SHAHEEN & GORDON

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February 27, 2007

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

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

Dear Ms. Howland:

Enclosed for filing please find <u>PRELIMINARY LIST OF ISSUES</u> for filing with the Public Utilities Commission.

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

Very truly yours,

/s/ Arpiar G. Saunders, Jr., Esq.

Arpiar G. Sunders, Jr., Esq. <u>asaunders@shaheengordon.com</u>

AGS: maj Enclosure cc: Commission's Email Service List Carol Miller (by US Mail) Gregory M. Kennan (by US Mail)

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STATE OF NEW HAMPSHIRE BEFORE THE PUBLIC UTILITIES COMMISSION

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

and

FairPoint Communications, Inc.,

Docket No. DT 07-011

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

Preliminary List of Issues

Communications Workers of America (CWA) and International Brotherhood of Electrical Workers (IBEW) Locals 2320, 2326, and 2327, and IBEW System Council T-6 (collectively Labor Intervenors) submit the following preliminary list of issues that it intends to investigate in this proceeding.

Labor Intervenors would note that this list of issues is preliminary and does not include any issues that may arise during discovery, or from an examination of documents that are a material part of the proposed transaction but that have not yet been made public. Labor Intervenors, therefore, reserve the right to address other issues in discovery, testimony, and cross-examination.

Preliminary List of Issues

- 1. Legal and procedural issues that may arise during the course of this proceeding.
- 2. Whether Verizon's proposed reorganization is reasonable and in the public interest, including but not limited to a review of the following:
 - a. Allocation of assets, liabilities, working capital, contracts, customer accounts, and employees between Verizon and Spinco

- b. Allocation of assets, liabilities, working capital, contracts, customer accounts, and employees between regulated and unregulated subsidiaries of Spinco
- c. Allocation of pension assets and liabilities between Verizon and Spinco
- d. Allocation of responsibility for other post-retirement benefits and associated obligations between Verizon and Spinco
- e. If Verizon chooses an alternative structure to the transaction (see footnote 4 to the Application), issues similar to the above will be addressed in the context of that alternative structure.
- 3. Whether the proposed merger between Spinco and FairPoint is reasonable and in the public interest, including but not limited to a review of the following:
 - a. Financial fitness of FairPoint
 - b. Managerial fitness, expertise, and continuity of FairPoint
 - c. Technical fitness and expertise of FairPoint
 - d. FairPoint's proposed corporate structure of Spinco and each of its affiliates, and their relationship to existing FairPoint subsidiaries and affiliates
 - e. Projected inter-affiliate transactions among Spinco, Spinco's affiliates, and FairPoint's existing subsidiaries and affiliates, including but not limited to centralized functions, shared services, billing and accounts payable practices, cash management practices, dividend policies, equity infusion procedures, expense allocation procedures, affiliate charges and fees, and participation in money pools or similar asset consolidation arrangements
 - f. The capitalization of post-transaction Spinco and each of its affiliates, including shareholder equity, short- and long-term obligations, and minority interests
 - g. FairPoint's record of customer service
 - h. FairPoint's record of employee relations
 - i. FairPoint's record of compliance with applicable laws and regulations
 - j. FairPoint's willingness and ability to assume relevant collective bargaining agreements
 - k. FairPoint's ability to support pension, post-retirement, and associated obligations to employees over time
 - 1. Restrictions on employment of FairPoint personnel by Verizon
 - m. Restrictions on employment of Verizon personnel by FairPoint

- n. FairPoint's reliance on Capgemini, Verizon, and others for the provision of critical services and expertise
- o. Financing agreements between FairPoint and various lenders, investment banks, investors, Verizon, and others
- p. FairPoint's projected cost savings
- q. FairPoint's projected creation of additional jobs
- r. FairPoint's projected capital expenditures
- s. FairPoint's plans for operating and maintaining Verizon's existing network
- t. FairPoint's plans for upgrading the capabilities of Verizon's existing network, including the deployment of broadband and other enhanced services
- u. FairPoint's plans for improving the quality of service delivered to consumers

Respectfully submitted, Labor Intervenors, By Their Attorneys:

Dated: February 27, 2007

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<u>/s/Arpiar G. Saunders, Jr., Esq.</u> Arpiar G. Saunders, Jr., Esq. Shaheen & Gordon, P.A. P.O. Box 2703 Concord, NH 03302-2703 603-225-7262 <u>asaunders@shaheengordon.com</u>

Dated: February 27, 2007

<u>/s/ Karyn P. Forbes, Esq.</u> Karyn P. Forbes, Esq. Shaheen & Gordon, P.A. P.O. Box 2703 Concord, NH 03302-2703 603-225-7262 kforbes@shaheengordon.com Date: February 27, 2007

/s/ Scott J. Rubin, Esq. Scott J. Rubin, Esq. 3 Lost Creek Drive Selinsgrove, PA 17870 570-743-2233 Fax: 570-743-8145 scott.j.rubin@gmail.com

Date: February 27, 2007

/s/ Nancy Brockway, Esq. Nancy Brockway, Esq. 10 Allen Street Boston, MA 02131 617-645-4018 Fax: 617-327-6986 (call ahead) nbrockway@aol.com

CERTIFICATE OF SERVICE

I hereby certify that the foregoing PRELIMINARY LIST OF ISSUES was served this 28th day of February 2007 on all parties appearing on the Commission's service list.

Dated: February 28, 2007

By: <u>/s/ Karyn P. Forbes</u> Karyn P. Forbes, Esq. Shaheen & Gordon, P.A. P.O. Box 2703 Concord, NH 03302-2703 603-225-7262 kforbes@shaheengordon.com