

## Meeting with Vermont Governor Jim Douglas

8/2/2006 CWA/IBEW Meeting with Vermont Governor Jim Douglas

Re: Verizon Sell-off of VT access lines

In Attendance:

Jim Douglas Governor, State of Vermont  
Rich Smith Deputy Commissioner, Department of Public Service  
Betsy Bishop Deputy Chief of Staff

Mike Spillane Business Manager, IBEW Local 2326  
Mike O'Day CWA Local 1400 DVP  
Darlene Stone CWA Local 1400 Chief Steward

Mike Spillane secured a meeting with the governor and a member of the DPS. The Governor started the meeting by asking for an introduction to the situation as he was unfamiliar with our concerns. Mike Spillane covered the news of the sale, the amount of investment Verizon is putting into FIOS in Massachusetts, while sacrificing the northern states. Mike gave an overview of the various healthcare, insurance and educational benefits enjoyed by Verizon employees. Betsy Bishop was especially interested in the healthcare benefits for young families and dental plans. Mike explained the role of technicians in VT, how a large company like VZ can mobilize a large workforce to help in any state when natural disaster strikes, as it did during the ice storm of 1998. Smaller companies would job out to contractors who have a historical track record of underperforming the union labor force.

Mike O'Day presented the case that the ratepayers financed the creation of the phone infrastructure in Vermont, as in all other states, and for Verizon to sell off Vermont in order to raise cash to build a fiber network in Massachusetts would be shorting VT ratepayers. Why let VZ sell VT to benefit MA? The potential buyers that we know of are: Citizens, Century Tel and Fairpoint. Mike reviewed the precarious position of Century Tel - \$1 billion stock buyback, cash strapped; Fairpoint - 79% controlled by LBO (leveraged buyout) firms and Citizens, whose sale of Citizens Electric in Vermont in 2004 was heralded as positive by the VT PSB because of mismanagement! Why entertain the sale of access lines to a company you were glad to be rid of 2 years ago???

Darlene explained to the Governor how smaller companies were now entering into former Bell areas out west and trying to gain entry into the East Coast markets. Darlene & Mike Spillane emphasized the importance of the pension

plan currently funded by Verizon for bargained for employees and how VZ eliminated it for managers, not unlike what happened to IBM workers in VT.

Mike O'Day asked Gov. Douglas to sign a letter to Ivan Seidenburg, to which the Governor replied, "I don't know what good that would do." Mike advised him that Maine Gov Baldacci had written a letter in support of CWA/IBEW, Darlene gave him a copy of the letter. Mike also raised the issue of Maine and New Hampshire having a 'No Harm' clause regarding utility sales, and Vermont not having that protection. The Governor stated that he would not want to see a sale that would result in the loss of any good paying jobs. Betsy said she was sure there was some protective language. Mike countered that one of the PSB Judges advised him that was not the case. Vermont sales must meet a 'public good' standard, which is determined by the PSB.

This was a giant step forward as far as getting the top officials in the state aware of the fight IBEW and CWA will mount is a buyer is identified. Rich Smith was very receptive to the discussion and asked to keep lines of communication open as we move forward. Rich understood our efforts to save Verizon jobs while on the other hand realizing VZ is trying to cut costs anywhere possible which effects customer's service. Rich recalled how Ivan Seidenburg presented his case allow the merger of NYNEX and Bell Atlantic to then Governor Howard Dean. Dean asked why a big company like Bell Atlantic would be interested in a rural state like VT? Ivan stated it was because there were lots of opportunity for growth because so many other companies were trying to cherry pick customers in the metro areas. How ironic is it that Ivan wants to do just that, now? Exit the rural states to cherry pick customers in the Boston market?

Note of interest: Many of the CWA CSSC reps who helped in the letter writing campaign are now getting calls from state officials asking how they can lend support. That is the beauty of an election year!

Many thanks to Mike Spillane for organizing this important meeting.

In Solidarity,

Mike O'Day