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STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

February 27, 2007 - 10:11 a.m.
Concord, New Hampshire

RE: DT 07-011
VERIZON NEW ENGLAND, ET AL:
Transfer of Assets to FairPoint
Communications, Inc.
(Prehearing conference)

PRESENT: Chairman Thomas B. Getz, Presiding
Commissioner Graham J. Morrison
Commissioner Clifton C. Below

Kath Mullholand, Clerk

APPEARANCES: Reptg. Verizon New England, et al:
Victor D. Del Vecchio, Esq.
Steven V. Camerino, Esq. (McLane, Graf...)

Reptg. FairPoint Communications, Inc.:
Frederick J. Coolbroth, Esq. (Devine...)
Kevin M. Baum, Esq. (Devine, Millimet...)

Reptg. DSCI Corporation:
Robert J. Munnelly, Jr., Esq. (Murtha...)

Reptg. BayRing Comm. & segTEL, Inc.:
Scott Sawyer, Esq.

Reptg. COVAD Communications:
Michael Clancy

Reptg. Otel Telekom:
Gent Cav

COURT REPORTER: Steven E. Patnaude, CCR

1 APPEARANCES: (C o n t i n u e d)

2 Reptg. New Hampshire Internet Service
3 Providers Association:
4 Carol Miller

5 Reptg. New Hampshire Telecom Assn.:
6 Paul J. Phillips, Esq. (Primmer, Piper...)

7 Reptg. Communication Workers of America,
8 IBEW Locals 2320, 2326 & 2327, and
9 IBEW System Council T-6:
10 Arpiar G. Saunders, Esq. (Shaheen & Gordon)

11 Reptg. Public Service Co. of N.H.:
12 Gerald M. Eaton, Esq.

13 Reptg. National Grid:
14 Alexandra E. Blackmore, Esq.

15 Reptg. Unutil Energy Systems, Inc.:
16 Gary M. Epler, Esq.

17 Reptg. the Municipalities of Hanover,
18 Keene, Newmarket, Raymond, Salem and
19 Seabrook:
20 Robert D. Ciandella, Esq. (Donahue...)

21 Reptg. Irene Schmitt:
22 Alan Linder, Esq. (N.H. Legal Assistance)

23 Reptg. New England Cable & Telecomm. Assn.
24 and Comcast Phone of N.H., LLC:
Alan D. Mandl, Esq. (Smith & Duggan)

Reptg. Residential Ratepayers:
Meredith Hatfield, Esq., Consumer Advocate
Rorie Hollenberg, Esq.
Office of Consumer Advocate

Reptg. PUC Staff:
Lynn Fabrizio, Esq.

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Mr. Sawyer 20

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Mr. Clancy 24

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Mr. Cav 26

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Ms. Miller 27

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Mr. Phillips 28

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Mr. Saunders 29

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Mr. Eaton 33

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Ms. Blackmore 34

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Mr. Epler 35

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Mr. Ciandella 36

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Mr. Linder 37

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Mr. Mandl 40

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Ms. Hatfield 42

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

2 CHAIRMAN GETZ: Okay. Good morning.

3 We'll open the prehearing conference in docket DT 07-011.

4 On January 31, 2007, Verizon New England and FairPoint

5 Communications filed with the Commission a joint petition

6 seeking approval of a series of transactions that, if

7 consummated, result in FairPoint acquiring the current

8 Verizon New England franchise to provide wireline

9 telecommunications services in New Hampshire and owning

10 the network Verizon New England currently uses to provide

11 these services. An order of notice was issued on February

12 7 setting the procedural hearing for this morning. And,

13 pursuant to that order of notice, an affidavit of

14 publication was filed by the Petitioners on February 20.

15 I'm assuming there are a number of

16 individuals here this morning who are not familiar with

17 our practice in conducting prehearing conferences. So,

18 I'm going to take a minute to explain the purpose of a

19 prehearing conference and how we intend to conduct the

20 prehearing conference this morning. We will deal with

21 petitions to intervene, of which there are quite a few.

22 And, to the extent there are any motions of a pretrial

23 nature that we, if any, we will hear argument on those

24 motions. We will take initial statements of positions

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1 from all of the parties, and we will accept afterwards
2 public comment, if any. At that time, we would, after
3 completing that process, we would adjourn the hearing and
4 the parties would enter the first of technical sessions,
5 first opportunity for discovery, to hear any amendments or
6 discussions about the petition. And, it's also an
7 opportunity for the parties to talk about and hopefully
8 come to some agreement on a procedural schedule to conduct
9 this, conduct this proceeding.

10 Let me also explain, to the extent there
11 are individuals here not familiar with the process, the
12 notion of what a "party" means in this proceeding. A
13 party has full legal rights to present testimony, to
14 cross-examine witnesses, and to file legal briefs and make
15 other arguments in the case. There will be opportunity
16 for public comment, but that public comment does not
17 constitute legal status as a party.

18 This proceeding is an adjudicative
19 proceeding that we conduct as part of our quasi-judicial
20 nature as an independent regulatory body. As such, we are
21 subject to ex parte rules. To the extent, and we've
22 gotten a number of letters that have come in from
23 individuals, and they will be placed in the docket book,
24 any phone calls that might come in to speak to the

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1 Commissioners or being approached on the street or in the
2 halls of the Legislature, we're not allowed to talk about
3 the merits of a standing or an open proceeding. So, we
4 would not have those conversations. Please don't take it
5 as rudeness on our part, but that's the judicial nature of
6 how we conduct our business. We may be able to at most
7 say that "there's an opening proceeding and talk to our
8 General Counsel or the Director of our Telecommunications
9 Division." And, we can tell you when the next hearing is,
10 but that would be the most of any conversation that the
11 Commissioners would be able to engage in as part of -- as
12 subject to the ex parte rules.

13 Normally, we'd begin with appearances,
14 and then hear statements of positions. I'll combine those
15 today, given the number of parties. But, first, I'd like
16 to go through the list of petitioners or petitions that I
17 have and to make sure we haven't missed anyone. We have a
18 Notice of Participation has been filed by the Office of
19 Consumer Advocate. And, we have Petitions to Intervene by
20 the New Hampshire Interstate -- Internet Service Providers
21 Association; by DesTek; by a number of competitive local
22 exchange carriers; One Communications; PaeTec and U.S.
23 LEC; DSCI Corp.; segTEL; Level 3 Communications; BayRing;
24 XO Communications; COVAD; Otel. We also have a petition

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1 to intervene by the Communication Workers of America and
2 International Brotherhood of Electrical Workers.
3 Petitions to Intervene by the New Hampshire Telephone
4 Association, on behalf of eight of its members; as well as
5 a petition from Union Telephone. We have a petition from
6 New Hampshire Legal Assistance, on behalf of Irene
7 Schmitt. Petitions from Public Service Company of New
8 Hampshire and New Hampshire Electric Cooperative, National
9 Grid and Unitil; and a group of munies consisting of
10 Hanover, Newmarket, Raymond, Salem, Seabrook and Keene, as
11 well as a petition from the City of Portsmouth; and a
12 petition from the New England Cable/Telecom Association
13 and Comcast Phone.

14 Is there anyone else here who has filed
15 a -- has filed a Petition to Intervene that has not made
16 it onto our docket book?

17 (No verbal response)

18 CHAIRMAN GETZ: Okay. Thank you. Then,
19 I guess the next order of business is, are there any
20 objections to any of the petitions to intervene? Mr.
21 Coolbroth.

22 MR. COOLBROTH: Mr. Chairman,
23 Commissioners, good morning. I'm Frederick Coolbroth,
24 from the firm of Devine, Millimet & Branch, appearing

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1 today on behalf of FairPoint Communications. We have no
2 objections to the petitions to intervene. But we do have
3 concerns with this number of interventions, about how to
4 manage that in relation to the prompt and orderly conduct
5 of the proceeding. We also have some specific concerns
6 about the Petition to Intervene filed by the two unions,
7 and I want to have a moment at some point to be able to
8 just address those. But, with respect to the number of
9 intervenors, our statute relating to intervention, under
10 RSA 541, allows for the possibility of combining
11 participation. And, certainly can see that, in this
12 docket, the interventions, just looking quickly, kind of
13 divide into the labor unions, consumer interests, and in
14 that I have in mind the OCA and the Schmitt intervention,
15 CLECs and ISPs perhaps as a group. There's a pole
16 maintenance group, I'll call it, which would be the
17 electricians and certain of these municipals that have
18 intervened, rural telephone companies. Just a thought
19 that the orderly and prompt conduct of the proceeding
20 would benefit from some coordination. I'm not asking for
21 lead counsel or whatever, but at least some coordination
22 in the presentation of positions by those groups.

23 And, I do have a concern about the labor
24 union Petition to Intervene. And, that is just that the

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1 Commission focus on the interest that is being asserted by
2 the labor unions. Their Petition to Intervene is quite
3 broad, in terms of the issues that it goes into. And, I
4 think some of those issues are ones that go far beyond
5 labor union interests. And, in particular, for instance,
6 there is one portion Paragraph 8 of their petition, that
7 gets into the content of disclosures filed by FairPoint
8 Communications and a Form 8-K with the Securities &
9 Exchange Commission. There is going to arguably be some
10 criticism about the content of that 8-K. And, the
11 criticism is that the 8-K did not include schedules to the
12 Merger Agreement.

13 Well, if you pull out Regulation S-K,
14 which is the regulation that is used by the Securities &
15 Exchange Commission with respect to those filings, and you
16 go to item 601(b)(2), you'll find a specific instruction
17 in there not to file the schedules. Unless there is some
18 specific item of materiality that is not otherwise
19 disclosed to folks.

20 So, there is an instance where you can
21 read their petition as being critical of FairPoint, when
22 FairPoint performed exactly what the Securities
23 Regulations require. We think that people ought to be
24 confining their participation to areas that are within

1 their interest and within their area of expertise.

2 In addition, to the extent that the
3 unions are looking to assert consumer interests, we want
4 to remind the Commission that there is an inherent
5 conflict of interest that needs to be addressed with that
6 kind of position. Wages and benefits are a direct
7 pass-through in a rate of return environment to
8 ratepayers. Labor costs are a test year operating
9 expense. All other things being equal, the higher the
10 prudently incurred labor costs, the higher the rates. So
11 that we urge the Commission to consider that conflict when
12 dealing with the scope of that participation as well.

13 So that, with so many issues to be
14 resolved in this case, so many parties who have
15 intervened, we're just asking that there be some
16 consideration to an orderly presentation. And, we're not
17 asking for specific relief with respect to the union
18 petition now, no specific ruling about their
19 participation. But what we would like to do is to reserve
20 our rights down the line, if the participation is getting
21 into areas that go far beyond their interest and their
22 area of expertise, that we have the opportunity to bring
23 that to the attention of the Commission.

24 CHAIRMAN GETZ: Okay.

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1 MR. COOLBROTH: Thank you.

2 CHAIRMAN GETZ: Thank you. Are there
3 any other objections to any petition to intervene?

4 (No verbal response)

5 CHAIRMAN GETZ: Okay. Then, hearing no
6 objections, and recognizing that all of the Petitions to
7 Intervene demonstrate rights, duties, privileges, or other
8 interests that may be affected by this proceeding, we
9 grant all the Petitions to Intervene. I take Mr.
10 Coolbroth to be raising two issues. One is an argument
11 that there should be some consolidation or coordination
12 among intervenors, given the similarity of interests.
13 Rather than rule on that, what we will do is give the
14 parties an opportunity through the technical session to
15 come to some form of agreement. Of course, we encourage
16 consolidation and coordination, where appropriate. If the
17 parties can come to some agreement, that would be
18 wonderful. If you cannot, then we will take it under
19 advisement, a report coming out of the technical session
20 and make a ruling to the extent necessary on such
21 coordination or consolidation.

22 The other issue I take Mr. Coolbroth to
23 be raising is a potential issue of scope. I think it's
24 premature at this point to make some ruling on that. And,

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1 in fact, he's not asking for a ruling. So, we will take
2 under consideration any issue in that regard when it, in
3 fact, arises. And, I believe Ms. Forbes is representing
4 the union. And, when you, today, when you have an
5 opportunity to state your position of the case, if you
6 would want to respond to Mr. Coolbroth at that time,
7 you'll have the opportunity.

8 Okay. Are there any other, before I go
9 around, take appearances, and hear statements of positions
10 from any of the -- any and all of the parties, are there
11 any other motions that we need to hear before we start
12 that process?

13 (No verbal response)

14 CHAIRMAN GETZ: Okay. Hearing nothing,
15 then we'll begin with the Petitioners, Mr. Coolbroth, Mr.
16 Del Vecchio.

17 MR. COOLBROTH: On behalf of FairPoint
18 Communications, Inc., Frederick Coolbroth, of the firm of
19 Devine, Millimet & Branch, here in Concord. With me today
20 is Kevin Baum, from our office as well, and also, from
21 FairPoint, Walter Leach is here.

22 CHAIRMAN GETZ: Good morning.

23 CMSR. BELOW: Good morning.

24 CMSR. MORRISON: Good morning.

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1 MR. COOLBROTH: Would you like us to
2 move right into a statement then, Mr. Chairman?

3 CHAIRMAN GETZ: Please.

4 MR. COOLBROTH: FairPoint is excited to
5 be able to present its requests for approval of the
6 acquisition of Verizon's New Hampshire landline telecom
7 business. We believe this proposal is a win for all
8 constituencies, for consumers, for employees, for
9 stockholders, and for the state generally. We understand
10 that this is not the typical merger and acquisition
11 transaction, with a large company acquiring a smaller one.
12 This Commission has seen many of those typical
13 transactions. And, oftentimes they come with claims of
14 efficiencies that result in a centralization of functions
15 out-of-state and the reduction of New Hampshire jobs.
16 This case is the opposite.

17 This transaction is structured to take
18 advantage of certain tax benefits that will be further
19 described in the testimony. These tax advantages result
20 in FairPoint being able to pay less for these assets,
21 while being able to provide more after-tax value to
22 Verizon. Is this on?

23 MR. DEL VECCHIO: I don't think it's on.
24 I think it's off.

1 (Brief off-the-record discussion ensued
2 concerning the microphone.)

3 CHAIRMAN GETZ: Fortunately, the
4 Director of our Telecommunications Division is an
5 engineer.

6 MR. COOLBROTH: A smaller payment to
7 Verizon for the -- in the transaction leaves more money
8 available for FairPoint to make investments in the network
9 in New Hampshire. The catch is that, in order for these
10 tax benefits to be available, basically, the acquiring
11 company has to be smaller than the target company. And,
12 more specifically, under the Tax Code, in order for this
13 to work, Verizon's stockholders must own more than
14 50 percent of the surviving entity after the merger, the
15 reason for this unusual transaction, and this transaction
16 meets that requirement.

17 The transaction will result in a company
18 that is financially strong. FairPoint was only willing to
19 enter into this transaction if, after the merger, the
20 Company would be stronger than before the merger. It is
21 true that FairPoint will be taking on about \$1.7 billion
22 in debt in this transaction, but FairPoint will also
23 receive a billion dollars in infusion of new equity. The
24 cap -- The resulting capitalization is reasonable.

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1 The focus of this new company will be on
2 the Northern New England region. Our intention is to
3 bring jobs here and to make new investments in the network
4 here. We will need to replace functions that Verizon is
5 currently providing elsewhere with people and facilities
6 located in New Hampshire, Maine, and Vermont. Our
7 testimony will detail FairPoint's plans to bring broadband
8 to the rural areas of New Hampshire, particularly in the
9 North Country. We will also improve outside plant
10 maintenance.

11 We now see relations between Verizon and
12 New Hampshire's electric utilities that have reached the
13 point where the electric companies are raising the
14 question of whether the ownership of poles and the related
15 maintenance responsibilities should be taken over by the
16 electric companies. We do not want that result. We want
17 solid and stable joint pole agreements, and we intend to
18 perform those agreements fully.

19 FairPoint will assume, as of the closing
20 of the transaction, other existing obligations that
21 Verizon has for its operations in these three states.
22 Salaries and benefits for non-union employees, union
23 contracts for represented employees, retail and wholesale
24 tariffs, and interconnection agreements, just to name a

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1 few.

2 All of this leads to the fundamental
3 question before the Commission in this proceeding: Can
4 this smaller company deliver jobs, broadband, network
5 improvements, an orderly transition, and improved service
6 quality? We can, we will, and we'll show you how during
7 the course of this docket.

8 We look forward to working with the
9 parties and the Commission Staff to develop a procedural
10 schedule for this very important case. Thank you.

11 CHAIRMAN GETZ: Thank you.

12 MR. DEL VECCHIO: Good morning, Mr.
13 Chairman, Commissioner Morrison, Commissioner Below.
14 Victor Del Vecchio and Steven Camerino, representing
15 Verizon. And, with us today is Shawn Nestor.

16 Verizon New England, Bell Atlantic
17 Communications, NYNEX Long Distance Company, and Verizon
18 Select Services, Inc. jointly request, with FairPoint
19 Communications, the Commission's approval of the transfer
20 of Verizon's local, long distance -- local exchange, I
21 should say, and long distance business in New Hampshire to
22 companies controlled by FairPoint, and for such other
23 approvals as may be necessary to complete the transaction
24 described in our joint application.

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1 The various authorizations include, but
2 are not limited to, the provisions under RSA 374:30
3 regarding an asset transfer; 374:26 regarding approval to
4 commence business; 374:28 regarding the discontinuance of
5 service; and the designation of the relevant FairPoint
6 subsidiary as an "eligible telecommunications carrier"
7 under the Communications Act.

8 The respective transfer of assets,
9 Commissioners, by the Verizon companies to the FairPoint
10 company, will result in no net harm and will be for the
11 public good. The "no net harm" test, as the Commission is
12 aware, requires that the Commission approve a transaction
13 as here where the public interest is not adversely
14 affected, after the balancing of relevant factors. We
15 believe that, upon investigation, the Commission will
16 conclude that there is no net harm as a result of the
17 transactions described in the joint application.

18 And, finally, the agreement and plan for
19 merger, Commissioners, provides for the transfer of assets
20 by the close of the year. The Verizon companies request
21 that the PUC's review be undertaken in a manner that
22 permits both the careful analysis of the issue, which it
23 always does, while at the same time permitting the parties
24 to honor the scheduled completion of approximately one

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1 year from the date of filing. Thank you, Commissioners.

2 CHAIRMAN GETZ: Thank you. Let's go
3 next to Mr. Munnelly.

4 MR. MUNNELLY: Thank you. I'm here
5 today representing DSCI Corporation. DSCI Corp. is a
6 competitive local exchange carrier. It has operations in
7 several states, including New Hampshire, and has a couple
8 of facilities here in this state. We definitely
9 appreciate the opportunity to participate in this
10 important docket.

11 It is at this point not particularly
12 clear what DSCI -- the manner of our participation and
13 some examples, will delve into that during the technical
14 sessions as the case progresses. But we do have some
15 concerns based on the state of the filing that we'd like
16 to have explored by the parties and the Commission in the
17 docket. The one issue that's important to us is the -- is
18 chiefly "what's the nature of the obligations that the
19 transferring corporations will be taking on with respect
20 to wholesale services?" There's a -- The transaction is
21 very complicated as it stands. Certain obligations go to
22 an entity they're referring to as the "telco"; certain
23 obligations and rights are going to FairPoint itself.

24 It's a little bit unclear from the

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1 filing, to us anyway, what exactly the nature of their
2 obligations will be for wholesale services. Again, DSCI
3 is very interested, and we have a very substantial resale
4 business with Verizon right now, and they want to make
5 sure that they're able to do that successfully going
6 forward.

7 Though, the petition itself does have
8 what I would call "waffle words" in there. There's a lot
9 of things about that they "anticipate the arrangements
10 will be largely the same". There's some things about
11 "assuming wholesale obligations, to extent they're
12 applicable". All these things we'd like to see clarified
13 in the course of the testimony in the case.

14 Just on kind of a secondary point is, we
15 are interested in how this will play out operationally,
16 once this -- once the transfer occurs, assuming the
17 Commission allows it to occur. There's certainly very
18 strong statements of belief from FairPoint that they are
19 going to do a good job here in terms of providing services
20 to all their customers, retail and wholesale. And,
21 certainly, from the standpoint of a wholesale customer of
22 Verizon, right now that DSCI I think would be very
23 concerned if there is issues of problems in delivering
24 services to DSCI, which would then affect our end users.

1 So, there's just a lot of facts that
2 we'd like to see explored during the course of this case.
3 We're interested in seeing what commitments will be made,
4 what conditions the Commission might be interested in
5 imposing. All those things are things that we'd be
6 looking at during the course of the case. Thank you.

7 CHAIRMAN GETZ: Thank you. Let's
8 continue with the CLECs as a block then. Is there someone
9 here from One Communications? Mr. Kennan?

10 (No verbal response)

11 CHAIRMAN GETZ: Well, PaeTec and U.S.
12 LEC?

13 (No verbal response)

14 CHAIRMAN GETZ: SegTEL?

15 MR. SAWYER: Yes. Mr. Chairman, I'm
16 Scott Sawyer, and I represent BayRing and segTEL in this
17 proceeding. It is hard at the outset for BayRing and
18 segTel to state their position on the proposed transaction
19 and the transfer, because there are so many issues and so
20 many unknowns. This is, obviously, a very ambitious
21 transaction for FairPoint to undertake. It is a
22 relatively small company. It presently has 300,000 access
23 line equivalents in its service territory. And, it's
24 acquiring the assets of a company that has over

1 1.5 million access lines.

2 But, perhaps more important, FairPoint,
3 as a rural carrier, is proposing to acquire the assets of
4 a non-rural ILEC that has far more responsibilities than
5 rural carriers have. The most important of which is the
6 duty to interconnect with requesting CLECs and provide
7 unbundled network elements under Section 251 of the
8 Telecommunications Act. It is this very right to
9 interconnection and unbundled network elements that has
10 allowed competition to take hold in New Hampshire to the
11 benefit of voice and broadband customers in the state.

12 FairPoint, to our knowledge, has no
13 experience providing interconnection, unbundled network
14 elements, collocation, resale, and other wholesale
15 services to CLECs. There is very little in the joint
16 application that describes FairPoint's current and
17 prospective commitments to continue to provide
18 interconnection, collocation and unbundling at the rates,
19 terms and conditions set forth in Verizon New Hampshire's
20 wholesale tariffs.

21 The Transition Services Agreement in the
22 joint application, unless we've missed some subtle nuance,
23 does not appear to refer to interconnection and unbundled
24 network element services. So, along the lines that

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1 Mr. Munnelly had referenced, we, too, are concerned about
2 the proposed transaction from the standpoint of the extent
3 to which FairPoint is committing to providing CLECs with
4 ongoing access to interconnections and UNEs at the
5 existing Commission-approved rates, and whether FairPoint
6 has sufficient operational resources, at a wholesale
7 level, to provide us with these services at a high level
8 of service quality.

9 This is of critical performance to
10 facilities-based CLECs. We have spent much of the last
11 ten years, as you know, fighting with Verizon concerning
12 virtually every aspect of the unbundling, interconnection,
13 collocation, and resale obligations. The Commission has
14 spent countless hours and substantial resources resolving
15 those disputes. Ironically, to some degree, we are, for
16 the first time, actually enjoying some regulatory
17 certainty in New Hampshire. Sure, there are some issues
18 still out there, involving 271 pricing, for example. But,
19 for the first time in recent memory, we have regulatory
20 rules in place, so that Verizon and the CLECs know what
21 their wholesale rights and obligations are. Today, we
22 know that TELRIC applies to Section 251 UNEs provided by
23 Verizon. The Supreme Court has said so. We have TELRIC
24 rates in place in New Hampshire. As a result of the TRO

1 Remand proceeding, as implemented by the New Hampshire
2 PUC, we know that Section 250 -- we know the Section 251
3 UNEs that Verizon has to provide. We also know that
4 Verizon has to provide us with 271 unbundled network
5 elements for those UNEs that are no longer provided under
6 Section 251. And, we know, in New Hampshire, that Verizon
7 has an obligation to negotiate under Section 252. But
8 that, if the CLEC instead wishes to take under a wholesale
9 tariff, it has the right to do so under Verizon's
10 wholesale tariff.

11 It is also worth noting that CLECs, in
12 the SBC/BellSouth service territory, have even more
13 regulatory certainty than CLECs in Vermont, New Hampshire,
14 and Maine have, because, in those SBC/BellSouth states,
15 there is a freeze on UNE rates and there is an agreement
16 not to file anymore forbearance petitions at the FCC. I
17 mention this matter of regulatory certainty because,
18 absent specific assurances from FairPoint, assurances that
19 we don't adequately -- that do not adequately exist in the
20 application, that regulatory certainty could evaporate.
21 And, that would be a major step backward for the
22 competitive landscape in New Hampshire.

23 This potential for regulatory
24 uncertainty exists because CLECs do not know whether

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1 FairPoint will embrace, on an ongoing basis, the existing
2 wholesale obligations that apply to Verizon under
3 Verizon's wholesale tariff, New Hampshire PUC orders and
4 rules, and federal statutes and rules, or whether
5 FairPoint intends to reserve the right to seek the rural
6 exemption from Section 251 unbundling. Without specific
7 and adequate assurances up front, segTel and BayRing are
8 very concerned that we are going to spend more years
9 relitigating about TELRIC rates, unbundled network
10 elements, interconnection, collocation, and resale, and
11 the applicability of Verizon's wholesale tariff.

12 We would invite FairPoint to clarify, I
13 assume in its testimony in this matter, what its specific
14 intentions are regarding Verizon's existing wholesale
15 obligations, and suggest that, in so doing, we could
16 narrow the issues in this proceeding. Thank you.

17 CHAIRMAN GETZ: Thank you. Is there
18 anyone here from XO Communications?

19 (No verbal response)

20 CHAIRMAN GETZ: COVAD?

21 MR. CLANCY: Good morning,
22 Commissioners. I'm Michael Clancy, COVAD Communications.
23 And, I echo Mr. Sawyer's concerns, his legal concerns.
24 But my job over the last eight years has mostly dealt with

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1 the operational interface between COVAD and Verizon.
2 COVAD has undergone several changes, through changes
3 Verizon made, to make processes more efficient. Verizon
4 has consolidated their centers. Verizon has made
5 electronic interfaces. We, as a customer of Verizon, had
6 to shift our operating paradigm to meet theirs. Now,
7 along comes FairPoint saying they're going to change all
8 that. They're going to bring new employees into New
9 Hampshire. I guess we're going to be making phone calls,
10 instead of using electronic interfaces. Those are going
11 to increase costs to COVAD, irregardless if it's a UNE or
12 not.

13 Our primary concern is that we purchase
14 unbundled network elements to do business in New
15 Hampshire. We provide customer service -- broadband
16 customer services to our customers in the State of New
17 Hampshire based on unbundled network elements and
18 commercially available resale services from Verizon. We
19 need to understand that those are going to continue for us
20 to survive and continue to do business in the State of New
21 Hampshire.

22 We are a national provider of broadband
23 services. We have conditioned our operational platforms
24 to deal with SBC, Ameritech, Qwest, Sprint, Verizon. Now,

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1 we're going to have to add FairPoint to that mix. That's
2 going to require that we change our methods of procedures
3 to match what they're going to do. And, I am not certain
4 that they are going to be able to do what Verizon has
5 done. They don't have the resources to do what Verizon
6 has done. I don't think they have the operational
7 experience to do what Verizon has done.

8 So, I'm very concerned about this
9 transaction, what it means to COVAD's ability to do
10 business in the State of New Hampshire.

11 CHAIRMAN GETZ: Thank you. Is there
12 anyone here from Otel?

13 MR. CAV: Yes. Good morning,
14 Commissioners. My name is Gent Cav, and I'm here to
15 represent Otel Telekom. And, our concern is about
16 Verizon's or the new FairPoint's wholesale obligations to
17 other CLECs like us. And, we also agree with other CLECs'
18 concerns as well. Thank you.

19 CHAIRMAN GETZ: Thank you. And, just
20 let me note also that, after everyone has had a chance to
21 speak, then the Petitioner will have a chance to respond,
22 if there is something they would like to bring up. Next,
23 let's hear from the New Hampshire Internet Service
24 Providers Association. Ms. Miller.

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1 MS. MILLER: Good morning. Good
2 morning. Can you hear me now? Okay. Great. All can
3 hear me now. Carol Miller, representing the New Hampshire
4 ISP Association, a group of independent ISPs in the State
5 of New Hampshire. And, our concerns are pretty short, a
6 very short list. We're very concerned about the cost of
7 retail products going forward through the merger, what
8 it's going to cost us to do business, either with
9 FairPoint directly or our CLECs' strategic partners around
10 the state. Other issues are centered around billing
11 practices. As it stands now, Verizon billing can be a big
12 monster. And, we're very concerned about the integration
13 of that billing and what it's going to mean to all of our
14 circuit charges and all of the services that we do buy.

15 Other concerns are, does FairPoint have
16 the resources to be able to deploy broadband services in
17 the North Country? As a North Country resident, I have
18 seen where Verizon has failed to do that. So, due to the
19 limitations of the technology, I have to say I can't see
20 how FairPoint will accomplish that goal either. So, I
21 will continue to look, listen, and report back to my
22 members. And, I appreciate the opportunity to state our
23 case.

24 CHAIRMAN GETZ: Thank you. DesTek?

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1 (No verbal response)

2 CHAIRMAN GETZ: The New Hampshire
3 Telephone Association?

4 MR. PHILLIPS: Good morning, Mr.
5 Chairman and Commissioners. My name is Paul Phillips,
6 from the law firm of Primmer, Piper, Eggleston & Cramer.
7 I'm here on behalf of eight members of the New Hampshire
8 Telephone Association. They are Bretton Woods Telephone
9 Company, Dixville Telephone Company, Dunbarton Telephone
10 Company, Granite State Telephone, TDS Telecom-Hollis, TDS
11 Telecom-Kearsarge, TDS Telecom-Merrimack County, and TDS
12 Telecom-Wilton.

13 My clients do not have a position right
14 now on the joint petition. But their interests are the
15 very substantial and comprehensive relationship that they
16 have had for many decades with Verizon. And, many of
17 those arrangements that they have in many cases predate
18 even the orders of the PUC, which established certain
19 rights and obligations. And, so, their interest is
20 ensuring that FairPoint both understands the wide array
21 and nature of those arrangements and is committed to
22 maintaining those arrangements essentially unchanged on a
23 standstill basis going forward, because those
24 relationships, which really define the entire nature of

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1 the traffic sharing back and forth between my clients and
2 Verizon, provide substantial revenues to my clients. And,
3 it's important that those relationships remain unchanged,
4 so that the balance will remain in place for those
5 clients.

6 So, we're basically just here to say
7 that we want to make sure that the wholesale arrangements
8 that FairPoint has represented will "remain largely
9 unchanged", will, in fact, remain completely unchanged
10 going forward, with respect to my rural telephone company
11 clients. Thanks.

12 CHAIRMAN GETZ: Thank you. Union
13 Telephone?

14 (No verbal response)

15 CHAIRMAN GETZ: Communication Workers of
16 America and the IBEW?

17 MR. SAUNDERS: Mr. Chairman, my name is
18 Arpiar Saunders. I'm with the law firm of Shaheen &
19 Gordon here in town. We are pleased to participate in
20 this proceeding. And, we are representing the
21 Communication Workers of America and International
22 Brotherhood of Electrical Workers, Locals 2320, which is
23 New Hampshire, 2326 and 2327. Those are locals that are
24 in Vermont and Maine. The reason we have listed those

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1 locals in our Petition to Intervene is that, as most of
2 you know, depending on what the needs are within the
3 system, our membership -- our members are asked to provide
4 services across state lines. The lines don't mean
5 anything to the need to provide the services that we are
6 obligated to provide pursuant to our Collective Bargaining
7 Agreements.

8 As stated in the petition, the "labor
9 intervenors", that's what we're collectively calling
10 ourselves, the "labor intervenors", are the authorized
11 Collective Bargaining representatives for the 2,800
12 employees of Verizon in the three states, Maine, Vermont,
13 and New Hampshire. There are more than 700 employees of
14 Verizon in New Hampshire who are members of the Local
15 2320, who are employed in a variety of positions, to
16 include field technicians, customer service
17 representatives and the like.

18 The Communication Workers of America has
19 350 members in the three states. Most of you are probably
20 familiar with them, because they provide service to
21 Verizon customers from a number of call centers, including
22 the call center in Manchester. The IBEW System Council
23 T-6 members provide services to Verizon customers, in a
24 broad array of services to include the DSL service.

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1 I realize that this is not, at this
2 point, an adversarial proceeding. But I do want to make a
3 few points, and then I will respond to Mr. Coolbroth.

4 At this point, based on what we have
5 been able to read and glean from the petition that has
6 been filed with the court -- with this board, I'm sorry,
7 the labor intervenors are opposed to the proposed
8 transaction. The proposed transaction will have a direct
9 and immediate adverse effect on labor intervenors by
10 transferring their members from Verizon, one of the
11 largest telecommunications companies in the world, to
12 FairPoint, a thinly capitalized company, as some of our
13 previous speakers have pointed out. Further, FairPoint
14 has virtually no experience providing service over a large
15 geographic area containing the diverse mix of business,
16 government, non-profit, residential customers, suburban,
17 urban and rural areas that are found in the Verizon New
18 Hampshire service territory.

19 In particular, the labor intervenors
20 will be directly and adversely affected by the proposed
21 transaction, because FairPoint, a highly leveraged company
22 already, will have a great difficulty meeting its
23 significantly higher dividend and debt commitments as laid
24 out in the papers, while at the same time investing enough

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1 capital to provide improved -- to improve existing
2 service, set up entirely new operational and
3 administrative services and systems, and expand the
4 availability of broadband service in New Hampshire. And,
5 that's a critical issue.

6 The Labor intervenors are concerned
7 that, when FairPoint, a company with a history of poor
8 service quality in New Hampshire and other jurisdictions
9 that was made clear in the Concord Monitor story just this
10 last Sunday, experiences cash flow problems, it is likely
11 to reduce its labor force, confer preventative
12 maintenance, reduce investment in broadband services, and
13 otherwise allow services to deteriorate.

14 We have filed this morning a list of
15 preliminary issues. It's about two pages long. If you go
16 through that list and study with care, you'll find that
17 the concerns of our clients is much broader than their
18 livelihood, that is being employed. The history of the --
19 our clients are that they are dedicated, technical
20 employees of Verizon. They are available 24 hours a day
21 to meet the needs of the consumers of this state. It is
22 not -- their interests are aligned with the consumers of
23 this state. All my clients are asking is that they be
24 paid a fair wage and benefits, and in response and in

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1 return for that fair wage and benefits, they are highly
2 technical, highly skilled, providing the services and the
3 technical training that needs to happen in order for
4 broadband to work in this state, particularly in the North
5 Country. And, it hasn't happened yet, because Verizon
6 hasn't done it.

7 We are aligned with the consumers in
8 this state. We welcome the opportunity to participate in
9 this proceeding and we'll do so. Thank you.

10 CHAIRMAN GETZ: Thank you. Let's see.
11 We have the four electric distribution companies. We'll
12 begin with PSNH, Mr. Eaton.

13 MR. EATON: Thank you. My name is
14 Gerald M. Eaton. I'm Senior Counsel with Public Service
15 Company of New Hampshire. And, our interest revolves
16 around the fact that Public Service Company owns a one
17 divided -- an undivided one-half interest in the utility
18 poles in the service territories that Public Service
19 Company and Verizon share. Under this arrangement, this
20 service territory is divided into maintenance areas where
21 the primary responsibility for setting poles and
22 maintaining poles and replacing them in emergencies is
23 divided between the electric company and the telephone
24 company. These responsibilities are set out in a Joint

1 Use Agreement and in our company operating procedures.
2 These relationships and these operations have been
3 explored for over a year in the Commission's docket number
4 DM 05-172, which has come to be known as the "pole
5 docket". The Commission has not seen the record in that
6 docket, because it has been mostly a series of technical
7 sessions, with a great many data requests and responses.
8 However, we have made it known, both privately to Verizon
9 and publicly in that proceeding, that Public Service
10 Company is not satisfied with the performance of Verizon,
11 with respect to our jointly owned poles.

12 Mr. Del Vecchio mentioned that the
13 standard here is "no net harm", and that would mean that
14 we would go forward with a new owner of the poles and
15 still have an unsatisfactory relationship when it comes to
16 our responsibilities with respect to the jointly owned
17 poles. We think that the public good requires that these
18 issues be explored to some extent in this proceeding, and
19 that the transfer of the poles doesn't go forward without
20 some assurances that the inadequacies in performance are
21 going to be remedied in the future.

22 CHAIRMAN GETZ: Thank you. National
23 Grid, Ms. Blackmore.

24 MR. BLACKMORE: Thank you, Mr. Chairman.

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1 My name is Alexandra Blackmore, and I'm appearing on
2 behalf of National Grid. National Grid concurs with the
3 issues raised by Mr. Eaton. As we stated in our Petition
4 to Intervene, our interest in the proceeding is to ensure
5 that the proposed transfer of Verizon's landline and long
6 distance telephone services to FairPoint Communications
7 will not adversely impact National Grid's customers.

8 We look forward to participating fully
9 in this proceeding. Thank you.

10 CHAIRMAN GETZ: Thank you. Unutil?

11 MR. EPLER: Yes. Thank you, Mr.
12 Chairman and Commissioners. My name is Gary Epler. I'm
13 appearing on behalf of Unutil Energy Systems,
14 Incorporated. As just stated by counsel for National Grid
15 and Public Service Company of New Hampshire, Unutil also
16 owns, with Verizon, jointly owns the pole plant in its
17 service territory, and those obligations are governed by
18 joint operating agreements and operating procedures under
19 that agreement. And, as counsel for PSNH stated, Unutil
20 has made it known in docket DM 05-172 its dissatisfaction
21 with the operations of Verizon under those, under those
22 agreements. And, we are concerned going forward how those
23 agreements will be treated under the proposed transaction.

24 We would submit to you that it would be

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1 in the interest of the Commission, and certainly in the
2 interest of the public, to review those joint operating
3 and maintenance as part of this proceeding, because we
4 think it's critical, for purposes of safety, purposes of
5 response to emergency conditions, for purposes of
6 expansion and construction and maintenance of the part of
7 the wires and the pole plant within the state, that all
8 those obligations are understood, and that those
9 obligations fit the needs of the current environment.

10 We look forward to having discussions
11 with FairPoint, we have not had those yet, and we would
12 welcome the opportunity to voice our concerns directly.
13 We will participate in this docket actively and appreciate
14 the opportunity. Thank you.

15 CHAIRMAN GETZ: Thank you. The New
16 Hampshire Electric Cooperative?

17 (No verbal response)

18 CHAIRMAN GETZ: And municipals, Hanover,
19 Newmarket, et al, Mr. Ciandella.

20 MR. CIANDELLA: Good morning, Mr.
21 Chairman, Mr. Commissioners. I'm Robert Ciandella of
22 Donahue, Tucker & Ciandella. And, I am here on behalf of
23 the six intervening municipalities. These municipalities
24 are intervenors in the pole docket that's just been

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1 referenced. Under New Hampshire law, the municipalities
2 are charged with ultimate responsibility for
3 administration of public right-of-way, and the issues
4 we're interested in relate to that responsibility and how
5 this transaction would affect the municipalities' ability
6 to discharge that responsibility. These issues are things
7 like governance, pole licensings required under New
8 Hampshire law, public safety issues, emergency management
9 issues, among others. So, we intend to participate
10 actively, and we look forward to that participation.

11 CHAIRMAN GETZ: Thank you. City of
12 Portsmouth?

13 (No verbal response)

14 CHAIRMAN GETZ: Mr. Linder.

15 MR. LINDER: Yes. Good morning,
16 Commissioners. My name is Alan Linder. I'm an attorney
17 with New Hampshire Legal Assistance. We're representing
18 Irene Schmitt, who is an intervenor in a related docket
19 regarding Verizon entitled the "Alternate form of
20 Regulation docket", DT 06-072. Some of the concerns with
21 respect to those dockets -- with respect to that docket
22 are also concerns in this docket. Ms. Schmitt is a low
23 income residential customer of Verizon, and has been so
24 for a number of years. And, a number of concerns are

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1 important to raise in this docket. One of the concerns
2 that overlaps with the DT 06-072, Alternate Form of
3 Regulation docket, is whether the basic local exchange
4 service would remain under rate of return regulation.
5 Verizon, in the other docket, was seeking to have basic
6 local exchange service and other retail services basically
7 deregulated, and that raises a major concern with my
8 client, the basic local exchange customers.

9 Similarly, there is a concern as to
10 whether, in the future, the low use measured residential
11 service rate options that are currently available with
12 Verizon would continue to remain as basic low use measured
13 exchange options for residential customers if the
14 transaction were to go through.

15 Similar concern is with respect to
16 Verizon's current obligations and performance with respect
17 to the federal Link-Up and Lifeline low income telephone
18 assistance programs. It's no secret that the
19 participation rate of low income customers within New
20 Hampshire is extremely low compared to other national
21 rates. And, what FairPoint might or might not do with
22 respect to becoming a eligible telephone carrier under
23 that program is an area that is of concern. As is a
24 similar issue raised in DT 00-015, which is the universal

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1 service docket, and that involved the issue of -- it's
2 referred to as "soft dial tone", which is maintaining dial
3 tone service for the purpose of access to 911 emergency
4 service, when a customer's service is otherwise shut off
5 for nonpayment, which is a public safety issue, which is
6 still an open issue in DT 00-015, and is a concern should
7 FairPoint take over Verizon's landline business.

8 Another concern is with respect to
9 service quality. And, an additional concern with respect
10 to customer relations in calling the call centers. And,
11 finally, last, but not least, is the issue of public
12 payphones, and the extent to which FairPoint may or may
13 not be acquiring the payphone landline business of
14 Verizon. And, the related issue is what support, if any,
15 FairPoint would have with respect to public interest
16 payphones, which is an issue -- has been an issue in other
17 dockets.

18 And, in light of those concerns, we
19 would suggest that the Commission give consideration to
20 imposing certain conditions on the transfer transaction,
21 should the Commission determine that the transaction would
22 be otherwise appropriate. In our opinion, we would
23 respectfully suggest that, in order for the public good to
24 be served, conditions should be imposed with respect to

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1 the issues that we've just raised.

2 And, finally, we would just -- we would
3 like to raise for the Commission's consideration, although
4 it's not a formal motion at this point, and that would be
5 whether and to what extent the Commission may wish to take
6 administrative notice of certain other dockets that are
7 currently pending with respect to Verizon. For example,
8 the docket that I believe is still open, the 06-072,
9 Alternative Form of Regulation docket. There are a number
10 of issues raised in that docket that we believe are
11 directly relevant to this docket. There are several other
12 dockets that have issues in them that may well be really
13 relevant to this docket. So, we would just suggest that
14 the Commission may want to consider at some point taking
15 administrative notice of some aspects of those dockets.

16 Thank you very much.

17 CHAIRMAN GETZ: Thank you. New England
18 Cable Telecom Association and Comcast.

19 MR. MANDL: Yes. Thank you,
20 Commissioner. My name is Alan Mandl. I'm with the firm
21 of Smith & Duggan, in Lincoln, Massachusetts. And, I'm
22 here representing the New England Cable &
23 Telecommunications Association and Comcast Phone of New
24 Hampshire, LLC.

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1 Very briefly, there are two sets of
2 concerns. NECTA members are, of course, attachers to many
3 of the poles owned by Verizon jointly, and the reliability
4 of our service is affected by continued maintenance of
5 those poles. And, we have a great concern in that area.
6 There are NECTA members who, such as Metrocast, who has
7 been before you recently, and may have an interest in
8 entering the local exchange market. And, the conditions
9 for entry are quite important to NECTA members in that
10 situation.

11 In addition, Comcast Phone, which is
12 certificated by the Commission and is in operation, has
13 interconnection agreements with Verizon. And, the effect
14 of this transaction on its interconnection rights going
15 forward, should this transaction be approved, is of great
16 importance.

17 And, those are our principal interests.

18 CHAIRMAN GETZ: Thank you. And, I think
19 I may have skipped over Level 3 Communications. Is there
20 someone here from Level 3?

21 (No verbal response)

22 CHAIRMAN GETZ: And, before we turn to
23 the Consumer Advocate and Staff, is there anyone that I
24 overlooked?

1 (No verbal response)

2 CHAIRMAN GETZ: Okay. Hearing nothing,
3 then, Ms. Hatfield.

4 MS. HATFIELD: Thank you. Good morning,
5 Commissioners. Meredith Hatfield, on behalf of the Office
6 of Consumer Advocate. And, with me, on behalf of the
7 office, are Ken Traum, Rorie Hollenberg, and Steve
8 Merrill. The Office of Consumer Advocate is charged with
9 representing the interests of New Hampshire's residential
10 ratepayers. We do not have a position on the proposed
11 transaction at this time, and we plan to undertake a
12 thorough review of the proposal in all of its aspects
13 during this proceeding.

14 However, we would like to raise a few
15 issues of particular interest to our office, which
16 include, but are not limited, to the following: Whether
17 the proposed franchise transfer is consistent with the
18 public good, including whether FairPoint has the necessary
19 financial, managerial, and technical abilities to
20 undertake it? Whether FairPoint will incur levels of debt
21 in this transaction that will impact rates for the
22 Company's overall financial health in the future? Whether
23 FairPoint has concrete plans and the financial ability to
24 address long-standing service quality issues related to

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1 Verizon? What type of regulation FairPoint seeks in New
2 Hampshire, and whether it will seek an alternative form of
3 regulation for basic local exchange service? How
4 FairPoint plans to finance its commitment to deploy
5 broadband service to the rural and northern areas of the
6 state more quickly than Verizon has been able to do so?
7 Whether the transaction will impact the interconnection
8 services provided to the state's independent telephone
9 exchange companies for wholesale interconnection products
10 provided to competitive local exchange carriers? Whether
11 the transaction will impact universal service funding or
12 other federal issues for delivery of E911 services? How
13 FairPoint intends to implement the many changes necessary
14 to increase the size of the company significantly in order
15 to serve Verizon's existing customers? And, lastly, how
16 FairPoint intends to participate in the Lifeline and
17 Link-Up programs for low income customers?

18 In addition, we have a strong interest
19 in how the four pending dockets involving Verizon are
20 impacted by this case, including DT 04-019, Verizon's
21 Quality of Service performance; DT 05-172, generic
22 investigation into utility poles; DT 06-072, Verizon
23 Alternative Form of Regulation; and DT 06-168, review of
24 Verizon New Hampshire Performance Assurance Plan. And, I

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1 think we would agree with Mr. Linder's suggestion that the
2 Commission consider taking those open dockets under
3 administrative notice in this proceeding.

4 With respect to the poles docket, we
5 support the intervention of the electric utilities and of
6 the municipalities who have intervened in this case, and
7 we are pleased to see them participating.

8 I wanted to just briefly address
9 Mr. Coolbroth's comments, although my understanding is
10 that he did not make a formal motion for consolidation.
11 But we did want to say that, as always, the OCA will
12 coordinate with all parties and Staff in this proceeding,
13 and we will work especially close with those parties who
14 have common interests with our office. However, the OCA
15 is required by statute to represent the interests of
16 residential ratepayers. And, we do not think it's
17 appropriate for our office to be consolidated with any
18 other parties in this proceeding. Thank you.

19 CHAIRMAN GETZ: Thank you.

20 Ms. Fabrizio.

21 MS. FABRIZIO: Thank you, Mr. Chairman.
22 Good morning, Commissioners. Staff supports a very
23 careful and circumspect review in this proceeding. The
24 very nature and magnitude of the proposed transaction

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1 demands an intensive and thorough review of the potential
2 impacts on over half a million New Hampshire ratepayers,
3 on the overall telecommunications infrastructure in the
4 state, as well as on the competitive local exchange
5 carriers operating here.

6 Staff recognizes as well the concerns
7 raised today by parties who believe they will be affected
8 by this sale, both directly and indirectly, with respect
9 to potential issues in the areas of workforce, the
10 continuity of Verizon's current responsibilities and
11 obligations, and utility pole maintenance and attachments.

12 Staff strongly supports a careful review
13 of FairPoint's financial resources, managerial
14 qualifications, and technical competence with a view
15 toward the company's proposed assumption of Verizon's
16 obligations and operations throughout the state. The
17 regulatory impact of the transaction, as well as the
18 nature of the transaction itself, in financial terms,
19 merit careful review.

20 The Commission need only look at a
21 listing of the open dockets involving Verizon's quality of
22 service, its performance appraisal plan, its utility pole
23 practices, its tariff dispute process, its obligations
24 under the Telecom Act, and its classifications of New

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1 Hampshire wire centers, to name just a few of the key
2 issues currently pending before this Commission, to
3 recognize the far-reaching impact the sale of New
4 Hampshire's legacy landline network may have.

5 Staff looks forward to working with all
6 parties to help review and investigate this transaction,
7 and to develop a recommendation to the Commission that
8 balances the interests of the state, telephone customers,
9 and the companies, and that ensures just and reasonable
10 rates and dependable service. Thank you.

11 CHAIRMAN GETZ: Thank you. Is there
12 anyone here who would like to make a public comment this
13 morning that is not a party to the proceeding?

14 (No verbal response)

15 CHAIRMAN GETZ: Okay. Hearing nothing,
16 then, Mr. Coolbroth or Mr. Del Vecchio, an opportunity to
17 make a final statement.

18 MR. COOLBROTH: Thank you, Mr. Chairman.
19 I think 99 percent of these comments really are addressed
20 to finding out more specifics about this proposal and
21 finding out how FairPoint proposes to accomplish what it
22 has set out for itself in this case. And, I think, rather
23 than comment now, we will get to the business of technical
24 sessions, discovery, and presentation of evidence and make

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1 those demonstrations. I think that those are fair
2 comments. And, that's our job, and we understand that
3 that's our burden.

4 I do have a couple of specific points.
5 One of the intervenors, and I apologize for not
6 remembering which one, questioned whether the Transition
7 Services Agreement covers wholesale services under
8 interconnection agreements. My understanding is that it
9 does, and we will get with folks and make sure that that's
10 clear.

11 The other question that I have is the
12 manageability of wholesale administrative notice of other
13 dockets that may be large. I urge the Commission to
14 consider whether parties who have an interest in bringing
15 in specific issues from those dockets bring them into this
16 case, rather than have a situation where FairPoint, which
17 was not a party to several of these dockets, is charged
18 with trying to figure out what has transpired and
19 assimilate what has gone on in what I view as fairly
20 lengthy dockets. So that, rather than take administrative
21 notice, urge the Commission to consider whether parties
22 should bring those issues here into this docket such that
23 they be more manageable. Thank you.

24 CHAIRMAN GETZ: Thank you.

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1 MR. DEL VECCHIO: Mr. Chairman, two
2 points, briefly. First, I cannot agree with the
3 suggestion by some of my brothers in the electric industry
4 that Verizon has not been adequately meeting its
5 responsibilities under the inter-operating procedures and
6 other agreements. In fact, I would agree with
7 Mr. Saunder's comments that our employees are highly
8 skilled and highly trained, and, in fact, have done what
9 is necessary, in those instances, such as emergency
10 response, which I think this Commission is well aware, and
11 there is no evidence in those proceedings before this
12 Commission.

13 And, secondly, I would echo
14 Mr. Coolbroth's concern with the somewhat amorphous
15 suggestion that we incorporate by reference or the
16 Commission take administrative notice of dockets. In all
17 four of those instances, there was no final adjudication.
18 Quality of service is pending; the pole docket is still
19 underway, as you know; the alternative regulation docket
20 was essentially withdrawn, Verizon withdrew its
21 stipulation; and the New Hampshire PAP proceeding, based
22 on the suggestions of the parties, was suspended by this
23 Commission. Thank you, Mr. Chairman.

24 CHAIRMAN GETZ: Thank you. Are there

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1 any other issues that need to come before us this morning?

2 (No verbal response)

3 CHAIRMAN GETZ: Okay. Hearing nothing
4 then, at this point we will close the prehearing
5 conference. And, we'll await a report and recommendation
6 from the parties as to the further conduct of this
7 proceeding and a proposed procedural schedule. Thank you,
8 very much.

9 (Whereupon the prehearing conference
10 ended at 11:18 a.m. and the parties
11 convened a technical session
12 thereafter.)

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