills that some customers are experiencing, as well as  
11 questions on the status of the orders that have been  
12 placed. We will be presenting to you the various  
13 mitigation steps that we have taken and are taking to  
14 reduce those call volumes, and we believe would have a  
15 parallel effect of reducing the number of escalations.

16 The second largest driver of both the  
17 challenges we face, and we believe the escalations here to  
18 the Commission, are the orders that we have that have not  
19 been completed. And, although we have received over  
20 135,000 orders since Cutover, and we have completed 92,000  
21 of those. We recognize, in some cases, we have found and  
22 limited and we've remediated those that we know about.  
23 There have been some what we'll call "false completes".  
24 I'm sure we'll get into that discussion today, that we

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1 have discovered that, in some cases, where we have shown  
2 customers completed, they have not. To those that we know  
3 of, we've remediated, fixed. We are taking the extra  
4 steps to call customers that we indicate, on a sample  
5 basis, have been completed, to verify indeed that they did  
6 receive the service as a mitigation step.

7 CHAIRMAN GETZ: Mr. Nixon, could you say  
8 that again, about the --

9 MR. NIXON: Yes, sir.

10 CHAIRMAN GETZ: -- did you use the term  
11 "false complaint"?

12 MR. NIXON: Well, what we have seen,  
13 particularly in the area, and I'll use an example --

14 CHAIRMAN GETZ: But that's the term --

15 MR. NIXON: A DSL installation, where we  
16 show the order had completed to the customer. The  
17 customer would advise us that they did not see it as a  
18 completed service order. We have determined in several  
19 cases what the root cause of that was. And, we have, in  
20 the case of all the DSL, we've contacted the customers and  
21 we've ensured that they have received them. And, we've  
22 put in place additional checks within the systems and the  
23 processes to make sure that, in those cases, they don't  
24 happen again. But our own internal terminology was we

1 called it a "false complete".

2 CHAIRMAN GETZ: Oh, "false complete"?

3 MR. NIXON: I'm sorry. Yes, sir. We  
4 have had, since Cutover, plans to ensure that the Cutover  
5 itself went smoothly, and that we were prepared to respond  
6 to or mitigate issues that arose after Cutover. The plan  
7 that you have before you is the first formalized plan, but  
8 we have had plans to deal with Cutover and post Cutover.  
9 Initially, those plans included various teams that were  
10 within the work centers across FairPoint, being able to  
11 respond quickly to issues that arose, and get those issues  
12 fed back to the CapGemini in Atlanta, so they could assist  
13 us in the system implications. We shortly discovered that  
14 that plan needed to be changed and modified so we could be  
15 prepared for what we were experiencing in the field. We  
16 established various organizational teams that would  
17 identify, prioritize issues, whether they be systems  
18 processes or training. Those were initially done in a  
19 functional manner. That worked we thought well for a  
20 period of time. And, about two weeks ago, as those  
21 processes were working through, we modified the plan that  
22 is now looking at, if you will, a total flow-through  
23 process, that looks at the orders or the issues, so we can  
24 respond in that case. But we -- those are active plans,

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1 those are the process that we use to address the issues.

2 We do recognize, however, that in this  
3 period of time that we need additional input and review on  
4 how we're doing that, and whether we're doing that in the  
5 most effective manner. We are in the process of engaging  
6 two firms, both of -- I do not have contracts executed  
7 with them today, but they are both prepared to begin work  
8 next week. One firm is a strategic assessment consultant.  
9 They are being engaged to review and provide  
10 recommendations on processes, our people, our organization  
11 and our leadership. The second is a firm that's being  
12 engaged to provide similar assessment on our -- the  
13 process we use to identify, prioritize, and then remediate  
14 system and data-related issues. Those two firms are ready  
15 to be engaged beginning next week.

16 CHAIRMAN GETZ: Let me ask this question  
17 at this point. You've spoken to the Stabilization Plan  
18 that's been filed --

19 MR. NIXON: Yes, sir.

20 CHAIRMAN GETZ: -- and to actions that  
21 have taken in the last couple of weeks. In preparing for  
22 today, I was looking at the letter you submitted on March  
23 6th, and comparing it to the Stabilization Plan that is  
24 dated March 31. And, I'm trying to understand the

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1       chronology and what differences may have occurred during  
2       that period. The letter you filed on March 6th indicates,  
3       as a general comment, that "overall you're pleased to  
4       report that the Cutover itself went according to plans",  
5       and then you highlighted a couple of -- you said "several  
6       issues that you remain focused on and are still  
7       addressing", and you also indicated that you "expected to  
8       return to normal operating levels by the end of the second  
9       quarter".

10                       And, then, I look at the March 31 plan,  
11       and you say "it's designed to ensure that FairPoint  
12       returns to "business as usual" by the end of the second  
13       quarter". And, I was wondering if it was fair for me to  
14       conclude, my reaction, comparing the two documents, was  
15       that you may have concluded more recently that things were  
16       worse than you thought they were on March 6th. Is that a  
17       -- and, you've realized since March 6th that there is a  
18       lot more that you need to do, which may be leading to this  
19       issue of hiring these other firms. Is that a fair  
20       conclusion on my part, that you, in the past month, you've  
21       been realizing that this is a much bigger challenge than  
22       you understood it to be?

23                       MR. NIXON: If I might, the way I'd  
24       characterize it is that there have been several issues

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1 that have arisen since March 6th that -- and the one I  
2 would use would be the number of calls going into the Call  
3 Centers. If we take a look at the Company and how we  
4 responded from the date of Cutover, up through about  
5 March, end of the second week of March, we were quickly  
6 getting back to service levels that were near or at the  
7 desired outcome, indicating that the employee proficiency  
8 was gaining quickly, that we were able to handle the call  
9 volume, and that we were being able to respond to the  
10 customers. As the bill cycles were then caught up, those  
11 -- and we got back to a current bill cycle schedule around  
12 the 9th of March, the resulting volume of the bills that  
13 were sent out resulted in a significant number of calls  
14 into the Call Center. That alone drove and has resulted  
15 in about 55 percent of the call volumes now going to the  
16 Call Center are billing-related. So that was a large and  
17 significant difference between how I reacted on the 6th  
18 versus the 31st, because that volume didn't exist at that  
19 time. We knew we'd have a volume. This is an  
20 unprecedented volume, driven primarily by the amount of  
21 bills that were mailed and sent in such a short amount of  
22 time.

23 CHAIRMAN GETZ: Unprecedented, but  
24 unexpected or could not be anticipated, especially on the

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1 billing side?

2 MR. NIXON: Sure. The original plan is  
3 that we would have sent the initial bill out on  
4 February 14th, and return to full normal cycles by March  
5 9th. We were able -- by March 2nd, excuse me. We were  
6 able to get our bill cycles back to a normal schedule by  
7 the 9th of March. However, we ended up sending virtually  
8 all the bills in the preceding two weeks prior to that.  
9 So, what we might have initially expected to be a volume  
10 increase in calls driven by the bills was significant, was  
11 very large. We knew it would be a large volume of calls  
12 coming into the Call Center. We have taken and we did  
13 take steps to put in place, in the automated response  
14 center, to advise customers to go to the website for  
15 Frequently Asked Questions. We knew that there would be a  
16 large volume, and we are expecting that generally to  
17 mitigate as those people get into the second and third  
18 cycle.

19 However, we have taken more steps and  
20 are taking steps to mitigate that, only because I can't  
21 sit here today and tell you with assurance it will --  
22 this, the volume today, will be at "X" tomorrow. And, so,  
23 we're taking additional steps to mitigate the volume in  
24 case that it doesn't follow what we believe is the normal

1 path of mitigating as the people get the second and third  
2 set of bills.

3 So, for instance, we are putting in  
4 place and have in place a interactive voice recorder. So,  
5 when a customer calls, if they have a question on the  
6 balance of the bill or when the bill was -- when the last  
7 payment was made, they can get that in an automated way.  
8 That has been put in place. So, we are taking other steps  
9 to ensure that we can mitigate those volumes.

10 CHAIRMAN GETZ: In your letter of March  
11 6th, you said "We now expect the bill cycles to be back on  
12 the normal schedule by March 9." I'm not clear what that  
13 new date that you expect them to be back on cycle is?

14 MR. NIXON: March 9th.

15 CHAIRMAN GETZ: And, so, you're saying  
16 now that they are back on cycle, and all of the inquiries  
17 we're getting about billing and mistakes in billing and  
18 double billing is --

19 MR. NIXON: Those are -- So, an example  
20 of calls that would happen, as we sent out the large  
21 volume of bills towards the end of the first week in  
22 March, there are customers who received a bill for the  
23 month of January, and, within a short period of time,  
24 received a second bill for the month of February. They

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1 would call and say "I've just received two bills. And, do  
2 I need -- And, when do I have to pay them? Are those  
3 charges then indicating late charges?" And, it would go  
4 through the question of "why am I getting these bills  
5 now?" We've had numerous calls which would indicate just  
6 "where is my bill?" And, so, again what we did we put  
7 advisories on the website to point people to Frequently  
8 Asked Questions and try to mitigate some of the volume,  
9 but that does exist. We have had some errors in the bills  
10 with something this large. We expected that there would  
11 be some problems. We have a way that we can review a full  
12 bill cycle before it goes out and we can actually pull the  
13 bills out of the process so they do not go out.  
14 Nonetheless, some bills go out that have errors on them  
15 and we are responding to those in the calls. But those  
16 are predominantly what they are. If you would like  
17 details, I could ask Steve Rush to comment further on the  
18 particular billing-related questions that he could help  
19 respond with more detail.

20 CHAIRMAN GETZ: Well, I'd like to get a  
21 better feel for them. And, these are e-mails that I've  
22 gotten in the last three weeks, a good deal of them having  
23 to do with billing. And, if you're saying that we're on a  
24 cycle March 9th, and after the next billing cycle do we

1       expect basically no errors in billing? Does that mean --  
2       Tell me if that's what I should be expecting or what  
3       customers should be expecting.

4                   MR. NIXON: From a bill, what they  
5       should receive on the bill would be -- there are going to  
6       be examples where they're going to find the bill may look  
7       different in format, may look different in content. There  
8       are some known differences in what we are billing. The  
9       number of errors are continuing to decrease, in terms of  
10      those that are on the bill.

11                   I would ask, if I could, Steve to  
12      articulate, pull the microphone around, in terms of what  
13      the bills -- what the questions are predominantly.

14                   MR. RUSH: Sure. So, initially, on the  
15      first bill cycle, there were a lot of calls, a predominant  
16      number of calls, about 55 percent of our calls, inbound  
17      calls, were specific to every question from the bill  
18      detail, to the actual charge on the bill. What we're  
19      seeing now, and I believe the question was, as we improve  
20      the quality of the bill, we are still receiving a number  
21      of calls relative to what I would call a nuance or a  
22      difference in the way the bill is represented. So, it may  
23      not be that the charge is wrong, it could be that  
24      pre-Cutover a credit was identified by a minus sign,

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1       whereas now a credit is identified by parentheses. So,  
2       the residual for the bill cycle calls are decreasing.  
3       They're moving from "my bill is wrong" or "I have an issue  
4       with it", to "can you explain the difference or the nuance  
5       in the way it's represented?"

6                       So, to that point, we have put in place  
7       several triages, so that we can eliminate the number of  
8       inbound calls associated with those questions. We've put  
9       an IVR up, where a customer can go and retrieve, you know,  
10      their charges via an IVR and not talk to a representative.  
11      So, that improves our accessibility and let's more calls  
12      go.

13                      CMSR. BELOW: What's an "IVR"?

14                      MR. RUSH: An Interactive Voice Response  
15      unit, where, rather than talking to an individual, they  
16      can go in and prompt and get information on their bill.  
17      That we just recently launched and, you know, --

18                      CMSR. BELOW: Do people have to go  
19      through that before they can speak with a customer  
20      representative?

21                      MR. RUSH: No, that's offered before  
22      they speak to anybody.

23                      CMSR. BELOW: It's offered, but do they  
24      have to go through it?

1 MR. RUSH: No, they don't. They can  
2 elect to hit zero or they can elect to go to one of three  
3 or four prompts to talk to who they would like to talk to.

4 CMSR. BELOW: Okay.

5 MR. RUSH: Okay. To complement the IVR,  
6 we've also established a process that we will be launching  
7 this week that we think will be successful in mitigating  
8 some additional amount of calls, and that's where we  
9 continue to have some number of pre-identified issues with  
10 bills, we will utilize an auto dialer, which will  
11 proactively contact our customers, advise them that there  
12 may be an issue on the bill that may generally prompt them  
13 to call, but we would advise them that we are aware of it  
14 and that it will be rectified. Okay? And, then, of  
15 course, up front in the IVR, when a customer calls, the  
16 first thing they hear is the opportunity to go to the web  
17 for basic FAQs on bills as well. So, I'm talking more  
18 relative to how we're mitigating the calls into the center  
19 and how we're providing information on what's happened  
20 specific to a bill. Whereas, you know, whereas we  
21 complement that with a rather robust process where, based  
22 on the information we garner from talking directly to our  
23 customers on what the dissatisfiers are on those bills, we  
24 provide that information to the Billing organization, and

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1 they work on the remediation there.

2 MR. NIXON: Our level, what we call the  
3 "error rate" on the bills right now, we believe is  
4 somewhere around 2 percent of our customers are getting  
5 some sort of an -- is that --

6 MR. ALLEN: As far as known errors in  
7 the bill cycle, it's about 2 percent.

8 MR. NIXON: About 2 percent.

9 CHAIRMAN GETZ: But that's a different  
10 issue from the confusion that --

11 MR. NIXON: Yes, sir.

12 CHAIRMAN GETZ: -- has been caused by  
13 the short cycle --

14 MR. ALLEN: Exactly.

15 CHAIRMAN GETZ: -- and the duplicative  
16 billing, essentially, and customers not being able to  
17 ascertain from the bill that they really didn't owe the  
18 amount or the next bill wasn't really overdue, even though  
19 the bills indicated that the payment was overdue?

20 MR. NIXON: Well, exactly. There were  
21 several components. One is, they were -- the bills, in  
22 many cases, were very close together. There was certainly  
23 some customer confusion about "what amount did I owe?" A  
24 lot of customer confusion about "where is my bill?" "Now

1 I've got two, what do I do?" And, there were messages on  
2 the bill that, if you made a payment, you know, you don't  
3 need to pay it again. Having said that, it does drive  
4 call volumes in, it does drive customer confusion. We  
5 have -- Although we expect to see that volume begin to  
6 subside, as people get into the second and that third  
7 cycle, we are putting in place mitigation steps to ensure  
8 that, even if that volume doesn't subside as we would  
9 expect to see it, that we're trying to take volumes, call  
10 volumes off the center that are billing related through  
11 the steps that Mr. Rush indicated.

12 So, we're trying to -- we'll reduce the  
13 calls driven by billing issues. But, if that doesn't, you  
14 know, even if that doesn't come down as quick as we think  
15 it is, we're putting in place mitigation steps.

16 CHAIRMAN GETZ: Any other questions  
17 about billing, before I --

18 CMSR. BELOW: Well, just generally, are  
19 things getting better or worse at this point? Do you  
20 know -- in terms of acceptable levels of customer service,  
21 we know they have gotten worse over the course of this  
22 month. Do you know, as of the past day or two, what's  
23 your trend, in terms of customer --

24 MR. NIXON: At the risk of --

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1 (Multiple speakers talking at the same  
2 time.)

3 MR. RUSH: To answer the question  
4 directly, over the last day or two, the trend is a  
5 positive trend. And, we've seen, and I'm not certainly, I  
6 want to preface this by saying we're not declaring victory  
7 in way, shape or form, but, relative to the call volumes  
8 that we trend on two-hour increments throughout the course  
9 of every business day, there is a potential for this week  
10 to be the first week that calls have diminished or abated.  
11 This is the last day of the week, we are at a level that  
12 is at the lowest, from a weekly calling average, since  
13 Cutover. We have put several mitigations in place this  
14 week, relative to the IVR and things like that. And, the  
15 initial -- the initial, in its infancy stages, report  
16 would be is that we're seeing some progress.

17 CMSR. BELOW: Okay.

18 CHAIRMAN GETZ: If there's nothing else  
19 on billing, but before you get back into where you may  
20 have been headed, I want an update on the Internet  
21 transition issues. That seemed to be the most immediate  
22 and obvious problem that customers were having.

23 MR. NIXON: I'll start, and ask others  
24 to join in. Shortly after Cutover, as we migrated our

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1 Internet customers over to FairPoint, there were a number  
2 of customers who that migration didn't go very well. And,  
3 that number was something less than 10 percent of our  
4 customers had problems with that migration. It resulted  
5 in significant call volumes down into our Internet Help  
6 Desk. And, we were -- that more volume than our Internet  
7 Help Desk could respond to in a timely fashion initially.  
8 Within a week, we had brought in a second Help Desk  
9 online. We had responded by doing online chats, so that  
10 customers could get in. And, those call volumes into that  
11 Internet Help Desk were back within what I would call  
12 "normal range", although still responding to customers who  
13 may have issues. We're certainly not indicating that  
14 there are -- that all issues have been resolved, but we  
15 are -- the volumes going into the Call Center have  
16 diminished significantly.

17 CHAIRMAN GETZ: All right. I'll let you  
18 go back to where you may have been heading.

19 MR. NIXON: One of the -- If I go back,  
20 excuse me, if I go back and look at barometers that we can  
21 use to help determine the progress we're making, there are  
22 a couple that we look at because I think it's indicative  
23 of the orders and the way the work centers, the  
24 proficiency of our teams. One of those would be the



1 orders that we dispatch on a daily basis. And, in March,  
2 it is six times what it was in February. It would not be  
3 surprising, as we think about the size and complexity of  
4 this endeavor, to understand that the first month coming  
5 out of Cutover was a significant challenge to all parts of  
6 the business and all aspects of the business. And, so,  
7 one of the ways that I look at it every day is literally,  
8 "what are the numbers of orders -- of dispatches out to  
9 the field?" Six time increase of March over February.

10 The other one we look at on a similar  
11 note would be Central Office, installations where a  
12 technician is required to go into the office to perform  
13 the wiring and maintenance -- not "maintenance", but the  
14 wiring for the order. That, too, has seen a six-fold  
15 increase.

16 Another place that I looked would be  
17 trying to gauge the proficiency of the employees, our  
18 effectiveness with our training and how quickly they're  
19 coming up to speed on the systems. And, two of the work  
20 groups that we've been working with very closely have seen  
21 a four-fold increase in their productivity in March over  
22 February. That is not to say that those are back to  
23 normal operating levels. That is a barometer of progress  
24 and a barometer of "Are we going the right way and are we

1 getting there quickly enough?"

2                   We recognized and we know that we have a  
3 significant of orders that are late. There are some  
4 13,000 orders today that are late. And, it is causing  
5 significant inconvenience to our customers. We are -- You  
6 see those in escalations, the Call Centers see those in  
7 calls coming in asking for the status of their orders. We  
8 have teams working throughout the organization to bring us  
9 back into, as quick as we can, into normal intervals.  
10 Some of them will come in more quickly than others. And,  
11 right now, there are some areas, particularly in the area  
12 where we're doing a "data reconciliation" is what we call  
13 it, where we're comparing the inventory that we have in  
14 our systems to the inventory that's in the field, and we  
15 can do that in several different ways. That data  
16 reconciliation is ongoing right now. We're finding  
17 things, and we see progress each step of the way. But, in  
18 order for us to go, and one of the prudent steps is,  
19 "let's make sure that what's in the field is in the  
20 record." And, we know that, in some of our cases, that  
21 will slow us down from having immediate surge in getting  
22 -- addressing some of these old orders.

23                   We have in the past -- People in the  
24 past have indicated that we have been over optimistic in

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1 when we felt we could return to our "business as usual".  
2 And, that we are taking prudent steps to make sure that we  
3 are careful in how we -- to make sure we understand the  
4 issues and we articulate it clearly.

5 CHAIRMAN GETZ: When you spoke about, I  
6 think, was it "13,000 orders are currently late"?

7 MR. NIXON: Yes, sir.

8 CHAIRMAN GETZ: And, I don't know if  
9 there's a way to describe what a "typical" or the range of  
10 what that might mean. For instance, I got a call late one  
11 evening earlier this week from a gentleman who said he's  
12 been trying -- apparently he's moving, and he was trying  
13 to cancel a service since February 15th. Now, is that an  
14 "extreme situation"? Is that a "typical situation"? I  
15 mean, how would you characterize that, in terms of the  
16 13,000 late orders? And, I assume that's one -- that that  
17 would be a type of "late order", correct?

18 MR. NIXON: It would be. As of last  
19 week, so this record is -- what I'm looking at is about a  
20 week right now out. Six thousand of those were less than  
21 ten days. And, we had over 1,300 that were more than 30.  
22 And, the rest would fall in between. There are a -- There  
23 are a volume of orders, incident by the example you use,  
24 where we have customers who placed orders immediately

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1 before the Cutover or shortly afterwards, that those  
2 orders have not been completed. We have -- We're in the  
3 process of contacting the customers, and a couple things,  
4 make sure that they -- it's still the services and changes  
5 that they desire, and also to assure them that the order  
6 is in the process, we have escalation teams that are  
7 working, to make sure that we get those orders that were  
8 first in as quickly as we can processed out.

9 One of the things that, again, in some  
10 cases, we've found it advantageous for us to, if you will,  
11 restart the order, because we've put so many changes and  
12 processes and systems -- fixes in since the Cutover, that  
13 we're finding some of those earlier orders, it's easier  
14 for us to restart the order and flow it through all over  
15 again; not all the cases, but in some. But, yes, there  
16 are cases, unfortunately, that there are some old orders  
17 in there.

18 CMSR. BELOW: So, you've had situations  
19 where you've taken orders out of turn, if you will? More  
20 recent orders have been completed before older orders?

21 MR. NIXON: A different way to say that,  
22 if I might?

23 CMSR. BELOW: Uh-huh.

24 MR. NIXON: We still have, and I'll use,

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1 without going into the various levels of orders and how  
2 they flow through the systems, orders that are what we  
3 call "complex orders", that require engineering, design  
4 and provision, are designed to take a longer time than a  
5 traditional telephone service. Those predominantly flow  
6 through the system. It's when they drop into -- when they  
7 don't flow through the system, they go into a fallout --  
8 what's called a "fallout queue", when they have to be  
9 handled manually. Depending upon the manual fix that's  
10 required and the complexity of that manual fix, again, it  
11 may or may not proceed as quickly as the one after it came  
12 in. It's a long answer to your short question. But it  
13 depends upon the individual circumstance.

14 CMSR. BELOW: And, well, I think this  
15 issue has come particularly with wholesale orders, and a  
16 question about whether they're, in fact, being handled  
17 comparably to your retail orders. And, when you mention  
18 that 13,000 orders are late as of today or a week ago, are  
19 you tracking those wholesale versus retail and are you --

20 MR. NIXON: I'm sorry.

21 CMSR. BELOW: -- what are you doing to  
22 ensure that there is comparable treatment of the wholesale  
23 and retail orders, in terms of the delay and sequencing of  
24 completing those orders?

1                   MR. NIXON: Yes, sir. Once an order  
2 goes into our system, we cannot tell if it's wholesale or  
3 retail. So, there is parity of treatment, whether it's  
4 wholesale or retail. Having said that, because we know  
5 we're behind, because we know it's inconveniencing the  
6 CLECs and our business customers, we do have an escalation  
7 process whereby we are in contact with the CLECs and ask  
8 them, as we're working through the backlog, to help us  
9 understand their priority. I could let some -- Rich  
10 Murtha speak to it with more detail. But, essentially, it  
11 is we want to be as much as we can, understanding that  
12 we're inconveniencing them today, we want to try to be as  
13 responsive to them and their customer needs as we can, and  
14 let them help us set the priorities. So, two answers:  
15 Once it goes into the systems, the systems are  
16 indifferent, wholesale or retail. We do, through an  
17 escalation process, ask our customers to help us determine  
18 what their priorities are.

19                   CMSR. BELOW: If they drop out for  
20 manual completion, are you aware of whether it's a  
21 wholesale or retail at that point?

22                   MR. NIXON: No, sir. No, sir.

23                   CMSR. BELOW: But you're dealing with  
24 some wholesale escalations in which you're attending to

1 priority issues?

2 MR. NIXON: To their priority issues.

3 CMSR. BELOW: Uh-huh. I'd like to back  
4 up to billing for a second. You mentioned that "2 percent  
5 of retail bills have known errors at this point". Do you  
6 know the known error rate on wholesale bills?

7 MR. NIXON: The current indication, at  
8 less than 1 percent.

9 CMSR. BELOW: That would be known, known  
10 errors?

11 MR. NIXON: That is not -- I want to  
12 make a distinction between that and what I'd call a  
13 "dispute". If a CLEC gets a bill that they say that they  
14 are in dispute of the amount, that's handled through the  
15 normal dispute process. We have had cases, again, that,  
16 on the wholesale bills, where we were late getting the new  
17 order activity into the bill. That I believe is now  
18 caught up. So there -- certainly, on the initial bill  
19 cycles, there was -- that timing was off. But I'm told  
20 that the actual error rate is less than 1 percent.

21 CMSR. BELOW: And, whether it's a retail  
22 bill or wholesale bill, when you've identified an error or  
23 a type of error where you have known errors, are you  
24 fixing those automatically or waiting for customers to

1 point it out to you?

2 MR. NIXON: No, there is a -- there is a  
3 team, a billing -- we call "Billing Team" that is both  
4 made up of CapGemini and FairPoint personnel. Who review  
5 the bills and identify the known issues -- the issues that  
6 we can identify, we will fix those. We also have a daily  
7 call with our centers, where we give that same team  
8 feedback into errors that we didn't catch or that we are  
9 looking for to get their feedback in, so it's a two-prong  
10 approach, feedback in from the customers to us to our bill  
11 teams, and the ones that we can pick up as we do our own  
12 bill review.

13 CMSR. BELOW: So, will that lead to an  
14 automatic fix?

15 MR. NIXON: Yes, I'm sorry. It will  
16 lead to a fix, yes, sir. Oh, reminded, and an adjustment,  
17 if necessary. So, we do not -- in that kind of a case, we  
18 do not wait for the customer to call and say "I found an  
19 error on my bill." If we find that there was a billing  
20 error that requires a credit back to a customer, it will  
21 be done. We would automatically issue that and not wait  
22 for the customer to call.

23 CMSR. BELOW: Okay.

24 MR. NIXON: As I -- And, I'd like other

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1 of my team to help, before I turn the microphone over to  
2 Jeff Allen to address and speak to the stabilization plan.  
3 So, I want to go back to the steps we're taking to  
4 mitigate the issues we're facing. Again, they're  
5 primarily the call volume driven again by billing. It is  
6 the number of orders that are late. And, how do we get  
7 those, that backlog out of the system, and then keep --  
8 get ourselves back to a current level?

9 Steve Rush indicated that they're using  
10 Interactive Voice Response. We're using the outbound auto  
11 dialer. The fact that we're fixing the errors as we find  
12 them and we receive them from our customers. There is,  
13 again, the Web Frequently Asked Questions. We have also,  
14 and I don't know if this was -- this was made clear  
15 earlier this week when we were in Maine, we have 30  
16 additional service representatives that have -- that are  
17 beginning a training program this next week. So, that  
18 process was started several weeks ago to interview, to  
19 hire, to bring them on board. That group starts and will  
20 start Monday, but it will take the rest of the week to get  
21 them all in. Again, the initiative here is "how quick can  
22 we mitigate the call volume?" So, I just -- there are --  
23 there's no one thing that I say would stop the call  
24 volume. It's going to be several things that we're doing

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1 to mitigate it. And, that's what we're doing.

2 The second, as it relates to the  
3 provisioning of the orders, and we look at those in two  
4 forms. One would be what we call the "complex orders",  
5 that require engineering, provisioning, design. We have  
6 augmented our staff in the provisioning centers. We've  
7 done that by bringing in our highly skilled technicians  
8 from the field, complemented by seasoned supervisors and  
9 managers, to augment the provisioning team. We will  
10 carefully monitor that to make sure it doesn't, of course,  
11 impact on any of our service obligation. It's not a large  
12 number. It's somewhere about 1 percent of our field  
13 forces in total. It's enough, we believe, to bring the  
14 skilled forces from the field that can help us catch up on  
15 the backlog of orders. And, we expect that that will have  
16 an impact very quickly.

17 As it relates to getting back to  
18 addressing the backlog of the DSL and the plain old -- the  
19 POTS orders, plain old telephone service orders, we have  
20 instituted more training, on-site support from Capgemini,  
21 as well as restructuring some of the organization, so they  
22 have more technicians on the floor and experienced  
23 supervisors who can be there to assist. We do expect that  
24 to have some benefits. However, I don't want to, as I

1       said earlier, indicate that this would be like a light  
2       switch that we're going to see immediate results in some  
3       of these areas, the data reconciliation plan and the  
4       program -- and the project is more time-consuming,  
5       although we'll see benefits of that. It will be probably  
6       30 days before we really begin to see dramatic change  
7       coming because of that data reconciliation project.

8                       CHAIRMAN GETZ: All these actions,  
9       though, seem to raise two different issues. One, I guess  
10      is fairly obvious -- well, they're probably both fairly  
11      obvious. Should you have known this ahead of time? But,  
12      putting that aside for the moment, is it -- are these  
13      actions, bringing people in from the field, adding the 30  
14      additional persons to the Call Center, as I understood  
15      that's what you were saying, what's your degree of  
16      confidence that this is going to resolve the problem?  
17      Because I look at, you know, you're saying, end of the  
18      second quarter, and I notice the Liberty Consulting Group,  
19      the Monitor's Report, their ultimate conclusion from the  
20      document from April 1st is that it appears it will take  
21      considerable time to reach a normal business operating  
22      environment, probably longer than the end of the second  
23      quarter. So, I mean what's your degree of confidence that  
24      you're going to get there?

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1                   MR. NIXON: I've got a high degree of  
2 confidence that we will return close to the service levels  
3 of the call centers, between what we expect to see from  
4 bill calls diminishing and the mitigation steps taking  
5 place. It will not happen overnight. It will happen over  
6 the period of time between now and the end of the second  
7 quarter. The service levels now are unacceptable. They  
8 are absolutely unacceptably low. And, because we --  
9 again, you've heard me talk about mitigation steps there.

10                   The areas where we're bringing in field  
11 forces, now, we know what their productivity level can be  
12 from experience. We know what the orders are, we know  
13 where they are. We've brought additional forces into the  
14 two centers where we need the most help. And, we have a  
15 high degree of confidence that, with those skilled  
16 technicians and additional supervisory support, help and  
17 assistance, that that will return within -- by the end of  
18 the second quarter. The area that I am -- that I'm not  
19 yet ready to say if I'm highly confident or not is the  
20 area that we are doing our data reconciliation. I feel  
21 confident this will bring us enough information so we'll  
22 have a greater degree of assurance. I believe that we  
23 will be back by the end of the second quarter. If you say  
24 "Are you highly confident, are you confident, or are you

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1       skeptical?" I'd say I'm confident, but I'm not highly  
2       confident, until I see the outcome of the data  
3       reconciliation, and that I can be confident what we're  
4       seeing can get us the results that we need.

5                   CHAIRMAN GETZ: I guess, I don't want to  
6       be repetitive, but getting back to my reading of your  
7       answers to Staff questions early in March and the recent  
8       Stabilization Plan, it's the issue of the trajectory. It  
9       seemed to me, at first you were thinking it was going to  
10      be or hoping that it was going to be a smooth and fairly  
11      steady trajectory, and you'd be back to "business as  
12      usual" by the end of the second quarter. And, the way  
13      you're describing it now, in my mind, almost has an  
14      unfortunate parallel to the ice storm, in that you're  
15      realizing, as you go through this, the immensity of the  
16      problem, and now are trying to flood the area with more  
17      resources to get it done, which suggest to me a much more  
18      abrupt trajectory, if, indeed, you do make "business as  
19      usual" --

20                   MR. NIXON: Yes.

21                   CHAIRMAN GETZ: -- by the end of the  
22      second quarter.

23                   MR. NIXON: So, in the example of we're  
24      bringing additional resources, what we've found is that

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1 those work areas and the management areas that are up  
2 front in the systems, which, in this case, are  
3 predominantly engineering, are either at or returning  
4 right now to "business as usual". And, this is -- this is  
5 literally the case of, as the orders have gone downstream,  
6 where are they next? And, the areas that we have, from  
7 the complex orders, now are the last two stopping points.  
8 The areas upstream from those are either at or nearing  
9 "business as usual" state, the engineering, primarily.

10 The areas of -- The two areas remaining  
11 at the end, we can, because it's a function of the  
12 activity that we have, we have very highly proficient  
13 technicians in the field that we can bring in to assist us  
14 in that particular effort. So, I do have a high degree of  
15 confidence in that. And, again, what's -- the barometer  
16 we use is "upstream, how close are those other departments  
17 and organizations are returning to normal type intervals?"

18 CHAIRMAN GETZ: Now, what is lost by  
19 bringing the field people out of the field to address  
20 these other problems?

21 MR. NIXON: Sure. Again, in terms of  
22 the numbers, let me just check, we're talking less than 15  
23 total, I think, is that right?

24 MR. SMEE: Yes.

1                   MR. NIXON: So, less than 15 people  
2 total, out of a total outside workforce of 1,200, 1,500  
3 workforce?

4                   MS. MEAD: Fifteen hundred.

5                   MR. NIXON: Fifteen hundred. So, it's  
6 not masses of people coming in. We've gone and identified  
7 those who have a particular skill and are highly  
8 proficient, and asked them to come in to help for -- it  
9 could be a tour of duty of three to four weeks. And,  
10 again, what I -- one of the things that we've learned, of  
11 course, is the time it takes to build proficiency. And,  
12 so, again, I'm still saying by the end of the second  
13 quarter for that group, because -- but it is a limited  
14 subset of highly skilled people.

15                   CHAIRMAN GETZ: Please.

16                   MR. NIXON: Now, what I'd like to do at  
17 this time, if I could, is ask Jeff Allen to review the  
18 Stabilization Plan, and then entertain questions, if he  
19 could.

20                   MR. ALLEN: And, as a starting point,  
21 let me add to one of the comments that was just asked and  
22 answered regarding some of the additional plans from the  
23 6th to today, and does that make a -- result in a more  
24 abrupt result at the end. Actually, a lot of the

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1 mitigation plans that you see, have heard about, and we  
2 put into plan are designed to do actually just the  
3 opposite of that.

4                   If we look at a particular area that,  
5 through normal results, and I'll use the Call Center as an  
6 example, there are two ways you get better results in the  
7 Call Center as you reduce your average handling time per  
8 rep for each of the calls, which is proficiency, and you  
9 look at different ways that you can lower the call volume,  
10 which is providing orders on time, bills on time, bills  
11 accurately, those kind of things. Those two results get  
12 you to the required service levels.

13                   When we looked at that, and we looked  
14 at, if we didn't do anything else in the interim, what  
15 would we receive, and we felt that the results would not  
16 return to a level of service that was acceptable for an  
17 extended period of time. So, most of the mitigation plans  
18 were actually to accelerate a desired result sooner as the  
19 final result, if you will, takes place. So, a lot of  
20 things that are being put in place are to not have the  
21 abrupt result at the end, but rather to have some of those  
22 results seen sooner.

23                   But, if I go back to the Stabilization  
24 Plan specifically, one of the primary reasons putting that

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1 together is, as Mr. Nixon mentioned, our focus had been on  
2 identifying a particular problem or issue, fixing it,  
3 resolving it, and then moving on. And, what we found in  
4 some instances was, if we look at things too specifically,  
5 we can fix a problem, but we don't fix the situation. I  
6 think the primary example of that was, in the early going  
7 we had a number of orders that were put into the system,  
8 and they were stuck in the front-end, so they never really  
9 got through to be processed. We did a concerted effort, I  
10 think an outstanding job in fixing that, and that's back  
11 to a "business as usual" level. However, by just fixing  
12 that, and not fixing the entire order flow, we didn't  
13 provide the service any sooner to the customer. So,  
14 although you fixed the task or you fixed a problem that  
15 you were addressing, you didn't fix the real problem,  
16 which, in that case, was the customer delivery.

17 So, the purpose of the Stabilization  
18 Plan was to try to look at things on a holistic basis and  
19 how they interact with one another. That, when we fix  
20 something, we're fixing something with the intent of  
21 providing the end solution that we desire. As we went  
22 through that, the areas that we focused on were the same  
23 ones that Mr. Nixon mentioned, that we see is the biggest  
24 areas that need improvement, the Call Center, our ability

1 to talk to customers.

2 And, Chairman Getz, your comment about  
3 the Internet issue, which was our first issue, was the  
4 same problem; it was the ability to talk to the customers.  
5 If we can talk to them, communicate with them, let them  
6 set the right expectation, you have very different  
7 situations than if you don't have the opportunity to talk  
8 to them. So, that's a critical area in the mitigation.

9 The second one is the order flow that we  
10 talked about. And, what we tried to do was break it down.  
11 Because the solution for the order flow, although very  
12 similar for wholesale and retail, is different based on  
13 the type of products that are ordered. So, on the  
14 wholesale basis, some of the more simplified products have  
15 one set of circumstances and fixes required, as do the  
16 POTS/DSL on the retail. And, the complex orders on both  
17 those segments have a similar set of issues.

18 As was mentioned, once a complex order,  
19 for example, gets into the system, there's no  
20 differentiation on how it's handled. So, if there's a  
21 problem with processing that through in the required time  
22 frame, it impacts both groups of customers. And,  
23 consequently, by fixing it, you're addressing it for both  
24 groups of customers.

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1                   CHAIRMAN GETZ: Well, let me ask you  
2 this question.

3                   MR. ALLEN: Sure.

4                   CHAIRMAN GETZ: On Page 4 of the Plan,  
5 it talks about "order flow".

6                   MR. ALLEN: Yes.

7                   CHAIRMAN GETZ: And, it says "there's  
8 three primary reasons customers are calling the centers in  
9 record numbers", and the second was "order flow". And, it  
10 says "customers call repeatedly to get their status or to  
11 inquire about a missed appointment." And, "this is the  
12 second largest reason customers call the center with  
13 25 percent of total calls", etcetera. But it sounds like  
14 it's two different -- let me understand if it's two  
15 different things. "Customers call repeatedly to get their  
16 status." Now, does that mean they don't know what their  
17 status is? They have been promised something, and they're  
18 trying to confirm it?

19                   MR. ALLEN: Yes.

20                   CHAIRMAN GETZ: What exactly does that  
21 first part of the sentence mean?

22                   MR. ALLEN: And, let's look at POTS/DSL  
23 or LSR orders on the wholesale environment. So, in those  
24 instances, you get an expectation that the order should

1 flow through the system, or in most instances. So, when  
2 the customer places an order, and, again, when we say  
3 "order", and I think it was defined before, that could be  
4 a disconnect order, it could be a new sale order, it could  
5 be a change order, it's any kind of transaction. But,  
6 when they initially place that transaction, based on the  
7 expected delivery of that, they're given a date, a due  
8 date. So, if that order flows through the system, which  
9 happens, you know, a given percent of time, then that gets  
10 delivered and completed as expected. And, so, those  
11 customers are handled as they were expected to be. If it  
12 falls out of the system, into one of these manual queues  
13 that we had just described, then the date that was  
14 committed to them is going to be missed. Those are the  
15 13,000 orders that Mr. Nixon mentioned that are late. So,  
16 in those instances, the date that the customer originally  
17 received is not a date that's being met. So, those  
18 customers, and, again, one of the mitigation plans we put  
19 in place is changes -- has changed this now, but those  
20 customers would call in and say either "I was supposed to  
21 have this service disconnected, changed, added, whatever  
22 on March 3rd. It's now March 3rd, it's the end of the  
23 day", or "it's March 6, nobody came", or "it hasn't  
24 completed", even if nobody was needing to be there. "So,

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1 when is that going to be done?" Okay?

2 CHAIRMAN GETZ: That's what I was just  
3 trying to understand, the intent of this particular  
4 sentence.

5 MR. ALLEN: Yes.

6 CHAIRMAN GETZ: Whether you were saying  
7 that customers were needlessly calling too much --

8 MR. ALLEN: No, that was not --

9 CHAIRMAN GETZ: -- and that was causing  
10 increased call volumes. So, these are legitimate calls?

11 MR. ALLEN: Absolutely. Yes. There's  
12 really nothing in here, even in the instance where  
13 customers call back many times, I don't view that as a  
14 customer problem, that's a problem that we have, because  
15 they had to wait too long in the first place. So, if  
16 anything in here would indicate that it's customer  
17 behavior that's not correct, then that's not the intent at  
18 all, because that's not true.

19 Now, one of the mitigation steps that we  
20 took is, if you look at that, the way to provide better  
21 customer service and also minimize the calls coming into  
22 the center is to proactively reach out and call those  
23 customers if there's going to be a missed date. And,  
24 that's a program that was recently instituted, so we can

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1 get to the customer, let them know what has occurred, and  
2 that the date is going to be late. And, that, again, is  
3 better service, and it also eliminates the need for the  
4 call into the center.

5                   So, we looked at order flow. And, what  
6 you see in the Plan is kind of a detail of all of the  
7 things that get measured on a daily basis. We measure the  
8 queues, we measure the results, we measure the lateness,  
9 we measure it by product type. Because, if you just do,  
10 for example, if the question gets asked "well, what  
11 percentage of orders are you completing?" You may get a  
12 factual actual answer that's correct, however, it may not  
13 tell you the story that -- of what you need to work on.  
14 Because, if you're only completing this group of orders,  
15 but not this group, your percentage may be good, but, if  
16 you're in that category, you're not very pleased. So,  
17 that's why you see the level of detail about per product  
18 type and such in the daily measurements is to ensure that  
19 that doesn't occur.

20                   In addition, from a milestone  
21 standpoint, and this gets back to "how do you know you're  
22 going to get there by the end of the second quarter?" We  
23 took these major areas, the Call Center, the order flow,  
24 and the billing, and we looked at "what is "business as

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1 usual" result?" So, in the Call Center, for example, it's  
2 based on service level. And, the order flow standpoint,  
3 it's based on standard intervals. And, it really has to  
4 be standard intervals per product, so, again, you don't  
5 run into a situation that you try to group everything  
6 together, but you'd rather look at each individual area or  
7 each individual product that needs to return to that.  
8 And, then, there's milestones that say "Here's where we  
9 are today in the current environment, here's where we need  
10 to be, which is the "business as usual" standardized  
11 intervals or service levels, and here's the incremental  
12 steps that we're going to make along the way so we can  
13 track our progress and make sure that the path we're going  
14 down does get to "business as usual" by the end of June,  
15 and we don't run into a situation that a month beforehand  
16 we're behind in an area and we didn't realize it.

17 The third area that we looked at was  
18 billing. And, there's, again, from a measurement  
19 standpoint, there's a lot of things to measure there. The  
20 primary areas are your accuracy of your bills measured by  
21 percent of known billing errors. The second area is  
22 timing. And, I think, as mentioned before, we didn't  
23 include the timing in this, because we're back to  
24 normalized bill schedules. So, whereas that was a major

1 item back in the end of February/beginning of March,  
2 they're now on normal cycles. So, the focus really is on  
3 billing accuracy. We also put two additional pieces in  
4 here that I think we need to make sure we don't lose  
5 attention of, one is the metric reporting that we have, to  
6 make sure that we (a) are looking at the right metrics of  
7 our results and success as they have been defined in the  
8 SQI report, service quality; the PAP, performance  
9 assurance; and the CTC, which is a specific report for the  
10 wholesale customers.

11 HAGA: Carrier-to-Carrier.

12 MR. ALLEN: Yes. And escalations. And,  
13 most of the escalation results end up getting, as you get  
14 back to "business as usual", you shouldn't have a separate  
15 necessity to have mitigation around that. However, given  
16 the fact that the level of escalations are substantially  
17 above what it should be, caused by the Call Centers  
18 primarily and the order flow, we thought it was important  
19 to put a mitigation step and tracking in place until those  
20 other areas get back to their normal levels, we need to  
21 have defined and set up a different way to handle  
22 escalation so we can be responsive.

23 What we put in the Plan and what we  
24 tried to do was put an overview of each of the areas, so

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1 we can look at not only what do the areas do but how do  
2 they interact with one another. We looked at the problems  
3 and the issues that currently exist. In some instances,  
4 you'll notice that we pointed out some level of success,  
5 past success we've had in an area. I think "unsubmitted  
6 orders" would be an example of that. The reason we put  
7 that in, beyond anything else, was to demonstrate for  
8 ourselves as a vehicle that a process, if we used it in  
9 that area and it worked to that level, it may be something  
10 that we can replicate in other areas.

11 As I mentioned, there's a tremendous  
12 amount of measurement criteria that we're going to have in  
13 here on a daily basis. Although we'll measure it daily,  
14 as far as taking action, a lot of the action gets taken  
15 more on a trending basis and how things are looking over a  
16 few days, because a single day result could give you a  
17 very different or perhaps incorrect assessment. I would  
18 say that most of those measurements or all the  
19 measurements are a combination of things that we had put  
20 in place internally, as well as some significant input  
21 from Liberty Consulting, as far as other things that they  
22 also advised us would be good things to measure. So, we  
23 tried to take a lot of input into that. The focus of the  
24 program was "how do we get it back to "business as usual",

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1 as I mentioned, in those key measurement areas?"

2 And, the other thing I would add to this  
3 that is not in the report, because we had not, as  
4 Mr. Nixon mentioned, completed the agreements, is we will  
5 also be looking to the outside organizations that we're  
6 bringing in, on both the systems and the people side, for  
7 additional input, additional ways that we can modify and  
8 improve the plan. So that I think, if you get different  
9 perspectives, you're probably going to get some different  
10 and better ideas that we think help, put in the plan and  
11 make it stronger.

12 MR. NIXON: I did have -- one the places  
13 I did want to touch on for a minute is certainly  
14 acknowledge the difficulties this has caused in the CLEC  
15 community. Everything from the pre-order activity that  
16 has been extremely difficult and manual, although, as I  
17 understand it, predominately remediated by now. It has  
18 been very difficult for them through this process. They  
19 have had to work through various error codes that we are  
20 helping them and providing more information and need to  
21 provide more information to help them understand the  
22 systems and the reports that come out. Continue to seek  
23 ways we can improve our communication. And, it's been  
24 difficult on the parties, and we appreciate them working

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1 with us. And, I certainly appreciate their frustration.  
2 We have organizations that are tasked to do nothing else  
3 but make sure that we try to deliver it what we -- as we  
4 can, as quick as we can. And, again, I just wanted to  
5 acknowledge that I know it's been a significant  
6 frustration. We are, again, taking steps as, because  
7 those orders are -- go through the systems in the exact  
8 same path as the retail, what steps we take to mitigate  
9 one, mitigates the other. So, those are steps that we  
10 believe will begin to address their issues as well. Thank  
11 you.

12 CHAIRMAN GETZ: Okay. Well, at this  
13 point, then I take it your direct presentation is  
14 complete. I think we may have a number of other  
15 questions, and, rather than ask them now, and I suspect  
16 there will be more questions prompted by what we hear from  
17 the parties and the public, my intention had been to turn  
18 to the parties next, but I have about five comment forms  
19 from members of the public, who I suspect are not being  
20 paid and drawing a salary to be here today. Is there any  
21 objection from the parties from hearing from these  
22 individuals? And, then, we will take -- we'll take a  
23 brief recess, and then we'll come back to hear from the  
24 parties.

1 MR. MCHUGH: No objection, Mr. Chairman.

2 CHAIRMAN GETZ: Okay. Hearing no  
3 objection, Caren-Marie Bowman, are you here? If you could  
4 please come up, ma'am.

5 MS. BOWMAN: Good morning. Thank you  
6 for taking the time to hear my side of the story. I know  
7 that I was recently in the Concord Monitor, and I want to  
8 thank the Concord Monitor for their assistance in making  
9 the case known to the public of the dissatisfaction of  
10 service that I was receiving from FairPoint Communications  
11 for getting my phone service connected at my new  
12 residence, even with their having the information from the  
13 doctor of the medical necessity of my not being without a  
14 phone, my being without -- my not getting my service for  
15 an additional week and a half after they received the  
16 information from my physician. Since then, I also had my  
17 phone disconnected twice. I'm happy to say I do have  
18 phone service. I can communicate with my family.

19 My biggest concern is just the  
20 miscommunication in my having to not even -- not even  
21 being able to have, you know, emergency dial tone to call  
22 9-1 [9-1-1?] in an emergency, if there was one that would  
23 have arisen during that time. I know I'm only a single  
24 client, I'm not the only case. And, I see the other

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1 people in this room, as well as knowing just from what's  
2 been in the newspaper, what's been in the news.

3 There's got to be better communication  
4 with -- within FairPoint that, if a customer calls, they  
5 get better answers to their questions in trying to get  
6 their individual issues resolved. I just worry about, you  
7 know, the fact that no one, whether they are disabled or  
8 able bodied should be without basic services.

9 How many other people are still in the  
10 dark of not having services? I'm very fortunate right  
11 now. And, I hate to see there be a real medical emergency  
12 arise that ended up in someone suffering and having a  
13 lawsuit against FairPoint.

14 But the bottom line, you know, there's  
15 got to -- they have got to get -- work harder to work with  
16 the public, keep us informed. Because I've kept being  
17 told that they didn't have the information about my  
18 transfer of service, they didn't have the information from  
19 the doctors. Then, "oh, we thought we had your service  
20 all set." And, then, I said, after I got my phone  
21 connected on the 13th, should have forewarned me, Friday,  
22 the 13th, for getting connected that there might still be  
23 troubles, but I had service for six days, and then I lost  
24 it again for four more, and got disconnected again, before

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1 I finally -- finally got up and running, with, thankfully,  
2 some help from the Manager of the local office here in  
3 town, as well as a very pleasant repairman that was able  
4 to keep in touch with me through an alternate phone number  
5 that I was able to give him. But I was having to drive  
6 out to either a payphone or a friend's home, and driving  
7 ten minutes away, in order to be able to call FairPoint,  
8 find out, you know, what has happened now, when am I going  
9 to get my service, or just trying to communicate with my  
10 family that was in distress as well for my own medical  
11 issues.

12 So, I'm just hoping that this can get  
13 resolved that -- for everybody, for FairPoint, for all the  
14 other customers. But, you know, the bottom line, we're  
15 the consumers, we're their paycheck, and things have to  
16 get straightened out. Otherwise, yes, there's Comcast,  
17 there's cellphones, whatever, but you'll lose more  
18 business. Thank you.

19 CHAIRMAN GETZ: Thank you, Ms. Bowman.  
20 Next is Donald Pearson. And, is Mr. Pearson here? And,  
21 I'd just ask -- Mr. Pearson has asked that he not be  
22 photographed, and I would ask that the media please honor  
23 that request.

24 MR. PEARSON: Thank you. My name is

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1 Donald Pearson. I want to say that I haven't lost my  
2 service. I've had telephone, Internet, and DirectTV. I  
3 guess my main problems is customer service, billing, some  
4 problems on the website. And, just to give like a brief  
5 timeline: It was around December 15th that I called  
6 FairPoint to order FiOS for my home. And, I was told that  
7 it was going to cost \$132.99, that's with the taxes, and  
8 that they made an appointment for someone to come out on  
9 the 23rd of December. The men came out on the 23rd, but  
10 they ran out of material, and said that they would come  
11 back tomorrow and finish the installation. They did not  
12 come back to finish the installation until the 15th of  
13 January. I had tried calling the customer service person  
14 who set up the appointment, and I got the answering  
15 machine, but I left messages and I didn't get the call  
16 back.

17 I guess from there, I have to say I'm --  
18 I don't feel very well and I'm very nervous. Prior to the  
19 other day, and my last bill I paid was on the -- was  
20 January 22nd. Now, my next bill -- and that was, oh,  
21 excuse me, that was for \$104.25, and that was for  
22 telephone and DirectTV. My next bill, which I just  
23 received, is -- it says "New charges due on March 18th",  
24 and the total due was "\$237.20". I had a -- I sent an

1 e-mail to the PUC, and they forwarded it to FairPoint.  
2 And, I got a customer service person that was trying to  
3 help me, and I was absolutely confused as to how they were  
4 getting to the numbers that they were talking about. And,  
5 you know, the person was really trying to help, but,  
6 honest to goodness, I was on the phone for probably half  
7 an hour. And, I just told the guy I says "I can't do this  
8 anymore." He tried to explain how the billing would be,  
9 and that he said that "as of June, my bill was going to be  
10 \$128, with the taxes included."

11 Now, those two -- those two bills total  
12 \$581.91. I'm being charged for the essential phone  
13 service, which is \$51.99, that has several options that I  
14 didn't order or wouldn't use. The phone service that I  
15 would use, is just regular phone service, would be \$46.99,  
16 versus \$51.99.

17 Really a lot of problems with  
18 misinformation, customer service, call in and trying to  
19 get somebody. I've been quoted several different prices  
20 for my bill, and I've been concerned that, when I get my  
21 bill, how much is it going to cost? And, as far as trying  
22 to contact FairPoint, I just said, you know, the heck with  
23 it, I'll wait till we get my bill. So, that's where I am.

24 Also, on my January bill, I was paying

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1 for DirectTV with my telephone bill. My new charges do  
2 not include the DirectTV. I don't know why that was taken  
3 off. And, I spoke to DirectTV this morning, and they  
4 said, as of right now, they do not have any information  
5 regarding the billing going back through FairPoint. I  
6 received an e-mail from FairPoint saying that the next two  
7 billing cycles would come right from DirectTV, and then it  
8 would go back to the telephone company.

9 If I could just read the bill and give  
10 you an idea how difficult it is to understand: It says  
11 "Previous charges \$104.25". "Payment received on  
12 January 22nd, 104.25". Now, it says "New charges:  
13 FairPoint Communications \$27.87, FairPoint Internet  
14 \$209.33". And, now I go to the next page, and this says  
15 "New charges January 3rd to February 2nd, 2 FairPoint  
16 Exchange Essentials 51.99, Unlimited Local and Regional  
17 Calling, Unlimited Long Distance, Anonymous Call  
18 Rejection, Call Forwarding Busy Line/with No Answer, Call  
19 Waiting, Voice Mail Central". And, next is "Per Line  
20 Blocking, Non-Published Service, Voice Discount, FAST  
21 DoublePoint Discount", which that came up to be "\$17.97".  
22 Then, we have "Federal Tax" -- "Subscriber Line Charge,  
23 Federal Universal Service Fund Surcharge, State Tax,  
24 Federal Universal Service Fund - LD, E911 Surcharge", and

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1 number 12 says "Federal Excise Tax". And, that comes to  
2 -- that page there comes to \$27.87".

3 On the next page, it says "1 Wireless  
4 Router \$139", "Total Non-Recurring Charges \$139", "Service  
5 Residential FAST Internet", and below that it says "2  
6 Residential FAST 5M/2M (1 Year) January 15 to February 2  
7 \$26.35". The next is "Residential FAST 5M/2M (1 Year)  
8 42.99". Where that reaches a total of "69.34". "Total  
9 Internet New Charges" of "\$209.33".

10 The following page has "Regulated  
11 Charges total \$160.48", "Non-Regulated Charges \$76.72".  
12 "Total" is "237.20". And, down below "Regulated charges  
13 \$104.25", "Non-Regulated Charges zero", nothing. "Total  
14 payment 104.25". As you can see, it's very confusing how  
15 to follow that.

16 The other day -- well, let me go back a  
17 little bit on the FiOS installation. As I said, they did  
18 come out on the 15th, and finished the job. In between  
19 that, I called many, many times. I received three  
20 different quotes as to what my bill was going to be.  
21 Sometimes I left messages on answering machines that  
22 never, you know, nobody ever called back.

23 Now, I'm getting a little bit lost  
24 myself here with all this. Regarding -- okay, that was on

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1 regarding the bills. On the website, like last night,  
2 this is when I made these copies, I tried to log on to my  
3 account, and there was a notice in green writing which  
4 says "Due to our transition to a new billing system, some  
5 customers may receive their February statement up to ten  
6 business days later than usual. Don't worry, you still  
7 have 30 days to make your payment before it's considered  
8 late." Now, I don't know how I can -- how I pay whatever  
9 these bills are without considering that I'm late. As I  
10 said, from the last bill, up to the other day, was 71  
11 days. And, the customer service person really tried hard  
12 to explain this stuff to me, but it was so confusing, and  
13 I think it was confusing for him. And, you know, it's  
14 tough, it's tough to be able to try to, you know, field  
15 all these questions and complaints.

16 My next thing that I clicked on on the  
17 Internet, I received a page that says "Sorry, you are not  
18 authorized to view this site. Please click here and try  
19 again." The next time I tried to log on with my e-mail  
20 address, it wouldn't go through, and it says  
21 "Authentication failure. Please try again." I tried  
22 again, and I got "Incorrect username/password. Try  
23 again." And, on the last instance, it says  
24 "Unfortunately, the username and password that you've

1 entered are not valid. Please re-enter your log-in  
2 information." Now, I did call regarding my problem, and  
3 one of the customer service persons said "It's going to be  
4 like five or ten minutes to reset my password." And, I  
5 was like, "I can't stay on the phone for five minutes  
6 doing that."

7 Oh, something else that I found is, when  
8 I go on the website, and look at bundles that they're  
9 offering, these bundles are for new approved customers  
10 only. So, I can't, for instance, get the bundle that  
11 would really be best for me for \$108.98. Only a new --  
12 Only a new customer could get that. I've got individual  
13 charges, FairPoint Exchange Value was \$46.99. FairPoint  
14 Fast Internet monthly pricing 42.99. And, the Choice  
15 DirectTV Programming would be 55.99. Now, I also, let's  
16 see, it was on January 16th, I received a letter from  
17 FairPoint saying they were, you know, they were glad to  
18 have my business, and that they will be giving me the  
19 Verizon Freedom Essentials Package for \$51.99, and that's  
20 the one that has a lot of those options that I don't use.

21 So, I really think, you know, once  
22 again, it's been problems with customer service, problems  
23 with the billing, and problems on the website. I have had  
24 all of my services all the way along. But it's very, very

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1 -- it's difficult to figure out some of these bills. It's  
2 even more difficult when you either don't get an answer or  
3 you're told "someone will call you back", and some of the  
4 people that you speak to, they're not sure the information  
5 they're giving you. And, as I said, the last person I  
6 spoke to, he sounded as confused with my billing as I was.  
7 And, he was talking about all these different charges, and  
8 I says "well, they told me that the FiOS would be  
9 installed for free. There was going to be no charge."  
10 And, it seems like what he was telling me, is there was  
11 all sorts of charges related to that online.

12 So, as you can imagine, it's been very  
13 difficult to go through this. I think, you know,  
14 understanding that there has been problems changing over  
15 the billing systems, but that has nothing to do with how  
16 much the bills cost. And, that's been one of the issues  
17 that I've been dealing with for like two months. And,  
18 honestly, right now, I can't say what it's going to cost,  
19 but the customer service said that, as of June, my service  
20 will be \$128, and that was including tax. It's been as  
21 confusing for me as it's been for some of the customer  
22 service people. I feel a lot for them. And, it's been a  
23 very, very difficult job to do, especially in these  
24 economic times, where people, you know, they're afraid of

1       losing their jobs.

2                               CHAIRMAN GETZ:  Well, one thing,  
3       Mr. Pearson, I certainly could have someone from  
4       Ms. Noonan's Consumer Affairs group could sit down with  
5       you after, --

6                               MR. PEARSON:  Uh-huh.

7                               CHAIRMAN GETZ:  -- after you're done  
8       this morning, and try to help you walk through those  
9       bills.

10                              MR. PEARSON:  That would be great.  Now,  
11       I just want to make sure you know the person I spoke to  
12       the other day said that he was going to be making  
13       adjustments, and I says "now, you need to send me a new --  
14       a new bill showing all those changes and exactly what's  
15       going to be going on with my cost."

16                              (Music coming over speakers through the  
17                              teleconferencing.)

18                              CHAIRMAN GETZ:  Sorry about the --

19                              MR. PEARSON:  But, right now, as far as  
20       my thoughts are, I'm looking at \$237.20, and another  
21       \$344.31, which, on their telephone recording, is saying  
22       that bill is going to be due on 4/6.  I thank you for  
23       listening.  And, I hope that you gentlemen and FairPoint  
24       can try to straighten things out, so we won't have to do

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1 this.

2 CHAIRMAN GETZ: Thank you.

3 MR. PEARSON: Thank you.

4 CHAIRMAN GETZ: Glenn Brackett.

5 MR. BRACKETT: With all due respect, Mr.

6 Chairman, --

7 CHAIRMAN GETZ: We can't hear you for

8 the record.

9 MR. BRACKETT: I should have yelled.

10 With all due respect, Mr. Chairman, I would like to  
11 reserve my right to offer public comment until after the  
12 conclusion of testimony by all the parties.

13 CHAIRMAN GETZ: Okay. Stephen Hoffman.

14 MR. HOFFMAN: Commissioners, thank you,  
15 ladies and gentlemen. My name is Stephen Hoffman. I run  
16 a small computer organization, I specialize in computers  
17 and networking. As part of this, I am very much dependent  
18 on my FairPoint DSL service. And, I'd like to talk to the  
19 folks about the 24 hours that I spent on the phone with  
20 FairPoint trying to get my DSL service restored. This was  
21 approximately 11 days of outage in total. This was a  
22 complete outage of DSL services. It also involved outages  
23 on the POTS, the telephone systems. And, it's been, as I  
24 said, about 24 hours on the phone trying to get this

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1 resolved. I have to say that FairPoint has a substantial  
2 hold time, that, you know, roughly a half hour between  
3 representatives. They are known to provide bad  
4 information, which, to me, was unfortunate because it  
5 caused me even more concern. I got bad information back  
6 from them on the lost of my static IP addresses. I got  
7 bad information back from the FairPoint representatives on  
8 whether or not I was in compliance with their terms and  
9 conditions. Right now, it appears that the FairPoint  
10 representatives were not familiar with their own terms and  
11 conditions. And, at present, it appears that I may be in  
12 noncompliance with their terms and conditions, despite the  
13 fact that I'm trying to stay within those terms, from what  
14 I'm using their service for.

15 It appears that the FairPoint  
16 representatives were light on training. It appears that  
17 they are unfamiliar with their equipment. The quote that  
18 I most fondly remember from that discussion was "I have a  
19 picture", when discussing a particular DSL interface  
20 device. They were unfamiliar with how that particular DSL  
21 device worked, which was unfortunate. The migration, from  
22 what I can tell, of the IT systems, and I haven't heard  
23 that particularly mentioned here, appears to be having  
24 substantial problems. I don't know how many IT systems

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1       they have over there, but it appears that none of them are  
2       talking to each other. So, the information I'm getting  
3       back from different folks on specifically business is  
4       entirely separate from residential. When I was under  
5       Verizon, I had a business DSL service. Right now, I  
6       believe I may have a residential service, I'm not quite  
7       sure. I'm also not sure whether or not I'm in compliance  
8       with the residential service, because what's posted on the  
9       website indicates I'm not, even though I'm trying to stay  
10      in compliance.

11                   I was told by the representatives that  
12      finally came out that they were operating on paper ticket  
13      dispatch related to resolving the problem. I had, again,  
14      massive out times, Web errors. The FairPoint  
15      representatives used the phrase "false complete". I can  
16      assure you, in several cases, they should be correctly  
17      termed "abandoned false completes". There are several  
18      cases that I was aware of with DNS outages that were not  
19      resolved through FairPoint.

20                   There are billing issues. I was told my  
21      bill was paid in full. And, I, unfortunately, had to go  
22      back and pay my bill manually, because I knew the credit  
23      card information they told me had paid the bill was no  
24      longer a valid credit card. So, I actually had to realize

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1 that they had a bad credit card number. I had to go  
2 through and get my credit card number reset. I had to get  
3 access into the FairPoint website, which, unfortunately,  
4 is still not out, I still have no access in. I did  
5 actually manage to pay my bill after some effort. I had  
6 many, many, many, many representatives on the phone, each  
7 one would ask me the same sequence of questions. I got to  
8 the point where I could actually recite the entire menu of  
9 questions that they were given off the top of my head,  
10 including all of the account information. They have many  
11 relays between their different phone numbers. They have  
12 too many phone numbers. The contact information getting  
13 into them to get any of this information, there are far,  
14 far, far too many phone numbers. I want one. Can you  
15 manage that?

16 I want to be able to pay my business DSL  
17 and my residential service. I'd love to be able to do  
18 that. Unfortunately, as soon as you say "business DSL",  
19 you go into one call chain. When you say "residential  
20 service", which is what the loop is on, that falls into a  
21 different queue. So, I spent pretty much an entire day of  
22 my time going back and forth between these different IT  
23 systems and representatives that could not see call  
24 status, they could not see information coming out of the

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1 call status, and that were completely unaware of what's  
2 going on. Basically, information I was getting was  
3 causing me much consternation.

4 The website is in trouble. Website  
5 access is in trouble. I have to say, I'm seeing somebody  
6 that -- an organization that is very reactive. And, given  
7 that I do computer work and networking work, it is very  
8 painful to watch an organization that's reacting to  
9 problems. It's, from where I can see, it appears to be a  
10 manual process, and it's as frustrating for the FairPoint  
11 representatives that I've talked with as it is for me.  
12 The problem is, I'm dependent on my FairPoint DSL  
13 connection. Thank you.

14 CHAIRMAN GETZ: Thank you, Mr. Hoffman.  
15 Brian Susnock.

16 MR. SUSNOCK: I'd like to wait until  
17 after the break, sir.

18 CHAIRMAN GETZ: Certainly. Gary Bushey.

19 MR. BUSHEY: Yes. My name is Gary  
20 Bushey. I live in Sanbornville, New Hampshire, which is  
21 an hour and a half from here. And, we don't have any  
22 choices there for land lines. I mean, a true land line  
23 that will work when you have all the power out, you pick  
24 up the phone, you want a dial tone. And, I guess I don't

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1 have sympathy with any type of corporation today. My  
2 attitude is, the salaries are there, the resources are  
3 there, apply them appropriately, or get the H out of the  
4 kitchen. I'm a "nuts and bolts" guy. And, I think  
5 there's so many things that could be improved in the  
6 customer service. I've spent in excess of 47 hours trying  
7 to talk to customer service people, 8 to 10 to 20 to 30  
8 minutes holds, half of them don't know what they're  
9 talking about. That's unacceptable.

10 For example, when they answer the phone,  
11 you want to solve a lot of problems, caught down on a lot  
12 of time, nobody has the right to be on that phone talking  
13 to a customer when they have personal information on a  
14 customer when they don't have a first and last name. Get  
15 out. If you're not an adult, don't be working there.  
16 And, I don't think FairPoint should bless the people not  
17 having first and last names. If they answered the phone  
18 and said "Hi, my name is Joe Smith" or "Barbara Brown", or  
19 whatever it is, and "I'm in the Portland Call Center",  
20 "Burlington Call Center", "Bangor Call Center", they have  
21 already saved a lot of questions. And, that should be the  
22 standard. The lowest ranking military person answering  
23 the phone in any base I've been assigned to has a last  
24 name and he gives you his rank when he answers the phone.

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1 And, if you say "Where are you calling from?" He'll say  
2 "Robins Air Force Base", "Okinawa", wherever it is. And,  
3 they work with real security issues. So, I'm tired of  
4 hearing this paranoid wimpy-ism about "oh, security  
5 issues." That's counterproductive.

6 On top of that, by answering all those  
7 questions, whoever is talking, the customer, could take  
8 notes and have a good audit trail, if they have to follow  
9 up, they can say who they talked to, what center they were  
10 in, go back through the notes, it's going to be much more  
11 expedient. The training I think is terrible, at least  
12 from my standpoint as a customer. And, when I asked for a  
13 credit, I tried to get to talk to someone and say "look,  
14 give me a customer service credit, you know, put 100, 150  
15 bucks on my bill, because I've got 48 hours, and that  
16 means I'm losing billing time from when I do consulting  
17 assignments. I can't be doing both at the same time."  
18 "Oh, no. We never pay you for your time." "Well, then  
19 get your act together so I don't have to be on the phone  
20 wasting time." I would not have to spend that time if  
21 everything was being done adequately.

22 On top of that, when I look at the fact  
23 that I had some Internet problems, not major problems, but  
24 it was out for a while, I called a number that I'm

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1       supposed to call, it's a wrong number. All right. That  
2       tells me quality control for your output media is  
3       nonexistent. Just like some of the bills that I got when  
4       they had inadequate numbers when they were doing the  
5       transition from Verizon. Someone should proofread that  
6       stuff. Figure what it is, look at it up front, before you  
7       send it out and deploy it to the customers, make sure it's  
8       accurate. You know, before we even had computers, we had  
9       guys called "proofreaders" at newspapers. Little guys,  
10      with green shades; man, they were good. They were much  
11      better than half the computers.

12                               Now, when I looked at the other  
13      problems, I called the Public Utilities Commission to make  
14      a complaint a while back. A few nights ago I get a call  
15      from Advocacy Team of FairPoint. Might as well not have  
16      it called an "Advocacy Team", call it an "aggravation". A  
17      young lady called, first off, she gives me her first name.  
18      She starts asking about the problems. When I start being  
19      quite depictive and raffled, "oh, I'm not going to listen  
20      to this." Bang. Hangs the phone up. Well, what good is  
21      it? If they can't deal with the heat when they're calling  
22      to find out what the problems are, then don't make the  
23      phone call, because you create more damage at that time  
24      than you do good. And, on top of that, if you're going to

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1 have an advocacy, don't have a messenger making the phone  
2 calls. Have a doer, someone that's empowered that can  
3 make something happen. Because, if someone is taking  
4 notes when I talk to them, and their notes are not copious  
5 and accurate, whoever they turn that information over to  
6 is only going to get part of the story, and we don't know  
7 what part is going to be accurate or inaccurate.

8                   When I design organizations, they're  
9 responsive. When I say "eyes right", you can hear those  
10 eyes click. And, I'll tell you, we throw people off the  
11 15th floor, when they get down to the ground and they hit  
12 the ground, we stand them up and say "Now, do I have your  
13 attention? I want some action and I want some results."

14                   Now, look at, for example, when I called  
15 down to Texas on the Internet, you have some company I  
16 guess you contract for Internet support. A very nice guy,  
17 he couldn't tell me jack. So, what good is it? I can't  
18 get any answers. Then, I called back to customer service,  
19 and even when I get the supervisors, they go -- I'll say  
20 "okay, what call center are you in"? "Oh, I'm not going  
21 to tell you that." "Well, I want to keep notes, an audit  
22 trail." "Oh, no, no, no. I'm the only one that works for  
23 FairPoint." That's not an answer I want to hear. Because  
24 they have all kinds of personal information on me, if

1       they're not adult enough to be a professional, I don't  
2       think you would hire a doctor, a lawyer or a dentist if  
3       you didn't know their last name, and it's called  
4       "respect", and I think we've lost that in corporate  
5       America.

6                               And, I mean, I do consulting part-time,  
7       I'm retired from the military. But, I'll be honest, if I  
8       went in, I know I could give it an extremely high level of  
9       a failing report card. And, actually, the phone most of  
10      the time works pretty good. And, the Internet, I'll have  
11      to say, I've been pretty fortunate, it works pretty good.  
12      But when I have to deal with the humans there?  
13      Disgusting. So, it tells me that you need to change the  
14      training, you've got to get a new attitude adjustment for  
15      the people there. Because what they're doing is, they're  
16      wasting hours and hours of manpower, because I'm going to  
17      call back in, I still need the problem resolved. But now  
18      I got to make eight calls, instead of one.

19                              Now, even if I'm in the one percent  
20      bracket of your customer base, multiply that, do the math,  
21      of how many minutes are wasted, now divide that by 60,  
22      that will tell you how manhours you've just wasted. Now,  
23      multiply that times the 1.38 that you're going to pay  
24      those people, there's your additional cost. If you get



1 efficient, you're going to save a lot of money.

2 But I don't know, I'm not sure what goes  
3 on. Maybe there's not enough discipline and  
4 accountability. Why isn't there an org chart on every  
5 single supervisor's desk. What I mean an "org chart", it  
6 means right from all the way upwards, the gentleman, is it  
7 Johnson? Okay. From Johnson, all the way down to the  
8 janitor. I want to know their phone number, I want to  
9 know their title, and I want a direct line, so I don't  
10 have to waste my time, nor your resources, jerking around  
11 for hours, on hold, being transferred to this one to that  
12 one to this one. The left hand doesn't know what the  
13 right hand is doing. Unacceptable. As small as FairPoint  
14 is, compared to the military, and I can get to any  
15 military person I want. I don't want to hear "we don't  
16 know", "I don't know". No, unacceptable.

17 I mean, you know, as one of the ladies  
18 there said "well, if you want to put an application in?"  
19 Are you kidding me? I wouldn't work for any company  
20 today, unless I worked on a contract basis, because I  
21 don't like handcuffs. I want to be able to get in there  
22 and get the job done. But, when I go in, let me tell you,  
23 heads roll. And, I'm going to be thorough. And, I'm  
24 going to talk to all the people and find out what the

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1 problems are. I noticed one of the things you were  
2 talking about, that you the fix the problem, it's really  
3 not the best thing. That's called "RCAT", Root Cause  
4 Analysis Teams. You put together some people, you peel  
5 the onion back and find out what's the real underlying  
6 problem. If you guys don't know that, then everybody's  
7 overpaid. And, I'm not trying to be rude, but I'm so  
8 livid when I see the salary levels and the resources that  
9 are there, and they're not being applied correctly. And,  
10 I look at it and I say "My God, it's a no-brainer." If I  
11 were that inefficient when I was a teenager, and I'm 62,  
12 working a part-time job, let me tell you, I would have  
13 been fired. They didn't tolerate that in the old days.  
14 And, I think the old days sometimes were better than the  
15 new days.

16 I look at some of the other things.  
17 Definitions. I asked one of the people there, because I  
18 listen to these outgoing things while I'm on hold for 18  
19 to 20 minutes. And, it says "We're making every effort to  
20 shorten your time." Bull. You're not making every  
21 effort. "Every effort" means "there's not one thing left  
22 to do on Planet Earth to make it better." That's what the  
23 word "every" means. At least that's what my English  
24 dictionary tells me. So, let's talk straight. No more

1 smoke and mirrors.

2                   When someone says "we're working on it,"  
3 if I said "okay, what have you done so far?" "I don't  
4 know." "What do you mean you don't know? You're working  
5 on it. Don't you have some mile posts? Haven't you had  
6 some meetings?" On such and such a day, this was done,  
7 that was done, this was done. Hey, if they don't know,  
8 then there's no communication up and down within your  
9 organization. And, I'm not saying they're all bad people.  
10 But I'm saying they're very inefficient, and you've got a  
11 lot of weak links. And, to me, when you have weak links,  
12 it's the guy at the top's fault, because I don't want weak  
13 links. Weak links cause deaths, at least in my  
14 professions, or they cause significant damage or inquiry.  
15 So, get together, sit down, throw all the egos out in the  
16 hallway, and start having some meetings, roll up your  
17 sleeves, and find out. When someone says "I believe",  
18 don't "believe". Go find out. Make sure that the guy  
19 that gave you the information is right. Don't guess. You  
20 know what they say about the word "assume".

21                   And, I'll tell you, I look at it --  
22 here's another thing to look at. For example, your  
23 queues, when I ask someone, for example, you call it  
24 "escalation", "All right. Someone will call you back in

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1 48 hours." "Well, great. I don't where the H I'm going  
2 to be in 48 hours." "Oh. Well, give us a number that's a  
3 good number." "No. You be available to me, because  
4 you're the vendor, you should be the catcher's mitt, I  
5 should be the pitcher." And, I'm tired of reversing the  
6 roles, and I'm going to be available to you guys, I'll be  
7 gladly available to you guys to call me back. Put me on a  
8 retainer for the next 48 hours. I'll be available, I'm  
9 getting paid.

10 See, I don't know, maybe if the average  
11 person has the fire or the backbone or whatever, or even  
12 the time, to share this with you. But, as much as you  
13 have all kinds of educated people there, technically  
14 oriented, and I don't have a problem with half the  
15 technical side; it's the human side. And, I don't like  
16 hearing the answers like when it says "someone will be  
17 with you shortly." Okay. I asked the supervisor "could  
18 you give me FairPoint's definition of "shortly"?" My God,  
19 there was dead silence. And, she still couldn't, after I  
20 prodded her four times. Well, then, I'll tell you what,  
21 we've got another problem, communication. But you're in  
22 the communication business. So, you guys should be the  
23 best. And, that's why I look at it and say "Look, put  
24 your heads together, whatever you've got to do, you know,

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1 take off your suits and ties, put on a pair of jeans one  
2 day and a shirt, and get some work done. I don't mean  
3 that totally sarcastic, but it's meant to be somewhat  
4 sarcastic, because I'm not getting the results. And, when  
5 I've got to waste 48 hours, 24 hours over a period of two  
6 or three weeks on the phone, and I still don't have  
7 resolutions and answers, that's not the America I grew up  
8 believing in. And, it's not the America I want to see.

9                   So, to me, I don't know who's going to  
10 be the final decision maker or who can make it happen, but  
11 there's so many things that need to be addressed, because  
12 the escalation, it's a joke. It's really a joke, when  
13 you're going to call me back in 48 hours. Unacceptable.  
14 At least give me the name of the person, first and last  
15 name, not a department. First and last name, with their  
16 title and their telephone number, so that, if, after 48  
17 hours, if I'm lucky enough to be in the right place at the  
18 right time when they call, I can follow up. When I asked  
19 the lady about "48 hours", "how many hours are you open a  
20 day?" She says "10". And, I said, "okay, so someone is  
21 going to call me on Saturday? That's 48 hours." She goes  
22 "Oh, no, no. That's 48 business hours." I said "Okay, 48  
23 business hours. That's four and a half days, or 4.8  
24 days." "Oh, no, no, no." "Well, then, start talking

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1 straight."

2                               When you say something, I want the words  
3 to have value. Am I literal? Yes. Am I black and white?  
4 Not truly. But I'm going to hold everybody's feet to the  
5 fire for their words. And, if you can't get it done, and  
6 this may sound terrible, get out of the business. You  
7 know, the guy got on TV talking for -- a year and a half  
8 ago about how wonderful he was, all about what FairPoint  
9 was going to do for the people of New Hampshire, Vermont,  
10 and Maine. I don't know. I think, if you're that good,  
11 you don't have to advertise how good you are, because  
12 people will want to beat a path to your door, because they  
13 will hear from someone else what a great job you're doing,  
14 what a great service you give. But I don't have a choice.  
15 It's the only game in town that I have for a true land  
16 line where I live. So, I'm screwed. I've got to do  
17 business with you guys, because I'm not depending on  
18 cellphones, they're not as great as the people talk about  
19 either, especially when you get up into the North Country.

20                               So, all I'm looking for is, "when you  
21 say something, do it." When you have a queue that's "X"  
22 amount of days behind, then you got to roll up your  
23 sleeves and work some overtime. You get it done. Ford  
24 learned that when they were dealing with Mazda way back in

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1 the '80s. Because Ford said "we're pushing the schedule  
2 back", and Mazda says "Oh, no, you're not. We have a bad  
3 connection, I didn't hear you right." And, that was all  
4 taught by an American, his name was Deming. So, you guys  
5 need to go back and start learning some of this stuff, get  
6 really involved. And, I know I'm being very, very  
7 unsympathetic, I know that. But, when you give me great  
8 results, you know what will happen? Your call volume will  
9 go down so low you won't need it. But you've got to be  
10 efficient with every single call. And, you don't want  
11 people calling back five and six times for the same thing  
12 because they couldn't get to someone that was properly  
13 trained or empowered to make an intelligent decision.

14 I don't know. Maybe I'll shake my head  
15 and say "My God, where is American going?" You look in  
16 the news, you see every else, and here I'm dealing with it  
17 at FairPoint. So, I don't know any of your backgrounds,  
18 and I don't have an org chart. But, I'll tell you what,  
19 if every supervisor working for me didn't have an org  
20 chart, there would be some problems. That's the easiest  
21 way to direct communication and save time.

22 And, this anonymity? Not acceptable.  
23 Because they're dealing with personal information on all  
24 of their customers: Their addresses, their Social

1 Security numbers, their first and last names. Equal  
2 respect. Equal respect. Who am I speaking to? If  
3 they're not comfortable with that, don't let them on the  
4 phone with the outside world. Put them in some technical  
5 function where they never have to talk to people. I'm  
6 tired of hearing "oh, it's for security reasons." Come  
7 on. You know, I think you could tell, with my  
8 personality, if anybody was going to be accosted, it would  
9 be someone like me. I've never had that problem my whole  
10 life. And, I've worked in seven licensed professions,  
11 besides being on military duty.

12                   When I look at, for example, like I say,  
13 go back into the advocacy. If it's going to be a true  
14 advocacy program, you've got to have people that are  
15 willing to hear the good, the bad, and the ugly. Take  
16 good notes, and then get back to me in a timely fashion,  
17 or whoever they're calling, and tell me what they're doing  
18 to fix the problem. And, don't say "we're going to be  
19 working on it" again. First thing I'm going to say is  
20 "Great. When do you expect to have it done, what day?  
21 Who's going to be doing it? All right. What number will  
22 I follow up with?" In other words, who, what, when,  
23 where, why? When I go in as a process manager consultant,  
24 let me tell you, you're not going to give me an empty

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1 answer. I will not take an empty answer, because it's a  
2 waste of time, yours and mine. And, usually, there's  
3 collateral damage that infects a lot of other people.

4 So, I know I sound raffle and I know I  
5 sound fired up, and it's only because I've tried to be as  
6 patient as I could over the last few months, and I haven't  
7 seen it get better. But, if I went into your company, I  
8 guarantee you, my metrics, what I'm going to measure would  
9 be probably much different in some cases that what you're  
10 measuring. And, it's going to give me a lot more  
11 information so I can make things happen. And, if you  
12 don't have people that can do the job, listen, I'll be  
13 willing to bet there's thousands of people out there that  
14 would like a good job and that would have the skill set.  
15 So, you've got to put the right players on first and  
16 second base and make sure they're competent. And, then,  
17 you know, I can't even understand why you don't have what  
18 I call a "backup team", mothers, parents that would like  
19 to work part-time. And, I know, putting them together,  
20 they don't have to have lots of benefits, put them  
21 together, have them on an on-call basis. Where, if all of  
22 a sudden the volume goes way up on your calls, "Bob, can  
23 you come in for five hours today?" "Barbara, can you come  
24 in?" Bang. Boom. You know, it's all -- you know what

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1       bothers me? It's common sense and discipline. Common  
2       sense and discipline. You can have all the MBAs, which I  
3       got mine back in '83, and big deal. If I don't have  
4       common sense to go with it, the backbone, the direct will  
5       to want to make it better, it's not going to get better.  
6       And, if I sit in a meeting all day, and I just push the  
7       ball back and forth, and we come out with no conclusions,  
8       no resolutions, no game plan, then that's where we're at.  
9       I'm looking at attitude, I'm looking at the advocacy, I'm  
10      looking at incorrect telephone numbers that are being  
11      passed on to people, that's wasting time, I've got to talk  
12      to all the wrong people. Your people are on the phone  
13      when I'm talking to them. What are they doing productive  
14      at that point? Nothing. So, if you take me, I spent 48  
15      hours, which probably should have taken 15 minutes, okay?  
16      So, we're looking at, what, 48, 4 times 48, that's what  
17      we're look at, hours, that's much time was wasted. Now,  
18      multiply that by even 10,000 customers. I guarantee  
19      that's probably 25 employees for the whole year you don't  
20      even need. Efficiently, accuracy, accountability is so  
21      important. And, if you do that, things will get better,  
22      you won't have to have meetings like this. But, when you  
23      say you're going to do something, do it. And, to me, when  
24      I worked on military duty, I worked in corporate America

1 on a salary, my work week wasn't 40 hours. It could be  
2 60, 70, 80. That's the way it goes. And, when you say --  
3 when I ask someone "how long is it going to take?" "It's  
4 going to take three weeks." "Okay. So, you're telling me  
5 it's going to take 120 manhours?" "Well, no." Oh. Then,  
6 it's going to sit on someone's desk doing diddly nothing  
7 for about a week. Uh-uh. Get the queue caught up,  
8 whatever it takes. And, then have that queue ready, so  
9 when you close the doors on Friday night, whichever week  
10 it is, when you come in Monday, you're waiting for work to  
11 come to you. You don't live with a queue. If you live  
12 with a queue, you've already accepted a substandard level  
13 of performance.

14 Now, that's what I have to say. I had a  
15 lot more notes, but I don't want to get into it at this  
16 point. All I'm saying is, I'm wishing everybody the best  
17 of luck. But my name is available, my phone number is  
18 available, if you want any help, give me a call. And, I'm  
19 not looking for a job. I would not work as an employee  
20 for any company in America today. Okay? But I'm sure  
21 you've got the resources, just make it happen, so we don't  
22 have to go through this. I'm taking 15 years off my life  
23 every time I have to get on the phone with these companies  
24 and your company. I'm serious. It's like, my high blood

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1 pressure goes [indicating], it scales way up. And, I feel  
2 so helpless, because you'll ask "well, who can I talk to?"  
3 "Well, this is as far as you can go." I should not ever  
4 hear that answer. If they're not resolving it, there  
5 should always be another level that I can talk to, and  
6 they're readily available. Now, I know you're going to be  
7 in meetings, you're going to be on the road doing things.  
8 But at least I should have a number that I could call  
9 periodically until I finally catch you, whichever person  
10 it is or the person I have to talk to.

11 So, I don't think I've said anything  
12 that all of you seasoned veterans haven't heard at some  
13 point in your life, but I think you forgot. And, if you  
14 worked for me, you would never forget it. Because, when I  
15 come in and take over, everybody knows the rules of the  
16 road, no sacred cows, no cliques, no weak links. If  
17 you're a weak link, go be a weak link out in the middle of  
18 the field. That way you don't cost me anything. But you  
19 guys could save a lot of money if you just got the  
20 efficiency level up, started expecting more of the people.  
21 But, in order to expect more of the people, you've got to  
22 lead from the front, and not just sit there and take notes  
23 in meanings. And, I mean, maybe -- maybe I'm way off  
24 balance here, but I know what I've walked, and I'm still

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1 -- I'm out hundreds of dollars of lost time, and I still  
2 couldn't get to the right people. And, I even called back  
3 and talked to the PUC and said "Look, I'm calling in  
4 again, because I need to talk to someone", because I said  
5 "the advocacy team at FairPoint is a joke." And, I don't  
6 know what your normal process for the advocacy team is.  
7 But let someone with my attitudes, my experience write the  
8 protocols and the procedures and standards for the  
9 advocacy team, and I guarantee you'll get a lot more done,  
10 you'll get more bang for your buck. And, I would think  
11 that's what you want to do in this environment.

12 So, that's where I'm at. And, I just  
13 think there's a lot to do, but I think I've pointed out a  
14 few areas, training, standards. And, when I say  
15 "standards", not down here [indicating]. Up here  
16 [indicating]. That's the minimum standard that everybody  
17 should meet. If they can't meet it, "Gee, you're a nice  
18 guy, but you can't keep your employment here, because  
19 you're costing me money."

20 So, you know, I just want to see some  
21 results. I don't want to call in anymore and not know who  
22 I'm talking to. And, I don't want to hear there's not a  
23 number I can call to talk to someone else. Because that  
24 is not user-friendly, and I feel like someone is building

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1 a cement wall between me and the resolution. So, no  
2 reason. The only reasons we -- I don't or anybody else  
3 doesn't have that level of service is because of some  
4 decisions that you folks have made, either previously or  
5 ongoing, and they're terrible decisions. From a quality  
6 assurance standpoint, and you're looking at the  
7 old-fashioned what they "quality circles" and "TQM", Total  
8 Quality Management, "QIP", Quality Improvement Programs.  
9 I'll tell you what, I'd be doubtful, if I went over there,  
10 whether I go to Bangor or Burlington or whatever, or to  
11 your corporate headquarters to look at it, if you have any  
12 of those pieces in place. Maybe I'm wrong. Talk to me.  
13 I'll be glad to talk to anybody if I can help make the  
14 situation better.

15 So, that's where I'm at. And, I'm not a  
16 bad guy. But what you hear is, you hear the disgust, the  
17 frustration, and the bewilderment, with the millions and  
18 billions of dollars that you guys have that you can't get  
19 a better result. It's just -- it's scary. And, I'll tell  
20 you, you talk to one person, like this other gentleman  
21 said back there, I guarantee you, if you talk to ten  
22 people and ask the same question, you'd probably get seven  
23 different answers. If that's happening, you've got  
24 problems at home. You've got a lot of homework to do.

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1       There should be -- Everybody should be on the same page.  
2       That will save time, it will save resources. I mean, I  
3       don't want to be repetitive, and I guess I am. But that's  
4       where I'm at. So, I hope it's taken in the context that  
5       I'm throwing it out. But my attitude is, I want mile  
6       posts, and you better hit those mile posts when you say  
7       you're going to do something. Not "we're working on it."  
8       I want specific timeframes. That means it forces you to  
9       do it. And, I think that's what we need to do. So, you  
10      know, again, I'm not trying to be insulting or anything,  
11      but, I'll tell you, you got a lot of homework to do. And,  
12      if I can see it as a poor civilian type consumer, you guys  
13      getting the paycheck should see it ten times faster than  
14      me and already have it addressed. So, what's going on?  
15      Okay?

16                               CHAIRMAN GETZ: Thank you, Mr. Bushey.

17                               MR. BUSHEY: Okay. Thank you.

18      Appreciate the time.

19                               CHAIRMAN GETZ: At this point, I think  
20      at least Mr. Patnaude needs a short rest. But, before we  
21      take about a ten minute recess, when we come back we'll  
22      hear from Staff, then the Consumer Advocate. There are a  
23      number of CLECs who are here, and if they could, at least  
24      among yourselves, decide who's going to go in what order.

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1 And, it looks like there's at least six or eight here, if  
2 there is some, I assume we have similar messages would be  
3 my expectation, if there is some coordination among those  
4 messages, that would also be helpful. And, I also  
5 understand that there is somebody from the IBEW and the  
6 CWA, is that correct? Oh. Okay. So, you -- all right.  
7 I thought I recognized you, Mr. Brackett. So, I guess you  
8 could speak then with the other parties to the proceeding.  
9 So, let's take a brief recess and we'll resume shortly.

10 (Whereupon a recess was taken at 12:20  
11 p.m. and the status conference  
12 reconvened at 12:31 p.m.)

13 CHAIRMAN GETZ: Okay. We're going to  
14 resume with the status conference and turn to Mr. Hunt.

15 MR. HUNT: Thank you, Mr. Chairman,  
16 Commissioners. As you know, my name is Rob Hunt. I'm  
17 here representing Staff of the Commission. Along with me  
18 on my left is Kate Bailey, who is the director of  
19 telecommunications here. And from Liberty Consulting  
20 Group, next to her is Charles King, and Robert Falconi is  
21 next to him. And, of course, Amanda Noonan is the  
22 director of the consumer affairs division.

23 CHAIRMAN GETZ: Mr. Hunt, before we go  
24 further. Energy conservation is good and all, but if we

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1 could get the lights on, all the way on. There we go.

2 Thank you.

3 Mr. Hunt.

4 MR. HUNT: Thank you. Mr. Chairman and  
5 Commissioners, the Staff believes the current situation is  
6 much more extensive than FairPoint portrays. FairPoint  
7 must take unprecedented action to address its current  
8 crisis. When FairPoint receives orders for service, both  
9 retail and wholesale, it must complete those orders in a  
10 reasonable period of time. When customers call with order  
11 or service problems, FairPoint should be answering those  
12 calls and correcting those problems expeditiously.  
13 FairPoint must send out accurate bills to customers on a  
14 timely basis. And these are basic, fundamental  
15 responsibilities. And FairPoint is simply not fulfilling  
16 them. FairPoint's failure to provide the most basic  
17 services to customers can and does have grave  
18 consequences.

19 Families who have moved or otherwise  
20 changed service since cutover may not be able to obtain  
21 emergency services in a crisis if telephone service is not  
22 installed. Individuals with disabilities or special  
23 medical needs have been impacted by FairPoint's inability  
24 to install new service or modify existing service because

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1 FairPoint seems unable to prioritize and work around the  
2 system problems to get service installed. Startup and  
3 existing business owners may be prevented from effectively  
4 communicating with vendors, customers and others who are  
5 crucial to their economic success. FairPoint also has  
6 obligations to other telecommunications carriers that rely  
7 on FairPoint to provide services to their own customers.  
8 Those carriers simply cannot fulfill their  
9 responsibilities to their own customers until FairPoint  
10 satisfies its duties to them. The adverse impact and  
11 ripple effect of FairPoint's current operations has even  
12 reached the point where vendors of products and services  
13 provided to FairPoint have not received timely payment.  
14 These carriers and vendors rely directly on FairPoint to  
15 operate properly; and when it does not, they suffer, and  
16 in some cases their employees suffer. FairPoint has  
17 stated that its services are currently unacceptable. It  
18 points to internal problems with its systems, its  
19 processes and its people, and promises to have all three  
20 at business as usual by June 30th, 2009.

21 While Staff continues to be concerned  
22 about the need to fix the systems, it is also very  
23 apparent to staff that there are major problems with  
24 FairPoint's processes and the ability of FairPoint's

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1 employees to operate efficiently and effectively. We  
2 understand business as usual to mean operations will be  
3 back to pre-cutover standards, including standard  
4 provisioning intervals, normal service levels at the call  
5 centers, and efficient handling of service orders. In the  
6 interim, FairPoint must find ways to mitigate the  
7 dysfunctional operations until the systems people and  
8 processes are operating as they should. If the  
9 stabilization plan that FairPoint has submitted is  
10 intended to outline FairPoint's plan for accomplishing  
11 that goal, Staff has very serious questions and concerns.  
12 Generally, the plan describes problems that are preventing  
13 FairPoint from providing services at an acceptable level  
14 and the purported actions implemented to solve those  
15 problems. The mere fact that FairPoint had to be asked to  
16 create this plan before it did so is by itself enough to  
17 instill doubt as to FairPoint's overall approach to its  
18 own crisis. But even the plan it created appears to  
19 provide for insufficient system corrections, process  
20 improvement and human resource development to address the  
21 failures within each of those categories. FairPoint's  
22 plan also does not reflect the urgency of the  
23 circumstances. Simply put: FairPoint has to do more, do  
24 it better, and do it faster to prevent causing further

1     harm to customers, potential customers, and businesses.  
2     Business as usual by June 30th is not good enough.  
3     FairPoint must also do everything it can to achieve  
4     acceptable levels of service as soon as possible before  
5     the underlying problems are resolved.

6                     Another concern is that FairPoint's plan  
7     leaves out problems that are known to exist that require  
8     correction. Fundamentally, there are limited milestones  
9     to insure progress in meeting the goals. Other examples  
10    include additional CLEC pre-ordering and ordering  
11    functions, the ability of customers to find out the status  
12    of their orders, and the inability of CLECs to find out  
13    the reasons for rejected orders. They also include  
14    FairPoint's failure to adequately respond to this  
15    Commission and its Staff regarding customer complaints and  
16    to respond to its own CLEC business and other customers  
17    regarding its current operational status. Finally, there  
18    is little or nothing in the plan addressing how the  
19    systems, processes and people will actually achieve goals.

20                    Management at FairPoint needs to step up  
21    now and provide leadership above and beyond what it has  
22    provided so far. Staff is concerned about this  
23    leadership, and these concerns -- our concerns include the  
24    level of preparation for the current level of problems at

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1 the company, as well as the accuracy of information  
2 provided regarding post-cutover operations -- for example:  
3 Levels of completed service orders reported by FairPoint  
4 management have not coincided with direct reports from  
5 customers. FairPoint's management must be more  
6 forthcoming and accurate in supplying information  
7 necessary to track its progress at this crucial time.  
8 FairPoint's executives have continually underestimated the  
9 magnitude of their challenges, have overestimated the  
10 ability to meet these challenges and have underestimated  
11 the time it will take to do so. By way of example: Our  
12 consumer affairs division has had an increased number of  
13 calls from FairPoint customers over the past few days,  
14 despite FairPoint's reports that its call volume is  
15 decreasing. Management's over-optimism was apparent well  
16 before cutover in their constantly delayed cutover  
17 schedule. They have continued this behavior since cutover  
18 in their frequent premature promises that they have or  
19 will fix their problems soon. FairPoint's leadership has  
20 been reacting to this situation rather than proactively  
21 managing it. Relief for FairPoint customers must start  
22 immediately. Achieving business as usual by June 30th  
23 will not satisfy that requirement. While fixing its  
24 underlying problems, FairPoint must find short-range

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1 solutions to its customer service problems. FairPoint's  
2 management must reassess its approach to this crisis and  
3 quickly obtain and apply more and better resources to its  
4 resolution. Such action is imperative in order to  
5 re-establish confidence in FairPoint's ability to meet its  
6 obligations to the state of New Hampshire and ensure safe  
7 and reliable service.

8 CHAIRMAN GETZ: Thank you, Mr. Hunt.

9 Let me just point this out to Mr. Nixon  
10 and the others from FairPoint. To the extent I raised the  
11 issue earlier that we would be asking questions later in  
12 the day, in at least one of the items that Mr. Hunt raised  
13 about vendors not receiving timely payment, I would like  
14 some further explanation about that. We'll also give you  
15 the opportunity to respond to any issues or questions, if  
16 we don't ask, that you think are important to respond that  
17 are raised by Mr. Hunt or Ms. Hatfield or anyone else this  
18 afternoon. But we'll take that up at the end of the day.

19 So, Ms. Hatfield.

20 MR. HATFIELD: Thank you very much, Mr.  
21 Chairman. For the record, my name is Meredith Hatfield,  
22 and I serve as the consumer advocate, representing  
23 residential ratepayers before the Public Utilities  
24 Commission. Thank you for the opportunity to make a

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1 statement today.

2 I would like to begin by continuing to  
3 register the OCA's objection regarding the Commission's  
4 decision not to allow OCA to ask questions of FairPoint,  
5 Liberty and Capgemini.

6 CHAIRMAN GETZ: Noted.

7 MR. HATFIELD: We would also like to  
8 register our objection to FairPoint's redaction to its  
9 stabilization plan. The redaction, as far as we can see,  
10 relate to service-quality information. And that  
11 information is explicitly required by the PUC's order  
12 approving this case to be public. So we would request the  
13 Commission to please review the redactions and make  
14 those -- that information public.

15 CHAIRMAN GETZ: I would like to address  
16 that. That was an issue that has caused me some concern  
17 myself, and especially looking at the stabilization plan.  
18 And it's not intuitively obvious to me why some of these  
19 numbers have been redacted, though I am quite aware of the  
20 application of R.S.A. 378:43 gives a lot of leeway to  
21 telecommunications companies, in the first instance, and  
22 effectively puts the Commission in a position that is much  
23 more difficult to address confidential information than it  
24 is with respect to other utilities. But I would like to

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1 follow up on that. And perhaps the best thing to do would  
2 be to have Staff and the consumer advocate and the company  
3 and other parties to the proceeding to have a meeting, a  
4 technical session, something to address, you know, exactly  
5 why some of these numbers are redacted, because again, on  
6 the face of it, it's not clear to me what the -- what's  
7 confidential about a number of those redactions. Sorry  
8 for the interruption.

9 MR. HATFIELD: Thank you very much, Mr.  
10 Chairman. I appreciate the Commission looking into that  
11 issue.

12 The OCA is frankly astounded at the  
13 position we find ourselves in. And I would call  
14 everyone's attention to the report that is available on  
15 the Commission's Web site, dated April 1st, 2009, that was  
16 prepared by the Liberty Consulting Group, which, as  
17 everyone knows, is the group that worked with the Staff of  
18 the Commission throughout this case, helped develop the  
19 settlement agreement in the case, and since the closing of  
20 the transaction has been monitoring FairPoint's  
21 preparation for cutover and the cutover itself. And I  
22 would like to just take a few moments to actually  
23 highlight a few of the findings in this report that are  
24 extremely disturbing to the Office of Consumer Advocate.

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1 And I also will say that we agree with everything that  
2 Staff said in their statement, but we do think that the  
3 Commission needs to focus in particular on a few things  
4 that are in the Liberty report.

5 On Page 5, in Footnote 2, Liberty states  
6 it is aware of problems with reported numbers and believes  
7 the actual fraction of late orders is much larger. What  
8 are the numbers and why is FairPoint not providing  
9 accurate information to Liberty?

10 On Pages 5 and 6 and throughout the  
11 report, Liberty lists again and again issues such as poor  
12 communications, poorly trained staff that do not have  
13 tools available to them, and ineffective staff. We would  
14 like to know what is the plan to remedy this immediately.

15 On Page 7, Liberty says FairPoint has  
16 uncovered significant system defects, even for common  
17 retail and wholesale transactions. We heard a lot of talk  
18 from Mr. Nixon today about complex transactions. What  
19 about the simple ones? What about people who need plain,  
20 old telephone service? When will these issues be fixed?  
21 I agree completely with Staff, June 30th is far too late.

22 Page 7, as I think the Chairman and  
23 Staff just discussed, FairPoint's suppliers have reported  
24 significant delays in receiving payments. This, in our

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1 view, is a harbinger of worse things to come, and we need  
2 to get to the bottom of this immediately.

3 Page 9, Paragraph 8. Business processes  
4 appear not to be followed by the employees or are  
5 otherwise not working properly. Why?

6 Paragraph 9. FairPoint has  
7 significantly underestimated how long large call volumes  
8 would last, and there is no evidence that the number will  
9 decrease anytime soon.

10 Page 10. FairPoint has apparently  
11 underestimated the difficulty of this transition. That's  
12 an understatement, but that's Liberty's assessment.

13 Page 10. FairPoint's ultimate success  
14 appears to be hampered by ad hoc internal processes and  
15 communication channels and the lack of systematic  
16 approaches to address problems.

17 Also on Page 10, Liberty states that  
18 FairPoint reports include faulty or misleading  
19 information.

20 Also on Page 10, FairPoint has too often  
21 reacted to existing problems, rather than proactively  
22 testing for unknown problems and thus prevent errors.

23 One of the most stunning findings I  
24 think in the report, also on Page 10, is that Liberty

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1 states that senior leadership has continued to make  
2 statements that understate problem severity and overstate  
3 success in fixing them. How do we know they are not  
4 continuing that behavior when they appear before the  
5 Commission today?

6 Page 11. The company has been extremely  
7 slow to identify problem breadth and root causes, to  
8 recognize the nature and level of required response, and  
9 to develop coherent, comprehensive plans and schedules.

10 And then we learned some additional new  
11 information in the report, where Liberty states that  
12 FairPoint has recently announced a management change to  
13 split leadership of the northern New Hampshire [sic]  
14 operations in an apparent attempt to rectify certain  
15 deficiencies. We don't have any information about that,  
16 and we would like to get some.

17 We also have many questions that we  
18 would explore, if we could, about financial issues. The  
19 company has argued that those are not relevant, and they  
20 have actually refused to answer the OCA's questions in  
21 writing. We think it is directly connected, because a  
22 lack of financial resources could bear out what we are  
23 seeing today, which is a lack of staff, a lack of training  
24 and a lack of capacity to address the issues.

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1                   On Page 3 of Liberty's report, they  
2 detail some of their monitoring activities. And we would  
3 like more information about that as well.

4                   On Page 3, they detailed meetings, calls  
5 or electric [sic] communication with the staffs -- I  
6 believe they were referring to the staffs of the  
7 Commissions of the three states -- generally daily, and  
8 meetings with regulators on at least three separate  
9 occasions during February and March. We would like  
10 information about those meetings.

11                   Liberty has also been monitoring status  
12 calls between FairPoint and the wholesale users, and also  
13 calls between FairPoint and staffs, which started on a  
14 daily basis in early February and now are held twice a  
15 week. We would respectfully request as a party to this  
16 docket that we get information on the substance of those  
17 meetings and calls. We would like to know what  
18 information the Commission has had about these problems  
19 and why it is that on April 3rd we are here addressing  
20 some of them. It seems as though some of those things  
21 were either known or could have been known or really  
22 should have been known before now.

23                   We also, as I said before, we concur  
24 with Staff that June is simply too late, and we urge the

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1 Commission to take action now, before someone's life is  
2 lost or before there's some other type of event that  
3 everyone looks back on and says could have been avoided if  
4 FairPoint was providing the basic service that they're  
5 required to do as a regulated public utility in the state  
6 of New Hampshire. Thank you very much.

7 CHAIRMAN GETZ: Thank you. There  
8 certainly is a number of things in there that we're going  
9 to want some response to. And just to give a heads-up, at  
10 least one I would like you to follow up on is the  
11 reference Ms. Hatfield made on Page 11 about FairPoint  
12 recently announcing a management change. I'd like to get  
13 some more detail about that. And again, we may have some  
14 other follow-up on that.

15 With respect to the CLECs, has there  
16 been some agreement on who would go first?

17 MS. FOLEY: Yes, sir, there has been an  
18 agreement. Thank you, Mr. Chairman and Commissioners. My  
19 name is Paula Foley. I represent One Communications.  
20 Presenting One Communications' statement today will be  
21 Paul Olnick, who is the Director of Service Implementation  
22 for our company, and Mr. James Nesmith, who is the Manager  
23 of ILEC Relations.

24 CHAIRMAN GETZ: Thank you.

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1                   MR. OLNICK: Thank you, Mr. Chairman.  
2           What I'd like to do today is take you through a quick  
3           summary of One Communications' orders that we've submitted  
4           to FairPoint since January 9th. I'd also like to take you  
5           through some specific system issues that we've run into,  
6           some specific process issues that we've run into, and some  
7           miscellaneous issues that we found. We'd like to conclude  
8           with an offer of some ideas for the Commission to take  
9           action on at the end of the statement.

10                   As I said, since January 9th, One  
11           Communications has submitted 1,110 orders to FairPoint.  
12           Of those, 69 percent have been for new services or changes  
13           to existing services. Of that total, we've had  
14           55 percent, only 55 percent, that have been completed  
15           through the provisioning process. Of the remaining,  
16           24 percent are still pending but out of interval, per  
17           their own interval guide; and 21 percent are pending, but  
18           still within interval guide. The question and concern we  
19           have, obviously, is how many are still within interval  
20           will fall off into the subset of those still pending but  
21           out of interval.

22                   We have certainly been dealing with some  
23           systemic issues. And I'll take you through some of those  
24           now. First is with the CSR, which is our customer service

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1 record request. This record is so we understand when we  
2 get an order from a customer, that we have all the  
3 information that we require to process their order, submit  
4 it to FairPoint, and not disconnect or leave behind any  
5 services that are requested of us.

6 As of Wednesday, we still are receiving  
7 inconsistent or incorrect output information. At times,  
8 all TMs aren't being captured. We then need to go through  
9 the manual CSR request process, where in general we're  
10 seeing responses back in days, or even over one week.

11 We've also experienced some system  
12 timeout issues. I know per the stabilization plan there's  
13 going to be some modifications of that. I think some were  
14 scheduled for today. So we'll see if there's any  
15 immediate improvement in that.

16 But I'd like to also say on the resale  
17 side of the business, when we pull a CABs, it is  
18 effectively showing the same information as the CSR for  
19 the resale business that we order with FairPoint.

20 The user report -- again, the client  
21 features, the telephone numbers. But we're only able  
22 to -- when we request that report, we only see one page,  
23 and we get an error saying the account exceeds the maximum  
24 size. The issue we have with that is that if our

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1 telephone numbers are on Page 14, and we only see the  
2 first page, we can't validate any of the information to  
3 place our order. So we are, in effect, placing them  
4 blindly with FairPoint. The issues being there is that  
5 they may get rejected back to us if they're not accurate,  
6 obviously further delaying the provisioning cycle.

7                   On the loop qualification side, we also  
8 have seen inconsistent responses. We use loop  
9 qualifications so we know if we can service particular  
10 customers with certain types of products. Our reps are  
11 saying it's really hit or miss whether or not we get a  
12 true response and we know if some sites can be serviced  
13 with particular access products because of their current  
14 provider. So if somebody has DSL and we want to service  
15 that with DSL, we go to the loop qual to see if it's  
16 within a reasonable distance that we can offer that  
17 service. Very often we get a "service unavailable." But  
18 understanding, again, as I said, how far it is and what  
19 their current provider is servicing with, our reps will  
20 generally close it out and have to resubmit the request  
21 and it will come back serviceable, so then we can proceed  
22 with the order. We've had one example where we've known a  
23 customer to be less than two miles from the serving  
24 FairPoint central office, and it came back unavailable.

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1 So, obviously, we resubmitted and got the availability.  
2 But I think we still have some problems on the loop qual  
3 side as well.

4 As far as address issues, we still have  
5 a lot of errors coming back in a non-fatal error status.  
6 It's been explained to us that that means the actual  
7 physical address is not yet built into the FairPoint  
8 system. The order has to be manually built by the address  
9 resolution group -- again, further delaying the  
10 provisioning cycle and our ability to give service to our  
11 customers.

12 On the LSR side of the house, when we  
13 request porting, we have a process, which is hunting. We  
14 often will only want to take a partial hunt group of the  
15 customer's existing service. But we've been advised we  
16 can't do that now. Prior to transitioning, that was an  
17 absolute availability; post-transition, it hasn't been.  
18 We've been given really two options: Take the entire hunt  
19 group, or have the end user call FairPoint to rearrange it  
20 so we just take a partial hunt group. Obviously, they are  
21 experiencing high call volumes. We don't want to do that.  
22 We don't want to tell our customer to call them to resolve  
23 an issue. We think we should be able to work to resolve  
24 that. We think that's a definite opportunity for process

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1 improvement.

2                   We also have a process issue on the  
3 disconnect side of the house in relation to DSL service,  
4 which FairPoint, I believe, calls complex services. There  
5 is a functionality in Wisor for us to verify our  
6 connection point with FairPoint. To date, that has not  
7 worked for us. We receive an error message saying "no  
8 information found." We know that's inaccurate, obviously,  
9 because we're looking to disconnect service with  
10 FairPoint. What we've done is create a manual workaround  
11 with our SPOC, ASR SPOC, to send them the order. They  
12 will manually pull the DLR and send it back to us. And  
13 all this communication is being done via e-mail. So  
14 again, some delay in e-mail responses back, obviously due  
15 to the volume of questions and responses they're getting.  
16 But this is critical to us so we make sure we're not  
17 disconnecting the wrong customer.

18                   We have seen a myriad of issues with our  
19 FOCs. We certainly have seen delays in getting FOCs  
20 back -- and that's our firm order commitment where  
21 FairPoint will install the service that we order. As an  
22 example: Last week, we just got a FOC back on Friday for  
23 an order we submitted on January 28th. Once we do get the  
24 FOCs back, they're often out of published intervals, per

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1 the guidelines. I think more concerning is that we have  
2 those dates pass but don't get any notification that  
3 they've been missed. And often, until we call and ask, we  
4 don't understand where that order sits.

5 CHAIRMAN GETZ: Can you explain to me  
6 what the consequences of the delay in the firm order  
7 commitments is?

8 MR. OLNICK: Sure. Generally, we have a  
9 call with our customer delineating the steps that we go  
10 through to get them their service. Obviously, the access  
11 component where we overlay the One Comm service is  
12 critical that last mile. So our interval in total depends  
13 on FairPoint to provide us that access facility. We try  
14 and publish standard intervals for our services to our  
15 customers end-to-end. So if we tell them, you know, in  
16 general for a DS1 service, we'll say we'll have it in in  
17 40 days. But if we're not getting that, our firm order  
18 commitment back from FairPoint for 10, 20, 30 days, we're  
19 way out of our interval. Customer frustration grows. And  
20 again, we don't try and push everything off to say it's a  
21 FairPoint issue, because they come to us for service. But  
22 it puts us in a tough situation to have those  
23 conversations. Also, when we get FOCs and they're not  
24 met -- because we've already made that commitment to the

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1 customer that you will see somebody from FairPoint come  
2 out and install that, and in five days we'll have you up  
3 and running. So when that doesn't occur, we take a lot of  
4 heat from the customer, because that is our responsibility  
5 to get that service to them.

6 As far as the miscellaneous issues, we  
7 follow the emergency order process, where we send the  
8 e-mail to an address set up from FairPoint. Now, I know  
9 that is primarily for TSP coding services, medical  
10 emergencies, government agencies. But there's also a  
11 caveat for customer out of service or significant impact  
12 to a customer, if our customers are moving. I have  
13 personally submitted seven requests to that e-mail box and  
14 have gotten no response. Per their cutover plan, you're  
15 supposed to get an accept or denial within 24 hours. But  
16 I have not heard back. In fact, a majority of the time we  
17 have not heard back. In some instances, it has worked.  
18 But more often than not, we don't even have a response.

19 CMSR. BELOW: How long have you been  
20 waiting on those? Your expectation was 24 hours for an  
21 accept or deny.

22 MR. OLNICK: Correct.

23 CMSR. BELOW: How long have you been  
24 waiting on -- you said you personally submitted seven,

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1 with no response.

2 MR. OLNICK: Yeah. They've ranged from  
3 six weeks to four weeks. I can get you the specific  
4 dates. I don't have them in front of me, though.

5 Now, that said, we have gone other  
6 avenues to get some of those orders worked. We do have a  
7 daily call with our FairPoint account team members and our  
8 FairPoint SPOCs, both on the ASR side and LSR side. So we  
9 do have those orders there telling them they've been  
10 submitted as emergency orders, and they get a little bit  
11 higher priority. But I think I'll go into that a bit  
12 more -- actually, I can do it now.

13 I think it relates to the escalation  
14 issue that we also have with FairPoint. I can tell you on  
15 our daily calls, our account team has been great. I also  
16 feel their frustration. They take our priority orders,  
17 they go back into the organization, and it seems like they  
18 don't get prioritized. So I think they're frustrated that  
19 we have orders that we need worked, and they bring them  
20 back in -- you know, it just gets into a high volume of  
21 orders. I'm sure the other CLECs and retail customers are  
22 also pushing priorities.

23 The thing that concerns me is that I  
24 have -- we at least have been told there's a Top 20 list

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1 for wholesale. And that's company-wide in FairPoint.  
2 I've had two orders on that list, probably -- well, I  
3 actually started the escalation path on those in December.  
4 But I submitted those in January. I have not had a  
5 response back. I've been told subsequent to that, they've  
6 been placed on the Top 20 list. But it's been probably  
7 two weeks since I've gotten any status whatsoever.  
8 There's just been no update on our daily call.

9                   The order process from orders that were  
10 pre-transition, if they did not come over, seems to just  
11 have started over once the FairPoint systems came back up.  
12 A lot of those orders did not actually get into the Wisor  
13 system via the inflight process. We were asked and did  
14 resubmit a second ASR into Wisor just to get them in the  
15 flow, but it seems like those have effectively started as  
16 a new order. So, no information carried over from the  
17 Verizon systems.

18                   None of the engineering work order  
19 information, construction work order information, because  
20 they were delayed, none of that came over. So we had to  
21 get engineers to re-look at these orders. And those dates  
22 have been pushed out anywhere from 10 days to four weeks  
23 from our original date received in December -- so,  
24 pre-transition to post.

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1                   Wisor isn't always reflecting the true  
2                   status of an order. And I know we've talked about the  
3                   false completions. But that's also false completions both  
4                   ways. I think FairPoint sees orders complete that aren't  
5                   complete. But we also know orders are complete because  
6                   we've been told they're complete. We've got the customer  
7                   up and running, but FairPoint still doesn't have it  
8                   complete in their system. So I think it goes both ways  
9                   there. It's somewhat confusing as well, because even on  
10                  our daily calls we show orders complete, and FairPoint  
11                  says they're still in the manual bill process. So it  
12                  causes a bit of confusion of where the orders actually  
13                  sit. And then I think we'll have questions certainly with  
14                  billing if orders were false-completed. But we've been  
15                  being billed. So I think that remains to be seen because  
16                  we haven't been through a complete billing cycle yet.

17                  We have FairPoint technicians showing up  
18                  to our customer locations without any order information.  
19                  They actually ask our customers, "What do you need me to  
20                  install?" That's certainly concerning, because we went  
21                  through a fairly robust internal reorganization in August  
22                  of 2008 that really highlighted customer communication,  
23                  proactive customer communication. We're not told often  
24                  when a customer is scheduled to go on site, and then we

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1 get information back from the customer faster than we get  
2 them back even on our daily calls from FairPoint that  
3 service has been installed or the customer was on site  
4 starting construction work. So it's, again, hard to have  
5 a conversation with a customer when they're telling us  
6 better information than we can tell them.

7 We've certainly seen an increase in  
8 customers canceling services with us. You know, they give  
9 us a couple reasons why: They're tired of waiting for  
10 FairPoint. They have no confidence. And I think probably  
11 the most critical is that they're concerned they'll go out  
12 of service. So we're losing orders and losing revenue  
13 because of FairPoint's inability to deliver services.

14 In conclusion, we have some suggested  
15 ideas for Commission action to follow this meeting. We  
16 understand and support the BayRing complaint to conduct an  
17 investigation of the FairPoint OSS to determine if it's an  
18 adequate operation and ready, just and reasonable and  
19 non-discriminatory.

20 We suggest that FairPoint add additional  
21 IT resources and support to correct the current defects  
22 with their system, as well as enhance the working of their  
23 current systems. We request that FairPoint publish the  
24 results from the impact -- hopefully a positive impact --

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1 of adding the reps in the call centers, as well as the  
2 engineers to help with the complex services, per the  
3 mitigation plan. I think it's great that they're going to  
4 add -- the mitigation plan actually says 10 reps in the  
5 call centers, and I think Mr. Nixon said 30. So that's  
6 even better than what was published. It also says 4  
7 engineers, and I think he said 12 or 15. So, I mean, I  
8 think that's good news. I think we'd like to see some  
9 result of that.

10 On Page 10 of the stabilization plan, it  
11 says that they have physical inventory issues. We'd like  
12 to see and have FairPoint provide an audit of what they  
13 deem to be an issue and show metrics on the progress  
14 week-over-week. I think this is concerning, because  
15 clearly they won't have flow-through automation until the  
16 underlying inventory is accurate. They said they want to  
17 get up to 90-percent flow-through on automation.  
18 Currently for complex services, I believe it's zero. So I  
19 think that's a definite opportunity, and we'd like to see  
20 progress in that regard.

21 In the stabilization plan they also said  
22 they will have an updated error code guide provided to the  
23 CLECs. We'd like to see a detailed meaning of each code  
24 and who is responsible for that. I think having an error

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1 code that we understand is great. I think showing the  
2 errors that are deemed a CLEC issue versus a FairPoint  
3 issue or Capgemini issue is critical to help drive fixes  
4 to the actual system.

5 We'd like to be involved in the  
6 development of a comprehensive plan to notify CLECs of any  
7 missed FOCs. Again, currently, today, unless we call  
8 them, we don't know where our orders sit, if they are  
9 missed. So if we have five orders due yesterday and don't  
10 get a call that they're complete, unless we call, we  
11 generally don't know that they are.

12 In regard to escalations, we'd like  
13 FairPoint to allow the CLECs to provide a constant Top 10  
14 list of orders and require FairPoint to set specific time  
15 lines for the completion of those orders. We certainly  
16 have items that we deem critical that don't fall into the  
17 emergency process. But they're critical to us, to our  
18 customers, in terms of revenue impact, in terms of future  
19 business impact, in terms of potential cancellations. So  
20 we'd request that be implemented.

21 We'd also request that Commission Staff  
22 be available to help us if, in fact, our orders are stuck  
23 and we don't see any progress.

24 CHAIRMAN GETZ: Thank you. I think

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1       rather than go on to the next representative of One Comm,  
2       this is probably a good time to take lunch. I assume  
3       you're going to have some comments that are going to take  
4       10 or 15 minutes.

5                       MR. NESMITH: No. It should probably be  
6       more brief because he pretty much spoke to a lot of our  
7       issue.

8                       CHAIRMAN GETZ: Okay. I don't want to  
9       rush you, but I think it's about time for the lunch  
10      recess. So take your pick. Would you like to --

11                      MR. NESMITH: Let's go ahead and go to  
12      lunch.

13                      CHAIRMAN GETZ: Okay. Let's take the  
14      lunch recess, and we will resume at 2:30. Thank you,  
15      everyone.

16                      (Whereupon the lunch recess was taken at  
17                      1:07 p.m. and the status conference  
18                      reconvened at 2:37 p.m.)

19                      CHAIRMAN GETZ: Okay. Good afternoon.  
20      We're back on the record in the status conference. And  
21      was it -- who's next? Mr. Nesmith or --

22                      MR. NESMITH: Good afternoon, everybody.  
23      I just have a couple issues to add for One Communications,  
24      because Paul pretty much covered a lot of the order issues

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1 that we're having currently with FairPoint.

2 But starting with billing, FairPoint did  
3 speak to billing earlier to say that the billing process  
4 from a wholesale perspective is correct, and they're only  
5 having issues at one or two percent. As far as I know  
6 from One Comm's perspective, we have yet to receive a full  
7 cycle of invoices, so we can't speak to the accuracy of  
8 what they stated earlier. And in addition to that, they  
9 have their bills set up on two separate platforms. So  
10 they're actually using one company called CDG, which we're  
11 receiving some invoices from. And then our resale  
12 invoices we're receiving -- or we're supposed to receive  
13 them via the Kenan system, which will come through  
14 FairPoint. And at this point, I'm yet to receive those.  
15 One Comm is yet to receive those invoices. I have reached  
16 out to their production support just to get a status as  
17 far as where the invoices are. And I know that early in  
18 March or late February, FairPoint did report that they're  
19 going to be doing a test with a couple of CLECs in regard  
20 to those invoices. So I'm not sure what the status is on  
21 those invoices, and it would be great if FairPoint could  
22 give us an update on that.

23 DUF files. We are still missing Dov  
24 files from our UNI-P New Hampshire files. And according

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1 to the person within One Comm who is responsible for  
2 those, he did say that he was in contact with someone from  
3 FairPoint a couple days ago, and that person did promise  
4 to start to send those files, starting 1/31 to current.  
5 And he said that it would, you know, take awhile. So,  
6 hopefully, what that person said is true, and we should  
7 start to see those files. And it goes the same for the  
8 other states, where we are receiving the files from  
9 FairPoint, but we're just -- some of the information, the  
10 integrity of the information is just a little questionable  
11 at this time.

12 The escalation process. FairPoint spoke  
13 to that earlier, and which I definitely agree that we  
14 should work through that process. But from what I'm  
15 hearing from a lot of my internal teams are that when they  
16 do try to escalate, they're just not receiving the  
17 consistent communication from FairPoint. So it's sort of  
18 hard, because my role in this is I manage the relationship  
19 between FairPoint and One Communications. So I'm sort of  
20 in the middle. And for the most part, what I've tried to  
21 do is I tried to make sure that all of my internal teams  
22 are following the stipulated processes that FairPoint has  
23 put out. And it sort of, you know, takes down my  
24 credibility when I'm having the folks work through the

1 process that FairPoint is giving me, and they're not  
2 following the process -- or FairPoint's not following the  
3 process.

4                   So, with that said, we did have an  
5 opportunity to talk to FairPoint during the lunch session.  
6 And we did request that we receive some type of updated  
7 org chart, because up until a couple weeks ago, I was not  
8 familiar that -- or I was not aware that Mr. Rush was even  
9 part of the equation. So, now we do know his role in  
10 this. So, you know, it would be great if we had an org  
11 chart so that we will know who's who. And that will give  
12 us also the opportunity to have the actual contact  
13 information, so that if we do have questions -- because I  
14 know from One Comm's perspective, our executive VP has  
15 reached out to an individual within FairPoint. But I'm  
16 not sure, based upon the information that I've learned  
17 today, that he has been dialoguing with the correct  
18 individual. And I was actually using the information that  
19 I had to direct him, as far as who he should be talking  
20 to. That's about it.

21                   Oh, one more thing. Just to speak to  
22 another issue that Paul spoke about earlier in regards to  
23 CSR, which is something that FairPoint is aware of as  
24 well. I mean, we had some folks working the -- or

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1 requesting manual CSRs. And the manual CSRs that were  
2 requested, one, for example, was sent back and cancelled,  
3 and the person was provided a listing verification report  
4 instead. So this pretty much hindered our process of  
5 initiating an order for it, or initiating putting an order  
6 over from FairPoint to One Communications. So this has  
7 been identified and brought to FairPoint's attention, and  
8 we're working the process via a ticket that they opened  
9 up. But, you know, that was a couple weeks ago. So I  
10 haven't heard status as far as what's going on with that.  
11 So I would hope that in the future that that's not the  
12 actual process, where when we're requesting the CSRs, or  
13 whatever we're requesting, we're receiving those -- that  
14 information, so that we can make sure at the front end  
15 that we're able to do and complete our processes to  
16 prevent any delays in our customer orders. Thank you.

17 CHAIRMAN GETZ: Thank you, Mr. Nesmith.

18 MR. SAWYER: Good afternoon, Chairman  
19 Getz, Commissioner Below and Commissioner Morrison. I'm  
20 Scott Sawyer, and I represent BayRing Communications.

21 In connection with the Commission's  
22 cutover readiness hearings last November, BayRing  
23 submitted comments and testified that FairPoint had  
24 intentionally limited and controlled CLEC testing of

1 FairPoint's OSS, and that such limitations had hampered  
2 the development of a robust CLEC OSS. BayRing also  
3 expressed its concerns about the adequacy of FairPoint's  
4 training. In short, BayRing did not believe that  
5 FairPoint's testing of its systems were adequate and that  
6 its systems were ready for cutover. The very same  
7 FairPoint executives in this room today adamantly  
8 disagreed and assured this Commission that it had fully  
9 tested its new state-of-the-art systems and that they were  
10 indeed ready for cutover.

11 FairPoint's cutover, as you know,  
12 occurred on January 31st. Since that time, it has become  
13 obvious that the CLEC testing was not adequate and that  
14 FairPoint/CLEC OSS, its processes and, for that matter,  
15 its wholesale department, were not ready for cutover. My  
16 words cannot begin to express how frustrated BayRing is  
17 with the extremely poor wholesale service quality it has  
18 received from FairPoint since the cutover.

19 First, as described in BayRing's  
20 petition for investigation, Docket DT-0939, filed on  
21 March 2nd, FairPoint/CLEC OSS does not work. In  
22 FairPoint's answer to that complaint, it denied, among  
23 other things, that its preordering OSS -- that there was a  
24 pervasive problem with its preordering OSS. Earlier this

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1 morning, Mr. Nixon acknowledged that preordering has been  
2 extremely difficult and manual for the CLECs. The  
3 question we would have is: Well, why did it take so long  
4 for FairPoint to recognize that fact?

5 To make matters worse, FairPoint has not  
6 provided sufficient resources to developing manual  
7 workaround procedures to process and to ultimately  
8 provision the overdue wholesale orders and the existing  
9 and new orders of BayRing. Prior to and post-cutover,  
10 BayRing's staff has spent thousands of additional hours  
11 attempting to prepare and then work through and around  
12 FairPoint's inadequate systems in order to provide service  
13 to its customers. FairPoint's inadequate systems has  
14 caused BayRing to forego significant revenue, as FairPoint  
15 has been unable to process and install circuit orders  
16 critical to BayRing's customers.

17 The escalation process that FairPoint  
18 has offered to BayRing in connection with wholesale  
19 service problems, such as overdue orders, has been totally  
20 inadequate. During this heightened period of wholesale  
21 service failures, FairPoint's escalation process mandates  
22 a lengthy 13-business-hour span to reach the highest  
23 escalation. And even after that escalation is reached,  
24 FairPoint is not responsive and is not willing or able to

1       commit to an action plan that is satisfactory to get these  
2       overdue orders installed.

3                       Since cutting over to its systems,  
4       FairPoint has failed to install a single T1 circuit for  
5       BayRing within the significantly extended intervals that  
6       FairPoint imposed in connection with the cutover. It is  
7       completely and utterly unacceptable for FairPoint to  
8       timely provision zero percent of BayRing's T1s.

9                       Since cutover, FairPoint has only  
10       installed about 20 percent of all the circuits ordered by  
11       BayRing. And of all the installed circuits, a majority of  
12       those were installed after the extended due date. The  
13       failure of FairPoint to provide BayRing with access to  
14       unleveled loops at its published intervals violates  
15       FairPoint's legal obligation to provide BayRing with just  
16       and reasonable and non-discriminatory access to loops  
17       under Section 251 of the act and New Hampshire statutes.  
18       It also violates FairPoint's own wholesale tariff, which  
19       contains terms and conditions for unleveled network  
20       elements, including standard installation intervals for  
21       services, such as DS0 loops, hot cuts and T1 loops.

22                       In response to a March 3rd letter from  
23       Kate Bailey regarding progress on the cutover to  
24       FairPoint's new OSS, FairPoint president, Peter Nixon, in

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1 a March 6 letter, stated, "Overall, I am pleased to report  
2 that the cutover itself went according to our plans."  
3 Given the extensive post-cutover problems that BayRing had  
4 already experienced by March 6th, BayRing does not  
5 understand how Mr. Nixon can claim that the cutover itself  
6 went according to plan, especially since cutover readiness  
7 involves whether systems are operationally ready, whether  
8 they're ready for use, whether there's sufficient  
9 staffing, and whether wholesale employees are adequately  
10 trained.

11 Mr. Nixon went on to state that, Of the  
12 total orders that were cued and the new orders received,  
13 currently there are approximately 14 percent for which we  
14 have missed the installation due date. Given the  
15 extremely poor service quality that FairPoint has provided  
16 to BayRing since the cutover, BayRing would be delighted  
17 if only 14 percent of its circuits were -- 14 percent of  
18 its orders were overdue. As described moments ago,  
19 FairPoint has not installed a single T1 circuit for  
20 BayRing within its published intervals.

21 In the March 26th issue of the Portland  
22 Press Herald, FairPoint Vice-President Allen states that,  
23 quote, The company is putting most of its efforts toward  
24 order-flow problems. In the past two months, about

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1 30 percent of customer orders for service, about 10,000,  
2 have been problematic for various reasons, end quote. If  
3 Mr. Allen is stating that 70 percent of its orders flow  
4 through to completion without manual intervention, BayRing  
5 doubts very much that it is achieving a flow rate that is  
6 anywhere near 70 percent.

7 BayRing urges the Commission to require  
8 FairPoint to demonstrate what its flow-through rate is for  
9 orders submitted by CLECs. Equally important is what  
10 happens to orders that don't flow through. BayRing urges  
11 the Commission to require FairPoint to explain what  
12 happens to such orders and to determine whether the  
13 processes are sufficient and staff is sufficiently trained  
14 to handle orders through completion; and if they are not,  
15 why not, and when will this problem be fixed. In this  
16 regard, BayRing cannot wait until June 30th for this to be  
17 fixed.

18 Since cutover two months ago, FairPoint  
19 has made incremental progress in rectifying post-cutover  
20 issues. BayRing has more orders backlogged in FairPoint's  
21 systems today than it did a month ago. FairPoint's  
22 hot-cut process does not function properly, and customers  
23 that undergo this process continue to lose service for far  
24 longer than was the case prior to cutover.

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1                    BayRing has lost revenue due to its  
2                    inability to communicate to customers what services it can  
3                    provide to the customer's address. This has been caused  
4                    by the lack of preorder functionality related to loop  
5                    qualifications, address validations and CSRs that other  
6                    carriers have talked about. FairPoint has reportedly made  
7                    progress in providing CLECs with CSR information. But  
8                    unfortunately, that information is of limited value when  
9                    it is used to place orders in a system that doesn't work.  
10                   BayRing has had to offer credits to its customers due to  
11                   its inability to port customer numbers or deliver service  
12                   to customer locations. BayRing has had to compensate and  
13                   provide alternate services, such as cellular service, to  
14                   customers for whom BayRing could not facilitate a move  
15                   order due to FairPoint's inability to complete orders  
16                   within their published intervals.

17                   I heard Mr. Nixon state that the error  
18                   rate for CLEC bills is less than one percent. This is not  
19                   BayRing's experience. Our bills are riddled with errors.  
20                   We have told FairPoint about our billing issues. We have  
21                   told the billing representative at FairPoint about our  
22                   issues. And her response is that they will get back to  
23                   us. Additionally, FairPoint has not credited BayRing with  
24                   PAC credits for several months and has stopped paying

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1 BayRing's repair bills.

2 In closing, FairPoint is not providing  
3 BayRing with wholesale service that is adequate, just and  
4 reasonable. Given the false assurances that FairPoint  
5 made in connection with cutover readiness, the lengthy  
6 time it took to admit to the seriousness of its problems,  
7 BayRing does not have confidence that FairPoint has the  
8 ability, the leadership, or the will to fix things without  
9 active Commission involvement. It is imperative that the  
10 Commission undertake an investigation in this docket, or  
11 in another docket, into FairPoint's systems and its manual  
12 workaround processes. The Commission should also develop  
13 a process for handling complaints from CLECs for overdue  
14 orders and related problems on an expedited basis while it  
15 addresses these systems issues. Thank you.

16 CHAIRMAN GETZ: Thank you, Mr. Sawyer.  
17 I just wanted to follow up. Looks like there may be a  
18 couple questions. But with the T1 issue, I'm not sure if  
19 you can give me numbers on that. And maybe that raises  
20 some confidentiality issue for BayRing. But what's the  
21 magnitude of the issue, in terms of how it's affecting the  
22 delays in getting those T1s on time, in terms of the  
23 effects, I assume, on the company's revenues and also on  
24 customers? Is there more that you can give us on that

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1 without --

2 MR. SAWYER: I mean, it has a terrible  
3 effect. I mean, many of these orders for T1s were ordered  
4 months ago. So what happens out of that is kind of unjust  
5 from two perspectives: One is that these are customers  
6 who have expressed a desire to change their service  
7 usually from FairPoint to BayRing. So what has happened  
8 in the interim is FairPoint continues to get this revenue  
9 for keeping the customer, and BayRing has to forego  
10 revenue associated with that customer because of the  
11 delays. And those delays have been, in many instances,  
12 you know, more than a month after the due date.

13 I'd be -- regarding how many T1s, I  
14 think there may be some sensitivity to giving the actual  
15 number in a public forum. But we could certainly do that  
16 perhaps with your Staff, or even to you, with a protective  
17 order in place.

18 CHAIRMAN GETZ: I just wanted to get an  
19 appreciation for the size.

20 MR. SAWYER: We have the data.

21 CHAIRMAN GETZ: Okay. Thank you.

22 CMSR. BELOW: To clarify, you said at  
23 one point that not a single T1 had been installed yet  
24 since pre-cutover, but then you also said none had been

1 installed within the required interval. Which is the  
2 case?

3 MR. SAWYER: It's on a timely basis.  
4 None have been installed within the published interval.  
5 We have had a small amount of T1s installed. It's a small  
6 percentage of the ones that we have ordered.

7 CMSR. BELOW: Okay. And could you just  
8 explain your statement about no repair bill payments.  
9 What does that mean exactly?

10 MR. SAWYER: Well, BayRing is also in a  
11 position to be providing services to BayRing -- to  
12 FairPoint -- I'm sorry -- from time to time. And as  
13 result of this Commission's order a few years ago, I  
14 believe, FairPoint is permitted to charge -- I'm sorry. I  
15 did it again. BayRing is permitted to charge FairPoint in  
16 connection with repair orders. And we've submitted those  
17 orders to FairPoint. And we used to get paid, you know,  
18 promptly, and now I'm told that we're no longer being paid  
19 for those.

20 CMSR. BELOW: You said you used to be  
21 paid promptly. Are you talking about like last summer and  
22 last fall when it was FairPoint, or is this back to  
23 Verizon days?

24 MR. SAWYER: I believe prior to the

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1 cutover we were being paid by FairPoint. But let me check  
2 with my client, make sure that --

3 REP FROM BAYRING: That's correct. Yes.

4 MR. SAWYER: Yes.

5 CMSR. BELOW: Okay. Thank you. Have  
6 you had any indication that you won't be paid or simply  
7 that it's held up, that the checks haven't been cut?

8 MR. SAWYER: Have we escalated that?

9 REP FROM BAYRING: We have notified  
10 them, and they'll get back to us.

11 MR. SAWYER: I'm told that BayRing has  
12 notified FairPoint of that problem, and the response is  
13 that they will get back to us.

14 CMSR. BELOW: Okay.

15 CHAIRMAN GETZ: Anything further? Thank  
16 you, Mr. Sawyer.

17 MR. SAWYER: Thank you.

18 MS. CHASE: Good afternoon. My name is  
19 Julia Chase. I am an actual provisioner for G4  
20 Communications, Otel telecom. I deal with FairPoint on a  
21 daily basis, approximately nine hours a day, five days a  
22 week, and on weekends if I feel like working overtime.

23 The figures that they come up with, with  
24 the 80 percent of flow-through to FOC is extremely

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1 misleading. Out of the orders that we have placed,  
2 50 percent of our orders, just of T1 orders, have flowed  
3 through to disco -- or excuse me -- have flowed through to  
4 FOC, but those are disco orders. So they don't have to go  
5 through pair assignment. They don't have to go through  
6 any departments. They just flow through to disco. SO  
7 when you say 80 percent of orders have flown through, most  
8 of those are discos in our case. Fifty percent of our  
9 other T1s have been installed, but they've had to have  
10 manual intervention or escalation. I still have one order  
11 pending. But none of our ASR orders were installed within  
12 the parameters and within the due dates of the matrix that  
13 we were -- that we received. We have had to escalate them  
14 on a daily basis, sometimes three and four times a day.  
15 The escalation process currently does not work. Every  
16 time I escalate an order, I'm told they'll get back to us.  
17 I never receive a call back. You receive voice mails that  
18 say, "Our voicemail is full. We cannot take any more  
19 messages." I have escalated this during conference calls,  
20 and "We'll get back to you." I do not receive phone  
21 calls. I am escalating through e-mails. I do not receive  
22 e-mails back.

23 And LSR orders, we have a 40-percent  
24 completion rate, but 87 percent of that 40 percent are

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1 disco orders. Only 13 percent of those were actually  
2 completed without manual intervention, and they were port  
3 orders. They weren't loop orders. They weren't circuit  
4 orders. Twenty-one and a half percent of those circuits  
5 that went in were manually intervened in order to get the  
6 circuits through. Eighteen percent of our orders are  
7 being -- we're being told that they're completed, but  
8 they're not. Those are all directory listing orders. I  
9 personally called directory listing for each one of the  
10 orders we put through, and not one of them are listed. So  
11 our customers are missing calls, which means they're  
12 missing revenue. And I was not even told. I had to find  
13 this out on my own that the directory listing was not  
14 working, that the information is not being passed through  
15 to the Idearc. Fourteen percent of our orders are still  
16 pending. Six percent of the orders that we've put through  
17 are overdue. I keep asking for new due dates. I'm told  
18 that they're stuck in the system. They're stuck in pair  
19 assignment with no due dates.

20                   The last conference call last Tuesday,  
21 it was brought to our attention that there's a backlog,  
22 that the department that the orders are getting stuck  
23 through are having to be manually processed. This is the  
24 department that does the pair assignment for the Verizon

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1 side of it. They're having to be manually pushed through.  
2 And we were just now told last Tuesday that there was a  
3 backlog. I brought this up and said, "Why are we just now  
4 being told that this is a backlog?"

5 "We'll get back to you on Thursday." On  
6 the call yesterday, this was not brought up.

7 When it comes to preorder issues, I have  
8 requested a total of three manual CSRs since the cutover.  
9 One I didn't receive a response back for three weeks, and  
10 I had to escalate it three times and finally had to ask  
11 during a conference call, "Can someone please get me a  
12 manual CSR?" Two CSR requests that I sent through I was  
13 replied back to within two business days, but it was  
14 incomplete information. I was told, because I didn't give  
15 them the BTN, that I was unable -- they were only to give  
16 me the information for the number I requested. I said  
17 that is against PUC rules. I was told that I can only do  
18 what I'm told to do. I asked to speak to a manager. That  
19 manager never called me back. And then miraculously, two  
20 days later I received CSRs. I also received a complete  
21 CSR on a customer that I never requested one. It was sent  
22 to me by mistake.

23 We have complied with the matrix that  
24 has already been changed once, and they're requesting to

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1 extend those lead times again. I personally feel that is  
2 unacceptable. We have done our job pushing out our lead  
3 times and agreeing to these certain dates, and now they're  
4 asking us to make our customers wait longer or for us to  
5 wait longer. That, I believe, they should not have. They  
6 should be held accountable to maintain the lead times that  
7 they have given us, even on the new matrix.

8 We have -- I don't know about other  
9 CLECs, but I know that our SPOC -- they're our single  
10 point of contact. We have been requesting for over a  
11 month direct phone numbers in order to speak with them.  
12 We have not been given that information. We can only  
13 communicate to them via e-mail. They are temporary  
14 e-mails it says in their accounts. We ask for statuses.  
15 We are told, "This is all I have for today. There is no  
16 change." I have asked -- one order that I have escalated,  
17 I said, "Then why is my SPOC not giving me this most  
18 updated information?"

19 "Oh, we're not getting back to them with  
20 that information."

21 I said, "Then why am I beating up my  
22 service order" -- you know, "my single point of contact  
23 when they don't have the right information?" I'm getting  
24 more information from my service manager than I am to the

1 one person who is supposed to be my single point of  
2 contact, and they don't have the most up-to-date  
3 information."

4 I cannot rely on the information I  
5 receive in the Wisor system. I still do not trust  
6 pre-order. We cannot pull loop -- make up inquiries,  
7 which we need to do prior to an order so we know if we  
8 need to have bridge taps removed, if we need to order a  
9 different kind of circuit. Loop quals, I've been able to  
10 pull most of them, I would say 80 percent. This was after  
11 a very, very long and tedious process of trying to pull  
12 those. CSRs, I still have not been able to pull one, a  
13 correct one with correct information. If there's  
14 additional phone numbers on it, I do not get them. I get  
15 the features. I get the directory listing information. I  
16 do not get all the additional telephone numbers.

17 Demarc information. We are still not  
18 getting demarc information. Of all the orders that I have  
19 gotten through, I have had to open up trouble tickets in  
20 order to get them installed. Either the seal work hasn't  
21 been done, the field work hasn't been done. Any trouble  
22 tickets I open, the FairPoint tech calls me and says, "All  
23 I've been given is a circuit ID and a city."

24 CHAIRMAN GETZ: Can you explain demarc?

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1 MS. CHASE: I'm sorry. Demarc  
2 information is where FairPoint drops off the circuit at  
3 the end user. It could be in a telco closet, it could be  
4 on the pole, it could be in the basement. It's the point  
5 of where they dropped off the circuit, where we install  
6 our equipment, and then we'll hook it up to the customer.

7 CHAIRMAN GETZ: Oh, like demarcation.

8 MS. CHASE: Exactly. I'm sorry.  
9 Demarcation.

10 I've had FairPoint trouble techs call me  
11 saying they've only been given a town and they've been  
12 given a circuit ID. I've had to research and say, yes, I  
13 opened up this trouble ticket. It's for so-and-so. This  
14 is the person you need to see and this is the trouble.  
15 And they haven't even been given what the trouble is.

16 Another problem with trouble tickets is  
17 when we were doing our testing of the systems, templates  
18 were created. They were never removed when the system  
19 went live. We were not given any training on how to open  
20 up a trouble ticket. Basically, we were told what the  
21 different tabs meant, what the different icons meant. So,  
22 needless to say, when CLECs were opening up trouble  
23 tickets, they were opening up under my template, and I was  
24 getting call-backs from FairPoint techs wanting to know

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1       what the trouble was. And I had to actually -- I worked  
2       with one of the trouble administration managers, and I  
3       said, "Maybe it's a template, because my name is showing  
4       up on all of these." And that's what the problem was. It  
5       was a template. And he said he had opened up an internal  
6       ticket to get that, the templates removed, and that hadn't  
7       been done. Then, on a conference call I said, "Could you  
8       guys please, like, change the name on the ticket so that  
9       I'm not called on all these trouble tickets."

10                        On one of our -- we had a customer --  
11       I'll give you three examples of issues where our customers  
12       have been affected.

13                        We have one customer who was receiving  
14       residential service. She -- her cell service is not that  
15       good. She is a crisis center hotline volunteer. We  
16       couldn't get her circuit installed. They just -- it  
17       didn't go through pair assignment. It's waiting in pair  
18       assignment, it's waiting in pair assignment. Three weeks  
19       go by and it's still not installed. It wasn't until we  
20       said this woman is a crisis center hotline volunteer and  
21       she needs this line was the circuit installed.

22                        We had another customer who moved. We  
23       ordered two separate orders for two different types of  
24       circuits. One circuit went in, and we had to have a

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1 trouble ticket opened in order to get fixed and get it  
2 working because they had demarc'd it in the wrong  
3 location. For some reason, two addresses ended up on the  
4 order. Our customer walked into FairPoint headquarters  
5 and demanded the circuit be fixed, saying, "G4 cannot get  
6 our circuit installed. What are you going to do to help  
7 me?" John Smee calls me on phone and says, "I have a  
8 customer in my lobby right now that says we have a  
9 problem. What can I do?" He's the one that got the order  
10 through. I was so embarrassed that our customer had to  
11 physically walk into FairPoint and say fix my circuit.  
12 They had been down for over a week. They had moved. They  
13 were given -- FairPoint was given plenty enough notice  
14 that the customer was moving. We were not moving  
15 services. We were installing new circuits. They got one  
16 circuit in. The other circuit did not go in. It fell out  
17 of the system.

18 I find that they are reactive, not  
19 proactive. We do not find out that the circuit is stuck  
20 in provisioning, stuck in pair assignment, stuck in Codec  
21 until after the due date has already passed. I do not  
22 understand what our -- our representatives are not looking  
23 at our orders and seeing, oh, this one's stuck. It's not  
24 moving. They are proactive -- or they need to be more

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1 proactive in what's going through.

2 One thing Mr. Nixon spoke about this  
3 morning was in regards to not being able to tell the  
4 difference between wholesale and retail circuits. I  
5 totally disagree on that, especially on a T1 order. The  
6 circuit ID identification is different for a retail T1.  
7 The circuit ID is different. You can tell by that.  
8 Another way to tell that it's different is our name is on  
9 every order. You can tell if it's a CLEC or if it's a  
10 wholesale or a retail order. Also, our retail circuits  
11 are entered into a different system. I don't order a  
12 retail circuit through the Wisor system. It's done  
13 through the NAISP [sic] Center, which I was told when I  
14 first started placing orders through them, didn't process  
15 orders. We had to get that fixed and train them that,  
16 yeah, you do process these orders. Please get our orders  
17 provisioned. They didn't even provision our orders for  
18 probably about three weeks, and we had to get our service  
19 manager involved to tell them, yes, this is your job to  
20 process these orders.

21 One thing that our field techs -- I work  
22 very closely also with our field techs getting the  
23 circuits installed. And they are also installing new,  
24 what's called NIDs, network interface devices. They're

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1 new and they have -- they're different, and they don't  
2 react well with our ADSL service. So in working with  
3 dispatch, I now, on every order that I place on a two-wire  
4 circuit for ADSL service, I have to say, "If you're using  
5 a new NID, please remove this little device that's on  
6 there, because it interferes with our ability to provide  
7 the service."

8 I had a trouble ticket opened in order  
9 to have bridge taps removed. Those interfere with our  
10 service, and it was not within spec. They have -- they're  
11 allowed bridge taps on a certain distance, but after that  
12 they have to remove them. FairPoint asked our customer if  
13 they were going to pay to have those bridge taps removed.  
14 The customer said no, they closed our trouble ticket. We  
15 had to open up another trouble ticket to say bring the  
16 circuit into spec and remove the bridge taps.

17 They shouldn't be talking to our  
18 customers about money, first of all. Second of all, they  
19 shouldn't ask if they're going to be paying for the  
20 repair. We are the customer. They are our customer. So  
21 as far as I'm concerned, FairPoint is our provider and we  
22 are their customer. And we need to be treated as just  
23 that and converse only with us. They shouldn't have any  
24 interaction unless they need access from our customer.

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1                   We have had some customers -- I had a  
2                   customer that ported, and 15 minutes -- this was a school  
3                   district -- 15 minutes prior to the port, FairPoint pulled  
4                   the translation. They had no dial tone. We were lucky  
5                   school was not in session. If school was in session, the  
6                   school would have had to have had an emergency evacuation,  
7                   and the children would have been sent home. I was told at  
8                   any point during eight to five on the date of the port  
9                   they can pull the translations, as long as they have proof  
10                  that they've ported. If they had looked at NPAC, they  
11                  would have seen that that customer was still pending. We  
12                  had not taken them yet. My field tech was there 15  
13                  minutes prior to the port, and we scrambled to hurry up  
14                  and get them ported. The voice vendor finally showed up,  
15                  and we got them ported while I was trying to get their  
16                  service restored through FairPoint.

17                  We've had two instances where we've  
18                  ported from FairPoint and they haven't removed the  
19                  translation the following day, which ends with up  
20                  intermittent calls. The calls will sometimes go through,  
21                  and sometimes they won't go through; so then we have to  
22                  open up trouble tickets in order to get the translations  
23                  removed.

24                  This is what I deal with on a daily

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1 basis. We order circuits, and we know that we're not --  
2 they're not going to be installed on time. We are having  
3 to try to escalate orders. There's no place to go. We  
4 can't do it through phones. We don't have everybody's  
5 contact information. On the escalation list, they had a  
6 typo. The local number, portability number, was actually  
7 the trouble ticket number. They didn't have the right  
8 information. We didn't get that -- I don't think I even  
9 still have that number. I'll have to check to see if  
10 that's been updated.

11 Phone numbers are -- excuse me. Voice  
12 mails are not being returned. They tell you they'll call  
13 you back, and they don't. I don't feel that they're  
14 taking this seriously. They keep telling us to be  
15 patient.

16 At the beginning of the cutover, we had  
17 two daily calls, five days a week of conference calls.  
18 Then it went to one time a week, and now it's two days a  
19 week for an hour and a half. But we're still getting the  
20 same information. They requested that they shorten the  
21 conference calls so they could get some work done. I have  
22 not seen a significant enough change in the systems or in  
23 any of their escalations, because everything is still  
24 sitting there. They have a priority list. The orders

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1 still aren't moving.

2 You know, I have directory listings now  
3 that I have to scramble to get them in. And I hope that I  
4 haven't missed the book. That wasn't even addressed until  
5 someone else brought it up. It's like we are -- we keep  
6 pushing on a daily, on a bi-weekly, what about this, what  
7 about this. And then they're getting angry 'cause we're  
8 starting to get angry.

9 We need some resolution. We need them  
10 to start being accountable. And I don't know what changes  
11 need to be made. But we're at their mercy, and it's not a  
12 comfortable position where I like to be. Thank you very  
13 much.

14 CHAIRMAN GETZ: Thank you, Ms. Chase.  
15 Can I ask for you to follow up?

16 MS. CHASE: Oh, certainly. I'm sorry.

17 CHAIRMAN GETZ: I'm not sure I  
18 understand the directory-assistance issues. I think this  
19 is the first I've heard of this particular issue.

20 So when you get a new customer who gets  
21 a new phone number and you're relaying that through  
22 FairPoint to go on a directory listing, then that's not  
23 getting through is your experience?

24 MS. CHASE: It's flowing through the

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1 system perfectly. I get to bill and completion. We're  
2 never notified. It's not until I physically call 411 and  
3 asked for that listing that I was told there's no listing.  
4 I called -- we had a move order. We had to -- I had to  
5 move a directory listing. That customer is still listed  
6 at their old address. Migrate orders -- so it's not just  
7 new. It's not just moves. It's also migrate. When we're  
8 migrating them from another CLEC to us that we've ported,  
9 those migrate orders are not being done. It's not  
10 floating through to Idearc. It's not updating to their  
11 system or adding them or changing them or migrating them  
12 into their system.

13 Also, one other point that was brought  
14 to my attention is that we also ordered a co-location in  
15 November, and it was due March 16th. We were just told  
16 last week that the work hasn't even been started. They  
17 were told that -- they're blaming it on the system, and  
18 they're not giving us a new due date. You know, in order  
19 to serve our customers, we're trying to do our business.  
20 We can't do that if we cannot -- if we're not told, first  
21 of all, in a timely manner that there is a problem. Now  
22 we're being told, you know, that March 6th -- from  
23 November to March 6th is quite a distance amount of time.  
24 And now we're told they're blaming it on the system, that

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1 it got lost in the system. So, I don't know.

2 CHAIRMAN GETZ: Thank you.

3 MS. CHASE: Any other questions?

4 CHAIRMAN GETZ: Thank you.

5 MS. CHASE: Thank you.

6 CHAIRMAN GETZ: Though I would like  
7 to -- I don't want to lose track. There's a lot of  
8 information, a lot of issues to follow up on. But rather  
9 than waiting on this particular issue of directory  
10 listing, can somebody address that right now, about what  
11 the status is?

12 MR. GULLETT: I don't have facts with  
13 me. The Idearc we're using as our directory listing  
14 publisher, I believe those batches are going over the Volt  
15 Delta who we use as our 411 directory-assistance partner.  
16 I do know that batches have gone to them. I would need to  
17 look at specifics to see what is missing. I don't know  
18 that I've heard this one before, either.

19 CHAIRMAN GETZ: Okay. Well, I guess I'd  
20 just ask Staff to follow up on that and make sure everyone  
21 is aware.

22 MR. GULLETT: I could do some research  
23 and --

24 CHAIRMAN GETZ: And if you could just

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1 give your name for the record.

2 MR. GULLETT: Brandon Gullett.

3 CHAIRMAN GETZ: Okay. Thank you.

4 MS. BRAGDON: I think I'm next on the  
5 CLEC list. Trina Bragdon for CRC Communications. And  
6 with me today are Rob Sousa, vice-president of operations,  
7 and Carol Grover, manager, project manager. I guess I  
8 would like to sort of make three major points in how we're  
9 looking at this situation.

10 Highest priority: The systems need to  
11 get fixed. And we understand people are working hard on  
12 that. But that ultimately is the way to help the big  
13 picture, because once the systems are fixed and things  
14 flow, it means less human intervention and workarounds,  
15 which makes it easier for all sides.

16 The second big issue is, you know, even  
17 when the systems are working, we have concerns based on  
18 what has happened about the ability of FairPoint to run  
19 those systems. It's been pretty clear that the personnel  
20 were not adequately trained. We're two months in, and  
21 we're still getting people who can't answer basic  
22 questions -- in part, because some of those people are  
23 temporary employees. But they're the people that we have  
24 to interact with. And we understand that FairPoint

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1 personnel are overworked and overwhelmed at this point.  
2 But so are we. And we need to find a process and a way to  
3 move forward.

4 And at the big-picture level, there  
5 needs to be some big-picture management in this situation  
6 and some accountability to the Commissions, to  
7 customers -- and that includes the wholesale customers.  
8 We completely agree with Staff and Liberty and the other  
9 CLECs, that waiting until June 30th for business as usual  
10 is not acceptable. We need to start moving forward as  
11 fast as we can. And I'm going to try not to repeat what  
12 other CLECs have said, because we agree with everything  
13 that we've heard today.

14 I would note that we -- and I can have  
15 Carol speak in detail. But we have had significant issues  
16 with directory listings. And we are very concerned about  
17 what's going to end up in phone books. Would you like  
18 some specifics on that?

19 CHAIRMAN GETZ: That would be helpful to  
20 get a little more definition of that issue, I think.

21 MS. GROVER: What happens is when a CLEC  
22 submits an order, no matter how we get the order or what  
23 type of order it is, we're requesting a directory listing  
24 to be inserted, and we do that via FairPoint. And they

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1 take that information, and they send it off in two  
2 different directions: One to Idearc, who is the publisher  
3 of phone books for the three states; and the other place  
4 it goes is to Volt, which is the directory-assistance  
5 database. Not only have we had issues getting directory  
6 listings into the system and getting correct responses,  
7 what we also know is that it's not making it to directory  
8 assistance, because we obviously get -- not only do we  
9 test, but we get customer complaints saying, you know, you  
10 put my listing in and I'm not in directory assistance. We  
11 also have serious concerns about what Idearc has for data,  
12 as there are two big books. I don't do business in  
13 Vermont, so I can't talk about Vermont. But in Maine and  
14 New Hampshire, two big books are coming up for  
15 publication. And we have serious concerns about what  
16 information will be in the books and what information will  
17 actually be there. Is it old information? Has our new  
18 information been updated? And I'll be honest with you.  
19 As a CLEC, the community really does mostly business  
20 customers. These business customers in today's economy  
21 are not going to put up with not making it to the books.  
22 So I think that FairPoint is trying. I think that  
23 Capgemini is trying. But honestly -- and I don't know if  
24 the Commissions have any ruling over this. But the Idearc

1 books' publishing dates, those need to be seriously  
2 addressed before books are allowed to be published.

3 CHAIRMAN GETZ: Thank you.

4 MS. BRAGDON: There's been discussion  
5 today about flow-through, flowing through the system. And  
6 I will just give you some statistics for CRC. And when we  
7 talk about flow-through, we mean as defined by Liberty in  
8 its report, as an order that should flow through  
9 electronically without manual touching.

10 For new loops, we're at 18.4 percent for  
11 flow-through. So that means 21.6 percent aren't flowing  
12 through, are requiring us to take extra steps, extra  
13 resources to manage that situation and push it through  
14 FairPoint. Our resale flow-through is at 20 percent. Our  
15 Tls are at 3.7 percent. We've had 1 out of 27 Tls go  
16 through.

17 We agree -- One had some comments  
18 earlier regarding the firm order commitment dates and the  
19 issues with that. Again, we have the same problem with  
20 waiting a very long time to get a firm order commitment,  
21 and then oftentimes it comes and goes without actually  
22 being met.

23 Billing issues I'd like to bring to your  
24 attention. We haven't been paid for inter-carrier

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1 compensation since January 22nd. That's a concern to us.  
2 We should have been paid by, you know, a cycle. At least  
3 one cycle. And we're escalating this. We're using the  
4 dispute process. But I just want to bring that to your  
5 attention.

6 You know, there have been some comments  
7 made earlier that there's this reference to complex  
8 orders. I can tell you that most of our orders that are  
9 stuck and that have been stuck since February are for  
10 basic loops, basic POTS, not anything super fancy. And so  
11 I don't want you to have the impression that we're putting  
12 in all these crazy, special orders and that's what's  
13 holding things up. These are basic loops that should be  
14 provisioned. And they go back to February.

15 In terms of the FairPoint personnel, we  
16 would agree with the comments about the SPOC process. It  
17 really is difficult to interact with your single point of  
18 contact when they don't have a phone number. And that  
19 apparently continues to be the situation and has been the  
20 situation for the last month or so.

21 You know, we still, on a daily basis, we  
22 send a spreadsheet to FairPoint on the numbers that need  
23 to be ported, literally telling them this number needs to  
24 be ported, this is what has to happen. Sort of setting up

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1 every specific step. That's a basic telephone company  
2 function, being able to port numbers. And it takes a lot  
3 of our time and resources to prepare that spreadsheet.

4 With regard to the backlog -- and  
5 unfortunately, the longer this goes on, the backlog gets  
6 bigger. And we're very concerned about coming up with a  
7 systematic approach for clearing that backlog, 'cause it  
8 is only going to get bigger. And, you know, there's been  
9 rumblings that now maybe we should cancel a bunch of those  
10 older orders and try them again, resubmit them. We're  
11 open to that, but we need to have some clear communication  
12 on that, because we obviously don't want to put ourselves  
13 in an even worse -- or our customers in an even worse  
14 position.

15 Sorry. I'm just trying not to repeat  
16 here.

17 We have had trouble with a hot-cut  
18 process. And that, unfortunately, when it doesn't go  
19 right, leaves customers with no dial tone. It's a  
20 significant customer impact. And that appears to be,  
21 again, a process where FairPoint's going ahead and doing  
22 it, but not following the process of us interacting. So  
23 we don't know that it's happened, and so the hot cut isn't  
24 so hot anymore. It's a disconnect.

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1                   Turning to, in terms of where we're  
2 going to go from here. I would, again, just urge that  
3 there not be an acceptance of this June 30th business as  
4 usual; that you, the Commission, push hard to push that  
5 along.

6                   In terms of, you know, what you, the  
7 Commission, can do, I know that in the stabilization plan  
8 FairPoint proposes metrics. And I would just ask that you  
9 and your staff and Liberty look at those carefully. To  
10 me, it would be important for them to report on meaningful  
11 metrics or guidelines and have that data available to us  
12 so that we then can provide to you what our experience is,  
13 so you're looking at apples to apples and can really  
14 assess the situation, because if FairPoint thinks a  
15 hundred percent is going through and we think zero is  
16 going through, something's not meshing there. And the  
17 second thing would be working on that backlog, coming up  
18 with a plan for working through the backlog.

19                   And finally, we would encourage you to  
20 keep a close eye on the financial and billing situation.  
21 We're all interconnected, and we're all in this together  
22 at this point. And I would say that it's very important  
23 that we understand the importance of FairPoint's financial  
24 situation, and we ask you to keep a close eye.

1                   And finally, just to give you a feel for  
2                   the impact this is having on our business, as well as our  
3                   sister company in mid-Maine, we have a total of \$50,000 in  
4                   monthly recurring revenue that we are not getting because  
5                   of orders that have not been provisioned because of this  
6                   cutover. So that's real money to our bottom line that's  
7                   not coming in the door because those orders are held back.

8                   We thank you for the opportunity to  
9                   speak. We're glad to answer any questions.

10                   CHAIRMAN GETZ: Okay. Thank you. I  
11                   hesitate, Ms. Bragdon, to put you on the spot, but it  
12                   looks like I'm going to do it nonetheless.

13                   I know you've been very familiar with  
14                   these issues, both as a regulator and now as a CLEC. And  
15                   I'm interested in if you have an opinion on whether  
16                   business as usual is achievable by the end of the second  
17                   quarter. Now, you've indicated that you would like to see  
18                   us push them to do better than that. But based on what  
19                   you've been seeing, what you've heard today, what's -- can  
20                   you share an opinion with us on whether you think it is  
21                   achievable and whether a quicker date is achievable?

22                   MS. BRAGDON: Well, I think it is  
23                   achievable, but it requires a real marshaling of resources  
24                   and a clear path forward. And I keep -- I've used the

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1 word over and over internally, "systematic approach."  
2 That's what I feel is missing, especially with regard to  
3 the backlog of orders at this point, a systematic approach  
4 for getting them done. I liked One's idea of each CLEC  
5 comes up with their 10 priority orders or -- you know, in  
6 terms of moving forward. If in fact we're supposed to  
7 cancel our old orders and resubmit, okay. You know, if we  
8 could all agree on a systematic approach to doing so,  
9 combine it with some manual workarounds for things that  
10 are really stuck, then everybody's on the same page,  
11 everybody can move forward. Right now, it really does  
12 feel -- everybody's used the word "reactionary." And I  
13 can understand in FairPoint they're getting inundated.  
14 It's coming from every direction. And we can feel that.  
15 We can feel their frustration with getting it from all  
16 sides.

17 Is it achievable? I hope it's  
18 achievable. It's important to all of our businesses that  
19 it is achievable.

20 CHAIRMAN GETZ: Thank you.

21 Okay. Mr. Katz.

22 MR. KATZ: I'm Jeremy Katz. I'm the CEO  
23 of segTel. And with me is Kath Mulholland, who's sitting  
24 in the former regulator's of my association section of the

1 room.

2 I'm going to keep my comments very  
3 brief, in part because I think the first four CLECs have  
4 essentially described our experience. We concur with  
5 them. To the extent that you're interested in any  
6 statement of harm or impact or damage that we've  
7 specifically experienced, I'm glad to give it. But  
8 suffice to say, the experience that the CLECs have had is  
9 pretty standard across the board.

10 And simply, I just wanted to give a  
11 general statement, which was segTel's experience, because  
12 when FairPoint entered into the state, our impression from  
13 FairPoint was that they wanted to be like the Bell  
14 operating company that we were used to, only better,  
15 because they actually wanted to be here and they actually  
16 wanted to serve customers and embrace the wholesale  
17 markets. Our response was, substantially, that we'd be  
18 happy with just doing the same functions as we were  
19 getting from Verizon. And in fact, we were party to a  
20 CLEC settlement agreement with FairPoint, where, by and  
21 large, the agreement was simply an agreement to maintain  
22 the status quo that we had at the time of the transaction.

23 Over the past couple months, 1.25  
24 million people haven't suddenly appeared in New Hampshire.

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1 Two dozen CLECs haven't magically sprung up -- all the  
2 CLECs, by the way, happen to have working OSS and billing  
3 systems. And the hundreds of operating systems that  
4 contribute to the complexity described here didn't appear  
5 out of nowhere either. There's no ambush and no surprise.  
6 All of these things were known about, that this was going  
7 to be a complex transfer was described. And my  
8 recollection from the hearings was that FairPoint and  
9 Capgemini said they were up to the challenge. So now,  
10 here we are. And substantially segTel's greatest worry is  
11 that FairPoint at this point is going to be found to be so  
12 weakened and unresponsive, unwilling or anti-competitive,  
13 that we're just going to be in a situation where we  
14 capitulate and just decide to accept really poor results  
15 rather than no results at all.

16 So, over the course of the  
17 investigation, we'd hope that when setting the bar of  
18 what's expected from FairPoint, really the way that  
19 they're going to be judged is, what would we think of  
20 these things happening had Verizon done them, had Verizon  
21 never left, and can we make sure that we get the same  
22 results as we had before and be at parity with where we  
23 were two years ago. Thank you.

24 CHAIRMAN GETZ: Thank you, Mr. Katz.

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1 Other CLECs?

2 MR. WHITE: I'm James White from  
3 Comcast. We really don't have anything to add. We've  
4 listened to -- CLECs explained a lot of the technical  
5 issues, and we just don't have anything to add.

6 CHAIRMAN GETZ: Okay. Thank you.

7 Anyone else? Well, for the purpose -- I  
8 have you down, Mr. Susnock. But are there -- you're not  
9 technically a CLEC, are you?

10 MR. SUSNOCK: I'm an intervenor in the  
11 case.

12 CHAIRMAN GETZ: Okay. I just wanted to  
13 make sure we get through all the CLECs. And it appears  
14 that that's the case, so please come up.

15 MR. SUSNOCK: Good afternoon, Mr.  
16 Chairman and Commissioners. My name is Brian Susnock, and  
17 I am the president and COO of the Destek Group, a  
18 networking services company located in Nashua, New  
19 Hampshire. The Destek Group is a unique company, in that  
20 we are not a carrier, a CLEC, or what is typically  
21 considered an ISP. We do provide Internet access, but we  
22 do it in the context of building wide-area networks,  
23 private wide-area networks. Unlike LECs and CLECs, Destek  
24 leases circuits, the ones we use to build networks, at

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1 retail cost from Verizon, and now FairPoint. In effect,  
2 FairPoint is now our supplier of network components and  
3 raw materials to build the wide-area network to deliver  
4 Internet access to rural schools in New Hampshire. We  
5 have no choice but to rely on FairPoint. If the Destek  
6 Group is to survive and succeed, it is essential that the  
7 processes of ordering and installing circuits are  
8 conducted in a reliable and timely manner. After the  
9 circuits are installed, billing is the most critical  
10 aspect of our business. Problems with any of these  
11 processes result in significant losses of time and money  
12 and sometimes customers. The effects of mistakes in my  
13 case are even more significant, since Destek is a very  
14 small company -- only three of us. When processes work,  
15 both Destek and FairPoint have satisfied customers, we  
16 generate revenue, and our companies can grow.  
17 Unfortunately, these critical processes are not working  
18 properly. And because of fundamental problems and  
19 limitations, I believe they never will.

20 Recently, I was allowed to speak here at  
21 the PUC in the hearing that reviewed the CLECs  
22 order-process system. I said then that in the 13 years of  
23 running Destek, we have never suffered through as many  
24 problems and outages as we have since FairPoint came on

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1 the scene. My speech was disturbing. And you, Mr.  
2 Chairman, asked Mr. Nixon to see that any issues Destek  
3 had were addressed. I appreciated your effort and your  
4 attempt to help us. But nothing has really been resolved.  
5 In fact, the situation has grown far worse.

6 FairPoint did send people to work out  
7 our issues. But they revealed that they were more  
8 interested in putting Destek out of business than solving  
9 my problems. On December 10th, the New Hampshire director  
10 of sales came to my office and told me that it was okay  
11 for their sales and marketing people to sell futures -- to  
12 basically misrepresent FairPoint's plans and capabilities.  
13 He went on to tell me that Destek doesn't own our  
14 customers and that FairPoint salespeople would be actively  
15 marketing and selling against Destek. Ironically, he was  
16 true to his word in this case. FairPoint has gone on to  
17 tell our mutual customers -- all my customers are their  
18 customers because I use their fabric -- that they will  
19 soon be able to replace their networks -- the networks  
20 that Destek has built -- with DSL and MPLS. Neither  
21 technology can effectively replace the circuits that we  
22 have in place, and some of them have been there for 14  
23 years. You can't reach it with DSL. And MPLS is so far  
24 off the calendar right now, it's silly to even bring it

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1 up.

2 The misrepresentations do no one any  
3 good. They simply create confusion and are unfair to our  
4 customers who rely on us to be honest and to help them in  
5 satisfying their network requirements. As you might  
6 expect, I am very upset with the prospect of Destek being  
7 forced out of business after investing 13 years of my  
8 life.

9 Because of FairPoint's attitude towards  
10 Destek, I have taken a closer look at what has been done  
11 to us. I have looked into the company history and  
12 discovered that it was founded only eight years ago.  
13 Destek's been around for 15. And it appears that it has  
14 never really operated a telephone company. FairPoint  
15 appears to be some sort of holding company. For eight  
16 years they have focused on buying and selling a large  
17 number of small phone companies.

18 When Verizon left us holding the bag,  
19 Destek had finally settled a three-year-old billing error.  
20 Since FairPoint started, every bill but one has been wrong  
21 from the start.

22 Without competency in every aspect of  
23 operating the telecom company, including top management,  
24 the issues will only grow. Outsourcing consultants and

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1 auto dialers will never come together into an effective  
2 company.

3 So where do we go from here? I strongly  
4 suggest that we get beyond denial and band-aids and start  
5 working to replace FairPoint with a company that is  
6 interested in and competent with running a business that  
7 provides what is an essential service for the people of  
8 New Hampshire.

9 I would like to point out that if the  
10 people in Verizon who stayed behind weren't there, I'd be  
11 out of business now. The union techs and the specialists  
12 that remain know what they're doing, and they've helped me  
13 survive. But if they hadn't been there -- and there are  
14 only few of them, and they're being taxed incredibly.  
15 They're very good people. And we had some really bad  
16 times at first, and they helped us get through it.

17 Thank you for your time and your  
18 attention.

19 CHAIRMAN GETZ: Thank you, Mr. Susnock.  
20 And Mr. Brackett?

21 MR. BRACKETT: Good afternoon,  
22 Commissioner Getz -- Chairman Getz and Commissioner Below  
23 and Commissioner Morrison. My name is Glenn Brackett.  
24 I'm the business manager of the International Brotherhood



1 of Electrical Workers. Along with my brother of the CWA,  
2 we were intervenors in this case as it first began. I've  
3 been a telephone man for more than 30 years. In my  
4 present capacity, I am the union representative for over a  
5 thousand telephone workers here in New Hampshire that work  
6 for FairPoint.

7 We're not just telephone workers. We  
8 are ratepayers. We are taxpayers. We coach Little  
9 League. We're scout masters. We serve our communities in  
10 many capacities. We are consumers as well as telephone  
11 workers. We're your friends and neighbors. But I come  
12 here today not to speak on just behalf of the union  
13 workers. I speak today for all FairPoint employees, all  
14 FairPoint employees in New Hampshire. I speak for the  
15 entire work force at large. We, both union and local  
16 management alike, are committed to providing outstanding  
17 customer service here in New Hampshire. We will do  
18 everything in our power to resolve all issues that need to  
19 be resolved. The workers of FairPoint make this  
20 commitment to all of our existing and future customers.  
21 We do appreciate the patience shown by many, and we expect  
22 things to improve quickly in the future. During these  
23 times of economic, worldwide turbulence, we believe that  
24 this issue is going to get better, and you have our

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1 commitment that we will work to make it so. Thank you for  
2 your time.

3 CHAIRMAN GETZ: Thank you, Mr. Brackett.  
4 Sir?

5 MR. TREMENTOZZI: I represent CWA.

6 CHAIRMAN GETZ: Please come forward.

7 MR. TREMENTOZZI: My name's Don  
8 Trementozzi. I'm president of Local 1400, and we  
9 represent the members in Maine, New Hampshire and Vermont,  
10 former Verizon members. I wasn't going to speak, but I  
11 need to just say a couple things from observation.

12 The workers that we have in place here  
13 at FairPoint were former Verizon -- most of them Verizon  
14 workers, and mostly senior workers, because most of the  
15 hiring was done when Verizon was out of Massachusetts.  
16 We're very highly skilled in an expert field. You know,  
17 just as far as our corporation, a year ago we were opposed  
18 to the sale, as most people know in this room. But since  
19 FairPoint bought the company -- you guys felt they should  
20 have the -- you know, represent the landlines in New  
21 Hampshire -- we've worked with the company. And we've  
22 worked side-by-side. And over the cutover period, we knew  
23 it was going to be very difficult. We compared this  
24 cutover to Hawaii Telecom, which is not doing well -- in

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1 fact, filed bankruptcy.

2 Our members have gone outside the  
3 contract and worked more than 10 hours of mandatory  
4 overtime per week. In fact, they're working 17-1/2 hours  
5 mandatory overtime. They're working, on top of that, two  
6 hours, in some cases three hours of additional overtime --  
7 you know, not taking the phone calls -- but backlog of  
8 support to get these orders to flow through.

9 The problem I see -- and I know  
10 management's working hard trying to -- you know,  
11 everybody's working hard trying to fix these problems. I  
12 don't think it's the workers. I think it's the systems.  
13 I mean, we can't -- you know, I heard the gentleman  
14 earlier today say, well, you know, the people sound like  
15 morons or they don't know what they're doing. Well,  
16 that's not true. I mean, like I said, we're experts. The  
17 problem is if you look at -- you get a phone call and  
18 there's no system to look at or there's no flow-through  
19 and you can't -- you don't know where it's going, it's  
20 kind of out of our hands. So we're kind of at the mercy,  
21 'cause we all need to, you know, succeed in business. Our  
22 constituents depend on it. The neighborhoods depend on  
23 it. Everybody depends on it. The economy depends on it.  
24 The workers depend on it. But we need these systems

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1 fixed.

2 I don't think Capgemini's done a great  
3 job with the systems. I think when you take 600 Verizon  
4 systems and convert them to 60 systems, roughly, that's a  
5 problem; that's a 600-percent decrease in systems. I  
6 think there's got to be a serious look at the systems  
7 themselves. They're not flowing through. Simple orders  
8 are just not making it through the system. And I think  
9 that's really where the focus needs to be. And also, we  
10 need to do everything in our powers to make this company  
11 succeed. Thank you.

12 CHAIRMAN GETZ: Mr. Tremontozzi, sir?  
13 Follow-up, please?

14 CMSR. BELOW: Could I ask you a  
15 question?

16 MR. TREMONTOSZI: Sure.

17 CMSR. BELOW: You referenced the amount  
18 of overtime that your members are putting in. How do you  
19 think that's affecting morale and performance?

20 A. Well, you know, I personally put a joint letter with  
21 management, you know, partnering up, you know, with the  
22 company. Our members know that this -- their future  
23 depends on it as well. I mean, if this company is not  
24 successful -- so I would say morale is pretty good. I

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1 would say that we're getting tired. I would say that,  
2 you know, June 30th is too far away. We need to do  
3 everything in our powers to fix this problem, whatever  
4 it is, quickly. And it's out of our members' hands,  
5 really.

6 CMSR. BELOW: Thank you.

7 MR. TREMENTOZZI: Thank you.

8 CHAIRMAN GETZ: Thank you.

9 Any other parties or members of the  
10 public that would like to speak?

11 MS. MILLER: Good afternoon. I'm Carol  
12 Miller, the president of the New Hampshire ISP  
13 Association. And I really wasn't going to speak, but I  
14 was glad to hear that everything is a lot better than I  
15 thought it was when I walked through the door, because  
16 CLECs are getting a few orders in, a few orders are  
17 flowing for FairPoint. But I have not had one single  
18 order flow since the end of January. So I'm glad to hear  
19 things are much better. I hope that we can address these  
20 problems and get this fixed before our economic base,  
21 especially in the North Country, comes to a crashing halt.  
22 We need our broadband, we need our circuits, and we need  
23 customer service, and we need to have all of those as soon  
24 as possible. Thank you.

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1 CHAIRMAN GETZ: Thank you, Ms. Miller.

2 Is there anyone else? Ms. Hatfield?

3 MS. HATFIELD: Thank you, Mr. Chairman.

4 If you'll indulge me, I just wanted to add one additional  
5 piece, or two pieces of information that I would urge the  
6 Commission to get more information on.

7 In his earlier presentation, Mr. Nixon  
8 discussed a strategic assessment consultant that they were  
9 planning to hire, as well as another company. I didn't  
10 get -- my notes aren't legible. If the Commission would  
11 get more specific information that would be available to  
12 the parties on sort of the scope of work that those  
13 companies are going to do and what the outputs would be,  
14 that would be very helpful. Thank you very much.

15 CHAIRMAN GETZ: Okay. Thank you. I'm  
16 having the same problem you are. My notes are becoming  
17 illegible, and I don't want to forget any of these issues.  
18 Was that something, Ms. Hatfield, you are suggesting we  
19 get a response to today or some other time or --

20 MR. HATFIELD: Whatever is the  
21 Commission's pleasure.

22 CHAIRMAN GETZ: Because I'm thinking at  
23 this point -- how are you doing? -- may be a good time for  
24 a brief recess.

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1                   I take it, Mr. Nixon, that there are a  
2                   number of issues you would like to address, in addition to  
3                   the several that we've pointed out to you?

4                   MR. NIXON: We would like to address  
5                   several of the items that were brought up today,  
6                   certainly.

7                   CHAIRMAN GETZ: Okay. And I note  
8                   Commissioner Morrison has some questions and --

9                   MR. BLACK: Mr. Black, William Black,  
10                  Public Advocate Office, Maine.

11                  CHAIRMAN GETZ: Yes?

12                  MR. BLACK: May I just approach and just  
13                  say a few words?

14                  CHAIRMAN GETZ: Sure.

15                  MR. BLACK: Thank you for letting us  
16                  speak. We're active, as you know, in Maine on this issue.  
17                  I have one simple message I think for the Commission, and  
18                  that is: I think that you -- more than any other utility  
19                  issue I'm aware of now, you need to step in and observe  
20                  what's happening with FairPoint's management.

21                  I'd like to comment just in short on  
22                  Pages 10 and 11 of the FairPoint post-cutover status  
23                  report in which -- actually, on Page 12, Liberty says that  
24                  there's currently a lack of unified senior executive

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1 leadership at FairPoint to guide the planning and  
2 execution of unstructured program actions to expedite the  
3 return to business as usual. That's quite a condemnation,  
4 I think. They're saying they're not sure that management  
5 can do it. And I think that you're facing a situation  
6 that's much like an ice storm, except in the  
7 telecommunications area. If this company cannot  
8 provision, if this company cannot get names into the phone  
9 book and all the small things we've been hearing about  
10 today, it's going to not be good for the  
11 telecommunications systems here in the northeast.  
12 Therefore, I urge you to concentrate on what the comments  
13 are that have been made by -- on Pages 10, 11 and 12 by  
14 Liberty Consulting. And I emphasize that you and the  
15 Maine Commission have to, I think, be very active in  
16 overseeing, probably in a much more micromanaging way than  
17 ever before, what's going on with this telecommunications  
18 provider. Thank you.

19 CHAIRMAN GETZ: Thank you, Mr. Black.

20 Okay. Let's take a brief recess, and  
21 we'll resume at 4:00. Thank you, everyone.

22 (Brief recess taken.)

23 CHAIRMAN GETZ: Okay. We're back on the  
24 record. And I guess before we turn to the company or Mr.

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1 Nixon again, Commissioner Morrison has some questions.

2 CMSR. MORRISON: Good afternoon,  
3 everyone. I realize it's late in the day and I'm probably  
4 going to make it longer.

5 Mr. Nixon, as far as I know your  
6 background, you have never run for an elected office, and  
7 probably in the future you won't. So when I come back to  
8 you during questioning from time to time, let's be really  
9 candid and not like we're politicians.

10 MR. NIXON: Yes, sir.

11 CMSR. MORRISON: And before I go on, I  
12 want to state for the record, because people may be  
13 confused perhaps, I'm the single commissioner in all three  
14 of the states who voted against this merger, this  
15 acquisition. With that said, I have heard everybody in  
16 this room take a baseball bat to Mr. Nixon and to  
17 FairPoint. I learned to shoot a gun when I was a child.  
18 You aim, you know what you're aiming at, and then you  
19 fire. A lot of people in this room, I don't think they  
20 really understand what they're aiming at.

21 Mr. Burger, if you had to give Capgemini  
22 a grade for this effort, what would you give them?

23 MR. BURGER: Probably break the grade  
24 down.

1 CMSR. MORRISON: Give me an overall  
2 grade. Give me a GPA average.

3 MR. BURGER: B.

4 CMSR. MORRISON: If I had children, I'd  
5 want them in your class. You're very kind.

6 I understand by looking at your Web  
7 site, you say that telecom is one of the specialties that  
8 Capgemini has. If I go down through telecom, there's a  
9 section that says "Success Stories." I don't see this  
10 listed under Success Stories. Why is that, if you're  
11 giving it a B?

12 MR. BURGER: We work with probably  
13 15,000 different companies and probably have 30 success  
14 stories on the Web site for various reasons.

15 CMSR. MORRISON: Will FairPoint be one  
16 of the success stories?

17 MR. BURGER: I don't know. Time will  
18 tell.

19 CMSR. MORRISON: Prior to undertaking  
20 this endeavor, were you aware of the Verizon sale of the  
21 lines in Hawaii?

22 MR. BURGER: Yes, sir.

23 CMSR. MORRISON: Did you do an analysis  
24 of the failure there?

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1                   MR. BURGER: Other than through public  
2 information, no. I knew the people in Hawaii -- we did  
3 talk a lot to the -- we were involved in the initial  
4 bidding on the Hawaii contract. So we were aware of that  
5 situation. I wasn't privy to any information that anybody  
6 else wasn't.

7                   CMSR. MORRISON: So it could be said  
8 that if you did your diligence properly, a lot of these  
9 problems would have been avoided or short-circuited  
10 because you would have been forearmed and aware of the  
11 problems that have been faced in Hawaii. Is that a fair  
12 statement?

13                   MR. BURGER: To a degree, yes.

14                   CMSR. MORRISON: Still a B?

15                   MR. BURGER: Yes.

16                   CMSR. MORRISON: Mr. King.

17                   MR. KING: Yes.

18                   CMSR. MORRISON: I read your Liberty  
19 reports, pre and post. Give me your grade for Liberty.

20                   MR. KING: I would say maybe a C plus.

21                   CMSR. MORRISON: I'd send my children to  
22 your class as well.

23                   Prior to this endeavor, were you aware  
24 of the Hawaii sale of lines?

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1 MR. KING: Yes.

2 CMSR. MORRISON: Did you do an analysis  
3 of what the failure was there?

4 MR. KING: We had people working with us  
5 who had experience with that failure. So, yes, we did an  
6 analysis.

7 CMSR. MORRISON: They gave you good  
8 intel, you think?

9 MR. KING: Yes, I believe so.

10 CMSR. MORRISON: Is it fair to say that  
11 in your pre-recommendation to this Commission, that  
12 Liberty felt everything was at least on a par for success?

13 MR. KING: I'm sorry. You mean par on  
14 success with --

15 CMSR. MORRISON: No, par for success.  
16 You stated that -- One Communications requested additional  
17 time. They thought additional staff should be brought on,  
18 that training should be complete. Liberty felt that -- or  
19 recommended that cutover go forward, because you felt One  
20 Communications -- their position was maybe not fair.

21 MR. KING: I would say that based on the  
22 information that was provided to us, and based on the  
23 things that we explicitly observed, FairPoint had shown  
24 the capability to be able to have a successful cutover,

1 with the expectation that there would certainly be some  
2 problems. The thing that has been very surprising to us  
3 is things that we saw working prior to cutover are not  
4 working now.

5 CMSR. MORRISON: Okay. Then, would you,  
6 for everyone here, rate Capgemini. What grade would you  
7 give them? Now, be honest. You're not running for  
8 political office.

9 MR. KING: Again, I understand why Mr.  
10 Burger was talking about the need to be thinking about  
11 different aspects. But I think overall I would say a C.  
12 I think they did a lot of things very well. A lot of  
13 things, as we have said in our most recent report, we have  
14 concerns about whether they didn't do well.

15 CMSR. MORRISON: I think that's a kind,  
16 but yet fair statement.

17 Mr. Burger, how many people were on the  
18 team that did an analysis of the cutover prior to you  
19 actually coding?

20 MR. BURGER: There was no -- how large  
21 was the team before --

22 CMSR. MORRISON: Of analysts. You have  
23 systems analysts. These systems analysts must have looked  
24 at all the Verizon systems. And maybe, perhaps they

1 didn't.

2 MR. BURGER: Absolutely not. We had no  
3 access to Verizon systems. We had no access to the  
4 employees that were going to come over and be part of  
5 FairPoint. That being said, there were about 650 people  
6 participating in this, of which probably a couple hundred  
7 actually programmed the computers.

8 CMSR. MORRISON: Mr. King, you just  
9 heard what Mr. Burger said about no one had access to  
10 Verizon. How do you feel about that?

11 MR. BURGER: To Verizon systems.

12 MR. KING: Yeah, I think he's correct  
13 as --

14 CMSR. MORRISON: No, no, I didn't ask if  
15 he was correct. I asked how do you feel about that, that  
16 they didn't have access to those Verizon systems or the  
17 people?

18 MR. KING: Well, one of the things that  
19 we have been concerned about from the beginning is whether  
20 there was sufficient information being provided by Verizon  
21 to both FairPoint and to Capgemini. Some of the things  
22 that we feel have potentially gone wrong with this  
23 transition probably result from the fact that, for  
24 example, some of the data -- not necessarily the systems,

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1 but some of the data that Verizon has provided, that  
2 Verizon, for that data, has not provided sufficient  
3 explanation to FairPoint about what the data consists of,  
4 which has prevented FairPoint from being able to migrate  
5 that data as successfully as they should have.

6 CMSR. MORRISON: The fact that that was,  
7 I'm going to be kind and say, left out of a contract  
8 between FairPoint and Verizon, you think that was a wise  
9 thing not to include?

10 MR. KING: Well, I think if I were to be  
11 trying to develop such a contract, I would have wanted to  
12 make sure that Verizon was providing a lot better  
13 information than they did, yes.

14 CMSR. MORRISON: Did you highlight that  
15 in any of your Liberty reports?

16 MR. KING: Well, one of the things that  
17 we were restricted from doing was to analyze the data on  
18 the Verizon system, on the Verizon side.

19 CMSR. MORRISON: Not what I asked. The  
20 fact that Verizon was not fully participating, did you  
21 mention that in any of your reports?

22 MR. KING: I don't recall. I'm sorry.

23 CMSR. MORRISON: I've read them.  
24 They're not there.

1 MR. KING: Okay.

2 CMSR. MORRISON: Do you feel that was a  
3 good, strong diligence process not to mention that,  
4 inasmuch as the Commission was relying upon your  
5 expertise?

6 (Audible voice from conference phone.)

7 CHAIRMAN GETZ: Cut the phones.

8 MR. KING: I think we did a reasonable  
9 job of due diligence is the answer to your question.

10 CMSR. MORRISON: It wouldn't go to a C  
11 minus?

12 MR. KING: No, I would say a C plus. I  
13 would stay with that.

14 CMSR. MORRISON: Well, considering  
15 what's happened here, listening to the CLECs, listening to  
16 Mr. Nixon, listening to everyone who's come to the  
17 microphone today, customers, and certainly the  
18 representatives of the CWA, if we took a consensus from  
19 the room, maybe we could get that down to a C minus. But  
20 we won't for now.

21 Mr. Burger, the fact you did not -- when  
22 going into this contract you knew that you were not going  
23 to have access to the Verizon information to a level of  
24 diligence appropriate to really manage this cutover

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1 properly, did you highlight that to anyone?

2 MR. BURGER: We spoke about it before we  
3 ever became fully engaged with FairPoint. It was not an  
4 option FairPoint had.

5 CMSR. MORRISON: It's not an option  
6 FairPoint had.

7 MR. BURGER: FairPoint was not given the  
8 option to get access to the Verizon systems. A way to  
9 have done this would have been to look at the Verizon  
10 systems, checked off everything and gone into the --

11 CMSR. MORRISON: Did you indicate at any  
12 time in anything written to either FairPoint or to Liberty  
13 that you thought that would be debilitating and could  
14 possibly lead to failure?

15 MR. BURGER: I have no idea.

16 CMSR. MORRISON: Mr. Nixon.

17 MR. NIXON: Sir.

18 CMSR. MORRISON: Next time you hire  
19 consultants or approve consultants, you may want to look  
20 at their diligence processes, because, frankly, I would  
21 give failing grades to both of the companies, Liberty and  
22 to Capgemini. I don't believe that FairPoint will appear  
23 on either of your Web sites under success stories. I  
24 don't think either of them are going to use this

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1 conversion as a recommendation to future customers. Do  
2 you think they're going to, Mr. Nixon?

3 MR. NIXON: As a mixed grade right now,  
4 we're doing poorly.

5 CMSR. MORRISON: Are you going to refer  
6 customers to talk to Mr. Nixon potentially so they sign on  
7 with Capgemini?

8 MR. BURGER: Time will tell.

9 CMSR. MORRISON: Time will tell. I  
10 think what we're seeing from this process is that you will  
11 neither see them on the page I'm looking at of success  
12 stories, nor do I think you're going to be overrun with  
13 recommendation calls, Mr. Nixon, because I think Capgemini  
14 has been negligent. I won't use the same term for  
15 Liberty. But their diligence process is something other  
16 than I would recommend for them to undertake in the  
17 future.

18 At this point, I hear all these problems  
19 about customer service people on the phones unable to do  
20 their job. They're unable to do their job, Mr. Burger,  
21 because your systems are failures. They can't provision  
22 because they're failures. I listen to the testimony here  
23 today, and I can see CLECs preparing to sue FairPoint for  
24 lost business. I would recommend that if Mr. Nixon has a

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1 good general counsel or outside counsel, that they might  
2 consider you for your failures. I come out of systems.  
3 What I've seen -- just the little bit I've seen, but what  
4 I've heard today and what I've heard from customers in the  
5 past, what you've done is negligent. I won't say the same  
6 for Liberty. But you were responsible for doing the work.  
7 The systems that these people were supposed to use to  
8 provision and provide customer service, their job and the  
9 cutover has failed to a great extent, and it's laid at  
10 Capgemini's feet. I don't know how many people you really  
11 had or what their experience level was. But your systems  
12 analysis -- how can you do a system analysis when you  
13 can't see the systems that the information is flowing  
14 from? I'm not sure exactly what everybody's background  
15 was, but that's negligent. How do you analyze something  
16 when you can never look at it, when you see such small  
17 fragments of data?

18 Liberty states that they saw a lot of  
19 functionality working well prior to cutover; however,  
20 problems have arisen. That says that your test databases,  
21 that says that your applications, your internal quality  
22 control, your testing procedures, your systems analysis  
23 were failures. Mr. Nixon and FairPoint are the front of  
24 this. They're the public face of this. But Capgemini has

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1       been negligent. And Liberty has done a poor job of  
2       keeping track of what was really going on and making clear  
3       and concise recommendations, both for the customer, Mr.  
4       Nixon and FairPoint, as well as to this Commission. To  
5       recommend some of the things that you recommended, to not  
6       say some of the things that you saw or you should have  
7       seen and been aware of is negligent.

8                        You're all lucky because the cameras  
9       have left and the reporters have left, so all this will  
10      not appear tonight on anybody's TV or on anybody's  
11      newspaper Web site. Perhaps I should have gone earlier in  
12      the day. Perhaps I should have followed the last  
13      gentleman this morning, Mr. Beauchamps, and perhaps we  
14      could have hung you out to dry a little bit. When you get  
15      on the plane this afternoon to fly back down, don't be  
16      proud of the work you've done or the work that Capgemini  
17      has done. You have failed the states and the residents  
18      and the businesses of an entire economic region. How do  
19      you feel about that?

20                      MR. BURGER: I am very sorry for any  
21      problems anybody's had, and we are continuing to work  
22      night and day to work with FairPoint to work on things.

23                      CMSR. MORRISON: Very sorry is nice.  
24      But again, you have placed the economic health of a large

1 corporation and three states at jeopardy. This has made  
2 newspaper headlines across the nation. You have tarnished  
3 the image of these three states. Your company is  
4 responsible for that. Mr. Nixon's company is trying to  
5 work as best they can with the systems that you delivered.  
6 And it seems that your recommendation to him is that you  
7 might be able to straighten it out by the end of June. I  
8 don't know how many hands you have working on these  
9 particular problems, but they're too few and they're too  
10 inexperienced. Capgemini on Monday morning should sit  
11 down in a room with FairPoint, and after you all  
12 apologize, you should bring in your best people to fix  
13 these problems before June, because the end of June,  
14 frankly, is unacceptable for your work effort. That's all  
15 I have to say. Thank you.

16 CHAIRMAN GETZ: Well, there was a couple  
17 things, Mr. Nixon, that I had asked you to follow up on  
18 from other individuals. So I'll give you an opportunity  
19 to -- I assume you have a list and some of the issues I  
20 recommended are on that list. So why don't we start  
21 working through them.

22 MR. NIXON: Certainly. The first one  
23 was the discussion with regard to vendors and the timing  
24 of the payments. And according to the information I was

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1 able to track down, all local vendors are current within  
2 30 days. There is, however, always the possibility that  
3 as we shifted that payment process from Verizon to  
4 FairPoint, that there is always a possibility that  
5 somebody -- that somehow that did not get through. Let me  
6 give you a phone number, and if it's going to be part of  
7 the transcript, that people can call directly to our  
8 accounts payable department. That number is (207)  
9 648-3352. And that is our accounts payable department.  
10 But I've been advised that all local vendors are current  
11 within 30 days.

12 CHAIRMAN GETZ: Okay. But I think that  
13 came up from a Staff issue. So if you'd follow up and  
14 make sure that that gets nailed down.

15 MR. NIXON: I have two caveats. I've  
16 heard in the discussions today that there are a couple  
17 CLECs that said they're not current or have not been paid  
18 for some repair services, and there's one for  
19 inter-carrier compensation. So I'm going to take -- I've  
20 got to follow up on those two that I -- that would not  
21 have made that list. So I'll follow up on those, too.

22 CHAIRMAN GETZ: Okay. Thank you.

23 MR. NIXON: Second, I just wanted to  
24 comment on the discussion with regard to reactive versus

1 proactive remediation and assessment of the issues we're  
2 facing. It is a combination of the two.

3 We have gone through very proactive  
4 steps and continue to go through proactive steps in our  
5 billing to ensure and continue to improve accuracy. That  
6 process began the day that we loaded the data into our  
7 systems. We have on-site support from Capgemini, as  
8 they're watching and working with our employees, and  
9 experiences that they have to be able to take back and  
10 institute in a very rapid basis system or data fixes, and  
11 the one I mentioned earlier, that is a much more -- is a  
12 very comprehensive approach, which is the data  
13 reconciliation, where we are going back into the physical  
14 plant and inventorying and comparing that to what is in  
15 the systems. And when we do that, and we would expect and  
16 are expecting to get results as we work down through that.

17 Third area that I would comment on is  
18 there's been several comments on providing inaccurate  
19 information to the Staff, in terms of our reports. The  
20 one area that I have already acknowledged that there were  
21 some issues with is we had internal reports that indicated  
22 we had completed several service orders, and those -- in  
23 some areas, particularly in the area of DSL, as well as  
24 some CLEC areas, it was discovered that we were counting

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1       them prematurely as completed. In the area of DSL, that  
2       has since been remediated, and customers are back in  
3       service. We are instituting a follow-up program to call a  
4       sample of our customers. So that is -- there was no other  
5       effort that could provide the information we have, knowing  
6       we've got to go back and validate it.

7                       There was, I believe, a comment from  
8       yourself with regard to a realignment of the duties  
9       between Jeff Allen and myself.

10                      CHAIRMAN GETZ: That was the issue  
11       raised by Ms. Hatfield --

12                      MR. NIXON: Yes. I'm sorry.

13                      CHAIRMAN GETZ: -- on Page 11 of the  
14       FairPoint report.

15                      MR. NIXON: Yes. Several weeks ago, as  
16       we were undertaking an assessment of the issues and  
17       challenges in front of us, we looked at how could we  
18       realign the duties of the executive level of the company  
19       so we can best address the issues at hand. It was  
20       determined that I would take on the issues that we have  
21       with regard to everything from order entry through  
22       dispatch and customer completion; Mr. Allen would be  
23       responsible for developing the stabilization plan and  
24       handling the billing inquiry and the billing areas. We



1 did that because of the continuing need to make sure we  
2 had sufficient executive-level leadership and support and  
3 guidance on the project. And we have since, as I  
4 indicated earlier, are engaging two other companies -- one  
5 from a strategic assessment consultant and the other to  
6 review the processes that we utilized to review our data  
7 in our systems, to make sure we're using proper policies  
8 for identification, root-cause analysis and  
9 prioritization. Those two are being brought onboard and  
10 will be working as of next week. And I will provide the  
11 names once we have them under contract to the Staff. And  
12 if it's -- who they are. And there is an expectation that  
13 they'll be interviewing and speaking with Staff also.

14 CMSR. BELOW: On that point, just to  
15 clarify. So, with Mr. Allen responsible for the  
16 stabilization plan and certain aspects of it, and you  
17 responsible for certain other functional areas with regard  
18 to some of the problems that the stabilization plan also  
19 addresses, who's going to bring that together? Who has  
20 over all responsibility?

21 MR. NIXON: Gene Johnson, the CEO,  
22 continues to have the overall responsibility as CEO.  
23 While I'm doing this specific effort, we also have the  
24 vice-president of marketing and vice-president of sales

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1       also reporting to Mr. Johnson. So, again, he has the  
2       overall responsibility and oversight for the company. Mr.  
3       Allen and I both work with him. And he spends either  
4       every -- at least every week up here in New England, or  
5       every other week. So it is a very engaged process.

6                   CMSR. BELOW: And with regard to the  
7       consultants, can you in some way characterize their  
8       qualifications at this point without identifying them? Or  
9       what has been the process by which you've selected them,  
10      and how familiar are they with your current situation? Do  
11      they have relevant experience that you think is going to  
12      be of significant benefit to getting you out of this mess?

13                   MR. NIXON: Yes, sir. The company that  
14      will be working with us on the systems and the data has  
15      worked with us in the past. They will be quickly  
16      recognized as a leader within the field. And they have  
17      leaders in the organization who have worked on large  
18      conversions. And if I could have Mr. Haga, since he's  
19      worked with the company, comment further.

20                   MR. HAGA: They've also worked with me  
21      personally on auditing previous billing conversions we've  
22      done with our other properties. They also did an  
23      assessment on our organization near the end of the year to  
24      determine if we could be -- if we were ready for cutover.

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1                   MR. NIXON: The other strategic  
2 consultant has past experience in, I believe it's southern  
3 New England and PacTel, engineer by training, has worked  
4 with large corporations, including NASA, the U.S.  
5 military. And so he has a combination of both engineering  
6 background, as well as organizations that are operating in  
7 a Codec environment.

8                   MR. ALLEN: He's also been working with  
9 the company in a little bit different capacity for the  
10 past year. So he's got a pretty good understanding -- not  
11 for the company, but is helping us in some of our other  
12 economic development activities. So he's got a good  
13 understanding of people in the organization, the  
14 organization itself, and kind of where we stand.

15                  CMSR. BELOW: Go on.

16                  MR. NIXON: We've heard a lot of  
17 discussion here today with regard to our ability to meet  
18 the June 30th return to business as usual and whether that  
19 can be accelerated. And it's -- I do believe that the --  
20 based upon the progress to date and the actions that we  
21 have, the mitigation actions that we have in place and are  
22 putting in place, that that is a doable date. There's  
23 been several comments made that that is not sufficient and  
24 we need to do it sooner. We are making every possible

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1 effort to do it sooner. There will be progress along the  
2 way. It's not that we'll go to June 30th and all of a  
3 sudden everything will back to business as usual. We.

4 Have been -- it has been said we have  
5 been over-optimistic in our assessment of the issues and  
6 that we have -- that it's not been necessarily reflected  
7 in what we thought would take time to bring the issues to  
8 resolution. We are being more pragmatic about the issues,  
9 more knowledgeable about what they are, and taking great  
10 care to make sure that when we make a commitment that it  
11 is achievable.

12 We have heard today from both labor and  
13 management about the joint commitment from all the  
14 employees of FairPoint who are fully engaged to bring the  
15 issues to resolution and bring satisfactory service levels  
16 to our customers. Thank you.

17 CHAIRMAN GETZ: There's one question I  
18 don't think was addressed. Mr. Nesmith raised an issue  
19 about -- I'm having a problem here with my notes being a  
20 little tough to read -- about testing and updated  
21 information.

22 Mr. Nesmith, there was an issue that you  
23 had raised that you were hoping for some feedback from  
24 FairPoint, that they were going to pick a couple of CLECs

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1 as testing opportunities?

2 MR. NESMITH: Oh, right. That was in  
3 regards to the daily usage files. And like I said  
4 previously, part of the conversation that I had with the  
5 person at One Comm who manages that function, they have  
6 received a response or reply from FairPoint. And per that  
7 response, they should be receiving those New Hampshire  
8 UNI-P files within the next day -- I'm sorry -- within the  
9 next week. So that person committed to getting that done.  
10 So our expectations would be that they get done and they  
11 get sent to One Communications, as per his agreement.

12 CHAIRMAN GETZ: Okay. I don't know if  
13 there's any response to that. But I just thought there  
14 was something that they were looking for an update on.  
15 But maybe that's something better addressed off-line  
16 between the two companies.

17 MR. NIXON: Mr. Haga has been  
18 responsible for the DUF files, and I'm not sure if he has  
19 some additional comment.

20 MR. HAGA: Yes. I've been responsible  
21 for the DUF files, but I'm under the impression that what  
22 you're speaking to is the electronic billing file, or  
23 referred to as the BDT. That's who we're working with,  
24 two companies, in order to ensure that we're getting the

1 proper electronic format.

2 MR. NESMITH: No. This is actually the  
3 actual customer daily usage fees that One Communication  
4 uses for the services that they provide within the  
5 FairPoint footprint. We use those feeds to bill our  
6 customers.

7 MR. ALLEN: We just need to verify  
8 they've been sent.

9 CHAIRMAN GETZ: Well, this happens from  
10 time to time. Rather than providing clarity, I may have  
11 confused some issues. But I would recommend follow-up on  
12 that, because I know it was on the transcript earlier that  
13 there was an issue that they were looking for some  
14 follow-up.

15 CMSR. BELOW: I have a bunch of  
16 different questions. But one of the issues around the  
17 CLECs was the lack of information about when an order  
18 won't be completed within the specified interval or -- and  
19 I think it's happened with retail customers. They've been  
20 given a date, and that date comes and goes.

21 Is there any possibility of providing  
22 automated notification to the CLECs and, for that matter,  
23 retail customers, when you know in your system and you  
24 have reports that orders are out of interval, that they're

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1 not going to be completed when people expect that they  
2 would be completed? Is there a way to notify them so that  
3 they are able to track for their customers, and people  
4 don't have some sense that you're aware that you're behind  
5 schedule and not that it's just lost?

6 MR. NIXON: Let me answer for the  
7 retail, and maybe Mr. Murtha can answer for the wholesale.

8 The retail, we have begun already the  
9 process that if we're going to miss an installation  
10 appointment, that we'll reach out to the customer  
11 beforehand so they're not going to be staying home from  
12 work, they're not waiting for us if we're not going to be  
13 there. We are putting in place the process that we will  
14 notify customers if the order's expected to flow through,  
15 not require dispatch or the customer to be present, and  
16 that they'd be also contacted when that one is not started  
17 yet, but the dispatch one has.

18 CMSR. BELOW: And what kind of lead time  
19 are you giving? Because sometimes people take a day off  
20 so that they can be home when the person's expected to  
21 show up.

22 MR. NIXON: Right now it's scheduled for  
23 the day -- call the day before.

24 CMSR. BELOW: Day before. Okay.

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1                   MR. MURTHA: On the wholesale ones, what  
2 we're looking at right now is to come up with automated  
3 jeopardy process that would show that the due date is  
4 going to be scheduled to be missed, and we look to do that  
5 on due date minus one as well. So we're working on seeing  
6 how we can get that out so that we would issue a jeopardy  
7 code so that they know the order's not going to be  
8 delivered the following day.

9                   CMSR. BELOW: Okay. As Chairman Getz  
10 pointed out earlier, the Commission has been seeing  
11 unprecedented levels of complaints over the past month or  
12 two. And that translates to us as well, to some extent,  
13 because while calls go directly to consumer affairs when  
14 people e-mail or write letters, it's also referred to  
15 consumer affairs for follow-up. But we see copies of it  
16 in our inbox. And I'm having a hard time keeping up with  
17 reviewing the number of complaints coming through. But  
18 I'd just like to cite from a couple of them and put it in  
19 the context of your stabilization plan.

20                   One complaint states -- I'm beginning to  
21 get complaints from consumers with disabilities about  
22 FairPoint. One of the complaints is that they can't get  
23 through to FairPoint, and others are that FairPoint is not  
24 fixing the problem. The types of problems have a serious

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1 effect on people with disabilities because of the need for  
2 reliable telephone and Lifeline service and because of  
3 having very low income. I've referred a couple of them to  
4 the PUC, because the utility, FairPoint, is not responding  
5 effectively to their complaints.

6 And in your stabilization plan of  
7 March 31, on Page 21 you talk about the escalation of the  
8 appeals process. It states that all these escalations are  
9 prioritized with medical emergencies and public safety  
10 getting the highest priority, and official appeals, which  
11 would include those coming through the PUC, executive  
12 escalation and customer requests, in that order.

13 What I'm wondering about is people with  
14 disabilities. The woman who spoke earlier was not a  
15 medical emergency, per se. But, you know, her doctor  
16 provided a letter stating that she needed to have phone  
17 access, and there were delays in getting that provided.  
18 Even before escalation, is there some way to identify and  
19 prioritize customer requests that are, in particular, for  
20 needs situations? And actually, I have -- there was  
21 another complaint. Well, I'll come back to this one. No,  
22 I'll go ahead and state it, then you can address them  
23 both.

24 The other complaint was from -- that I

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1 wanted to cite to was somebody who wrote that I'd like to  
2 add my voice to what is, I'm sure, a growing chorus of  
3 customers who are appalled at the way that FairPoint  
4 Communications is handling their obligations. It's the  
5 key landline telephone provider in this part of the  
6 country. It's now virtually impossible to get anyone on  
7 the phone. Once they finally did get through, the  
8 question about the status of a month-old inquiry regarding  
9 setting up DSL service for one of our town emergency  
10 operation centers required transfer to the business  
11 section, and after another 30 minutes on hold there I hung  
12 up. This is simply not acceptable.

13 So this was just somebody trying to get  
14 a status update on a month-old order for DSL service for  
15 their town, for their town emergency operations center.  
16 Again, that may not be -- you know, it's not an emergency,  
17 public safety emergency, per se. But from the town's  
18 perception, it's something that's obviously important.

19 Now, is there -- what are you doing to  
20 address and prioritize these kinds of calls and  
21 complaints?

22 MR. NIXON: Let me --

23 MR. MURTHA: I'd like to take that one.

24 We look at it and put a level on all of the orders,

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1 obviously. The first concern we look at is TSP, is it  
2 homeland security. That goes to the top of the list. The  
3 next would be public, fire, emergency -- you know, police,  
4 fire, hospitals. And then we look at the emergency order  
5 process, where we are looking at the number of requests  
6 that are coming in for -- with doctors' notes for Lifeline  
7 service, et cetera, that we are getting. And we  
8 prioritize those and put them all on the list. Then we do  
9 take into consideration the PUC orders that are coming in  
10 through each of the three states. And then the next level  
11 that we're looking at is, what are the orders that are  
12 considered priority for the municipalities or business  
13 needs that are in each of the communities. So there is a  
14 leveling.

15 I believe your first question was, is  
16 there a way to -- with the orders in the normal process,  
17 the only flag that's triggered in the system that's  
18 through the base is TSP, which is the same process that  
19 Verizon had, that designates something is a priority  
20 circuit, so that it's recognized to go back in. There's  
21 not a flag, but there is an escalation on these orders  
22 that are prioritized. And we work two separate escalation  
23 change: One for the complex and one for the POTS DSL.  
24 And each one of them is given a severity level of, you

1 know, TSP, emergency service, et cetera, and pushed. So  
2 we are working on those. We definitely do push to get  
3 those complete as quickly as possible.

4 MR. NIXON: Let me, if I might, ask Mr.  
5 Rush to comment on an issue that he -- has not been put in  
6 place, but he is working on for orders and people to be  
7 able to call to get status on their orders.

8 MR. RUSH: Yes. We have the  
9 potential -- I'm sorry. Yes. We have previously worked  
10 with an established partner relative to overflow of calls.  
11 We have the potential to provide what would be considered  
12 to be like a receptionist-type service relative to people  
13 that would inquire relative to the state of an order;  
14 where they would call in, get a rapid response, quick  
15 average speed of answer, an excellent service level.  
16 Certain information would be gleaned or garnered from that  
17 customer, and then the front-end employees that work in  
18 the call centers would proactively contact those customers  
19 to provide that status.

20 So the question you had asked was  
21 specific to accessibility. People are on hold. So we're  
22 doing -- we have multiple efforts to not have people on  
23 hold. And we've got several initiatives relative to  
24 proactive calling in my centers if we have a number of

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1 orders that have not been submitted, so they do not flow  
2 through the system. For all of those orders, they have  
3 been audited. Every customer has been contacted. They  
4 have been provided a status. And we proactively call them  
5 versus them calling us and going into these cues, where  
6 unfortunately they're going to complain that they're  
7 experiencing a long hold time. But we're trying to  
8 incorporate several other initiatives where we can  
9 mitigate the number of calls in cue, proactively  
10 communicate with our customers, and satisfy the customers,  
11 as well as our reportables, relative to service levels and  
12 performance.

13 CMSR. BELOW: Okay. What did you think  
14 of the idea of letting the CLECs provide their Top 10  
15 priority orders to you?

16 MR. MURTHA: I believe right now my  
17 service managers are already working with the CLECs to get  
18 their priority orders. We didn't glean it as a Top 10.  
19 If that's the number that we want to look at -- you know,  
20 we continue to reach out to each of the CLECs via either  
21 the SPOC or the service manager to identify what are their  
22 key issues and work to get those escalated.

23 CMSR. BELOW: As you mentioned, the  
24 SPOC, the single point of contact, we heard some

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1 complaints today that they don't seem to be empowered,  
2 they don't seem to be knowledgeable, in the first  
3 instance, they can't answer questions, or are adequately  
4 empowered to follow through. What steps are you taking to  
5 get them the knowledge and authority to be able to do  
6 their job effectively?

7 MR. MURTHA: The SPOCs this week have  
8 received additional training each night. They will also  
9 be receiving a full day of training tomorrow. We've  
10 identified some of the issues that we've been hearing  
11 about the ability to go into the system and to be able to  
12 pull up some of the answers that they're looking for. So  
13 we're trying to empower them with additional push-through  
14 processes of being able to work some of the rejects and  
15 understand the error messages, et cetera, more, so that  
16 when they're working with their CLEC counterparts they can  
17 convey an updated message.

18 The issue that we have is what we've  
19 talked about. We need to get the orders moving. It's  
20 hard when a SPOC tells a customer that your order was  
21 sitting in this bucket yesterday, and they call back and  
22 they say today your order's still in that bucket. It  
23 appears to the customer then that the SPOC doesn't really  
24 know what they're doing if it's still sitting there. So

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1 as we get better at moving the orders through, you know,  
2 the SPOCs are going to be able to deliver a better story  
3 when they're making that communication on a daily basis.

4 CMSR. BELOW: Can you provide our Staff,  
5 the OCA, and perhaps the CLECs as well, an up-to-date  
6 organizational chart --

7 MR. NIXON: Yes, sir.

8 CMSR. BELOW: -- that makes it clear  
9 who's doing what?

10 MR. NIXON: Sure.

11 MR. MURTHA: Sure.

12 CMSR. BELOW: Okay. One of the issues  
13 in the plan, the stabilization plan, is a question of  
14 milestones and what -- you have some proposed, I think,  
15 metrics for tracking progress. Liberty really hadn't had  
16 a chance to really review that in advance of today. At  
17 least it wasn't in their April 1 report.

18 Can you elaborate some more on what --  
19 you know, how some milestones can be implemented to  
20 getting back to business as usual, fulfilling your  
21 obligations under the tariff? And can you do something  
22 that provides our Staff with weekly updates on those  
23 milestones and those metrics?

24 MR. ALLEN: Yes. As far as the metrics

1 themselves, I'll say the daily measurements that are in  
2 the plan, that provides an awful lot of information. What  
3 it doesn't do is it doesn't compare it against what  
4 success will look like, the milestones that you just  
5 referred to. So we have milestones which we can share  
6 with the Staff and Liberty. The primary milestones that  
7 we're utilizing is the definition in the sense of business  
8 as usual.

9                   So, for the call center, the primary  
10 milestone is the service levels. And it takes it from the  
11 current status of where we are today and then shows how  
12 that will improve by different dates, as you point out,  
13 kind of by week. The order flow, we are finalizing the  
14 milestones themselves, because we felt the only way to  
15 really do that is you have to get back to normalized  
16 intervals. And you can't generalize that by, you know,  
17 every three-day product interval, because they're  
18 different. So we're taking the primary products that are  
19 typically sold by the wholesale and retail and taking a  
20 baseline of what the current is today. And we'll have the  
21 exact same thing from a time-frame standpoint, showing  
22 where they're not currently business as usual, when we  
23 believe they will get there. And then for each of the  
24 different -- much like in billing, we put it in the plan.

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1 For each of those different milestones, there are a  
2 variety of different work plans in the different  
3 organizations that also have subsequent milestones. So,  
4 for example, in the order-flow piece, it actually gets  
5 down to the different order cue within the different  
6 organizations. I put an example of it in the plan, where  
7 it shows all the different work cues. They have  
8 objectives on what they need to hit each day so that the  
9 end result becomes the primary milestones.

10 CMSR. BELOW: A little detail on that.  
11 In Liberty's April 1 report, on Page 8 they note that  
12 Liberty has requested FairPoint provide the actual  
13 flow-through rate after cutover but have not received this  
14 information.

15 Can you provide that flow-through rate?  
16 I think that's -- well, it's with regard to a couple of  
17 things in that section of the report, Paragraph 4 on Page  
18 8. Can you get that information to Liberty?

19 MR. ALLEN: Yeah, I believe from the  
20 time the report was written until today, it's been  
21 reported or given to Liberty.

22 CMSR. BELOW: Okay. Could you expand a  
23 little bit on the data-mapping problems that you've had,  
24 in terms of -- it sounds like that's been a key -- had a

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1 key impact on some of these issues, such as loop  
2 qualification, customer address information, assignment of  
3 telephone numbers, things like that, that are important to  
4 the CLECs, as well as your own order fulfillment for  
5 retail customers. What -- where does that stand? Is the  
6 problem that the data that you downloaded -- I mean, you  
7 always anticipated this download and re-mapping the data  
8 to the new systems. Obviously, you had samples of that  
9 data from earlier in the process. What has gone wrong,  
10 and where does that stand, in terms of getting the data  
11 mapping straightened out? What's your expectation on  
12 that?

13 MR. BURGER: The problem can happen in  
14 three places. It can happen -- there were -- there's an  
15 error rate in every telecom system to start with. There's  
16 an error rate in the Verizon systems like there would be  
17 with anyone else. There's errors in the extraction of  
18 that data, and then there's errors in the mapping of that  
19 data into FairPoint systems. In the particular case as we  
20 talked about earlier, one of the initial ones was loop  
21 qualification, which was a misinterpretation of the  
22 Verizon data. When we looked at it, there was a source  
23 of -- there was a source that was supposed to be the  
24 golden source for information, for loophole information.

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1 We put that in. We qualified roughly 600,000 addresses  
2 out of the 1.7 million in FairPoint's territory. We  
3 quickly found out over the course of a week or two that it  
4 just didn't make sense what was coming back. We were  
5 seeing a lot of customers who should otherwise be  
6 qualified that weren't. There was additional analysis  
7 done, a lot of conversation with Verizon, and ultimately a  
8 decision that was made to look at some other variables on  
9 top of this golden source to make sure that the  
10 qualification information was accurate. That took the  
11 total from 600,000 to 1.1 million of the addresses that  
12 were qualified, which was on par with where it was.

13 Additionally, in some of the network  
14 information we looked at, all three problems have been  
15 resident. So, in some of the DSL fallout we've had, where  
16 the DSL order will go through, be assigned and everything  
17 else, we go to activate and there'd be an initial fallout.  
18 There is a inherent error rate in there that has all three  
19 components. There is a component in there that was an  
20 error before in the core systems. There is a component of  
21 information we did not get in the extract specifically  
22 relative to blocked ports, which FairPoint and Capgemini  
23 and Verizon all have been working together to get that  
24 information since then. And there was a component in

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1       there that was mis-mapping of the data from the Verizon  
2       extract into the new FairPoint systems. All these things  
3       are being looked at very aggressively right now. There  
4       are teams on all of them. They're actually going and  
5       doing comparisons of the management systems that actually  
6       have the network information in them to the databases  
7       we've now put together with the conversion. And as those  
8       error rates are found, there is root-cause analysis being  
9       done and jumping back into each pocket to correct it.

10                   CMSR. BELOW: So you're still getting  
11       cooperation from Verizon --

12                   MR. BURGER: Absolutely.

13                   CMSR. BELOW: -- in resolving these?

14                   MR. BURGER: Absolutely.

15                   CMSR. BELOW: Okay. I know I have a few  
16       more, but they are scattered about. Well, actually, I  
17       think I have another line.

18                   In terms of overtime, what have you been  
19       requiring for overtime, and how much -- what's typical,  
20       and how is your perception of how that's affecting morale  
21       and performance, and how long can you sustain that? And  
22       another follow-up to that, I'll go and put out there for  
23       you is, if you don't see the kind of drop in wait times  
24       and problems that perhaps you're hoping for, are you doing

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1 something to further staff-up and complement your current  
2 work force to provide adequate staffing?

3 MR. RUSH: I'll answer that from a call  
4 center perspective. So the reality right now is that it's  
5 two hours forced overtime a day, Monday through Friday.  
6 Prior to tomorrow, it was originally eight hours forced on  
7 a Saturday. We had different agreements that we worked  
8 collaboratively with our partners from labor, CWA and  
9 IBEW. And, you know, there are certain requirements as a  
10 nuance in the number of hours you could work. So we are  
11 working a tremendous amount of overtime.

12 Now, the one thing I'd like to highlight  
13 is that we consciously made that decision. And I'd like  
14 to say we made it collectively, because we decided early  
15 on that it would be more productive to utilize our  
16 existing trained employees than to supplement our work  
17 force with what many people have heard is called a "bubble  
18 force." So we knew we were going to leverage overtime.  
19 We've proactively communicated that. We have been  
20 successful.

21 But to answer your question expressly,  
22 both my labor partners, as well as my management team, we  
23 monitor that situation extremely closely. It's nothing  
24 that you want to continue to do for a long period of time.

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1 I would relay that the first commitment I made to the  
2 employees when I came here prior to FairPoint becoming  
3 involved, these folks were on two hours of forced overtime  
4 for a period of two years. It does not do wonders for  
5 productivity and morale. It's nothing that you want to  
6 sustain long-term. You want to care for your employees.  
7 You want to account for their well-being. You want to  
8 make sure that you're communicating with them -- to the  
9 point we are not conducting any of that this weekend. We  
10 will not be conducting any of that next weekend.

11 Specific to my organization, where we  
12 had a backlog relative to orders, we're what I would  
13 consider to be at business as usual relative to the daily  
14 volumes. The issue for us now is the call volumes. So  
15 we've got -- you know, we talked about mitigation this  
16 morning relative to what we're doing with that. We're  
17 utilizing IVRs, we're utilizing automation.

18 So we've run a lot of overtime. We've  
19 been careful to measure it. We've been careful to attend  
20 to our employees' well-being. We don't intend to use it  
21 as a long-term strategy.

22 And you also heard this morning that we  
23 will augment the work force by as many as 35 additional  
24 CSRs; 28 of them have already been onboard. One class

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1 starts this coming Monday. There will be an additional  
2 class starting the next Monday. And then we are in the  
3 process right now of identifying five more people to come  
4 in. And that also helps productivity, call volume, and,  
5 you know, gives us the opportunity to make sure we're  
6 caring for our employees, while satisfying our clients.

7 CMSR. BELOW: Are your call centers open  
8 on Saturdays?

9 MR. RUSH: We had opened them up for a  
10 period of time. Traditionally, it's Monday through  
11 Friday. No different than when Verizon was here. There's  
12 a little nuance in the hours of operation. It's either  
13 8:00 to 6:00 or 8:00 to 5:00, business or consumer, okay.  
14 We have opened our centers for calls on Saturdays. We  
15 didn't publicly communicate it. But we were successful in  
16 answering several thousand calls, because we know people  
17 try to call in at all times. And we did that. One of the  
18 things that we've been doing on Saturdays is we've been  
19 conducting training in the mornings and then opening up  
20 the cue. We're working the triage relative to fixing the  
21 call levels.

22 But again, back to overtime. We expect  
23 to be able to be -- you know, from a call center  
24 perspective, we've already handled the successful

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1 submission of our orders, and we've got an acceptable  
2 inventory of activities every day. The challenge is the  
3 call volumes. We expect to have that under control. And  
4 then, you know, we don't expect to rely on overtime for a  
5 long period of time as a solution.

6 CMSR. BELOW: So, for the time being,  
7 are you going to continue some Saturday operations  
8 unpublicized?

9 MR. RUSH: We will negotiate it with our  
10 labor partners to make sure that that's acceptable. But  
11 for the next two weeks, we have decided conscientiously to  
12 make sure that our employees, with the holidays coming up,  
13 can have that time. And we wanted to give them some  
14 quality family time. At the same time, we've gotten one  
15 big issue behind us, and we think we're close to cracking  
16 and mitigating the other one. So, for the next two weeks  
17 there will be no activity on Saturday, in consumer.

18 In the wholesale center, there are  
19 people coming in. The SPOCs are coming in to get trained.  
20 In the business, there's always the opportunity to come in  
21 voluntarily as well. So, you know, there are days when we  
22 know we need to improve our occupancy. So we -- I hate to  
23 use the term "force." We don't, you know, march them  
24 through a door or anything. But it's not elective, okay.

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1       There are other times when you can say, "Would you like to  
2       work four or eight hours?" And we get many volunteers.  
3       So we come in and we do wonderful things with our  
4       productivity and our backlogs and things like that. So  
5       we'll always have voluntary. It's just a matter of making  
6       sure that we're cautious and doing the right thing  
7       relative to forced.

8                       CMSR. BELOW: Okay. Well, I probably  
9       still have a couple more then. Just give me a minute  
10      here.

11                      CHAIRMAN GETZ: Well, while you're --

12                      CMSR. BELOW: I thought of one.  
13      Obviously, one of the complaints from the CLECs is you're  
14      out of compliance with your current tariffs, in terms of  
15      the interval time for provisioning. When you talk about  
16      your goal to get back to business as usual by the end of  
17      this quarter, is -- does that fit into the same category,  
18      or do you think you can come back in compliance with your  
19      tariff sooner than that?

20                      MR. ALLEN: Let me answer that. This  
21      goes back to the milestones. The answer is different,  
22      depending on the product. And what we want to be clear  
23      about -- and I think when we did the interval guides in  
24      the past, what we did was we took every product, for

1       example, at a three-day interval, and we said it's going  
2       to be six, and then five, and then four, and then three.

3                       The reality is the way the systems work  
4       and the products go through, that's not the way it works.  
5       There are several of those products that you can do in a  
6       day, and there's others that may be in six days, five  
7       days, four days. So what I think we will find for all --  
8       as a matter of fact, what I know we'll find, is that some  
9       are in compliance today, and some will take close to the  
10      end of June or until the end of June to get back into  
11      compliance. One of the things we want to do is get more  
12      specific for both retail and wholesale customers, so they  
13      know where the orders are, how long it's going to take and  
14      why it's going to take that long.

15                      MR. MURTHA: One thing I just want to  
16      add is on those products, it is done with imparity for  
17      both resale and wholesale -- you know, retail and  
18      wholesale. There's no one product being worked faster for  
19      one line of business versus another.

20                      CMSR. BELOW: So you've got retail  
21      customers who've got two-month-old T1 orders that are  
22      unfulfilled?

23                      MR. MURTHA: Yes.

24                      MR. NIXON: Unfortunately.

1 CMSR. BELOW: The issue of directory  
2 assistance and other external databases related to that,  
3 like E911, you've heard some of the concerns today on how  
4 important that is to businesses to get in the directories  
5 that are getting published. Do you have any plans, or did  
6 you consider contacting Idearc about a slight delay to  
7 confirm that you're up to date, in terms of getting, in  
8 particular, businesses listed into those directories?

9 MR. MURTHA: The last book that closed,  
10 closed on March 27th. And I know that we did a scrub  
11 through all of our data to make sure that every record was  
12 updated to go into that book. We do have a schedule of  
13 all the books that are upcoming. We're aware of each of  
14 the books. We have checked the feed files that are going  
15 to Idearc. We know that the data is going over to Idearc.  
16 The issue that we took from today, and was also raised  
17 yesterday, and I took an e-mail from one of the CLECs, was  
18 on the 411. And we will provide an update on what's  
19 happening with the 411. But we are very aware, both from  
20 the 411 and 911, the purpose of having the directory  
21 listings updated in the Idearc book.

22 CMSR. BELOW: So can you prioritize any  
23 complaints with regard to people that may not be getting  
24 into those databases on a timely basis?

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1                   MR. MURTHA: The only one I've heard of  
2 getting into the database is the 411, and we will provide  
3 an update on that.

4                   CMSR. BELOW: Okay. That's all for now.

5                   CHAIRMAN GETZ: Okay. Is there anything  
6 else, Mr. Nixon?

7                   MR. NIXON: No, sir.

8                   CHAIRMAN GETZ: Okay. Then, let me say  
9 a couple things before we close.

10                   First, I recognize that there's been  
11 some good-faith debate about whether the process that  
12 we've used today was the best approach under the  
13 circumstances. And our goal all along has been to take a  
14 systematic approach, focusing on the most pressing issues  
15 first and working our way through each related issue  
16 deliberately, which sounds very similar to the advice that  
17 Ms. Bragdon gave earlier to the company.

18                   And I also wanted to emphasize that we  
19 take very seriously the comments we've heard today, and we  
20 will be making some decisions next week on what the next  
21 appropriate procedural steps are. And in that regard, I  
22 think this status conference has proved a very efficient  
23 and effective way of putting us in a position to make an  
24 informed decision on the critical issues that confront us.

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1       And we're hopeful that can make sure that the company is  
2       going to meet, if not exceed, its goal of back to business  
3       as usual by the end of the second quarter.

4                       So with that, I'll close the status  
5       conference and thank everyone for their assistance today.  
6       Thank you.

7                       (Whereupon the status conference ended  
8       at 5:08 p.m.)

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