

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION
DT 07-011

**Joint Petition by Verizon New England, Inc., et al.
and FairPoint Communications, Inc.
Transfer of New Hampshire Assets of
Verizon New England, Inc. et al.**

**Direct Testimony of Michael Haga
On Behalf of
FairPoint Communications, Inc.**

March 23, 2007

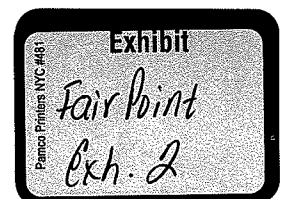


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1 **INTRODUCTION**

2 **Q. Please state your name and business address.**

3 **A. My name is Michael Haga. My business address is 192 W. Broadway, Peculiar,**
4 **Missouri.**

5

6 **Q. By whom are you employed and in what capacity?**

7 **A. I am employed by FairPoint Communications as the Director of Billing and**
8 **Operations Support Systems.**

9

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

11 **A. I have a Bachelor's Degree from the University of North Dakota and have**
12 **completed numerous leadership, technical and business training programs**
13 **throughout my career. I have seventeen years of experience in**
14 **telecommunications.**

15

16 **My professional career began in 1990 at EDS. My telecommunications**
17 **experience started with my support of EDS' IXPlus long distance billing**
18 **application. My responsibilities with this application included development**
19 **support of customer care, rating, billing and collections functionality. I was also**
20 **the supervisor and lead developer of the toll free mechanized generic interface**
21 **with the national SMS800 database.**

1 In 1996, I joined Sprint Communications as a Manager of Systems Development.

2 While at Sprint, my concentration was in network provisioning and translations
3 applications.

4

5 In 1999, I moved into consulting and joined Kansys Inc. as the VP of Service
6 Delivery. At Kansys, I worked with clients to understand their Operations
7 Support Systems (OSS) and Business Support Systems (BSS) needs. Once
8 OSS/BSS requirements were identified, I worked with Kansys consultants and
9 partner vendors to develop solutions meeting these requirements. I was
10 responsible for the client relationship, contracts, budgets, forecasts, resource
11 planning and the delivery of services. In my six years with Kansys, I was
12 personally involved with OSS/BSS conversions.

13

14 I joined FairPoint in 2004. At FairPoint, I have been responsible for the key areas
15 of billing and OSS with a focus on converting all FairPoint companies to a single
16 customer care, billing and OSS platform. I am currently the Project Lead for
17 business process implementation for the Northern New England acquisition.

18

19 **Q. What are your current responsibilities with regard to the proposed**
20 **transaction?**

21 **A.** I head the FairPoint team responsible for the design and implementation of the
22 business processes and business systems that will be utilized when the merger is

1 completed and operations are transitioned off the current Verizon processes and
2 systems. I am also the lead FairPoint representative on the joint
3 FairPoint/Verizon Cutover Committee. Verizon and FairPoint are cooperating
4 closely with the technical aspects of planning for and implementing this
5 transition.

6

7 **Q. What is the purpose of your testimony?**

8 **A.** I will describe our transition planning efforts for the operating, ordering and
9 billing systems that will be needed to provide high quality service to retail and
10 business customers and to competitive local exchange carriers (CLECs) and other
11 wholesale customers.

12

13 **BACKGROUND ON TRANSITION PLANNING**

14 **Q. What do you mean by “business processes”?**

15 **A.** By “business processes” I mean the various methods, procedures, work tasks, and
16 associated inputs and outputs that employees use to conduct our business and
17 provide our services and products to our retail and wholesale customers.
18 Examples include taking a customer order, engineering an outside plant addition,
19 or monitoring network performance.

20

21 **Q. What do you mean by “business system”?**

1 A. I use the term “business systems” to include the software, hardware and interfaces
2 that are the primary tools used to execute the business processes. Business
3 systems are the tools that make business processes work.

4
5 **Q. Before you discuss the details of the current project, could you provide some**
6 **background or context for the effort?**

7 A. Yes. FairPoint and other local exchange telephone companies use centralized
8 systems and processes in operating their businesses. As the owner of several
9 existing incumbent local exchange carriers and two CLEC subsidiaries, FairPoint
10 is well versed in those processes. Additionally, FairPoint has carried out many
11 operating company acquisitions in the past and, therefore, is familiar with issues
12 involved with integrating different operations. At the same time, there are aspects
13 of this acquisition that obviously make this transition different from others we
14 have done, namely the size of the transaction, the need to migrate from existing
15 Verizon systems and the addition of a wholesale business serving CLECs and
16 other wholesale customers. While evaluating the Verizon business in Maine,
17 New Hampshire and Vermont, FairPoint understood the following key elements:

18
19 1. Most of the systems used by Verizon had been developed and/or have
20 evolved over many years and were proprietary to Verizon and, therefore,
21 not available to FairPoint.

- 1 2. Some systems, while potentially available to FairPoint, were not systems
2 that FairPoint desired to utilize over the long term. Newer systems would
3 likely be more efficient and easier to integrate going forward. However,
4 new or different systems also introduce the need to migrate data which, in
5 turn, creates the near-term challenge of a data conversion.
- 6 3. Some of the existing FairPoint systems could be expanded or enhanced to
7 serve the combined operations.
- 8 4. Verizon had experience in similar transfers of local exchange companies.
- 9 5. The effort to install and place in service the required systems and
10 processes was complicated and would require, for a temporary period, a
11 substantial, experienced force, with specific experience in such
12 conversions, in addition to the permanent employees that FairPoint will be
13 retaining or hiring to staff the ongoing operations.

14

15 Accordingly, FairPoint began to work with Capgemini U.S. LLC (“Capgemini”)
16 in the fourth quarter of last year to develop our plan for the transition.

17

18 **CAPGEMINI**

19 **Q. What is Capgemini?**

20 **A.**Capgemini is an international firm engaged in consulting, technology services and
21 outsourcing. Capgemini has experience spanning thirty years in telecom
22 processes and systems design, implementation and operation support, having

1 served major telecommunications companies in the United States and around the
2 world.

3

4 **Q. Please describe the specific experience Capgemini has relevant to developing,**
5 **working with or evaluating telecommunications administrative and back-**
6 **office systems of the sort FairPoint seeks.**

7 **A. Capgemini delivered multiple projects for a regional Bell operating company**
8 **(RBOC) as key elements in the client's program to transform itself into a**
9 **broadband leader:**

- 10 • Capgemini led overall program management including managing the
11 milestone schedule, executive reporting, issue management and release
12 management;
- 13 • Capgemini led the data conversion effort from old ordering, billing and
14 network systems to new systems for 3 million customers; and
- 15 • Capgemini implemented a new network inventory system and
16 developed a new data warehouse to facilitate a detailed business
17 reporting capability.
- 18 • A very large ILEC engaged Capgemini to work with its network
19 services group to develop a three-year strategic plan with the objectives
20 of transforming the network while reducing costs and improving
21 service. The result was a roadmap of more than \$800 million in cost
22 reduction opportunities.

- 1 • Capgemini successfully completed three large efforts for a nationwide
2 wireless carrier.
- 3 • A national cable television provider selected Capgemini to streamline
4 and automate the order entry and provisioning processes for its voice
5 over Internet protocol (VoIP) products. The goal was to improve
6 operational efficiency and to deliver consistently high level of customer
7 service. This was accomplished successfully and has been extended to
8 other products as well.
- 9 • Based on their prior experience with Capgemini on numerous projects, a
10 national wireless carrier selected Capgemini as the integrator for a major
11 restructuring of its financial and human resources systems. The task
12 involved the migration of data for tens of thousands of employees from
13 two different incumbent systems to a new, full-featured integrated
14 system.
- 15 • Capgemini was selected by several state regulatory bodies to assist in
16 systems testing with respect to RBOC performance of requirements
17 under Section 271 of the Telecommunications Act of 1996. Separately,
18 one of the RBOCs engaged Capgemini to design, monitor and update its
19 compliance program.

20

21 **Q. What resources is Capgemini bringing to bear on this project on behalf of**
22 **FairPoint?**

1 **A.** Capgemini has a workforce of 60,000 around the globe, including 3,500 in its
2 Telecom, Media and Entertainment practice group. Capgemini has a thirty-year
3 track record of working with wireline, wireless, Internet service provider (ISP)
4 and cable companies, among others.

5

6 **Q.** **Please describe the Capgemini team who are developing FairPoint's systems.**

7 **A.** The Capgemini team supporting FairPoint is led by executives and comprised of
8 members with significant amounts of experience in the telecommunications
9 industry and systems generally. Collectively, they will assist FairPoint in
10 executing this program.

11 • The Engagement Vice President is Daniel Burger, who heads
12 Capgemini's North American Telecom Practice. Mr. Burger has led
13 many telecom-related strategy, process and systems projects during his
14 15 years of experience.

15 • Mr. Arthur Kurtze is Principal Advisor on the assignment and has 36
16 years of telecom experience.

17 • Five additional team leaders, all with 10 or more years of experience:
18 George Fenn, 14 years of experience; Mark Kirby, 11 years of
19 experience; Don Johnson, over ten years of experience; Daylon
20 Lutzenberger, 14 years of experience; Venkata Achanti, 10 years of
21 experience.

22

1 **THE SYSTEMS DEVELOPMENT PROJECT**

2 **Q. Turning to the systems development project for Northern New England,**
3 **what was the first step in planning the project?**

4 **A.** FairPoint and Capgemini worked together to develop the high level systems
5 architecture. This architecture is depicted on Attachment MH-1 to this testimony
6 (“Telco Systems Reference Architecture”). The purpose of a high level
7 architecture is to show the relationships of processes and applications, similar to
8 functional organization charts, which show the relationships between functions
9 and people.

10

11 **Q. How was this architecture developed?**

12 **A.** FairPoint relied first on its own experience in operating local exchange telephone
13 companies. Capgemini provided its substantial experience in having worked with
14 local exchange operating companies as well as wireless operators and cable
15 television companies. At a high level, the systems architecture used by
16 telecommunications companies share many areas of commonality due to the
17 fundamental similarities in the work that must be performed.

18

19 **Q. What is the next step after developing the high level systems architecture**
20 **document?**

21 **A.** The next step is to identify, compare, negotiate and secure the applications that
22 will perform the functions outlined in the systems architecture. As the industry

1 has consolidated, the number of viable vendors has been reduced to those that
2 have a strong application. The project team's task is to identify the applications
3 that fulfill business functions and have a proven track record of successfully
4 integrating with the other selected applications.

5
6 **Q. Please explain the scope of the work that Capgemini is performing and the
7 products and services it will provide to FairPoint?**

8 **A.** Capgemini is responsible for obtaining, configuring, testing and implementing the
9 FairPoint applications that will serve as our operating environment. In addition to
10 building our environment, Capgemini will also perform our data conversion
11 activities and work with FairPoint to establish short and long term training plans.

12
13 **Q. What systems and processes needed to operate the business after closing are
14 not covered by the Transition Services Agreement?**

15 **A.** The TSA only provides for services in support of regulated LEC activities.
16 Services for unregulated or non-LEC activities including long distance, Internet
17 service, and customer premises equipment sales must be provided, at closing, by
18 FairPoint. In addition, Verizon is not providing some services that would be used
19 by the LEC. Most notable among those are procurement and logistics for
20 materials and supplies and sales operations systems used by the sales force calling
21 on business customers.

22

1 **Q. Is Capgemini building those systems for FairPoint as well?**

2 **A. Yes, Capgemini is working with FairPoint to build the systems required to**
3 support these services.

4
5 **Q. What is the work plan for the entire Program?**

6 **A. In general, FairPoint and Capgemini are working jointly to develop smaller,**
7 projects that can be managed effectively, coordinated, and integrated at an
8 appropriate point. Capgemini and FairPoint have a history of successfully
9 employing this approach. These projects will be governed by a Project
10 Management Office comprised of FairPoint and Capgemini, utilizing proven
11 processes established by Capgemini. The designing and planning effort has been
12 performed in advance of receiving Verizon's cutover plan. Once the cutover plan
13 is received, FairPoint and Capgemini will review the individual work plans to
14 ensure that target dates concur between FairPoint-Capgemini and Verizon.

15

16 **Q. How have FairPoint and Capgemini organized the systems development**
17 **work?**

18 **A. We have divided the systems and processes into four categories, which we call**
19 "domains", by the types of function they perform. As a planning matter, it is
20 easier to deal with the combined groupings reflecting how the business will be
21 organized and operated rather than individual systems or applications.

22

1 **Q. What are the domains that FairPoint has been utilizing?**

2 **A.** 1. Enterprise Resource Planning (ERP) includes finance and accounting, human
3 resource systems, and supply chain operations. This domain covers items
4 which are not included in the TSA and must be available for use at closing.

5 2. Customer Relationship Management (CRM) includes, for all consumer,
6 business and wholesale customers, order processing, customer care, and
7 billing. CRM encompasses what are typically referred to as Business Support
8 Systems (BSS).

9 3. Operations Support Systems (OSS) includes engineering, customer
10 provisioning, activation, trouble and fault management, workforce
11 management, service assurance, and network operations and surveillance.
12 OSS systems are important not only for efficient telecommunications
13 operations generally but also for meeting the needs of our wholesale
14 customers.

15 4. Information Systems (IS) includes information technology hardware and
16 software, disaster recovery and business continuity. Off-the-shelf products
17 are being sought for these components.

18

19 **Q. Please describe the process FairPoint and Capgemini have established for**
20 **developing the systems included in each of the four domains.**

21 **A.** Each of the domains and the systems they contain will be developed in four
22 phases. The phases are:

- 1 1. Identifying the business requirements.
- 2 2. Designing, developing and configuring the system.
- 3 3. End-to-end testing.
- 4 4. Training and migration.

5

6 **PHASE 1 – IDENTIFYING BUSINESS REQUIREMENTS**

7 **Q. Please explain the initial phase of identifying business requirements.**

8 **A.** Identifying business requirements is critical because those requirements become
9 the foundation for all of the processes and systems. These requirements can be
10 expressed in terms of “functionalities” or “capabilities” which must be available
11 to enable us to identify the necessary tasks to be included in the work plan.

12

13 **Q. How are the business requirements being identified?**

14 **A.** At a general level, subject matter experts from both FairPoint and Capgemini
15 reviewed a process framework published in the Enhanced Telecom Operations
16 Map (eTOM). The eTOM is a comprehensive catalog of business processes
17 generally common to telecom service providers. It was developed by the
18 TeleManagement Forum, an industry group. From this review, we developed an
19 initial listing of the business requirements for all four domains. In addition to the
20 eTOM, the joint teams are also referencing the TSA to ensure that each item in
21 the TSA is accounted for and has at least one requirement mapped to it. Further
22 refinement of the business requirements is currently underway. Supporting

1 FairPoint and Capgemini subject matter experts have been assigned to teams to
2 develop the detailed requirements. These experts provide input beyond the direct
3 local exchange telephone experience of the team members. For example, in the
4 CRM domain many requirements vary depending on the nature of the customer,
5 i.e. an individual consumer, a business customer or a connecting carrier like a
6 CLEC. From an ordering and customer service point of view, the unique
7 characteristics of these different customer segments must be appropriately
8 addressed. Requirements are further shaped by the applicable regulatory
9 standards and obligations, as well as by existing contractual and business
10 relationships. The type of technology, type of service, or location can also be
11 factors.

12
13 **WHOLESALE SYSTEMS DEVELOPMENT**

14 **Q. Please describe how FairPoint and Capgemini intend to develop systems to**
15 **meet the business requirements associated with providing services and**
16 **facilities to CLECs.**

17 **A.** FairPoint is aware of the unique circumstances regarding the services it will
18 provide to CLECs and other wholesale customers. Therefore, FairPoint will have
19 a dedicated business unit which will serve the various carriers that interconnect
20 with or utilize FairPoint's facilities as part of their offerings. FairPoint is
21 currently conducting an executive search for the person who will lead this unit.
22 This "Wholesale" unit will have its own sales and customer service forces. The

1 customers of this unit will have access to a set of tools specifically designed to
2 facilitate their interaction with FairPoint and to ensure they receive the
3 appropriate level and quality of service. These tools will have electronic (i.e.
4 Web-based or e-Bonding) and manual/telephonic interfaces so that the wholesale
5 customer will have a choice of methods depending on its needs, network
6 sophistication, and business plans.

7
8 Both FairPoint and Capgemini have experience in this area: FairPoint currently
9 owns and operates two CLECs and has experience working with carriers to
10 establish e-bonding relationships with Bell operating companies. Capgemini has
11 direct experience as a result of previous engagements by Bell operating
12 companies and by regulatory agencies concerning wholesale service provisioning
13 and related issues.

14
15 We further intend to comply with industry guidelines, including the Access
16 Service Ordering Guide, the Local Service Ordering Guide and the Customer
17 Account Record Exchange standards, and billing guidelines, including the
18 Multiple Exchange Carrier Access Billing by Telcordia (SR-BDS-000983). We
19 will also meet applicable Performance Assurance Plan and Carrier to Carrier
20 requirements.

21

1 Finally, FairPoint has agreed to accept the obligations of hundreds of existing
2 contracts between Verizon and various carriers in the three states. Many of those
3 contracts contain very specific service level standards. The FairPoint systems will
4 be designed to allow FairPoint to meet those standards and will, in addition,
5 permit measurement and reporting of compliance.

6

7 **Q. What kind of changes can a CLEC expect in its ordering and other interfaces**
8 **with FairPoint?**

9 **A.**It is our intention to create interfaces that will meet the requirements of existing
10 interfaces and eliminate or mitigate any impact that this transaction may have on
11 CLECs. As with other customers, CLECs will be served under the TSA until
12 FairPoint is satisfied that the new systems are ready to enable a smooth and
13 seamless cutover for all services.

14

15 FairPoint will circulate any potential changes at least six months before
16 implementation so that carriers have time to adjust to the new processes. Our
17 intention is to collaborate with carriers and make the transition to FairPoint as
18 smooth and seamless as reasonably possible.

19

1 **PHASE 2 – DESIGN, DEVELOPMENT AND CONFIGURATION**

2 **Q. You indicated that once requirements are completed the next phase will be**
3 **designing, developing and configuring the systems. What will occur during**
4 **that phase?**

5 **A.** Once the requirements for a given domain are understood, Capgemini will
6 evaluate and recommend specific software solutions. One of our basic design
7 principles is to use commercially available off-the-shelf systems wherever
8 possible. We believe that doing so will reduce development and implementation
9 costs as well as future maintenance and support costs.

10

11 Once packages have been selected, the various systems may require
12 customization in order to permit the additional benefits of integrated processes.
13 For example, our Customer Care application, which supports the activities of
14 adding new customers, changing services on existing customers, etc, will require
15 an interface to communicate with our Network Management application in order
16 to retrieve available numbers from our telephone number inventory.

17

18 **Q. Please explain what “configuration” means as used in this phase of the**
19 **project.**

20 **A.** Configuration is the effort to build system level data that provides instructions to
21 the system on how the system will function. By way of example, for a system
22 that supports the effort to create delinquency notices, in order for the system to

1 identify which customers qualify for a delinquency notice, we must configure the
2 system by entering data into system parameter fields.

3

4 **Q. Please describe the ways in which FairPoint and Capgemini currently**
5 **anticipate integrating the systems being developed.**

6 **A.** All of the applications that we have under consideration support software
7 integration efforts, meaning they have a standard Application Programming
8 Interface (API). Applications eligible for inclusion must be shown to support the
9 work load anticipated in the operating environment.

10

11 **Q. Given that FairPoint is already in the local exchange business, why aren't**
12 **FairPoint's existing systems being utilized?**

13 **A.** FairPoint is planning to utilize extensions of its current customer care, billing, and
14 accounting systems for the new operations. Because of the size and geographic
15 diversity of the current FairPoint operations most of the other systems are not
16 appropriate for the new operations. However, FairPoint's experience with these
17 important incumbent systems is a great foundation in this phase.

18

19 **Q. How many FairPoint and Capgemini people are expected to be involved in**
20 **the design and development phase of the project?**

21 **A.** Based on preliminary work plans, we expect to use over 500 people to support
22 this phase of the project. We currently have over 150 individuals involved.

1 **Q. Assuming that all systems work as expected and that all requirements are**
2 **met, how do you intend to migrate existing customer data to the new**
3 **operating environment?**

4 **A. Based on preliminary discussions with Verizon, we will follow a process that**
5 **Verizon has used in previous efforts similar to ours. We will utilize data**
6 **workshops to become familiar with the data and the processes that create, alter or**
7 **remove it.**

8
9 Once we have an understanding of the source data, we will develop programs that
10 will read, format and insert the data into our applications. We will receive two
11 test extracts from Verizon. Test extracts are sets of data files that contain all
12 information pertaining to the acquired customer base. We will utilize the test
13 extracts to provide feedback to Verizon on potential extract program issues and
14 we will validate the correctness and speed of our conversion programs.

15
16 The final migration strategy and process will be determined upon the completion
17 of the cut-over plan and the data workshops.

18

19 **PHASE 3 - TESTING**

20 **Q. Obviously system performance is of vital importance. How will testing be**
21 **done to assure high quality performance?**

1 A. While for clarity and simplicity I have described testing as the third phase, it
2 actually occurs in stages as systems are developed and configured. There are five
3 stages of testing. The first is an initial validation or unit test. This test ensures
4 that the individual functions within an application work as intended in a stand
5 alone fashion. Next will be a system test using sample data to test the application
6 functions within a system. Once a system has passed these tests, it will undergo a
7 series of functional/integration tests. These tests will allow us to verify that
8 business processes that span multiple systems work as intended.

9
10 Next we will conduct performance testing. These tests will utilize large volumes
11 of data or simulated online activity to determine if the entire suite of systems
12 supports the demands of the user community and the relevant business processes.
13 Finally, each system will be subject to user acceptance testing or operational
14 readiness testing involving FairPoint employees who use the systems as
15 customers. This testing will provide our user community one final say in whether
16 the applications and application data meet their needs in order to be ready for
17 everyday use.

18
19 During any of these stages there is an iterative process of fixing issues identified
20 to meet the appropriate “pass” criteria. While the project is complicated, we will
21 use well-established Information Technology methods and procedures to ensure
22 the desired end result.

1 **Q. How are the parties planning now for the eventual cutover from existing**
2 **Verizon systems to the new FairPoint systems?**

3 **A. The “cutover” requires substantial planning and cooperation between FairPoint**
4 **and Verizon. Both parties have recognized this need from the beginning and have**
5 **established a joint cutover planning committee to coordinate this phase of the**
6 **project. Importantly, Verizon has done, from a systems point-of-view, similar**
7 **transactions in the past. The joint planning committee has already had its first**
8 **meeting and is anticipating the first draft of a preliminary cutover plan by April**
9 **15. Great care is being taken to make sure that all the appropriate data is**
10 **migrated so that there will be no degradation of service to any group of customers**
11 **or loss of efficiency by any group of employees.**

12

13 **PHASE 4- TRAINING AND MIGRATION**

14 **Q. Please explain the training component of the systems development project.**

15 **A. The operational systems that employees in Northern New England use to do their**
16 **jobs will change with implementation of the new FairPoint systems. Obviously,**
17 **the degree of change will vary greatly from job to job. FairPoint recognizes that**
18 **absorbing these changes will require a major effort by the employees. Even**
19 **during the design phase, the impact on employees will be a prime consideration.**
20 **Moreover, training employees in how to use the new systems will be a priority for**
21 **the company as we move forward.**

22

1 Training program planning has now begun in earnest, months ahead of actual
2 training. FairPoint has a training executive who is familiar with many of the
3 available methods and tools that can and will be used to deliver training.

4 Capgemini will deliver initial training for all applications in a manner approved
5 by FairPoint.

6

7 **Q. Once the new systems are in place, how will the current Verizon operations**
8 **in New England be migrated to the new systems?**

9 **A.** We are planning on three systems releases. In other words, the new FairPoint
10 systems will be placed in operation in three phases. The first release is to be
11 completed by the closing date of the transaction. This release will contain the
12 functionalities to enable the newly merged company to perform the tasks that will
13 not be provided by Verizon under the TSA.

14

15 The second release will include all of the capabilities necessary to cutover from
16 the services provided under the TSA. The second release is this inclusive because
17 under the TSA all services to move at once.

18

19 Finally, a third release is planned to capture any capabilities that were deferred
20 from the first two releases for whatever reasons. These items will not affect
21 operations or customer service but are ones that could serve a future purpose of

1 gaining additional operational efficiencies, such as marketing campaign
2 management or document imaging and storage applications.

3

4 **SUMMARY**

5 **Q. Please summarize FairPoint's plan approach to this process?**

6 **A. The scale and scope of what we are doing is significant. The keys to success are**
7 attention to detail in the planning processes combined with rigorous program
8 management during the execution phases. Our goal is to implement the processes
9 and systems necessary to operate the new territories in a manner that ensures
10 customers continue to receive high quality service and that positions the business
11 to adapt to the changing marketplace and be ready to meet new and higher
12 customer demands.

13

14 **Q. Now that you are well into the planning processes, what areas do you**
15 **anticipate presenting special challenges?**

16 **A. Mapping, converting and loading the Verizon data into the target architecture and**
17 the testing to ensure the systems perform as expected will present significant
18 challenges. We recognize the challenges and will apply the appropriate resources.

19

20 **Q. You have described a sophisticated and complicated process, with many**
21 **activities functioning in parallel. Can you offer a visual depiction of this**
22 **process?**

1 **A.** Yes Attachment MH-2 is a timeline depicting the phases of system development
2 overlaid with key milestones which apply to each step.

3

4 **Q.** **When does FairPoint currently estimate that its new systems will be ready so**
5 **that it can terminate the services provided by Verizon under the TSA?**

6 **A.** FairPoint began planning this effort in the fall of 2006. Capgemini worked with
7 FairPoint to be in a position to start the project on the date the transaction
8 documents were signed in January 2006. Due to this commitment, FairPoint and
9 Capgemini have estimated that we will be in a position to terminate the services
10 provided under the TSA by April of 2008. Because the TSA provides for up to
11 fifteen months of service from the date of closing, which will occur after all
12 regulatory approvals are received, we have a substantial cushion, which will allow
13 us to “get it right” for our new customers.

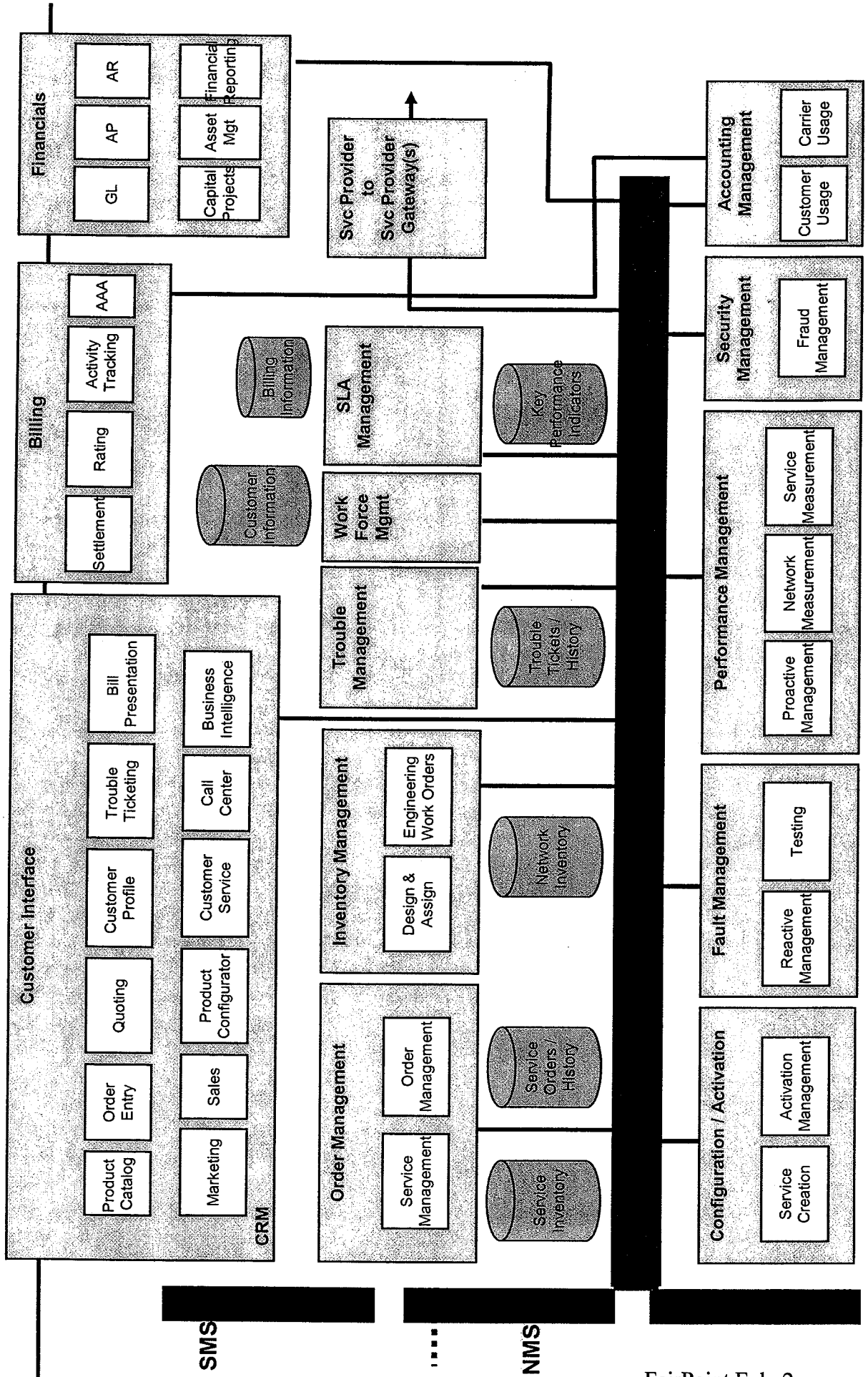
14

15 **Q.** **Does this conclude your Direct Testimony?**

16 **A.** Yes.

ATTACHMENT MH-1

Telco Systems Reference Architecture



SMS

NMS

FairPoint Exh. 2

ATTACHMENT MH-2

Timeline

