PUBLIC
SMB-P-1

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent: Stephen E. Smith
Title: Vice President – Business Development

REQUEST: Office of the Consumer Advocate, Group V, Set #5
Technical Session Follow-up

DATED: June 11, 2007

ITEM: OCA G V FDR 1-7 — Describe fully the frequency and content of the reports that Verizon provides to FairPoint regarding the current employees with Spinco operations.

REPLY: Beginning in May, 2007, FairPoint will be provided monthly reports regarding employees assigned to the properties involved in the FairPoint transaction. The reports will include the information contained on Verizon NH's reply to Staff FDR GI: 1-1b.

PUBLIC
SMB-P-2

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent:
Title:

REQUEST: Office of the Consumer Advocate, Group I, Set #1
Technical Session Follow-up

DATED: June 11, 2007

ITEM: OCA GI FDR 1-12

Re Verizon's response to OCA 11-98: A December 6 ,2006 Verizon press release states, among other things:

"Toben added that Verizon will soon *restate* its financial history for the purposes of comparability, including its former directories business results in Income From Discontinued Operations."

Verizon Communications, Inc.., "Verizon CFO Provides Updates on Initiatives to Enhance Shareholder Value," December 6, 2006. http://investor. verizon.com/news/view .aspx?NewsID=795 (emphasis added).

a. Please provide the restated financial history.
b. Please provide the "Income from Discontinued Operations."

REPLY: Objection. The request seeks information not reasonably calculated to lead to the discovery of admissible evidence regarding whether the transaction with FairPoint in New Hampshire that is currently before the Public Utilities Commission meets the no net harm standard and will be for the public good and seeks information not reasonably calculated to lead to the discovery of admissible evidence regarding whether the transaction with FairPoint in New Hampshire that is currently before the Public Utilities Commission meets the no net harm standard and will be for the public good, based on the request for information on Verizon companies that are not parties to the proceeding.

PUBLIC
SMB-P-2

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent:
Title:

REQUEST:	Office of the Consumer Advocate, Group I, Set #1 Technical Session Follow-up
DATED:	June 11, 2007
ITEM: OCA GI FDR 1-21	Provide all documents relating to or supporting the spin-off of the publishing and regarding the internal restructuring of the publishing in anticipation of the spinoff, including any documents relating to the valuation of the operations.
REPLY:	Objection. The request seeks information not reasonably calculated to lead to the discovery of admissible evidence regarding whether the transaction with FairPoint in New Hampshire that is currently before the Public Utilities Commission meets the no net harm standard and will be for the public good.

VZ 782

PUBLIC
SMB-P-2

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent:
Title:

REQUEST: Office of the Consumer Advocate, Group I, Set #1
Technical Session Follow-up

DATED: June 11, 2007

ITEM: OCA GI FDR 1-22 Provide any market valuation studies performed by or on behalf of Verizon corporate or in the possession of Verizon corporate or Verizon NH regarding the value of yellow pages, whether printed, or electronic.

REPLY: Objection. The request seeks information not reasonably calculated to lead to the discovery of admissible evidence regarding whether the transaction with FairPoint in New Hampshire that is currently before the Public Utilities Commission meets the no net harm standard and will be for the public good.

VZ 783

Service Quality Metrics for Verizon New Hampshire, 1996-2006 (ARMIS data)

Overview

This exhibit analyzes public data submitted by Verizon New England with respect to its operations in New Hampshire to the Federal Communications Commission ("FCC") detailing service quality performance, as measured by various metrics. Verizon New Hampshire service quality metrics generally improved during the period 1996 to 2000. As demonstrated by the metrics recorded after 2000, however, it is clear that Verizon New Hampshire has let customer service and quality of service deteriorate in recent years.

Percent Commitments Met

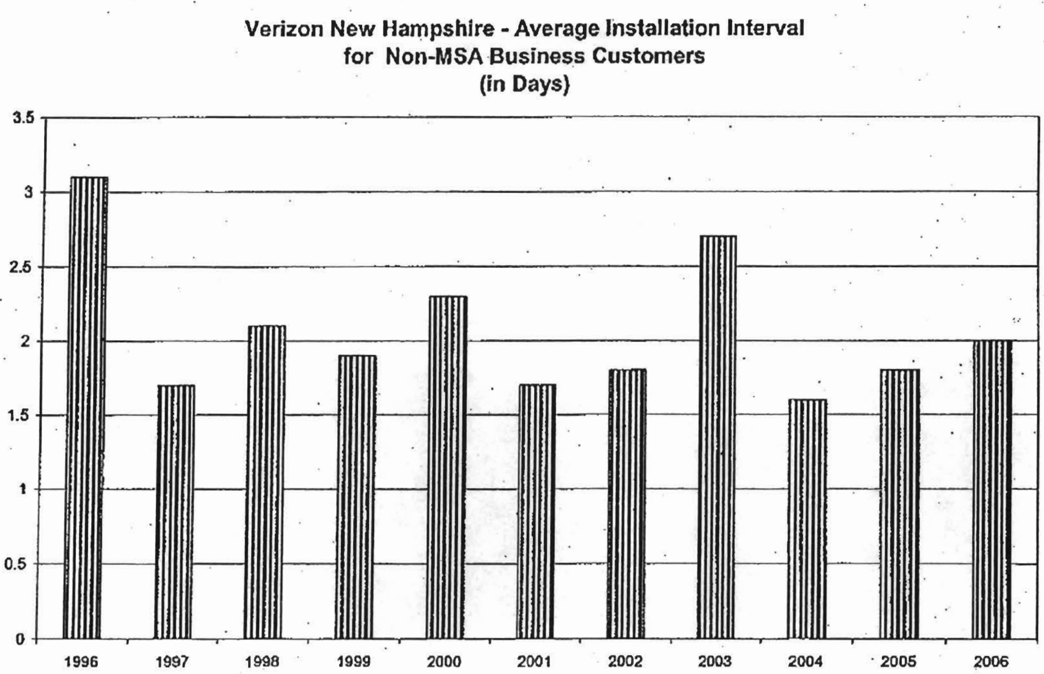
The metric "Percent Commitments Met" improved from 1996 to 2001, reaching 99.23% for all customers. This metric declined slightly in the following years. Both MSA[1] and Non-MSA Residential customers, as well as for Non-MSA Business customer categories follow this pattern.

Source: FCC ARMIS Report 43-05, Table II, Row 132.

[1]/ MSAs, or Metropolitan Statistical Areas, are designated by the Office of Management and Budget in a list released following each decennial census. An MSA is a Core - Based Statistical Area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting. Non-MSA refers to all areas in a study area which lie outside of any MSA. See 65 Fed. Reg. 82228 (2000) and the FCC's ARMIS reporting instructions at http://www.fcc.gov/wcb/armis/instructions/2006/definitions05.htm#gen. There are two MSAs that cover portions of NH. The Boston-Cambridge-Quincy MSA includes Rockingham County, NH, and Strafford County, NH. The Manchester-Nashua MSA covers Hillsborough County, NH. These two MSAs include about 62% of NH's population, and about 22% of NH's land area. Population Division, US Census Bureau; US Census Bureau's City and County Databook 2000.

Average Installation Interval (in Days)

Verizon New Hampshire shows improvement, though inconsistently, in reducing its "Average Installation Interval" since 1996. However, recent data for Non-MSA Business customers (that is, for business customers located in less densely populated areas of New Hampshire) are particularly troubling, showing that the average installation interval increased from 1.6 days in 2004 to 2 days in 2006.

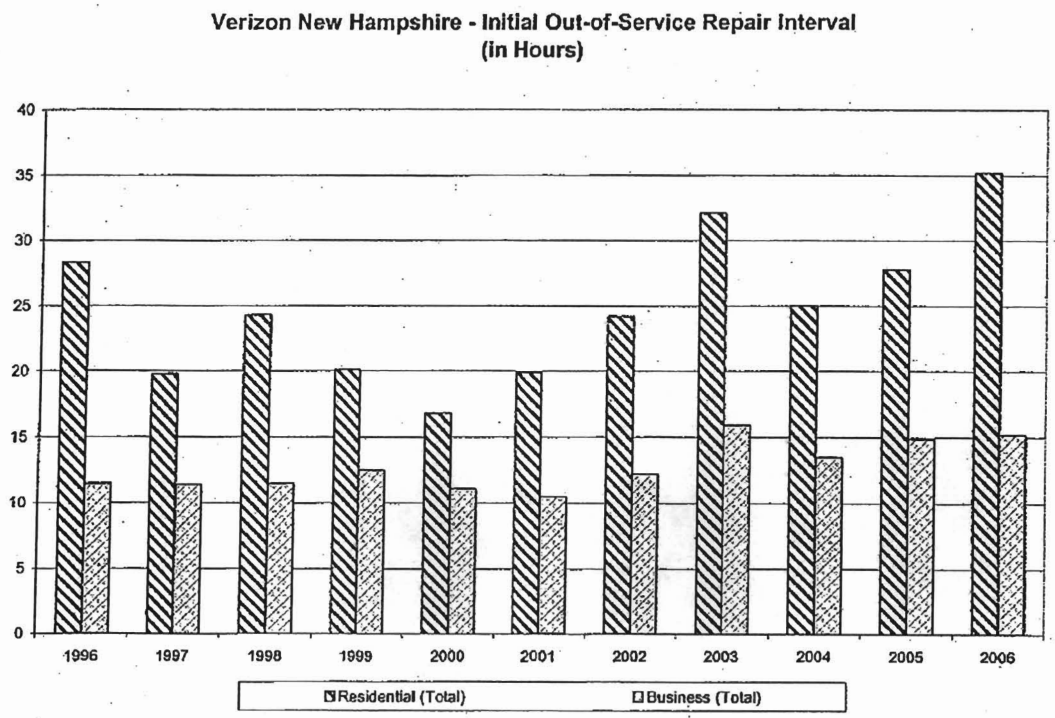


Source: FCC ARMIS Report 43-05, Table II, Row 134.

Initial Out of Service Repair Intervals (in hours)

In all customer categories, the timeliness of Verizon NH's repair, as measured by the metric "Initial Out-of-Service Repair Interval," declined from its best measurements in 2000 and 2001. For residential customers the average repair interval was 35.2 hours in 2006, *more than double the wait time* experienced by households in 2000.

In 2006, residential customers in non-MSA areas of New Hampshire waited *more than twice as long* as business customers in non-MSA areas for repairs to be completed (34.1 hours for residential customers vs.14.4 hours for business customers).

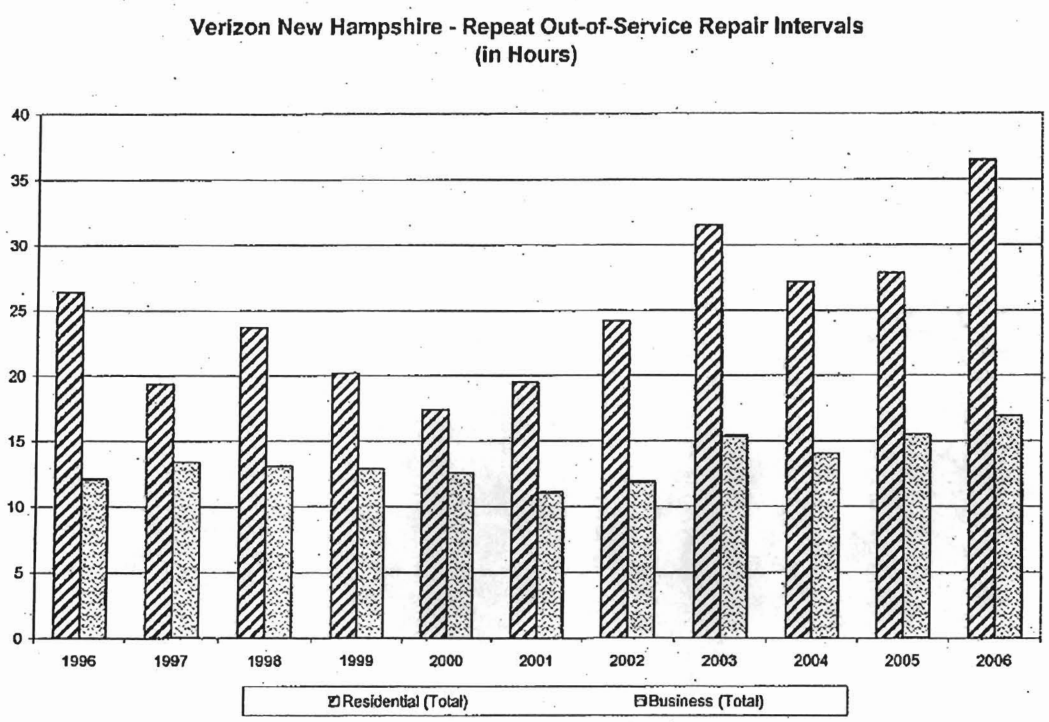


Source: FCC ARMIS Report 43-05, Table II, Row 145.

Repeat Out of Service Repair Intervals (in hours)

"Repeat Out-of-Service Repair Intervals" in Verizon New Hampshire's territory grew dramatically from 2000 to 2006. For residential customers, the length of time taken to complete a repeat repair grew 110% from 17.4 hours in 2000 to 36.5 hours 2006. For business customers, the interval lengthened by 45% between 2001 and 2006.

In 2006 Non-MSA residential repair intervals, at 34 hours, were 60% longer than business repair intervals, at 21.3 hours.

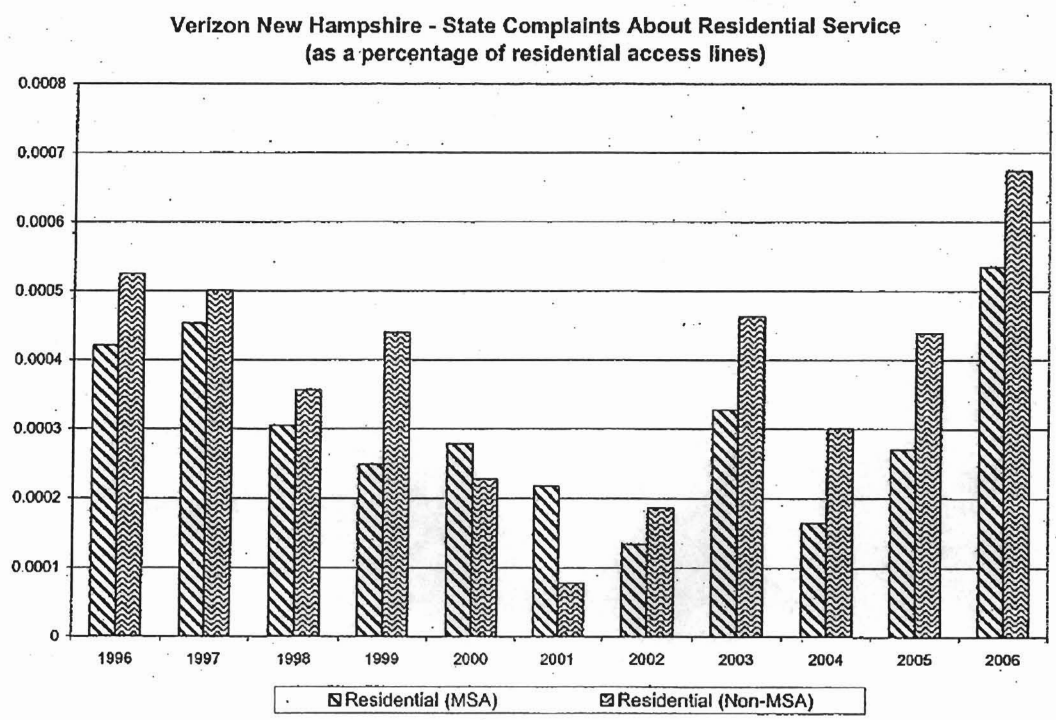


Source: FCC ARMIS Report 43-05, Table II, Row 149.

Complaints

From 2002 to 2006, state complaints about residential service increased substantially for Verizon New Hampshire. In New Hampshire MSAs, residential customers made 38 complaints in 2002, a number which grew to 117 in 2006. In Non-MSA areas of New Hampshire, residential customers filed only 18 complaints in 2001. This number rose to 127 complaints in 2006.

Even more striking is the increase in the number of complaints per residential access line. Verizon New Hampshire's MSA-area residential complaints as a percentage of access lines *quadrupled* in four years, rising from 0.013% in 2002 to 0.054% in 2006. In Non-MSA areas, residential complaints increased *eightfold* from 0.008% in 2001 to 0.067% in 2006.

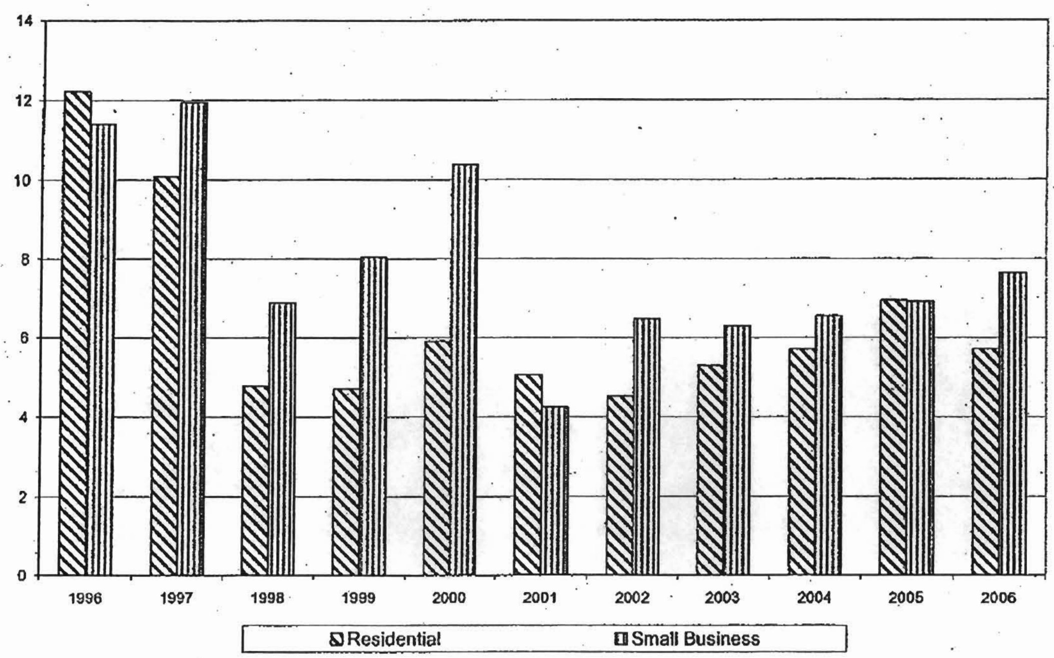


Source: FCC ARMIS Report 43-05, Table V, Rows 320, 321, 322, 330.

Customer Satisfaction

The metric "Percent Dissatisfied" (with business office activities) worsened steadily for both residential and small business customers since 2001, with a slight improvement for residential customers in 2006.

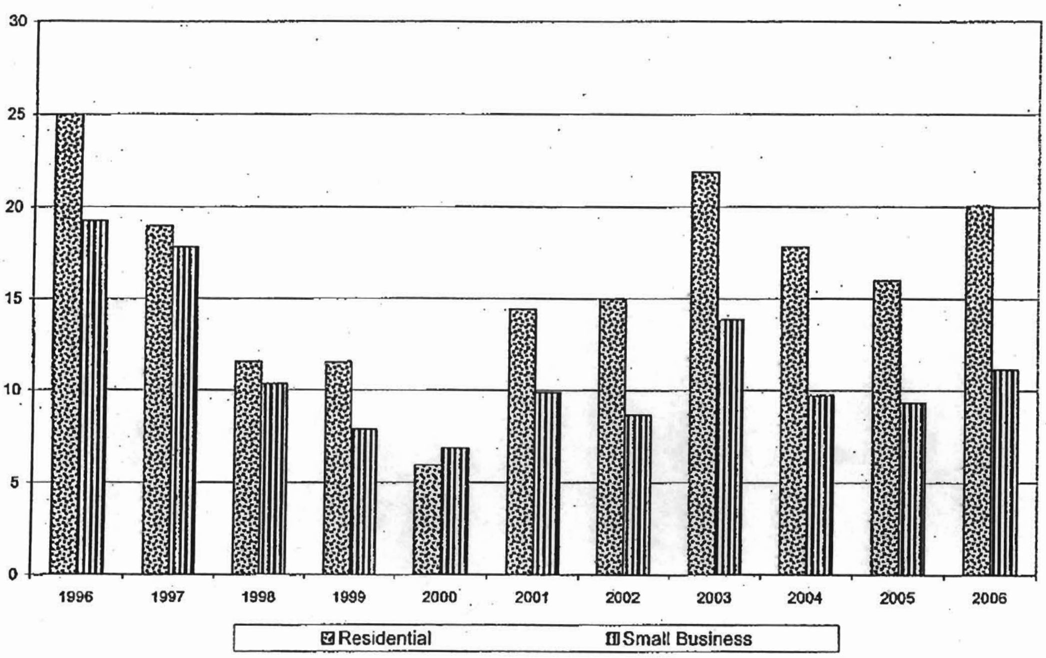
Verizon New Hampshire - Percent Dissatisfied (Business Office)



Source: FCC ARMIS Report 43-06, Table I, Rows 40, 60, 80.

Residential and small business customers' dissatisfaction with repairs has increased steadily since 2000. Verizon New Hampshire residential customers grew substantially less satisfied between 2000, when the dissatisfaction rate was 5.94%, and 2006, when the rate was 20.07%.

Verizon New Hampshire - Percent Dissatisfied (Repairs)



Source: FCC ARMIS Report 43-06, Table I, Rows 40, 60, 80.

PUBLIC
SMB-P-5

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Peter G. Nixon
Title: Chief Operating Officer

REQUEST: Office of Consumer Advocate
Group I, Set 1

DATED: April 5, 2007

ITEM: OCA 1-3 Please provide a list of all regulatory agencies that must approve the proposed transaction, including the case number of each such regulatory proceeding, the date each case was filed, procedural timelines, whether hearings are scheduled, the expected date of approval in each case.

REPLY: In addition to approval by the New Hampshire Public Utilities Commission, the FairPoint-Verizon transaction must also be approved by the Vermont Public Service Board in Docket No. 7270, the Maine Public Utilities Commission in Docket No. 2007-67, and the Illinois Commerce Commission in Docket No. 07-0191. The Vermont and Maine applications for approval were filed on January 31, 2007. The Illinois application for approval was filed on March 15, 2007. The procedural schedule in Maine and Vermont includes continuing data requests, further testimony, and technical conferences through September 2007. In Maine, hearings are scheduled for October 2-5 and 10-12 with a decision expected by December 21, 2007. In Vermont, hearings are scheduled for September 5-7 and 17-20 with a decision expected by November 30, 2007. The procedural schedule in Illinois includes data requests and further testimony in May 2007, followed by a status hearing on June 6, 2007. It is unknown when a decision is expected from the Illinois Commerce Commission.

PUBLIC
SMB-P-6

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Peter G. Nixon
Title: Chief Operating Officer

REQUEST: Office of Consumer Advocate
Group II

DATED: April 13, 2007

ITEM: OCA 2-5 Please provide in Excel spreadsheet format, separately for the Chatham and East Conway localities as well as the Maine and Vermont exchanges, by month from January 1997 to June 2006, the objective versus actual result for ***residential*** customers for the following metrics:

a. Held orders over thirty days;

b. Average trouble report/100 lines;

c. Average % out of service less than 24 hours;

d. Average hours repair completion;

e. Average % repair commitments met;

f. Repair service answer time;

g. Average installation intervals (days);

h. Out-of-service repair intervals (hours);

i. Percent installation commitments met;

j. Repeat troubles as percent of initial troubles;

k. Percent installation dissatisfaction;

l. Percent repair dissatisfaction;

m. Switch outages; and

n. Average switch downtime (seconds).

REPLY: **OBJECTION:** FairPoint objects to Data Request 2-5 on the grounds that it is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence and that the request would require FairPoint to create evidence that does not currently exist. Subject to and without waiving these objections, FairPoint will respond to the extent information is in its custody, possession or control and in the manner so stored or maintained by FairPoint for the period from 2003 to the present. [Objection served April 20, 2007.]

a. There are no state (ME, NH or VT) metrics on this. We began tracking this internally in 2005. Our goal is to take care of new construction orders within a 30-day timeframe. However, there are instances where electric utilities' approval and/or easements are required, and that could sometimes cause a new construction order to go over 30 days. Our process is when the customer orders service, and if new construction, the order is dated seven (7) days out. A locate is done by a technician, and if it needs construction, an engineer is sent to the site. The engineer will inform Customer Service that the order needs to be dated out to 30 days. FPNE internal tracking shows from K drive report -- Orders held over 30 days due to Construction within FPNE are: 0.8% in 2005 (9 months reporting); 0% in 2006; 0% in 1st quarter 2007.

b. For NH, Attachment CFPNH 0266 – CFPNH 0275 is being produced under seal and pursuant to RSA 378:43 and the Protective Agreement in this Docket. For ME, Attachment CFPNH 0276 – CFPNH 0373 is being produced under seal and pursuant to RSA 378:43 and the Protective Agreement in this Docket. For VT, Attachment CFPNH 0226- CFPNH 0265 is being produced under seal and pursuant to RSA 378:43 and the Protective Agreement in this Docket.

c. We report outages under the specific State Network Outage reporting requirements. We believe that based upon our access lines for ME, NH and VT, our average would be less than 1% - FPNE having 99% as an average out of service less than 24 hours.

d. We do not track this information, but average repair time is estimated to be 1-1/2 hours from the time the technician receives the trouble ticket until it is cleared.

e. We do not specifically track this information for ME or VT. In NH, we track % of trouble appointments not met. Attachment CFPNH 0266 – CFPNH 0275, Section 7 is being produced under seal and pursuant to RSA 378:43 and the Protective Agreement in this Docket.

f. We do not track this information.

g. We do not specifically track this information. Our internal objective is 3-5 days if a technician is required or 48 hours for switch work only. We do not have separate information for each state, but the average % of Installations within 3 days for FairPoint, Northeast is 49.1% in 2005 and 99.9% in 2006

h. We do not track this information. Our objective is to respond to a customer's no dial tone repair request as soon as possible and within 24 hours of customer's no dial tone repair request to our Repair/Dispatch Department or our after hours answering service that contacts our On Call technicians. We track over 24 troubles not met. See the Attachments noted above in this response.

i. This is tracked for Vermont PBS SQI; but not for Maine and NH PUC SQI reports. Our percent of installations not met is less than 0.5%, thereby FPNE meeting its installation commitments by 99% in all of its 3 states.

j. Attachment CFPNH 0219 – CFPNH 0220 is being produced under seal and pursuant to RSA 378:43 and the Protective Agreement in this Docket. Note: The repeat trouble data includes any trouble reported on the same access line # within 30 days whether or not it is a repeat of the same trouble. This report also includes non-regulated services and CPE. The Company does not maintain separate data sought in the question. Data is limited to 2005 – 2006 as we did not track this information prior to this report.

k. We do not track this information.

l. We do not track this information.

m. Our switch has not gone out at any time.

n. We have not had any switch downtime

PUBLIC
SMB-P-8

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent: Stephen E. Smith
Title: Vice President – Business Development

REQUEST: Office of the Consumer Advocate, Group II, Set #2
Technical Session Follow-up

DATED: June 11, 2007

ITEM: OCA GII FDR 2-7 How many exchanges and how many wire centers make up Verizon New Hampshire's service area?

REPLY: In the Verizon NH service territory there are 117 exchanges and 125 wire centers.

VZ 795

Verizon Communications
2006 Annual Report

PUBLIC
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verizon

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connection with sales of our interests in various other investments, including a partnership venture with Crown Castle International Corp., EuroTel Bratislava, a.s. and Iowa Telecom preferred stock.

In 2006, investing activities of discontinued operations include net pretax cash proceeds of $2,042 million in connection with the sale of Verizon Dominicana. In 2005, investing activities of discontinued operations are primarily related to capital expenditures related to discontinued operations. In 2004, investing activities of discontinued operations include cash proceeds of $1,603 million from the sale of Verizon Information Services Canada, partially offset by capital expenditures related to discontinued operations.

Under the terms of an investment agreement, Vodafone had the right to require Verizon Wireless to purchase up to an aggregate of $20 billion worth of Vodafone's interest in Verizon Wireless at designated times (put windows) at its then fair market value, not to exceed $10 billion in any one put window. Vodafone had the right to require the purchase of up to $10 billion during a 61-day period which opened on June 10 and closed on August 9 in 2006, and did not exercise that right. As of December 31, 2006, Vodafone only has the right to require the purchase of up to $10 billion worth of its interest, during a 61-day period opening on June 10 and closing on August 9 in 2007, under its one remaining put window. Vodafone also may require that Verizon Wireless pay for up to $7.5 billion of the required repurchase through the assumption or incurrence of debt. In the event Vodafone exercises its one remaining put right, we (instead of Verizon Wireless) have the right, exercisable at our sole discretion, to purchase up to $2.5 billion of Vodafone's interest for cash or Verizon stock at our option.

Cash Flows Used In Financing Activities

Our total debt was reduced by $1,896 million during 2006. We repaid $6,838 million of Wireline debt, including premiums associated with the retirement of $5,665 million of aggregate principal amount of long-term debt assumed in connection with the MCI merger. The Wireline repayments also included the early retirement/prepayment of $697 million of long-term debt and $155 million of other long-term debt at maturity. We repaid $2.5 billion of Domestic Wireless 5.375% fixed rate notes that matured on December 15, 2006. At December 31, 2006, Verizon Wireless had no third-party debt. Also, we redeemed the $1,375 million accreted principal of our remaining zero-coupon convertible notes and retired $482 million of other corporate long-term debt at maturity. These repayments were partially offset by our issuance of long-term debt with a total aggregate principal amount of $4,000 million, resulting in cash proceeds of $3,958 million, net of discounts, issuance costs and the receipt of cash proceeds related to hedges on the interest rate of an anticipated financing. In connection with the spin-off of Idearc, we received net cash proceeds of approximately $2 billion and retired debt in the aggregate principal amount of approximately $7 billion (see Other Consolidated Results – Discontinued Operations – Verizon Information Services).

Cash of $240 million was used to reduce our total debt during 2005. We repaid $1,533 million of Domestic Wireless, $1,183 million of Wireline and $1,109 million of Verizon corporate long-term debt. The Wireline debt repayment included the early retirement of $350 million of long-term debt and $806 million of other long-term debt at maturity. This decrease was largely offset by the issuance by Verizon corporate of long-term debt with a total principal amount of $1,500 million, resulting in total cash proceeds of $1,478 million, net of discounts and costs, and an increase in our short-term borrowings of $2,098 million.

Cash of $5,401 million was used to reduce our total debt during 2004. We repaid $2,315 million and $2,769 million of Wireline and Verizon corporate long-term debt, respectively. The Wireline debt repayment includes the early retirement of $1,275 million of long-term debt and $950 million of other long-term debt at maturity. The corporate debt repayment includes $1,984 million of zero-coupon convertible notes redeemed by Verizon corporate and $723 million of other corporate long-term debt at maturity. Also, during 2004, we decreased our short-term borrowings by $747 million and Verizon corporate issued $500 million of long-term debt.

Our ratio of debt to debt combined with shareowners' equity was 42.8% at December 31, 2006 compared to 49.1% at December 31, 2005.

As of December 31, 2006, we had no bank borrowings outstanding. We also had approximately $6.2 billion of unused bank lines of credit (including a $6.0 billion three-year committed facility that expires in September 2009 and various other facilities totaling approximately $400 million) and we had shelf registrations for the issuance of up to $4.5 billion of unsecured debt securities. The debt securities of Verizon and our telephone subsidiaries continue to be accorded high ratings by primary rating agencies. In order to simplify and streamline our financing entities, Verizon Global Funding merged into Verizon Communications on February 1, 2006. Verizon Communications is now the primary issuer of all long-term and short-term debt for Verizon. The short-term ratings of Verizon Communications are: Moody's P-2; S&P A-1; and Fitch F1. The long-term ratings of Verizon Communications are: Moody's A3 with stable outlook; S&P A with negative outlook; and Fitch A+ with stable outlook. In June 2006, the long-term debt rating of Verizon Wireless was upgraded by Moody's to A2 from A3 and assigned a stable outlook and the long-term debt rating of Verizon Communications was affirmed at A3 with a stable outlook. In December 2006, Fitch affirmed the long-term debt rating of Verizon Communications at A+ with a stable outlook. Following the maturity of its remaining external debt in December 2006, Moody's and Fitch withdrew the rating on Verizon Wireless.

We and our consolidated subsidiaries are in compliance with all of our debt covenants.

As in prior years, dividend payments were a significant use of capital resources. We determine the appropriateness of the level of our dividend payments on a periodic basis by considering such factors as long-term growth opportunities, internal cash requirements and the expectations of our shareowners. In 2006 and 2005, Verizon declared quarterly cash dividends of $.405 per share. In 2004, we declared quarterly cash dividends of $.385 per share.

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans. On January 19, 2006, the Board of Directors determined that no additional common shares could be purchased under previously authorized share repurchase programs and gave authorization to repurchase of up to 100 million common shares terminating no later than the close of business on February 28, 2008. We repurchased $1,700 million of our common stock as part of this program.

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forty-five days assuming the satisfactory completion of its due diligence investigation of CANTV. The tender offers are subject to certain conditions including that a majority of the outstanding shares are tendered to the Government and receipt of regulatory approvals. Based upon the terms of the MOU and our current investment balance in CANTV, we expect that we will record a loss on our investment in the first quarter of 2007. The ultimate amount of the loss depends on a variety of factors, including the successful completion of the tender offer and the satisfaction of other terms in the MOU.

Spin-off of Idearc
On November 17, 2006 we completed the spin-off of Idearc to shareowners of Verizon. Verizon distributed a dividend of one share of Idearc common stock for every 20 shares of Verizon common stock. Cash was paid for fractional shares. The distribution of Idearc common stock is considered a tax free transaction for us and for our shareowners, except for the cash payments for fractional shares which are generally taxable. Idearc now owns what was the Verizon domestic print and Internet yellow pages directories publishing operations, which had been the principal component of our Information Services segment. This transaction resulted in an increase of nearly $9 billion in shareowners' equity, as well as a reduction of total debt by more than $7 billion and we received approximately $2 billion in cash.

Telephone Access Lines Spin-off
On January 16, 2007, we announced a definitive agreement with FairPoint Communications, Inc. (FairPoint) that will result in Verizon establishing a separate entity for its local exchange and related business assets in Maine, New Hampshire and Vermont, spinning off that new entity to Verizon shareowners, and immediately merging it with and into FairPoint.

Upon the closing of the transaction, Verizon shareowners will own approximately 60 percent of the new company and FairPoint stockholders will own approximately 40 percent. Verizon Communications will not own any shares in FairPoint after the merger. In connection with the merger, Verizon shareowners will receive one share of FairPoint stock for approximately every 55 shares of Verizon stock held as of the record date. Both the spin-off and merger are expected to qualify as tax-free transactions, except to the extent that cash is paid to Verizon shareowners in lieu of fractional shares.

The total value to be received by Verizon and its shareowners in exchange for these operations will be approximately $2,715 million. Verizon shareowners will receive approximately $1,015 million of FairPoint common stock in the merger, based upon FairPoint's recent stock price and the terms of the merger agreement. Verizon will receive $1,700 million in value through a combination of cash distributions to Verizon and debt securities issued to Verizon prior to the spin-off. Verizon may exchange these newly issued debt securities for certain debt that was previously issued by Verizon, which would have the effect of reducing Verizon's then-outstanding debt.

Redemption of Debt
Debt assumed from MCI merger
On January 17, 2006, Verizon announced offers to purchase two series of MCI senior notes, MCI $1,983 million aggregate principal amount of 6.688% Senior Notes Due 2009 and MCI $1,699 million aggregate principal amount of 7.735% Senior Notes Due 2014, at 101% of their par value. Due to the change in control of MCI that occurred in connection with the merger with Verizon on January 6, 2006, Verizon was required to make this offer to noteholders within 30 days of the closing of the merger of MCI and Verizon. Separately, Verizon notified noteholders that MCI was exercising its right to redeem both series of Senior Notes prior to maturity under the optional redemption procedures provided in the indentures. The 6.688% Notes were redeemed on March 1, 2006, and the 7.735% Notes were redeemed on February 16, 2006.

In addition, on January 20, 2006, Verizon announced an offer to repurchase MCI $1,983 million aggregate principal amount of 5.908% Senior Notes Due 2007 at 101% of their par value. On February 21, 2006, $1,804 million of these notes were redeemed by Verizon. Verizon satisfied and discharged the indenture governing this series of notes shortly after the close of the offer for those noteholders who did not accept this offer.

Zero-Coupon Convertible Notes
Previously, Verizon Global Funding issued approximately $5,442 million in principal amount at maturity of zero-coupon convertible notes due 2021 which were callable by Verizon on or after May 15, 2006. On May 15, 2006, we redeemed the remaining $1,375 million accreted principal of the outstanding zero-coupon convertible notes at a redemption price of $639.76 per $1,000 principal plus interest of approximately $0.5767 per $1,000 principal. The total payment on the date of redemption was approximately $1,377 million.

Other Debt Redemptions/Prepayments
Other debt redemptions/prepayments included approximately $697 million of outstanding debt issuances at various rates associated with our operating telephone companies. Original maturity dates ranged from 2010 through 2026. On December 15, 2006, Verizon Wireless' six year 5.375% fixed rate note of $2.5 billion matured. At December 31, 2006, Verizon Wireless had no third-party debt outstanding. On January 8, 2007, we redeemed the remaining $1,580 million of the outstanding notes of the Verizon Communications Inc. floating rate notes due 2007. The gain/(loss) on these redemptions and prepayments were immaterial.

Issuance of Debt
In February 2006, Verizon issued $4,000 million of floating rate and fixed rate notes maturing from 2007 through 2035.

Spectrum Purchases
On November 29, 2006, we were granted thirteen 20 MHz licenses we won in an FCC auction of Advanced Wireless Services spectrum that concluded on September 18, 2006, for which we had bid a total of $2,809 million. These licenses, which we anticipate using for the provision of advanced wireless broadband services, cover a population of nearly 200 million. We have made all required payments to the FCC for these licenses.

Environmental Matters
During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s. Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted. A reassessment of costs related to remediation efforts at several other former facilities was also undertaken. In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program. This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon. To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made. Adjustments may also be made based upon actual conditions discovered during the remediation at any of the sites requiring remediation.

PUBLIC
SMB-P-11

Consolidated Statements of Changes in Shareowners' Investment

(dollars in millions, except per share amounts, and shares in thousands)

Years Ended December 31,	2006 Shares	2006 Amount	2005 Shares	2005 Amount	2004 Shares	2004 Amount
Common Stock						
Balance at beginning of year	2,774,865	$ 277	2,774,865	$ 277	2,772,314	$ 277
Shares issued						
Employee plans	–	–	–	–	2,501	–
Shareowner plans	–	–	–	–	50	–
Shares issued MCI/Price acquisitions	192,787	20	–	–	–	–
Balance at end of year	2,967,652	297	2,774,865	277	2,774,865	277
Contributed Capital						
Balance at beginning of year		25,369		25,404		25,363
Shares issued-employee and shareowner plans		–		(24)		2
Shares issued-MCI/Price acquisitions		6,009		–		–
Net tax benefit from employee stock compensation		(2)		–		41
Idearc Inc. spin-off		8,695		–		–
Other		53		(11)		(2)
Balance at end of year		40,124		25,369		25,404
Reinvested Earnings						
Balance at beginning of year		15,905		12,984		9,409
Net income		6,197		7,397		7,831
Dividends declared ($1.62, $1.62 and $1.54 per share)		(4,781)		(4,479)		(4,265)
Other		3		3		9
Balance at end of year		17,324		15,905		12,984
Accumulated Other Comprehensive Loss						
Balance at beginning of year		(1,783)		(1,053)		(1,250)
Foreign currency translation adjustment		1,196		(755)		548
Unrealized gains on net investment hedges		–		2		–
Unrealized gains (losses) on marketable securities		54		(21)		7
Unrealized gains on cash flow hedges		14		10		17
Minimum pension liability adjustment		788		51		(332)
Adoption of SFAS No. 158		(7,671)		–		–
Other		(128)		(17)		(43)
Other comprehensive income (loss)		(5,747)		(730)		197
Balance at end of year		(7,530)		(1,783)		(1,053)
Treasury Stock						
Balance at beginning of year	(11,456)	(353)	(5,213)	(142)	(4,554)	(115)
Shares purchased	(50,066)	(1,700)	(7,859)	(271)	(9,540)	(370)
Shares distributed						
Employee plans	5,355	181	1,594	59	8,881	343
Shareowner plans	20	1	22	1	–	–
Balance at end of year	(56,147)	(1,871)	(11,456)	(353)	(5,213)	(142)
Deferred Compensation–ESOPs and Other						
Balance at beginning of year		265		90		(218)
Amortization		(74)		174		301
Other		–		1		7
Balance at end of year		191		265		90
Total Shareowners' Investment		$ 48,535		$ 39,680		$ 37,560
Comprehensive Income						
Net income		$ 6,197		$ 7,397		$ 7,831
Other comprehensive income (loss) per above		(5,747)		(730)		197
Total Comprehensive Income (Loss)		$ 450		$ 6,667		$ 8,028

See Notes to Consolidated Financial Statements.

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PUBLIC
SMB-P-11

Pro Forma Information

The following unaudited pro forma consolidated results of operations assume that the MCI merger was completed as of January 1 for the periods shown below:

(dollars in millions, except per share amounts) Years Ended December 31,	2006	2005
Revenues	$ 88,371	$ 85,739
Income before discontinued operations and cumulative effect of accounting change	5,480	6,724
Net income	6,197	8,176
Basic earnings per common share:		
Income before discontinued operations and cumulative effect of accounting change	1.88	2.30
Net income	2.13	2.79
Diluted earnings per common share:		
Income before discontinued operations and cumulative effect of accounting change	1.88	2.28
Net income	2.12	2.76

The unaudited pro forma information presents the combined operating results of Verizon and the former MCI, with the results prior to the acquisition date adjusted to include the pro forma impact of: the elimination of transactions between Verizon and the former MCI; the adjustment of amortization of intangible assets and depreciation of fixed assets based on the purchase price allocation; the elimination of merger expenses incurred by the former MCI; the elimination of the loss on the early redemption of MCI's debt; the adjustment of interest expense reflecting the redemption of all of MCI's debt and the replacement of that debt with $4 billion of new debt issued in February 2006 at Verizon's weighted average borrowing rate; and to reflect the impact of income taxes on the pro forma adjustments utilizing Verizon's statutory tax rate of 40%. The unaudited pro forma results for 2005 include $82 million for discontinued operations that were sold by MCI during the first quarter of 2005. The unaudited pro forma results for 2005 include approximately $300 million of net tax benefits resulting from tax reserve adjustments recognized by the former MCI primarily during the third and fourth quarters of 2005, including audit settlements and other activity.

The unaudited pro forma consolidated basic and diluted earnings per share for 2006 and 2005 are based on the consolidated basic and diluted weighted average shares of Verizon and the former MCI. The historical basic and diluted weighted average shares of the former MCI were converted for the actual number of shares issued upon the closing of the merger.

The unaudited pro forma results are presented for illustrative purposes only and do not reflect the realization of potential cost savings, or any related integration costs. Certain cost savings may result from the merger; however, there can be no assurance that these cost savings will be achieved. Cost savings, if achieved, could result from, among other things, the reduction of overhead expenses, including employee levels and the elimination of duplicate facilities and capital expenditures. These pro forma results do not purport to be indicative of the results that would have actually been obtained if the merger occurred as of the beginning of each of the periods presented, nor does the pro forma data intend to be a projection of results that may be obtained in the future.

Other Acquisitions

In August 2002, Verizon Wireless and Price Communications Corp. (Price) combined Price's wireless business with a portion of Verizon Wireless. The resulting limited partnership, Verizon Wireless of the East LP (VZ East), is controlled and managed by Verizon Wireless. In exchange for its contributed assets, Price received a limited partnership interest in the new partnership which was exchangeable into the common stock of Verizon Wireless if an initial public offering of that stock occurred, or into the common stock of Verizon on the fourth anniversary of the asset contribution date. On August 15, 2006, Verizon delivered 29.5 million shares of newly-issued Verizon common stock to Price valued at $1,007 million in exchange for Price's limited partnership interest in VZ East. As a result of acquiring Price's limited partnership interest, Verizon recorded goodwill of $345 million in the third quarter of 2006 attributable to its Domestic Wireless segment.

On November 29, 2006, we were granted thirteen 20MHz licenses we won in an FCC auction that concluded on September 18, 2006. We paid a total of $2,809 million for the licenses, which cover a population of nearly 200 million.

NOTE 3

DISCONTINUED OPERATIONS AND SALES OF BUSINESSES, NET

Verizon Information Services

In October, 2006, we announced our intention to spin-off our domestic print and Internet yellow pages directories publishing operations, which have been organized into a newly formed company known as Idearc Inc. (Idearc). On October 18, 2006, the Verizon Board of Directors declared a dividend consisting of 1 share of Idearc for each 20 shares of Verizon owned. In making its determination to effect the spin-off, Verizon's Board of Directors considered, among other things, that the spin-off may allow each company to separately focus on its core business, which may facilitate the potential expansion and growth of Verizon and Idearc, and allow each company to determine its own capital structure.

On November 17, 2006, we completed the spin-off of Idearc. Cash was paid for fractional shares. The distribution of Idearc common stock to our shareholders is considered a tax free transaction for us and for our shareowners, except for the cash payments for fractional shares which are generally taxable.

At the time of the spin-off, the exercise price of and number of shares of Verizon common stock underlying options to purchase shares of Verizon common stock, restricted stock units (RSU's) and performance stock units (PSU's) were adjusted pursuant to the terms of the applicable Verizon equity incentive plans, taking into account the change in the value of Verizon common stock as a result of the spin-off.

In connection with the spin-off, Verizon received approximately $2.0 billion in cash from the proceeds of loans under an Idearc term loan facility and transferred to Idearc debt obligations in the aggregate principal amount of approximately $7.1 billion thereby reducing Verizon's outstanding debt at that time. We incurred pretax charges of approximately $117 million ($101 million after-tax), including debt retirement costs, costs associated with accumulated vesting benefits of Idearc employees, investment banking fees and other transaction costs related to the spin-off, which are included in discontinued operations.

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PUBLIC
SMB-P-12

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Lee David Newitt
Title: Manager, Corporate Development

REQUEST: Office of Consumer Advocate
Group II

DATED: April 13, 2007

ITEM: OCA 2-24

Re page 19, lines 11-12. Please describe what will happen if FairPoint is not ready or able to assume responsibilities for the services that will be provided by Verizon under the Transition Services Agreement at the end of the 15-month period following the closing.

REPLY:

OBJECTION: FairPoint objects to Data Request 2-24 on the grounds that it is vague. Subject to and without waiving these objections, FairPoint will provide information responsive to Data Request 2-24. [Objection served April 20, 2007.]

Although the contemplated transition period in the Transition Services Agreement is fifteen months from the time of close, there is not a mandatory cutover date. In the unlikely event that FairPoint remained unprepared for a cutover after month fifteen, FairPoint could continue purchasing transition services from Verizon indefinitely. The financial model assumes the transition services will be purchased for only six months following the closing.

PUBLIC
SMB-P-13

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

SUPPLEMENTAL RESPONSE

Respondent: Walter E. Leach, Jr.
Title: Executive Vice President, Corporate Development

REQUEST: Public Utilities Commission Staff
Group I

DATED: April 6, 2007

ITEM: Staff 1-89 What contingency plans for funding of transition services (given the accelerating costs of the transition services after month 12) does FairPoint have if it can't complete the transition by the 12th month after closing?

FIRST SUPPLEMENTAL REPLY: Excess cash flow and cash available for dividends will provide sufficient contingency in the event the TSA period lasts longer than projected. In addition, FairPoint will have up to $200 million available for borrowings under its anticipated revolving credit facility.

PUBLIC
SMB-P-14

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Lee David Newitt
Title: Director, Corporate Development

REQUEST: Office of the Consumer Advocate
Follow-Up Data Requests Group V

DATED: June 11, 2207

ITEM: OCA FDR V-8

Did FairPoint run any sensitivity analyses for any of the following assumptions in its model (if so, please provide the results; if not, please explain why not):

a. Level of capital expenditures;

b. Duration of the TSA;

c. DSL demand; and

d. Increase in operating expenses.

REPLY:

FairPoint did not run any such particular sensitivities. The projections in the financial model are the result of fifteen months of due diligence and planning.

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent: Stephen E. Smith
Title: Vice President – Business Development

REQUEST: Office of the Consumer Advocate, Group V, Set #5
Technical Session Follow-up

DATED: June 11, 2007

ITEM: OCA G V FDR 1-5

Regarding the response to Staff 2-28 (regarding those eligible for retirement and early retirement), which was discussed during the technical session. Please provide comparable projections for all data included in response to Staff 2-28 as of the following dates:

a. The projected cutover date (specify the date assumed for the cutover date)
b. Year-end 2008
c. Year-end 2009

REPLY: Information responsive to this request is not maintained in the ordinary course of business and thus is not available.

VZ 802

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent: Stephen E. Smith
Title: Vice President – Business Development

REQUEST:	Office of the Consumer Advocate, Group V, Set #5 Technical Session Follow-up
DATED:	June 11, 2007
ITEM: OCA G V FDR 1-6	What level and types of staffing changes would" in Verizon's view, constitute that business was not "as usual."
REPLY:	Business would not be "as-usual" when the level and types of staffing changes occurring constitute changes other than those experienced in the normal day-to-day management of the business.

PUBLIC
SMB-P-20

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Peter G. Nixon
Title: Chief Operating Officer

REQUEST:	Office of the Consumer Advocate Follow-Up Data Requests Group V
DATED:	June 11, 2207
ITEM: OCA FDR V-4	Describe the criteria, if any, that FairPoint uses to determine whether changes in Spinco employment rises to the level of a material change to business as usual?
REPLY:	FairPoint does not have any specific or enumerated criteria. Noticeable fluctuations are topics for discussion between FairPoint and Verizon functional subject matter experts.

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**Verizon New England Inc.
d/b/a Verizon New Hampshire**

State of New Hampshire

Docket No. DT 07-011

Respondent: Stephen E. Smith
Title: Vice President – Business Development

REQUEST: Office of the Consumer Advocate, Group V, Set #5
Technical Session Follow-up

DATED: June 11, 2007

ITEM: OCA G V FDR 1-9 Please provide now, based on the data discussed at the technical sessions (specify the time period spanned), and then update this information in July, September, and November, 2007 the following cumulative totals from January 15, 2007 to most recent month for which data are available:

a. The number of salaried employees that left the Spinco workforce and the average years of experience of those departing;
b. The number of salaried employees that left the Spinco workforce and moved to other Verizon operations (that is, a subset of the previous number) and the average years of, experience of that subset.
c. The number of unsalaried employees that left the Spinco workforce and the average years of experience of those departing;
d. The number of unsalaried employees that left the Spinco workforce and moved to other Verizon operations (that is, a subset of the previous number) and the average years of experience of that subset.

SUPPLEMENTAL REPLY: Objection. The request is overbroad and calls for information that would be unduly burdensome to produce, and seeks information not reasonably calculated to lead to the discovery of admissible evidence regarding whether the transaction with FairPoint in New Hampshire that is currently before the Public Utilities Commission meets the no net harm standard and will be for the public good. Subject to and without waiving the objection, Verizon responds as follows:

Please see Verizon NH's replies to Staff FDR GI: 1-1, 1-2 and 1-4.

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent: Stephen Smith
Title: Vice President – Business Development

REQUEST: Labor Intervenors, Group II, Follow-Up

DATED: June 11, 2007

ITEM: Labor GII FDR 2-14

Please confirm that it is Verizon's position that it is obligated to transfer an ongoing business to FairPoint, not to ensure that current employees or others with identical skills and experience, transfer to FairPoint.

REPLY:

Verizon's position with respect to employee matters is best formulated in Article 4 of the Employee Matters Agreement.

VZ# 853

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Peter G. Nixon
Title: Chief Operating Officer

REQUEST: Office of the Consumer Advocate
Follow-Up Data Requests Group I

DATED: June 11, 2207

ITEM: OCA FDR I-2

Mr. Nixon (or another FairPoint employee) indicated that FairPoint's due diligence was made up of three items. Mr. Nixon spoke about (1) FairPoint's review of documents in Verizon's data room and (2) the review of a select number of switches in New Hampshire. What is the third item with respect to due diligence to which Mr. Nixon referred? Please identify and provide any supporting documentation.

REPLY: The third item was outside plant infrastructure. Please refer to FairPoint's First Supplemental Reply to Data Request Staff 2-8.

PUBLIC
SMB-P-30

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Michael L. Harrington
Title: Vice President, Network Engineering Services

REQUEST: Office of the Consumer Advocate Follow-Up Data Requests Group II

DATED: June 11, 2207

ITEM: OCA FDR II-4

In response to Staff questions, FairPoint indicated that it is still waiting for data regarding service quality and "root cause" issues from Verizon. FairPoint indicated that it would provide documents to Staff related to this issue. Please provide all documents to the OCA as well.

REPLY:

Based on further information provided orally by Verizon, FairPoint has concluded that the service quality issues can be addressed primarily through staffing increases at the technician level.

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent: Stephen E. Smith
Title: Vice President – Business Development

REQUEST: Office of the Consumer Advocate, Group I, Set #1
Technical Session Follow-up

DATED: June 11, 2007

ITEM: OCA GI FDR 1-6

Re Verizon's response to OCA I 1-21b (proprietary):

a. In Attachment b, define <<<**BEGIN PROPRIETARY** **END PROPRIETARY**>>>, describe the types of projects encompassed in this category, and describe the criteria used to determine which projects to undertake.
b. In Attachment b, identify the central offices affected by the <<<**BEGIN PROPRIETARY** **END PROPRIETARY**>>> and describe the criteria used to determine which projects to undertake.
c. Re the data provided in Attachment A, provide the data in the same categories as are used in Attachment B.
d. Re the data provided in Attachment B, provide the data in the same categories as are used in Attachment A.
e. Explain the reason for the difference in the totals shown for year 2006 and 2007.

SUPPLEMENTAL REPLY:

Verizon NH considers information responsive to this request to be proprietary and competitively sensitive. It will be provided subject to confidential treatment in accordance with RSA 378:43 and a duly executed protective agreement.

a. "Core Broadband" expenditures are related to "data growth" and "DSL expansion" projects. "Data Growth" is defined as equipment added to the network to support Verizon's broadband services growth in areas such as Frame Relay, SS7, DP data growth or ISDN growth. "DSL Expansion" is defined as deploying DSL in geographic areas where Verizon does not currently offer DSL.
b. Service Improvement includes expenditures required for proactive cable maintenance.

c. Objection. The request is overly broad and calls for information that would be unduly burdensome to produce and seeks information not reasonably calculated to lead to the discovery of admissible evidence regarding whether the transaction with FairPoint in New Hampshire that is currently before the Public Utilities Commission meets the no net harm standard and will be for the public good. Subject to and without waiving its objection, Verizon responds as follows:

Please see the following proprietary information for the years 2004 through 2006. The amounts displayed differ from the values shown on Attachment A due to Net Salvage and Other adjustments. The information requested for year 2003 is not available.

*****Begin Proprietary*****

*****End Proprietary*****

d. Objection. The request is overly broad and calls for information that would be unduly burdensome to produce and seeks information not reasonably calculated to lead to the discovery of admissible evidence regarding whether the transaction with FairPoint in New Hampshire that is currently before the Public Utilities Commission meets the no net harm standard and will be for the public good. Subject to and without waiving the objection, Verizon responds as follows:

*****Begin Proprietary*****

*****End Proprietary*****

e. The major difference between the 2006 and 2007 capital budget is the FTTP program.

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent: Stephen E. Smith
Title: Vice President – Business Development

REQUEST: Office of the Consumer Advocate, Group II, Set #2
Technical Session Follow-up

DATED: June 11, 2007

ITEM: OCA GII FDR 2-1

In response to OCA 2-46-b, FairPoint responded: "Mr. Harrington did not testify as to the quality of the local service provided by Verizon. In general, Mr. Harrington believes that Verizon's current network allows for the provision of quality service. In Verizon's view, does Verizon's current network "allow for" the provision of quality service? Is it Verizon's position that there is no need for network improvement or staffing changes? In Verizon's view, what is preventing Verizon from meeting the PUC-established service quality standards?

REPLY:

Verizon NH concurs that its current network provides for the provision of quality service and is doing so today. While there may be room for improvement and despite some selective areas and times where certain metrics have not met the PUC established benchmark standard, Verizon NH has and continues to deliver good quality service to its customers. Verizon NH believes that any regulatory service quality measure should accurately reflect customer expectations and the marketplace today. The overriding flaws and problems with the current PUC-established metrics and benchmarks is that they are static and outdated and as such fail to properly account for the changes that have occurred in technology and the marketplace. The current PUC-established metrics do not accurately reflect what is important to customers or how the vast majority of customers view Verizon NH's service quality today. Rather, these metrics reflect the service issues and technology in place in Verizon NH's public switched network as well as regulatory policy principles associated with the near monopoly local exchange environment well before 1996. As such, these metrics do not account for the impact of the Telecommunications Act of 1996 (TAct); the Federal Communications Commission (FCC) and this Commission's pro-competitive policies implementing the TAct; the advent of, and significant growth in CLEC and cable competition; the deployment of cable telephony and broadband services; the explosion of the Internet and text messaging; the growth of Voice over Internet Protocol (VoIP) services and bundled service offerings, and the convergence and growth of wireless services. All of these factors have served to undermine the very foundation and policy rationale of many of the current PUC-established metrics. See also Verizon NH's replies to OCA GII 1-10, OCA G II 1-11 and OCA GII 1-12.

VZ 789

PUBLIC
SMB-P-51

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent: Stephen E. Smith
Title: Vice President – Business Development

REQUEST:	Office of the Consumer Advocate, Group III, Set #3 Technical Session Follow-up
DATED:	June 11, 2007
ITEM: OCA GIII FDR 1-1	Re responses to *DCA* Group III, 1-3 through 1-7: In the absence of information about the identity of the "disguised" CLECs, for each CLEC (note they are numbered), indicate for each CLEC whether it is owned by a common corporate parent as another CLEC included in any of the responses to *DCA* Group III 1-3 through 1-7. For example, assume for sake of illustration that CLEC 2 and CLEC 4 are owned by the same parent. Verizon should indicate that CLEC 2 and CLEC 4 are owned by the same corporate parent. Alternatively, unmask the identities of the CLECs to enable the *DCA* to conduct this research.
SUPPLEMENTAL REPLY:	Objection. The request seeks highly proprietary information that is not reasonably calculated to lead to the discovery of admissible evidence regarding whether the transaction with FairPoint in New Hampshire that is currently before the Public Utilities Commission meets the no net harm standard and will be for the public good. Subject to and without waiving the objection, Verizon responds as follows: Information responsive to this request is not maintained in the ordinary course of business and thus is not available.

VZ 796 S

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent: Stephen E. Smith
Title: Vice President – Business Development

REQUEST: Office of the Consumer Advocate, Group II, Set 1
Technical Capabilities, Current Infrastructure & Quality of Service

DATED: April 13, 2007

ITEM: OCA G II 1-65 Has Verizon suspended DSL deployment pending the outcome of this proceeding? Explain fully.

SUPPLEMENTAL REPLY: Objection. The request is overbroad and calls for information that would be unduly burdensome to produce and seeks information not reasonably calculated to lead to the discovery of admissible evidence regarding whether the transaction with FairPoint in New Hampshire that is currently before the Public Utilities Commission meets the no net harm standard and will be for the public good, based on the request for information on Verizon companies that are not parties to the proceeding and on operations other than in New Hampshire. Subject to and without waiving the objection, Verizon will respond as follows:

No. Verizon is proceeding with product line planning for DSL in New Hampshire, including deployment planning and implementation. The overall "business as usual" direction is to make operating decisions for the business as if the pending transaction did not exist.

VZ # 335

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Michael L. Harrington
Title: Vice President, Network Engineering Services

REQUEST: Office of Consumer Advocate
Group II

DATED: April 13, 2007

ITEM: OCA 2-60 Re page 10, lines 8-12. Mr. Harrington testifies: "The latest data I have reviewed shows that Verizon has 63% of its lines in New Hampshire qualified to provide DSL. This metric tells us how many of Verizon 's New Hampshire customers can have DSL service ready within a short time after requesting the service. In contrast, 92% of FairPoint's lines in Maine, New Hampshire and Vermont are qualified to provide DSL." Please respond to the following:

a. Please provide a copy of the data used to determine that 63% of Verizon's lines are DSL qualified.

b. What are FairPoint's specific criteria for determining that a line is DSL qualified?

c. On the FairPoint network, what is the maximum allowable loop length for a DSL service?

d. To increase Verizon's embedded 63% DSL qualified loops to 73%, what specific actions need to be taken and what is the resulting capital and maintenance dollars required to accomplish this objective?

e. Based on your investigation, how many loops in Verizon's New Hampshire outside plant can economically support DSL service? Please state the answer as a percent of total loops.

f. How much additional capital and maintenance dollars are estimated to be required to increase the availability of DSL qualified loops from 73% to the maximum identified in the previous response?

g. What additional human resources will be required by FairPoint to engineer and enable the build out of Verizon's New Hampshire outside plant to achieve the maximum economically efficient increase in DSL qualified loops?

h. What are FairPoint's committed DSL transmission speed objectives? Do the minimum/maximum transmission speeds differ from urban, suburban or rural areas or by loop length?

i. Provide in detail FairPoint's method for vendor selection of DSL equipment including the RFP process and the equipment evaluation criteria.

REPLY:

OBJECTION: FairPoint objects to Data Request 2-60 on the grounds that it is vague. Subject to and without waiving these objections, FairPoint will provide information responsive to Data Request 2-60. [Objection served April 20, 2007.]

a. Total Access Lines as of 12/31/05 = 610,338; Total Access Lines, DSL Qualified = 384,549. Resulting calculation yields 63%. Data provided by Verizon.

b. In general, FairPoint currently qualifies a customer line as DSL addressable if within 15kft of a DSL port.

c. The maximum allowable loop length for DSL service is entirely dependent upon the gauge of the copper loop, its make-up over the length of the facility, type of DSL utilized and sustainable data speeds expected.

d. FairPoint has not yet conducted detailed broadband engineering that would be required to respond to this question.

e. FairPoint has not yet conducted detailed broadband engineering that would be required to respond to this question.

f. FairPoint has not yet conducted detailed broadband engineering that would be required to respond to this question.

g. FairPoint has not yet conducted detailed broadband engineering that would be required to respond to this question.

h. DSL transmission speeds are determined by Marketing in accordance with service and application demand, and competition. As it relates to urban, suburban or rural areas, it is not FairPoint's current practice to differentiate "speed objectives" based upon "area criteria." However, attainable transmission speeds may be impacted by loop length which can vary.

i. How FairPoint selects any vendor is a highly proprietary, and sensitive process. However, in general, FairPoint assesses vendor financial viability, platform capabilities and capacities, protocol flexibility, compliance with industry standards, product development "road maps," initial costs, ongoing maintenance costs, and support fee structures. In addition, FairPoint assesses the ability of proposed vendor solutions to act in a truly multi-service/application environment that enables lowest cost/most efficient delivery methodologies for the Company and its customers.

PUBLIC
SMB-P-63

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Peter G. Nixon
Title: Chief Operating Officer

REQUEST: Office of Consumer Advocate
Group II

DATED: April 13, 2007

ITEM: OCA 2-35 By what benchmarks, if any, does FairPoint propose that the Commission and OCA measure FairPoint's success in deploying DSL?

REPLY: Percent addressability of Access Lines.

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PUBLIC
SMB-P-64

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Peter G. Nixon
Title: Chief Operating Officer

REQUEST: Office of the Consumer Advocate
Follow-Up Data Requests Group II

DATED: June 11, 2207

ITEM: OCA FDR II-14

During technical sessions, FairPoint indicated that in its current footprint, 65% of households passed have cable television and that of those households, 50% have cable modem access. FairPoint also indicated that cable penetration was higher in the New England states than the nationwide average. Please confirm these numbers. Please provide any and all documentation of these statistics.

REPLY:

OBJECTION: FairPoint objects to OCA FDR II-14 on the grounds that it is overbroad and unduly burdensome. Subject to and without waiving these objections, FairPoint will provide information responsive to FDR II-14. [Objection served June 18, 2007.]

Please refer to FPNH0960.

Cable Competition Summary: 2004 - Present

	% HHP capable	
	Cable TV	Cable Modem
4Q, 2004	69%	36%
4Q, 2005	69%	39%
1Q, 2006	69%	39%
2Q, 2006	69%	39%
3Q, 2006	69%	45%
4Q, 2006	69%	49%
1Q, 2007	69%	50%

PUBLIC
SMB-P-66a

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

SUPPLEMENTAL RESPONSE

PROPRIETARY

Respondent: Michael L. Harrington
Title: Vice President, Network Engineering Services

REQUEST: Public Utilities Commission Staff
Group II

DATED: April 13, 2007

ITEM: Staff 2-35

On page 13, lines 8-10, of Michael Harrington's testimony, he states that "part of FairPoint's due diligence was to identify the areas in which broadband can be reasonable and economically deployed on a timely basis." Please provide the results of this analysis specific to the areas of New Hampshire where FairPoint will be making its initial broadband expansions. As part of your response, please supply a map showing the time frame for broadband deployment. If FairPoint has not yet determined the time frame for deployment, please estimate it.

SECOND SUPPLEMENTAL REPLY:

Please refer to CFPNH 2158 - CFPNH 2170, previously produced under seal and pursuant to RSA 378:43 and the Protective Agreement in this Docket.

[BEGIN PROPRIETARY]

[END PROPRIETARY]

PUBLIC
SMB-P-67

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Peter G. Nixon
Title: Chief Operating Officer

REQUEST:	Labor Intervenors Follow-Up Data Requests Group II, Set I
DATED:	June 11, 2007
ITEM: LAB FDR II-17	Please explain the similarities between FairPoint's existing service areas and the Verizon Northern New England territories, in terms of extent of broadband alternatives, socioeconomic profile, and other factors influencing DSL demand, that justify FairPoint's assumption that the take-rate for its proposed DSL offerings in Verizon's Northern New England will be the same as in FairPoint's existing service areas. Please identify differences that would tend to make the take-rate in Verizon's territory lower, and explain why they do not change FairPoint's estimate that the take rate will be the same in its new territories.
REPLY:	It is FairPoint's understanding that approximately 78% of the Verizon wire centers in New Hampshire service population centers of 5,000 or fewer access lines. Therefore, FairPoint can conclude that these are rural markets similar to those serviced by Classic FairPoint and markets that will be reached by FairPoint's broadband plans.

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FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Michael L. Harrington
Title: Vice President, Network Engineering Services

REQUEST: Office of the Consumer Advocate
Follow-Up Data Requests Group II

DATED: June 11, 2207

ITEM: OCA FDR II-12.

OCA 2-69: OCA asks several questions related to Harrington testimony that: "After this initial [broadband] push, FairPoint will continue with making available a broadband-capable network as well as making broadband-enabled services available to as many New Hampshire customers as possible, as soon as reasonably possible." In part (d) FairPoint responds to OCA's question seeking the range of years encompassed by "as soon as reasonably possible" by stating: "A range of years has not been used as a metric for this purpose. Instead 'as soon as reasonably possible' is more closely aligned with customer demand and business case support for deployment." Please provide any and all analyses, reports, memorandum, presentations, business cases, etc . . prepared by or on behalf of FairPoint regarding customer demand and business case support for deployment. Consider this an ongoing request as the materials are prepared by FairPoint. Provide an illustrative business case upon which FairPoint has relied in the past in any other territory throughout the country that it serves to make an actual broadband deployment decision that is of the type of business case analysis that FairPoint intends to use in assessing deployment in NH.

REPLY:

OBJECTION: FairPoint objects to OCA FDR II-12 on the grounds that it is vague, overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, FairPoint will provide information responsive to FDR II-12. [Objection served June 18, 2007.]

As FairPoint develops the yearly capital program, it must take many things into account to prioritize projects. Many projects such as road relocation projects and service affecting maintenance cable replacements must take a high priority due to service and franchise obligations. These types of projects can affect the ability to commit to a certain time frame. FairPoint has committed to make a significant capital investment during the first 12-18 months after close of the transaction; that commitment is not subject to other projects' priorities.

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Michael L. Harrington
Title: Vice President, Network Engineering Services

REQUEST: Office of Consumer Advocate Group II

DATED: April 13, 2007

ITEM: OCA 2-36 Describe in detail the criteria by which FairPoint determines when and where to deploy DSL.

REPLY: FairPoint identifies sites exhibiting customer densities that would likely end in DSL take-rates supportive of deployment. Assessments concerning broadband transport, initial and future capacity and demand projections, existing site infrastructure and capabilities, and future plans for the area are included in any decision to deploy DSL, as well as how to deploy DSL at the site. Areas not initially identified by utilizing these criteria, but receiving affirmative, quantitative customer demand for DSL, are assessed for potential deployment based upon site specific economic considerations.

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Michael L. Harrington
Title: Vice President, Network Engineering Services

REQUEST:	Office of the Consumer Advocate Follow-Up Data Requests Group II
DATED:	June 11, 2207
ITEM: OCA FDR II-10	Re OCA 2-36: Please define the specific customer density (i.e. a specific number of households per sq. mile and cable route mile) that "would likely end in DSL take-rates supportive of deployment." Please provide internal documents that have been prepared by or on behalf of FairPoint with regard to determining the areas to which FairPoint will deploy DSL in New Hampshire.
REPLY:	FairPoint does not use a specific density rate to determine broadband enablement of a Central Office or Digital Loop Carrier location. Several factors have to be considered including not only density, but also, if existing fiber facilities are available. Each location where placement of additional fiber cable is required must be evaluated to determine the cost of the outside plant (OSP) cable and the necessary multi service access node (MSAN) equipment. Since there are several mitigating factors involved with the placement of fiber cable, each location must be evaluated on an individual basis. However, as was discussed during the Technical Sessions, FairPoint intends to use existing embedded fiber cable to feed the proposed MSAN units during the first wave of the Broadband initiative. In cases where additional fiber placement is not necessary, the investment per customer is lower, making deployment more feasible from a pure economic perspective.

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent: Stephen E. Smith
Title: Vice President – Business Development

REQUEST: Office of the Consumer Advocate, Group II, Set 1
Technical Capabilities, Current Infrastructure & Quality of Service

DATED: April 13, 2007

ITEM: OCA G II 1-72

Describe fully the status of Verizon's FiOS plans, and indicate by wire center where FiOS is available and the quantity of customers subscribing to Verizon's FiOS services in New Hampshire.

SUPPLEMENTAL REPLY:

Objection. The request is overbroad and calls for information that would be unduly burdensome to produce and seeks information not reasonably calculated to lead to the discovery of admissible evidence regarding whether the transaction with FairPoint in New Hampshire that is currently before the Public Utilities Commission meets the no net harm standard and will be for the public good, based on the request for information on Verizon companies that are not parties to the proceeding and on operations other than in New Hampshire. Subject to and without waiving the objection, Verizon will respond as follows:

Verizon New Hampshire plans to fully support FiOS where it is deployed, and has no plan to expand beyond the wire centers currently served. Please see Proprietary Attachment NH OCA GII: 1-72 for the wire centers served by FTTP and associated subscribers.

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Michael L. Harrington
Title: Vice President, Network Engineering Services

REQUEST: NH Public Utilities Commission Staff
Group II

DATED: April 13, 2007

ITEM: Staff 2-25 Please refer to Michael Harrington's testimony, p. 9, lines 14-22. Given that the use of graphics and other high bandwidth applications are growing significantly, please explain why FairPoint believes DSL will be adequate to meet customer demand in New Hampshire.

REPLY: The appropriate technology to deploy is fully dependent upon the services and applications desired by customers, relative distance such transmission systems must operate, and willingness to subscribe to said service at fee. "DSL" represents a family of technologies capable of various data transfer speeds over embedded copper plant that can economically address a wide range of services and applications. Albeit certain applications (i.e. graphics) may present high bandwidth demand for systems, most mass market applications would be "bursty" in nature. There may be some commercial graphics applications, for example, not falling within the mass market definition deserving greater assessment. FairPoint has deployed ADSL-2+ technology capable of download speeds approximating 25Mb that easily addresses most mass market demands. Further, ADSL-2+ technology is, per definition, capable of bonding which could increase data throughput to slightly less than 2x's a single ADSL-2+ line. Per Verizon response to a FairPoint information request, Verizon has not deployed this newer ADSL-2+ technology in the three (3) states in New England. Where appropriate, FairPoint also intends to deploy Ethernet based MSAN (Multiple Service Access Network) enabled platforms that are capable of not only ADSL-2+, but incrementally VDSL-2 (approaching 50Mb), GPON FTTP or even active Ethernet (copper or fiber based). This strategy enables FairPoint to address the mass market with ADSL-2+ immediately and address more demanding or specialized needs incrementally from the same platform.

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Michael L. Harrington
Title: Vice President, Network Engineering Services

REQUEST: Office of the Consumer Advocate Follow-Up Data Requests Group II

DATED: June 11, 2207

ITEM: OCA FDR II-36

The Federal Communications Commission approved the merger of AT&T Inc. and BellSouth Corporation with the following commitments with respect to DSL service:

> "By December 31, 2007, AT&T/BellSouth will offer broadband Internet access service (i.e., Internet access service at speeds in excess of 200 kbps in at least one direction) to 100 percent of the residential living units in the AT&T/BellSouth in-region territory. To meet this commitment, AT&T/BellSouth will offer broadband Internet access services to at least 85 percent of such living units using wireline technologies (the "Wireline Buildout Area"). AT&T/BellSouth will make available broadband Internet access service to the remaining living units using alternative technologies and operating arrangements, including but not limited to satellite and Wi-Max fixed wireless technologies. AT&T/BellSouth further commits that at least 30 percent of the incremental deployment after the Merger Closing Date necessary to achieve the Wireline Buildout Area commitment will be to rural areas or low income living units." (AT&T/BellSouth Merger Order, Appendix F)

Would FairPoint be willing to commit to using alternative technologies (i.e. other than DSL) to provide broadband Internet access services to households in New Hampshire that are not addressable by current DSL technologies? Please explain in detail.

REPLY: FairPoint has shown industry leadership in deploying broadband services and is committed to evaluating all technologies associated with providing broadband services to its customers. As technologies evolve FairPoint will perform an evaluation and deploy based on a positive business case.

PUBLIC
SMB-P-74

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Peter G. Nixon;
Steve Yusko
Title: Chief Operating Officer;
Vice President, Marketing &
Product Development

REQUEST: Office of Consumer Advocate
Group II

DATED: April 13, 2007

ITEM: OCA 2-38 Re page 29.

a. Is it FairPoint's position that it is not required to provide stand-alone DSL to its customers?

b. Does FairPoint plan to provide stand-alone DSL to its customers?

c. Provide any and all documents, memoranda, marketing studies and/or other documents prepared by or on behalf of FairPoint regarding the deployment of DSL either as part of the proposed transaction or in the context of its existing operations.

REPLY: **OBJECTION:** FairPoint objects to Data Request 2-38(c) on the grounds that it is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. [Objection served April 20, 2007.]

Subject to and without waiving this objection, FairPoint responds as follows:

a. FairPoint will provide stand-alone DSL.

b. FairPoint will provide stand-alone DSL.

c. See Attachment FPNH 0347 – FPNH 0348. Attachment CFPNH 0381 – CFPNH 0388 is being produced under seal and pursuant to RSA 378:43 and the Protective Agreement in this Docket

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Peter G. Nixon
Title: Chief Operating Officer

REQUEST: Office of the Consumer Advocate
Follow-Up Data Requests Group II

DATED: June 11, 2207

ITEM: OCA FDR II-27

For capital expenditures that do not relate to broadband deployment, as FairPoint determines the timing of investment, will it compare possible projects across the three-state footprint or will it set separate priorities within each of the three states? Please explain.

REPLY:

FairPoint will prioritize projects within and between states to meet the service objectives of new and existing customers as required by those states, applicable PAPs and interconnection agreements. FairPoint will meet the highest priority projects in each state. To the extent lower priority projects are identified, FairPoint will evaluate them on a cross state basis.

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Peter G. Nixon
Title: Chief Operating Officer

REQUEST: Office of Consumer Advocate
Group I, Set 1

DATED: April 5, 2007

ITEM: OCA 1-129 Re page 26, lines 11-12. Mr. Nixon testifies that FairPoint will "initially offer substantially the same retail services as customers receive today."

a. Please define "initially".

b. How long is the "initial" period as discussed here?

c. Is FairPoint willing to commit to offer "unbundled" (*i.e.*, à la carte, stand-alone) local exchange service indefinitely?

d. Does FairPoint offer stand-alone DSL in its present territory in New Hampshire? If so, at what rate?

e. Will FairPoint offer stand-alone DSL in its proposed new territories in New Hampshire? If so, at what rate?

REPLY:

a. FairPoint will adopt the tariffs, prices and services offered by Verizon at the time of merger.

b. FairPoint will offer retail services on the same terms and conditions as Verizon.

c. FairPoint does not have any current plans to eliminate the a-la-carte offerings.

d. Yes, FairPoint offers stand-alone DSL in New Hampshire. It is a service under FairPoint's interstate tariff.

e. FairPoint's intention at closing is to continue to offer stand-alone DSL at the speeds and price points that Verizon offers at that time.

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Peter G. Nixon
Title: Chief Operating Officer

REQUEST: NHPUC Staff
Group I, Set 1

DATED: April 6, 2007

ITEM: Staff 1-114 What plans does FairPoint have to grandfather or change the rates for any existing Verizon retail services in the future?

REPLY: FairPoint is evaluating the services offered by Verizon and will determine whether there are any that warrant consideration for "grandfathering." FairPoint has agreed to maintain the charges and terms of services subject to regulation on the same terms and conditions offered by Verizon prior to closing.

Attachment: Schm IC-5

Northland Telephone Company of Maine, Inc.
East Conway and Chatham

Rate Group	1-Party R1
I	$9.59

Verizon New England, Inc.
New Hampshire

Rate Group	1-Party R1
A	$11.11
B	$12.10
C	$13.25
D	$14.41
E	$15.69

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Walter E. Leach, Jr.
Title: Executive Vice President, Corporate Development

REQUEST: Office of Consumer Advocate
Group I, Set 1

DATED: April 5, 2007

ITEM: OCA 1-101 *The following relate to I.B.9. (Competitive landscape) and/or I.C. (State Regulatory)*

Is FairPoint maintaining a separate set of accounts to track and record expenses that relate to the proposed transaction? If so:

a. Describe fully any and all criteria, methods, and bookkeeping used to separate this category of costs from "business as usual" expenses.

b. Identify how overhead such as management salaries are being assigned and allocated.

c. Please identify the categories of expenses that are being tracked (e.g., legal, regulatory, branding, etc.).

d. Please indicate the date that such tracking began.

e. Identify the individuals and their titles responsible for maintaining these accounts and recordkeeping.

f. Please provide copies of any tracking reports as these reports are generated (e.g., monthly).

REPLY: FairPoint is maintaining a separate set of accounts to track and record expenses that relate to the proposed transaction.

a. The Procedure Documentation for recording expenditures related to the proposed transaction is provided as attached as FPNH0145 – FPNH0147.

b. Via the payroll system, FairPoint has established allocation percentages to assign and allocate the salaries and benefits of management personnel to the proposed transaction.

c. The categories of expenses that are being tracked are identified in attachment FPNH0145 – FPNH0147. FairPoint began recording the expenses related to the proposed transaction in a separate set of books effective January 1, 2007.

d. At the current time the record keeping is monitored by Janet Brack, Vice President – Assistant Corporate Controller.

e. FairPoint currently does not have tracking reports that can be provided.

FairPoint Communications
Accounting for Transition Costs

Accounting Rules:

Initial planning costs are expensed

Application Development Stage - Internal and external costs incurred during the application development stage should be capitalized. Costs to develop conversion programs to convert old data to the new system should also be capitalized. All costs associated with preparing the software for use during this stage should be capitalized

The process of data conversion from old to new systems, such as purging/cleansing of existing data, reconciliation or balancing of old data to the data in the new system, and the actual conversion of the old data to the new system should be expensed as incurred.

Training costs regardless of when they are incurred are expensed.

Capital workorder/activity - All items will be recorded on company 1013 via direct pymt by FairPoint Communication

CO.	Acct Unit	Account	Acct Name	Sub Acct	Activity/Description	Category
1013	BSNS	2003	TPUC	1013	See attached workorder list	7000 Labor/fixed allocation 7052 Travel 7054 Meals 7309 Legal 7310 Consulting 8500 Computer Hardware 8501 Computer Software/License 8550 Implementation TBD Verizon consulting TBD Capgemini Fees / Allocation

CO.	Accounting unit/ Department	Account	Account Description
1013	See Attached	7021	Data Conversion/tranformation
		7000	Labor
		7050	Training
		7052	Travel
		7054	Meals
		7310	Consulting
		7309	Legal
		1315	Maintenance agreement
		7310-11	Verizon consulting
		8509	Extraction overages - Verizon
		7451	Office supplies
		7101	Cellular
		7106	Overnight shipping
		7108	Postage
		7107	Rent
		7056	Recruiting
		7531	Repairs/Maintenance
		7450	Materials and supplies
		7100	Telephone
		7206	Filing Fees

(if additional accounts are needed, please let Leslie Lomas know and she will have them added, if appropriate)

FairPoint Communications
Noreastern
Workorder Listing

Workorder Number	Description
1013 LAWSON	Lawson
1013 IMAGENOW	Imagenow
1013 BILLING	Billing - MACC - Billing, CABS and Mediation
1013 METASOLV	Metasolv
1013 GATEWAY	Wholesale/CLEC Gateway
1013 SCORECARD	Scorecard
1013 NEONOVA	Neonova
1013 HELPDESK	Helpdesk
1013 CALLCENTER	Call Center
1013 NETCOOL	Netcool
1013 MDSI	MDSI - workforce scheduling
1013 HYPERION	Hyperion
1013 EU COMP	End user computers - to be closed monthly
1013 EMAIL SRVR	E-mail Server
1013 EU FRP	End user FRP Configuration
1013 CORP COMP	Corporate computers
1013 FILE SRVRS	File Servers
1013 CONNECTVTY	Connectivity
1013 NETWRK UPG	Network upgrades
1013 DATACENTER	Data Center
1013 CONCORD	Concord
1013 REMEDY	Remedy
1013 TIBCO	Tibco
1013 TIVOLI	Tivoli
1013 BMC PATROL	BMC Patrol
1013 DB PRCSSR	DB transaction processor
1013 ORACLE	Oracle, MS sql, mysql
1013 DR STARTUP	DR Startup
1013 NMA/E911	NMA/E-911 - network
1013 TOLLGRADE	Tollgrade
1013 NSG	NSG
1013 ENG OSP	Network Engineering - Outside plant
1013 ENG ISP	Network Engineering - Inside plant
1013 ENG PR MGT	Network Engineering - Property Mgmt
1013 PAYSTATION	Paystation
1013 PROJ MGMNT	Project management

Accrual workorder - Accounting purposes only

FairPoint Communications
Accounting unit/ Department listing

Department	Accounting Unit
Executive	802-1-21
Customer Service	802-11-21
Network/Engineering	802-12-21
Risk Management	802-14-21
Regulatory	802-15-21
Accounting	802-17-21
Finance	802-4-21
Legal	802-18-21
Human Recourses	802-2-21
Billing	802-20-21
Internal Audit	802-21-21
Marketing	802-8-21
Sales	802-27-21
Corporate Development	802-3-21
Operations	802-5-21
Computer	802-7-21
Engineering Services	802-24-21
ISP Ops-Network	802-25-21
Project Management	802-37-21

(If additional departments are needed, please let Leslie Lomas know and she will have them added.)

PUBLIC
SMB-P-87

State of New Hampshire
Public Utilities Commission
DT 07-011
Group IV. Lifeline and Link-up

1-May-07

	Alabama	Colorado	Florida	George	Idaho	Illinois	Kansas	Maine	Missouri	New Hampshire	New York - Mass.	Ohio	Oklahoma	Pennsylvania	Virginia	Vermont	Washington
2006																	
Access Lines	2,138	2,513	46,740	202	5262	5,824	5,310	56,221	24,252	384	43,861	12,548	3,151	5,262	7,239	6,314	33,655
Lifeline Customers	77	84	1,951	0	132	115	140	5,906	904	3	1,159	192	470	266	276	729	1,285
% of Customers	4%	3%	4%	0%	3%	2%	3%	11%	4%	1%	3%	2%	15%	5%	4%	12%	4%
2005																	
Access Lines	2,212	2,541	48,671	205	5249	6,143	5,398	58,062	25,154	385	45,408	12,920	3,280	5,599	7,464	6,244	34,009
Lifeline Customers	87	71	2,093	0	289	93	130	6,213	804	4	1,476	191	427	228	240	845	1,365
% of Customers	4%	3%	4%	0%	6%	2%	2%	11%	3%	1%	3%	1%	13%	4%	3%	14%	4%
2004																	
Access Lines	2117	2,585	47379	205	5,869	6,435	6,011	76,102	7658	385			3,379			7,928	38,058
Lifeline Customers	94	72	2208	0	216	120	121	6,584	55				385			830	1,050
% of Customers	4%	3%	5%	0%	4%	2%	2%	9%	1%	0%			11%			10%	3%

FPNH0508

442

PUBLIC
SMB-P-88

Verizon New England Inc.
d/b/a Verizon New Hampshire

State of New Hampshire

Docket No. DT 07-011

Respondent: Stephen E. Smith
Title: Vice President – Business Development

REQUEST: Office of the Consumer Advocate, Group IV, Set #1
Universal Service and Intercarrier Compensation Issues

DATED: April 27, 2007

ITEM: OCA GIV 1-44S

For the most recent year for which data are available (specify the year) and separately for Verizon's serving territory within New Hampshire, New York, Maine, Massachusetts, Vermont, and Rhode Island, provide the following;

a. Number of Lifeline participants;
b. Estimate of number of customers eligible for Lifeline;
c. Total number of households (or, alternatively, number of primary residential lines) in Verizon's serving territory within the states; and
d. Indicate whether the state is a federal "default" state.

SECOND SUPPLEMENTAL REPLY:

Objection. The request is overbroad and calls for information that would be unduly burdensome to produce and seeks information not reasonably calculated to lead to the discovery of admissible evidence regarding whether the transaction with FairPoint in New Hampshire that is currently before the Public Utilities Commission meets the no net harm standard and will be for the public good, based on the request for information on Verizon companies that are not parties to the proceeding and on operations other than in New Hampshire. Subject to and without waiving the objection, Verizon responds as follows:

Responses relative to Verizon NH are as follows:

a. Please see Verizon NH's reply to NH OCA G IV: 1-7 for the number of New Hampshire Lifeline subscribers as of March 31, 2007.
b. Information responsive to this request is not maintained in the ordinary course of business and thus is not available.
c. Please see Verizon NH's reply to NH OCA GI: 1-32 for retail primary residential lines by wire center in New Hampshire as of December 2006.
d. New Hampshire is a federal default state.

Second Supplemental Reply

PUBLIC
SMB-P-88

Verizon NH considers information responsive to this request to be proprietary and competitively sensitive. It will be provided subject to confidential treatment in accordance with RSA 378:43 and a duly executed protective agreement.

***** Begin Proprietary *****

***** End Proprietary *****

VZ # 629 S

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Audrey Prior
Title: Director of Regulatory and Legislative Affairs

REQUEST: Office of Consumer Advocate
Group IV, Set 1

DATED: April 27, 2007

ITEM: OCA 4-13 Please provide an estimate of the percentage of eligible Lifeline customers that participate in the Lifeline program.

REPLY: According to FCC estimates, approximately ten percent (10%) of the eligible Lifeline low income population actually participates in the Lifeline and Link-Up assistance programs in New Hampshire. FairPoint has no reason to believe the percentage of participating Lifeline customers varies from the FCC estimate.

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Lee David Newitt
Title: Director, Corporate Development

REQUEST: Office of the Consumer Advocate
Follow-Up Data Requests Group V

DATED: June 11, 2207

ITEM: OCA FDR V-1 Does the FairPoint model incorporate an imputation for approximately $23 million for NH ratepayers resulting from Verizon's spin-off of the directory assistance business? If not, why not?

REPLY: No, it does not. FairPoint does not view this issue as being applicable to FairPoint.

PUBLIC
SMB-P-91

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

Respondent: Lee David Newitt
Title: Director, Corporate Development

REQUEST: Office of the Consumer Advocate
Follow-Up Data Requests Group V

DATED: June 11, 2207

ITEM: OCA FDR V-2

Does FairPoint, in the earnings statements that it would file post-transaction with the PUC, intend to show a $23 imputation similar to that shown by Verizon in its earnings statements, filed with the PUC? If not, why not?

REPLY:

No. FairPoint does not plan to include in its financial statements a revenue imputation in the amount of twenty-three million dollars ($23,000,000).