

Karyn P. Forbes
Attorney at Law

February 16, 2007

Debra A. Howland,
Executive Director & Secretary
NHPUC
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

RE: Communication Workers of America (CWA), International Brotherhood
of Electrical Workers (IBEW) Locals 2320, 2326, and 2327 and IBEW
System Council T-6 (collectively Labor Intervenors)
NHPUC Docket No. 07-011

Dear Ms. Howland:

Enclosed for filing please find PETITION TO INTERVENE for filing with the
Public Utilities Commission.

Thank you for your handling of these documents. Please feel free to contact me
should you have any questions.

Very truly yours,

/s/ Karyn P. Forbes

Karyn P. Forbes
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KPF: maj
Enclosures
cc: Scott J. Rubin, Esq.
Nancy Brockway, Esq.
Arpiar G. Saunders, Jr., Esq.
Commission's Service List

THE STATE OF NEW HAMPSHIRE
BEFORE THE NEW HMAPSHIRE PUBLIC UTILITIES
COMMISSION

Docket No. DT 07-011

Verizon
New England Inc., Bell Atlantic Communications, Inc.,
NYNEX Long Distance Company,
Verizon Select Services, Inc.

and

FairPoint Communications, Inc.,

Communications Workers of America (CWA), International
Brotherhood of Electrical Workers (IBEW) Locals 2320, 2326,
and 2327 and IBEW System Council T-6 (collectively Labor
Intervenors)

PETITION TO INTERVENE

Communications Workers of America (CWA) and International Brotherhood of Electrical Workers (IBEW) Locals 2320, 2326, and 2327, and IBEW System Council T-6 (collectively Labor Intervenors) pursuant to NH Admin. Rules PUC § 203.17 and RSA 541-A:32, petition to intervene as parties in the above-captioned proceeding.

The grounds for this Petition are:

1. On February 1, 2007, Verizon New England Inc. (Verizon NE), Bell Atlantic Communications, Inc., NYNEX Long Distance Co. and Verizon Select Services, Inc. (collectively, Verizon), and FairPoint Communications, Inc. (FairPoint) (together, Joint Petitioners) filed a joint application with the New Hampshire Public Utilities Commission (Commission), for approval of a series of transactions that, if consummated, would result in FairPoint (through subsidiaries) acquiring the current Verizon NE franchise to provide wireline telecommunications services in New Hampshire and owning the network Verizon NE currently uses to provide those services.

2. The proposed transaction is part of a larger transaction whereby Verizon NE is proposing to spin off all of its landline operations in Maine, New Hampshire, and Vermont to a new subsidiary which will be immediately merged with and into FairPoint.

3. Labor Intervenors are the authorized collective bargaining representatives for more than 2,800 employees of Verizon in Maine, New Hampshire, and Vermont. This includes approximately 700 employees of Verizon New Hampshire who are members of IBEW Local 2320, who are employed as field technicians, customer service representatives, among others; approximately 350 members of CWA who provide service to Verizon customers in New Hampshire and throughout New England from Verizon's call centers Bangor, ME, Portland, ME, Burlington, VT, and Manchester, NH; as well as members of IBEW System Council T-6 who

provide services to Verizon customers throughout New England, such as the provisioning of DSL service.

4. Labor Intervenors' rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, and the interests of justice and the orderly and prompt conduct of the proceedings would not be impaired by allowing the intervention, all as more fully described herein.

5. Labor Intervenors are opposed to the proposed transaction. The proposed transactions will have a direct and immediate adverse effect on Labor Intervenors by transferring their members from Verizon, one of the largest telecommunications companies in the world, to FairPoint, a thinly capitalized company. Further, FairPoint has virtually no experience providing service over a large geographic area containing the diverse mix of business, government, non-profit, and residential customers in urban, suburban, and rural areas that is found in Verizon New Hampshire's service territory.

6. In particular, Labor Intervenors will be directly and adversely affected by the proposed transaction because FairPoint, a highly leveraged company already, will have great difficulties meeting its significantly greater dividend and debt commitments while, at the same time, investing enough capital to improve existing service, set up entirely new operational and administrative systems, and expand the availability of broadband service in New Hampshire. Labor Intervenors are concerned that when FairPoint, a company with a history of poor service quality in New Hampshire and other jurisdictions, experiences cash-flow problems it is likely to reduce its work force, defer preventive maintenance, reduce its investment in broadband services, and otherwise allow service to deteriorate.

7. Labor Intervenors also are concerned that the proposed transaction apparently contemplates a division of Verizon's assets and business in New Hampshire between two new FairPoint subsidiaries, one of which will be regulated and one of which will be unregulated. It is unclear whether the proposed division of assets and business is one that is reasonable and consistent with the public interest, and Labor Intervenors request the Commission to further investigate this matter and adjust the proposed division as appropriate.

8. Labor Intervenors also are concerned that the agreements filed with the Application do not represent the entire agreement between Verizon and FairPoint. As a consequence, the Commission is being asked to approve a transaction based on incomplete information, and neither Labor Intervenors, the Commission, nor any other potential intervenor knows the true terms and conditions of the proposed transaction.

Specifically, when FairPoint filed the merger agreement (Exhibit 1 to the Application) with the U.S. Securities and Exchange Commission, it stated: "The parties to the Merger Agreement have made to each other certain representations, warranties and covenants, which are qualified by information in confidential disclosure letters delivered together with the Merger Agreement. While the Company does not believe that these letters contain information that the securities laws require it to publicly disclose, other than information that has already been so disclosed, the disclosure schedules do contain information that modifies, qualifies and creates exceptions to the representations, warranties and covenants set forth in the Merger Agreement. Accordingly, the representations, warranties and covenants should not be relied on as characterizations of the actual state of facts, since they may be modified by the disclosure schedules." See Form 8-K filed by FairPoint Communications, Inc., dated January 19, 2007, p. 3 (emphasis added).

Indeed, the merger agreement itself states that it is not, by itself, the entire agreement between the Applicants. Specifically, Section 11.8 of the agreement states: “Entire Agreement. This Agreement (together with the other Transaction Agreements, the Confidentiality Agreement, the exhibits and the Disclosure Letters and the other documents delivered pursuant thereto) constitutes the entire agreement of all the parties hereto ...” *See* Joint Application for Approval of the Transfer of Certain Assets by Verizon New England, Inc., Bell Atlantic Communications, Inc., Nynex Long Distance Company and Verizon Select Services, Inc. and Associated Transactions, p. 115.

9. For the proposed transactions to be approved, the Commission must determine that each of the proposed transactions, individually and taken as a whole, is in the public good.

10. Labor Intervenors will seek discovery and may present testimony to determine the true nature of the proposed transaction and to explore the risks that the proposed transaction may create in areas of importance to a determination of the public interest, including but not limited to the following:

- The financial fitness of FairPoint;
- The managerial fitness of FairPoint;
- The ability of FairPoint to maintain and improve the quality of service received by Verizon customers;
- The ability of FairPoint to maintain, enhance and expand the availability of broadband services to government, business, non-profit, and residential consumers in New Hampshire, while maintaining and improving the quality and safety of Verizon’s existing infrastructure;

- The nature and extent of FairPoint's commitments to Verizon's employees, particularly after the current collective bargaining agreement expires in 2008;
- Whether FairPoint has plans to outsource any functions currently performed by Verizon employees in New England;
- Whether the proposed transaction will have any effect on the pensions and other current or post-retirement benefits provided to Verizon employees;
- Whether Verizon and FairPoint propose a reasonable division of Verizon's assets and business between regulated and unregulated subsidiaries of FairPoint; and
- Such other matters that will or may affect the interests of Verizon's represented employees.

11. Labor Intervenors propose to consolidate their presentations to the Commission in this docket, thereby promoting efficiency in the processing of the docket.

WHEREFORE, Petitioners request this Commission to permit Communications Workers of America, International Brotherhood of Electrical Workers Locals 2320, 2326, and 2327, and International Brotherhood of Electrical Workers System Council T-6 to intervene as full parties in the above-captioned proceeding.

Respectfully submitted,
Communication Workers of America
(CWA), International Brotherhood of
Electrical Workers (IBEW) Locals
2320, 2326 and 2327 and IBEW
System Council T-6 (collectively
Labor Intervenors)
By Their Attorneys,

Dated: February 16, 2007

By: /s/ Nancy Brockway
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Dated: February 16, 2007

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Dated: February 16, 2007

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Dated: February 16, 2007


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CERTIFICATE OF SERVICE

I hereby certify that the foregoing PETITION TO INTERVENE was served this 16th day of February 2007 on all parties appearing on the Commission's service list.

Dated: February 16, 2007

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