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

Respondent: Peter G. Nixon

Title: President

REQUEST:

New Hampshire Public Utilities Commission Staff - Rebuttal

DATED:

September 17, 2007

ITEM: RDR-34

Peter Nixon in his rebuttal testimony, page 18, lines 1-3, notes that Verizon is "contractually obligated" to staff the New Hampshire, Maine, and Vermont operations in order to run the business in the "normal course." To what extent does this imply that Verizon is "contractually obligated" to transfer that staff at close? What recourse does FairPoint have if Verizon does not transfer a sufficient staff at close?

REPLY:

OBJECTION: FairPoint objects to Data Request RDR-34 on the grounds that it seeks a legal conclusion. Subject to and without waiving this objection, FairPoint will provide information responsive to Data Request RDR-34. [Objection served September 25, 2007.]

Pursuant to Section 7.2 of the Merger Agreement, Verizon is required to run its business in the ordinary course consistent with past practices. As such, Verizon is required to maintain sufficient staff to run its business up until close, after which that staff will continue to work for FairPoint's subsidiaries by operation of merger. Verizon's staffing levels are monitored on a monthly basis and any significant reduction in staffing levels would be brought immediately to Verizon's attention as soon as this is a concern, even before sending a notice of breach of contract. FairPoint can request that Verizon have sufficient staff.