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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

May 15, 2007 - 7:00 p.m.
Exeter High School
Lincoln Gym
Exeter, New Hampshire

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

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

APPEARANCES: (No appearances taken)

Court Reporter: Steven E. Patnaude, CCR

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

2 CHAIRMAN GETZ: Okay. Good evening,
3 ladies and gentlemen. I'm Tom Getz. I'm Chairman of the
4 Public Utilities Commission. And, I'm going to open this
5 public statement hearing in docket DT 07-011. This
6 concerns a joint petition filed on January 31, 2007 with
7 the Commission by Verizon New England and FairPoint
8 Communications. This petition is a joint one, seeking
9 approval of a series of transactions that would result in
10 FairPoint acquiring the current Verizon New England
11 franchise to provide wireline telecommunications services
12 in New Hampshire. I want to first introduce a few people.
13 Commissioner Graham Morrison and Commissioner Clifton
14 Below, also from the Commission Staff is Amanda Noonan,
15 who is the Director of our Consumer Affairs Division, and
16 Jan Quint, who also is up front, with our Consumer Affairs
17 Division. If you would like to speak tonight, they have
18 forms to fill out to give your name and your indication
19 that you'd like to speak. And, we're just going through
20 the pile of sheets in the order that we get them. And,
21 you'll have an opportunity to come up and give us your
22 comment.

23 I'd also like to note that present
24 tonight, from the Office of Consumer Advocate, is Steve

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1 Merrill, as well as three members of the Consumer
2 Advocate's Advisory Board, Otis Perry and Dwayne
3 Wrightsman and former Senator Rick Russman. Also note
4 that Senator Maggie Hassan, who's the Vice Chair of the
5 Senate Committee responsible for utility activities is
6 here, as well as Representative Naida Kaen, who is the
7 Chair of the House Committee of Science, Technology &
8 Energy that's responsible for PUC activities. I've also
9 seen -- I think I saw Representative Nord here, there may
10 be other representatives. And, if they would -- I think
11 Representative Nord will be speaking later.

12 I want to give some background about the
13 Commission and the process we're going to be using
14 tonight. The term "Public Utilities Commission" refers
15 both to the 65 employees that work for the agency and the
16 three Commissioners that make the decisions in the cases
17 that come before the agency. The three of us will be
18 acting in the same manner as judges in this case, and we
19 are subject to the same kinds of rules as judges. Most
20 important, we are subject to what are called "ex parte
21 rules". This means that we cannot talk about the merits
22 of an ongoing case with anyone outside the Commission,
23 except when there is notice and an opportunity for all
24 parties to participate. Tonight is one of those

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1 occasions. The other occasion will be at the adversarial
2 hearings, the judicial hearings later in the year.

3 As for the process used in this case,
4 it's a formal judicial-style proceeding, that includes
5 written and oral testimony, discovery, cross-examination,
6 briefs, and a written decision that is subject to
7 rehearing and appeal to the New Hampshire Supreme Court.
8 It's the same process, similar process to what's used in a
9 typical civil trial. At this point in the case, the
10 Applicants have filed their petition asking us to approve
11 the transfer of Verizon's assets to FairPoint. We have
12 held the initial procedural hearing, called a "prehearing
13 conference", issued a procedural order granting the
14 intervention of more than 20 parties, and approved a
15 procedural schedule that culminates in multiple days of
16 hearings in the last half of September. As required by
17 the procedural schedule, Verizon and FairPoint have filed
18 written testimony, and the other parties are conducting
19 discovery, which means that they are asking Verizon and
20 FairPoint questions that will help the other parties in
21 writing their responsive testimony.

22 I want to emphasize one other very
23 important point about the process and our roles, which is
24 this: We have formed no opinion on whether the petition

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1 should be approved or denied, nor should we. Our job is
2 to hear all the evidence, and then make a decision based
3 on the evidence presented to us.

4 The other introductory item I'd like to
5 cover is what we're trying to accomplish tonight, and it's
6 a couple of things. First, the Companies will be given
7 time to briefly explain their proposal. We expect that
8 there are many questions that you have about the proposal,
9 and we are hopeful that their presentation will answer
10 some of those questions. However, tonight is not the
11 occasion to cross-examine the Companies about their
12 proposal. But they are prepared to stay around after the
13 close of the public statement hearing and try to answer
14 individually any questions you might have.

15 Second, this is an opportunity for you
16 to tell us whether you support or oppose the transfer,
17 express your concerns about the proposal, or recommend
18 areas that you think we should examine. While the
19 statements made tonight do not constitute the kind of
20 evidence on which ultimately we can base a decision, these
21 comments prove very helpful to us in identifying areas
22 that our staff can investigate during discovery and that
23 we can pursue through our own questions at the hearing.

24 So, again, if you'd like to speak, make

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1 sure that you get a form from Ms. Noonan or Ms. Quint and
2 fill that out and hand it back to them, they will bring it
3 up to us. And, I'll also note we have a stenographer, who
4 will be recording the comments tonight, so please speak
5 clearly.

6 And, at this point then, I'm going to
7 turn to Mr. Nestor from Verizon.

8 MR. NESTOR: Thank you, Mr. Chairman,
9 Commissioners. My name is Shawn Nestor. I'm the Vice
10 President for State Government Relations for Verizon New
11 Hampshire, with overall responsibility for regulatory
12 matters. And, with me tonight is Jill Wurm, who has
13 overall responsibility for media relations. And, we will
14 be around, as the Chairman indicated, after, if people
15 have questions or comments.

16 Verizon appreciates the opportunity to
17 speak for just a moment, but, more importantly, to listen.
18 We recognize that this represents the chance for the
19 public to participate in the regulatory process and for
20 people to receive -- the Commission to receive comments
21 from the public, so I will be brief.

22 On January 31st, 2007, Verizon and
23 FairPoint filed a joint petition with the New Hampshire
24 Commission to transfer Verizon's local and long distance

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1 business to FairPoint Communications. Similar petitions
2 were also filed at that time in Vermont and Maine. The
3 residential and business services to be transferred
4 include local exchange service, in-state toll service,
5 enhanced voice and data services, and DSL services.
6 Wholesale services that are provided to carriers are also
7 included as part of this transaction. Wireless services
8 are not.

9 Verizon believes that this transaction
10 provides a fair value for the telephone operations being
11 transferred, and we believe that this is in the best
12 interest of the State of New Hampshire and its citizens,
13 as FairPoint has committed to expand upon and accelerate
14 Verizon's commitment to expand broadband services, as well
15 as to bring additional jobs to the state. We also believe
16 the transaction has been structured to be fair and
17 equitable to employees, who will continue to work in the
18 business under FairPoint. This includes honoring all
19 existing union labor contracts. In sum, Verizon believes
20 that at the conclusion of this proceeding, after hearing
21 all of the evidence, the Commission will find that this
22 transaction is in the best interest of Verizon, its
23 employees, its customers, and the state.

24 And, finally, one word in closing.

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1 While Verizon recognizes change can be unsettling to
2 individuals, it also presents opportunities. There's no
3 doubt change in the telecommunications industry, as well
4 as here in New Hampshire, has been monumental over the
5 last decade, and that change will continue into the
6 future. We believe that this merger transaction
7 represents a new opportunity for the State of New
8 Hampshire and is in the public interest. I thank you for
9 your time.

10 MS. PRIOR: Good evening. I'm Audrey
11 Prior. I'm the Director of Regulatory and Legislative
12 Affairs for FairPoint Communications. And, with me here
13 tonight I have Pam Joy, who is our Director of Sales and
14 Marketing, and Al Lewis, who is our Director of
15 Engineering.

16 CHAIRMAN GETZ: Ms. Prior, I think --
17 (People indicating a difficulty hearing
18 Ms. Prior.)

19 MS. PRIOR: How about now? Let me try
20 that again then. Good evening. I'm Audrey Prior. I'm
21 the Director of Regulatory and Legislative Affairs for
22 FairPoint Communications. And, I have we me here tonight
23 Pam Joy, who is our Director of Sales and Marketing, and
24 Al Lewis, who is our Director of Engineering. And, as the

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1 Chairman has indicated, we would be happy to stay after
2 and answer any questions that we can. Let me first start
3 by thanking the Commission for the opportunity to speak
4 briefly here tonight on behalf of FairPoint and talk with
5 you about -- I want to talk a little bit about FairPoint
6 and its inception, and then talk about why we think this
7 merger is good for the citizens of New Hampshire.

8 First of all, FairPoint was founded in
9 1991 with a mission to own, operate -- acquire, own and
10 operate small, rural and telephone companies across the
11 United States. In 1993, we made our first acquisition in
12 Dodge City, Kansas. And, since then, we've grown the
13 Company so that we now operate 31 companies in 18
14 different states. And, much of the properties that we
15 operate are like the ones here in Northern New England, in
16 Maine, New Hampshire, and Vermont. So, we do have some
17 expertise in this area. And, I want to talk about three
18 areas tonight, to let you know why we think this is a good
19 transition -- transaction for New Hampshire. I want to
20 talk about the customers, the community, and the
21 employees.

22 And, I'd first like to start with the
23 customers. As a result of this transaction, there will be
24 no increase in local rates to customers. We will continue

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1 to abide by the rates that are in place today for Verizon,
2 and we will serve our wholesale and retail customers on
3 the same rates, terms and conditions that Verizon does
4 today. So, there will be no rate increase, and we think
5 that's good for the citizens of New Hampshire.

6 I want to talk about the community just
7 for a minute. We have -- As a result of this transaction,
8 we will be increasing, bringing 600 new jobs to the
9 region, to Maine, New Hampshire, and Vermont. All of the
10 back office work that's done by Verizon today out of the
11 states of Maine, New Hampshire, and Vermont will be
12 brought into the three states. So, we'll be hiring
13 positions in network operations center type positions, we
14 will be hiring ISIT positions, our programming, computer
15 programming positions, and we will be adding
16 administrative positions, such as regulatory, marketing,
17 and accounting positions. So, we will bring in 600 new
18 jobs. And, although we have not decided exactly where
19 those jobs will go, we have committed to the Governors of
20 each state that we will work to spread the jobs among all
21 three states. And, so that we don't know exactly what
22 jobs will be brought to New Hampshire, we do know that New
23 Hampshire will most certainly benefit from some of the
24 jobs that we will be bringing in.

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1 And, then, thirdly, I'd like to talk
2 just briefly about the employees. As a result of this
3 transaction, FairPoint has agreed to honor the existing
4 union contracts. We have agreed that there will be no job
5 cuts, there will be no loss of benefits. And, for those
6 employees that have pension plans built up with Verizon,
7 those pension plans will be coming over to FairPoint fully
8 funded. So, again, we believe that this is a good
9 transaction, and for the reasons I've stated, for the
10 customers, the community, and the employees.

11 I would just like to close by telling
12 you all that we do look forward to serving the customers
13 of New Hampshire. And, we look forward to being a good
14 and solid and present corporate citizen. And, I thank you
15 all very much for your time this evening. And, again, we
16 will remain after to answer any questions.

17 CHAIRMAN GETZ: I wanted to address two
18 quick things. One is, I don't think I covered this, but,
19 to the extent you would like to make a written comment,
20 rather than speak tonight, you can also get one of the
21 forms and fill out a written comment and hand it in to
22 Ms. Noonan or Ms. Quint. And, the other thing is, the
23 process we're going to use, I'll indicate who the next
24 speaker is, and then indicate as well who the following

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1 speaker is, so that you'll know in advance when your time
2 is coming up.

3 So, first speaker tonight is Elaine
4 Salie. And, she'll be followed by Sheryl Hallahan. Is
5 Elaine Salie here?

6 MS. SALIE: Hi. My name is Elaine
7 Salie, and I live in East Hampstead, New Hampshire. I
8 recently remodeled my house and had Verizon fiber
9 completely constructed throughout it. And, now, I'm
10 really dismayed in that, the fact that who's going to be
11 taking care of the service now? Are we going to have
12 updates or am I going to be degraded? I'm kind of getting
13 tired of Comcast being the only monopoly in this state.
14 And, I don't see how FairPoint can be good for the state.

15 Actually, I lived in Maine, in China,
16 when FairPoint, I think they still are, is the telephone
17 company up there. And, when we had that major ice storm
18 up there, thank God that Verizon owned the poles and the
19 cables, because they were the ones who repaired it. When
20 you call FairPoint customer service, they aren't open 24
21 hours, you have to leave a message. It's just, we're not
22 used to that kind of service. This is taking us
23 backwards, not forward. That's my opinion. Thank you.

24 CHAIRMAN GETZ: Thank you. And, Lloyd

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1 Basinow will follow Ms. Hallahan.

2 MS. HALLAHAN: My, there's a lot of you.
3 My name is Sheryl Hallahan. I live in Barrington, New
4 Hampshire. I'm hearing all kinds of promises. Remember
5 when there was only one company, affectionately known as
6 "Ma Bell"? Then, the government broke that up and we had
7 the seven Baby Bells. And, for our phone service, we had
8 New England Telephone. Of course, a payphone then only
9 cost you ten cents, and they kept promising there was
10 going to be no change. Then, New York Tel merges with New
11 England Tel, and we come up with NYNEX; again, promises of
12 no changes. A payphone now costs 25 cents. Next, we
13 merge NYNEX with Mid Atlantic, and we become Bell
14 Atlantic, and still they promise us no changes. Payphones
15 go up again, 35 cents. Next comes the merger with Bell
16 Atlantic and GTE, thus Verizon is born. Again, no
17 changes. Payphone is 50 cents, if you can find one. Each
18 one of these mergers brought us new services and new
19 technology. Let's not step backward to a company which is
20 smaller and has fewer resources than the original New
21 England Tel did.

22 Now comes FairPoint, with their promises
23 of "the technicians working on your phone today will be
24 there tomorrow", but without the resources of technical

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1 support of Verizon behind them. Then, the promise of "DSL
2 to all". Most us, without DSL now, have been told we
3 "live too far from the central office". How will this
4 change? DSL is not high-speed Internet. DSL was new
5 technology ten years ago. The technology of today and the
6 future is FiOS. Don't we deserve the best? What's going
7 to happen to the 23 communities in southern New Hampshire
8 that have FiOS?

9 Another one of my major concerns is,
10 please, members of the Commission, look very closely at
11 the 911 service for police and fire, plus radio service
12 for the police, fire and ambulance and your hospitals. If
13 something goes wrong, who do you want to be responsible?
14 A company with the resources and technical support of
15 Verizon, who's tried and proven, in the example of
16 Raymond, or a small unproven, rural company, which is what
17 they say they are, with questionable finances and
18 technical support?

19 If Verizon does not want to be here, let
20 them find a buyer who can continue to bring us further
21 into the future. Let's not step backwards. This is only
22 a good deal for Verizon and FairPoint, not for the people
23 of the States of New Hampshire, Maine, and Vermont. Thank
24 you.

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1 CHAIRMAN GETZ: And, Mr. Basinow will be
2 followed by Bob Bruce.

3 MR. BASINOW: My name is Lloyd Basinow.
4 I am down from Manchester. Unfortunately, the PUC has not
5 seen fit to hold any hearings in any of the large cities,
6 such as Manchester, Nashua, Portsmouth, Keene. You people
7 are very lucky to be able to get out the word. In
8 December of 2005, the New Hampshire Supreme Court
9 confirmed the Public Utilities Commission finding that,
10 for five years, Verizon had falsified its income reports
11 in rate cases before the PUC. The court ordered Verizon
12 to include in it its Yellow Page income in any future
13 request for a rate increase and to give full credit to the
14 telephone ratepayers. Verizon only had to pay a \$1,000
15 civil penalty to the PUC, but the record shows that even
16 this was never paid.

17 In 2005, no one thought to consider that
18 Verizon would later attempt to circumvent the court
19 ordered obligation to refund the ratepayers millions of
20 dollars in overcharges by attempting to sell off Verizon
21 assets to FairPoint Communications, instead of seeking a
22 rate increase or making refunds. This is nothing more
23 than a second attempt to defraud the telephone ratepayers,
24 and by underhanded secret methods, to keep all of the

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1 money for themselves.

2 Effectuated are over 600,000 New Hampshire
3 telephone customers. 23.3 additional millions earned in
4 New Hampshire unreported each year since 2000, and an
5 estimated \$39 per customer per year in overcharges due to
6 the ratepayers. All of this information was reported in
7 our local Manchester Union Leader newspaper.

8 Any new owner of Verizon assets is not
9 bound by the Supreme Court ruling. And, with Yellow Pages
10 now sold off, there will be no future rate case to tie a
11 refund or credit back to ratepayers. To protect the
12 ratepayers and resolve this problem by avoiding future
13 litigation, the Public Utilities Commission must, as part
14 of its approval process, condition this sale or any future
15 sale on the refunds of any and all monies due back to the
16 ratepayers. As ratepayers, we demand that the PUC freeze
17 all of Verizon assets from any sale or transfer of
18 ownership until we are fully compensated in accordance
19 with the New Hampshire State Supreme Court order.

20 Thank you.

21 CHAIRMAN GETZ: Thank you. Mr. Bruce
22 will be followed by John Gregg.

23 MR. BRUCE: Good evening. My name is
24 Bob Bruce. I'm from Candia, New Hampshire. And, I'm

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1 against this purchase or "merger" as you want to call it.
2 This merger is not good for New Hampshire and it's not
3 good for the customers that will be given access to what
4 is quickly becoming ancient technology.

5 After being in high-tech for over 30
6 years and seeing companies suffer from growing too big too
7 fast, there's no way that FairPoint can survive the
8 purchase and be a consumer-friendly corporation. The
9 technology is outdated that they plan on using. DSL is
10 great if you're close to the switch, but most customers
11 are not. You might as well be using a dial-up modem.
12 Verizon has the capability of fiber and other emerging
13 technologies; FairPoint does not, and probably will not in
14 the foreseeable future.

15 With the recent disasters that our state
16 has gone through, I doubt that a cash-strapped, high debt
17 company will be able to handle what happened in the last
18 storm here just in Raymond alone. Verizon had the
19 interstate resources to call on and it took them almost
20 three weeks. How long would it take FairPoint?

21 If you allow this sale to go through,
22 you will not be looking out for the interests of the
23 citizens of the State of New Hampshire. Thank you.

24 CHAIRMAN GETZ: And, Mr. Gregg will be

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1 followed by Suzanne Woodland.

2 MR. GREGG: My name is John Gregg. I
3 live in Portsmouth, New Hampshire. I'm the Chairman of
4 the Cable Commission in Portsmouth. I'm here to speak not
5 as a -- with a point of view of the Cable Commission, per
6 se, but I do have a couple of questions that relate to
7 things that don't seem to be adequately on the radar
8 screen. One has to do with FiOS. A couple of years ago
9 now, Verizon approached the City of Portsmouth and
10 indicated their interest in offering video service. We
11 were enthusiastic about that, and, of course, have been
12 waiting for that to happen. To state the obvious,
13 consumers are hugely interested in having competition for
14 cable video services. And, we took a survey this last
15 year in Portsmouth. We have 9,000 residents who are
16 currently cable subscribers, obviously, that's Comcast.
17 We asked them about the service and services that were
18 being provided by Comcast and the things that they would
19 like to see improved. Number one on the list was price,
20 and that takes a couple different forms and I don't think
21 I need to get into that. Point being that the number one
22 way to deal with price that most of us believe in, of
23 course, is the free market and competition. And, so, to
24 have Verizon offering video would be a wonderful thing for

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1 our community, I believe.

2 I attended the FairPoint meeting that
3 was held at the Sheraton in Portsmouth, and essentially
4 asked this question at that time. Was told that
5 "FairPoint has interest in offering video as well." And,
6 that sounds fine, but it also is very loose. I would like
7 to see that their plans for providing video services and
8 using the FiOS technology made more complete before the
9 merger is approved.

10 The second thing that I'd like to
11 address is a very small point, but one that is of interest
12 to many of us. And, that is that, as a customer of
13 Verizon, I receive a extra discount of five dollars a
14 month because I have my wireless and my local and my long
15 distance service all wrapped up in one and you get a
16 common statement. I would assume that I will lose that
17 five dollars a month and 60 dollars a year, as would many,
18 many other customers. And, so, that becomes kind of a
19 rate issue. And, I know it's apparently tied more to the
20 wireless side than it is to the landline side. But,
21 nonetheless, it has an impact upon customers. And, again,
22 I would like to know what the -- if there is a way or how
23 that would be dealt with? I'm again told that "FairPoint
24 has interest in offering wireless services." I assume

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1 that that would be through Verizon, with some sort of a
2 deal, since Verizon will have ownership here. And, I
3 assume, of course, that video would be logically offered,
4 again through Verizon, with some sort of an alliance or
5 affiliation with them. So, it seems like, in both cases,
6 it would be fair to ask FairPoint to be more specific in
7 how they will deal with these issues before approval is
8 given.

9 CHAIRMAN GETZ: And Kevin Cavanaugh will
10 follow Ms. Woodland.

11 MS. WOODLAND: Suzanne Woodland,
12 Assistant City Attorney for the City of Portsmouth. We
13 will be before your Commission later on during the more
14 formal part of the proceeding, but we thought we'd just
15 take this opportunity tonight to let you know early and
16 hopefully often that the City of Portsmouth does have
17 concerns with regard to the transaction. We have
18 participated -- the City has participated in the docket
19 involving Verizon's performance issues related to poles.
20 We are very concerned about the performance standards
21 related to pole removal, transfer of utilities, holding up
22 of construction projects. Those are key issues for us.
23 We have heard good words from Verizon. We have -- I mean,
24 from FairPoint. Our concern is that "can they really

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1 perform?" They're telling us the right things, "better
2 service", "better communication". The question is, "if
3 you're not changing rates, if you're not changing the
4 labor contracts, can you really bring the equipment, the
5 manpower, womanpower to bear to actually get the job
6 done?" So, we, you know, do expect, we're looking at the
7 data requests and the discovery that's coming in, and do
8 expect to be before you again, and we'll be looking
9 probably for some performance standards as part of this
10 process.

11 So, again, this is just an introduction
12 to let you know we do have concerns. We're neither for or
13 against at this point. But, again, an opportunity to let
14 you know the City of Portsmouth is very much interested in
15 this transaction because of performance issues with
16 Verizon in the past.

17 CHAIRMAN GETZ: And, after Mr. Cavanaugh
18 will be Kathy Gosselin.

19 MR. CAVANAUGH: Hello. My name is Kevin
20 Cavanaugh, from Manchester. About five years ago I spoke
21 before this Commission. And, at that time, Verizon filed
22 a petition to offer long distance service to the New
23 Hampshire citizens. I spoke in favor of that then,
24 because Verizon said "Competition is good for the

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1 ratepayers", and they also said they were going to take
2 their money and reinvest it into the infrastructure and to
3 keep New Hampshire on the cutting-edge of technology.
4 Now, here we are, five years later, Verizon has the
5 technology to offer every household in New Hampshire fiber
6 to every house. And, instead of doing that, they want to
7 cut and run and they want to walk away from New Hampshire.

8 I really think the Commission should
9 tell Verizon they're going to stay in New Hampshire and
10 they're going to honor all the promises they made to
11 consumers of this state. So, please, Commissioners, tell
12 Verizon that "New Hampshire is not for sale." Thank you.

13 CHAIRMAN GETZ: And, Representative Nord
14 will follow Ms. Gosselin.

15 MS. GOSSELIN: Good evening. My name is
16 Kathy Gosselin. I am a small business owner in the City
17 of Manchester, New Hampshire. I own and operate Abas
18 Appraisals out of my home, and have been in business for
19 the past seven years. As a small business owner, I strive
20 to offer my clients the most up-to-date services available
21 through the market. I constantly try to improve my
22 company with state-of-the-art technology to stay
23 competitive in this fast-paced real estate appraisal
24 world. I have been anxiously awaiting the arrival of FiOS

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1 in the Manchester area, as this will provide my company
2 with the fastest, most technologically advanced
3 telecommunications system available in today's market. To
4 stay competitive in today's market, every business owner
5 has to have cutting-edge technology, otherwise they fall
6 by the wayside.

7 In my opinion, FairPoint will not be
8 able to accommodate my company with this type of
9 technology, and it makes no sense taking a step back,
10 while everyone else is moving forward. My company relies
11 heavily on the Internet to provide for fast delivery of
12 all my appraisal services. My clients expect nothing
13 less.

14 I strongly believe that FairPoint will
15 hurt my company, and ultimately my business volume, as
16 they will not be able to provide me with the service and
17 technology that Verizon can. What company in their right
18 mind would accept taking a step back, when the competition
19 is moving forward? As I see it, having FairPoint take
20 over is the worst thing that could happen to business
21 owners, professionals, and everyday consumers. We cannot
22 allow this to happen.

23 In my opinion, FairPoint is acting like
24 a politician right now. They are saying anything and

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1 everything to get our vote, but, once in office, they will
2 renege on those promises, and we will be left out in the
3 cold. The difference being, we cannot re-elect someone
4 else after two to four years. Because, once their deal
5 goes through, we will be stuck with this decision, and it
6 will prove disastrous for our entire area. It will hurt
7 us, not only in emergency situations, but, economically,
8 as it will set us back into the Dark Ages and ultimately
9 hurt all consumers. There will be no turning back.

10 I am sure, as I stand here this evening,
11 I represent the vast number of business owners and
12 consumers alike throughout the area that do not want this
13 deal to happen. To withstand an aggressive market,
14 business owners must be competitive. Tonight we need to
15 send a message to Verizon and let them know that we, in
16 Northern New England, have a voice and want to be heard.
17 You ultimately have the power to stop this sale. Use your
18 power wisely. Thank you.

19 REP. NORD: Good evening. And, thank
20 you for giving me this opportunity to speak tonight. And,
21 thank you to everyone who is here. My name is Susi Nord,
22 and I am the State Representative from Rockingham County
23 District 1, and I represent the Towns of Candia,
24 Deerfield, Northwood and Nottingham. And, I'm here

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1 primarily because we were most recently affected by the
2 flooding of the Verizon facility in Raymond. And, a lot
3 of people in my district were without their phone service
4 for up to three weeks. And, I wanted to let you know that
5 just some of the costs that that -- that those people
6 incurred as a result of losing their phone service for
7 three weeks. I, myself, being a representative, get a lot
8 of phone calls from constituents. And, there were times
9 when constituents would call and hear that my phone was
10 disconnected, and they weren't able to get through. But,
11 luckily, for me, the people that I deal with are in the
12 local area and they knew what was going on, and I'm hoping
13 that they don't hold it against me that I was unreachable
14 for three weeks.

15 However, many businesses in my district
16 were profoundly affected. The woman who cuts my hair said
17 there were two weeks where she might as well have closed
18 the doors for all the business that she lost, because a
19 lot of her clients call and make their appointments
20 relatively short -- on relatively short notice. I know
21 there is a golf course that at this early in the season
22 doesn't get a lot of reservations, until people know that
23 the weather is going to be nice for the weekend, and they
24 had one line. They said it was basically hit or miss if

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1 people could get through to it. And, on a weekend that
2 they would have anticipated people/outings pretty much
3 throughout the morning and afternoon, they had openings
4 for anyone who just happened to drive by and think that
5 "oh, maybe I just can't get through because their phones
6 are broken."

7 And, my concern about this, and the
8 reason that I bring this up, is because Verizon is a
9 national corporation with the resources that go with that,
10 with that vast size. And, I really am concerned about a
11 smaller company, in the same situation, how much longer
12 could we have gone without phone service. We had people
13 who were saying they have used up all their cellphone
14 minutes, you know, people -- the police actually ended up
15 having cellphones available to members of the public so
16 that they could call their relatives from out-of-town, who
17 didn't realize that, you know, just this very small
18 section of the state had been affected.

19 And, so, I really hope that you consider
20 the resources that this company that wants to purchase our
21 communications system brings and take that into
22 consideration when you make your decisions. Thank you
23 very much.

24 CHAIRMAN GETZ: Our next speaker is John

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1 Colgan. And, he'll be followed by James Noseworthy.

2 MR. COLGAN: My name is John Colgan. I
3 live in Durham, New Hampshire. My concern would be,
4 FairPoint says they're going to give everybody DSL, but
5 what are they talking for download speeds? Because all
6 "DSL" stands for is "Digital Subscriber Loop". So, they
7 may only be giving you ten bits a minute, whereas Verizon
8 right now low speed is 768 K. And, I'm just concerned
9 that their DSL may be actually slower than our dial-up.

10 CHAIRMAN GETZ: Thank you. Tim Sink
11 will follow Mr. Noseworthy.

12 MR. NOSEWORTHY: Good evening,
13 Commissioners, friends, neighbors. And, I thank you for
14 the opportunity to speak briefly here this evening. I'm a
15 resident of Newington, New Hampshire, and I'm one of the
16 few remaining terms that can be truly said in the State of
17 New Hampshire, I'm a native. I took a few moments today
18 to peruse through the Internet some statistics, so let me
19 digress for a moment. In the 2005 census, which is the
20 latest available information, New Hampshire is listed as
21 having 1,310,000 people total population. Of that number,
22 60 percent approximately live in metropolitan areas. New
23 Hampshire is rated at 5.6 percent of the growth population
24 of the United States, where New England is rated at

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1 2.3 percent. The U.S. average is 5.3 percent. So, one
2 can quickly determine and see here that we're right up in
3 the higher percentage of growth areas. Also, in the
4 security of median age aspects, New Hampshire has a median
5 age of 39.2 years, Maine has a 42.1, and Vermont has a
6 41.2 median age. And, what does that mean relative to our
7 discussion here this evening? In my perspective, living
8 the years that I've lived fortunately, it means security
9 in phone service.

10 FairPoint's claim that "92 percent of
11 their customers have access to DSL" is misleading, when
12 one considers that FairPoint only has a total of 55,500
13 customers in all of Maine, New Hampshire and Vermont,
14 92 percent of that number is 51,060. Verizon presents --
15 I beg your pardon, Verizon presently has 180,000 DSL
16 customers, almost four times FairPoint's total. This
17 fairy-tale sale is like Gilly's dockyard in Portsmouth
18 making a bid for McDonald's. FairPoint has neither the
19 expertise nor experience to handle the large number of
20 present Verizon customers. More importantly, how can
21 customers expect quality of service and expansion of
22 up-to-date technology from a company that will be heavily
23 in debt.

24 And, that brings up the point of

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1 FairPoint's promise to bring DSL into the area. DSL, as
2 we all know or should know, is not cutting-edge
3 technology. And, from what I understand, FairPoint has
4 copper lines. Verizon has been updating their lines to
5 fiber optic. This is the current cutting-edge technology.
6 Please don't allow this sale to go through, and set Maine
7 and New Hampshire and Vermont back ten years, put all
8 telephone customers in jeopardy of inferior service.
9 Thank you.

10 CHAIRMAN GETZ: And, Mr. Sink will be
11 followed by David Lang.

12 MR. SINK: Good evening, Commission
13 members. My name is Tim Sink. I represent the Greater
14 Concord Chamber of Commerce, and I'm here to speak in
15 favor of the merger this evening. From the perspective of
16 the Chamber, we think that this has the potential for a
17 win/win situation, and for all parties, including
18 consumers. Most businesses are reliant on land lines, and
19 that is the reason why Chamber of Commerce would be
20 interested in this issue. FairPoint is a solid company.
21 It's got a reliable track record of providing
22 telecommunications services in 31 communities throughout
23 the United States, particularly in rural and small urban
24 communities, and that's a fair characterization for most

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1 of New Hampshire.

2 While perhaps considered a small company
3 in comparison to Verizon, FairPoint employees more than
4 900 people nationwide, and has been in operation for 15
5 years, and appears to have a very strong financial record.
6 While Verizon is, obviously, a very solid company,
7 FairPoint has been very public in their comments regarding
8 its intention to invest in New Hampshire's
9 telecommunications infrastructure. Promises to expand
10 broadband capability on public record. FairPoint has
11 voiced its intent to bring as many as 600 jobs into the
12 region, possibly around 200 into New Hampshire, and
13 preserve existing jobs. These actions would speak well
14 for both the consumer and for the New Hampshire economy.

15 I'd like to thank the Committee for your
16 efforts on behalf of New Hampshire. And, I thank you for
17 the opportunity to testify this evening.

18 CHAIRMAN GETZ: Mr. Lang will be
19 followed by Jim Marcoux.

20 MR. LANG: Ladies and gentlemen, Mr.
21 Chairman, members of the Commission, my name is David
22 Lang. I live at 66 Park Avenue, in the Town of Hampton.
23 I'm a 27 year veteran of the Hampton Fire Department.
24 Mr. Chairman and members of the Commission, while I am not

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1 here representing the Town of Hampton, nor am I
2 representing the Hampton Fire Department, I am
3 representing my experience, not only as a customer of
4 Verizon, but also as a firefighter. And, I want you to
5 consider a couple of things. Before I begin, though, I
6 want to congratulate you on a practice that my mother once
7 told me years ago, and that was "you have two ears and one
8 mouth, and you ought to listen twice as much as you talk",
9 and you guys seem to be doing that well tonight. A
10 practice that I didn't do very well sometimes.

11 Mr. Chairman, while I'm on the subject
12 of mothers, how many of us -- how many of us picked up the
13 telephone on Sunday and reached out and called their
14 mothers? How many of us use that telephone and depend on
15 that telephone each and every day? That lifeline between
16 family and friends, that lifeline between health and
17 safety.

18 Mr. Chairman, I want to suggest to you
19 and members of the Commission that I've got concerns.
20 I've got concerns about a health of a company. I find out
21 it has 900 employees. I want to know about their
22 financial statement. I want to know about their ability.
23 I want to know if they could maintain their commitment to
24 the community and their dedication to the public safety of

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1 this state. Because I want to tell you, Mr. Chairman and
2 members of the Commission, there's nothing scarier for the
3 firefighters and paramedics in this state than to pick up
4 a telephone and on the other end not hearing a thing.

5 This is not about "can you hear me now?"
6 This is about, "when the public calls, are we ready to
7 respond?" We only have to go back a short way, during the
8 floods. And, remember the Town of Raymond, which lost its
9 telephone switch, the whole town without telephone
10 service. How scary is that for the mothers, the sick
11 elderly, in that community, to pick up their phone and not
12 be able to call. And, now, within seven days, I
13 understand, that switch was up and operating. I heard a
14 story, I don't know if it's true, but I heard a story that
15 the workers up here for Verizon restored that switch
16 before the truck could bring another switch in. I don't
17 know if it's true. But I know one thing. That that's a
18 historical perspective that I learn to count on.

19 I'm going to tell that 911 uses Verizon.
20 If we make a mistake here with this transaction, if we
21 make a mistake with this merger, how many lives depend on
22 it? Can we afford to make that mistake?

23 Mr. Chairman, members of the Commission,
24 use your due diligence, take your time. And, at the end,

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1 please support me in opposing, in opposing this merger.
2 There's too many unknowns. Make them throw open the
3 curtain. Make them show us what the details of the
4 settlement are. This is not about stockholders. This is
5 about safety, public safety. So, oppose this merger
6 please.

7 CHAIRMAN GETZ: After Mr. Marcoux will
8 be Stephen Chavanelle.

9 MR. MARCOUX: Good evening. I'm Jim
10 Marcoux, from Manchester. Recently, I opened up my
11 Comcast bill, and, once again, I was reminded how little
12 Comcast has in the way of competition here in New
13 Hampshire. It seems like no matter how basic your service
14 is, every year it goes up, sometimes it goes up two and
15 three times a year. We all remember the high cost of a
16 long distance phone call when there was little or no
17 competition, when there was a monopoly on said service.
18 Now we have all kinds of options. We have several
19 companies competing for our business. We have cellphone
20 companies offering free long distance. We have Voice-Over
21 Internet. When companies compete for our business, the
22 consumer wins.

23 As you know, Verizon has successfully
24 built fiber optic networks in several regions in New

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1 Hampshire. And, prior to this proposed sale to FairPoint
2 Communications, Verizon was in the process of applying for
3 a franchise to sell video to its FiOS customer, offering
4 options and creating competition. All of which was put on
5 hold when the sale was announced.

6 FairPoint has no intentions of expanding
7 the FiOS network, nor does it have any intention of
8 providing much of the wanted video potential that FiOS
9 already has. Video over fiber optic network is the next
10 generation. The difference between old cable technology
11 and video over fiber technology is like watching a TV on
12 an old tube versus watching TV on a plasma. And, that's
13 not to mention the benefit fiber has in the gaming world.

14 New Hampshire has enjoyed economic
15 growth for many years. Technology plays a big role in
16 that success. New Hampshire needs a company like Verizon
17 to continuing -- continue offering new technologies,
18 competition and option. New Hampshire doesn't need a
19 company like FairPoint, whose only promise is to give New
20 Hampshire the same old antiquated technology. Allowing
21 FairPoint to purchase Verizon and run New Hampshire's
22 information super highway would be cutting New Hampshire's
23 technology IQ in half. Thank you.

24 CHAIRMAN GETZ: And, after

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1 Mr. Chavanelle is -- I hope I pronounced that close?

2 MR. CHAVANELLE: Yes, you did.

3 CHAIRMAN GETZ: Chris Morneau is next.

4 MR. CHAVANELLE: Thank you for having me
5 here. I'm going to talk about an article that was in the
6 Boston Globe this year. And, it discussed a lot of the
7 high-speed Internet, and what they're calling "bandwidth
8 hogs". They listed three people in the article that had
9 their service cut off because they were called "bandwidth
10 hogs". They were the ones that were clogging down the
11 network. The three people was a Joe Nova of North
12 Attleborough, Massachusetts; Amanda Lee of Cambridge,
13 Massachusetts; and Frank Carreiro of West Jordan, Utah.
14 Each of those individuals received calls from Comcast,
15 telling them that they were using too much of the network,
16 and that they were slowing down everybody's speed. If
17 they didn't cut it out, that their service would be
18 suspended. They did not know anything about it. They
19 called up customer service and nobody knew what was going
20 on. In turn, they lost their service.

21 Now, we don't know how far away they
22 were from the CO, so we don't know what service they got
23 from any other vendor. But, with the DSL that is being
24 offered now, is only 3 meg downloads. With the other

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1 company, Comcast, they're offering 6, with a high boost of
2 12, when you're starting to draw on the network.

3 With everybody that has the stuff going
4 out there, with Voice-Over IP, the streaming video, the
5 downloading of pictures, music, everybody's needing it,
6 even the woman with the appraisal company says she runs
7 her business. How many individuals in New Hampshire are
8 going to lose service with the competition, and then end
9 up with FairPoint with their DSL? We don't even know what
10 speeds they're offering.

11 I know the FiOS is out there and they're
12 saying its speeds are unlimited. They're talking about
13 upwards of 100 megabits downloads. I think that's where
14 we should go, and not with this new company. Thank you.

15 CHAIRMAN GETZ: And Ken Donahue will
16 follow Mr. Morneau.

17 MR. MORNEAU: Hi. My name is Chris
18 Morneau. I'm here as a consumer, and I also have a vested
19 interest in a small business. I believe common sense
20 tells us that there is no way a company as small as
21 FairPoint can even begin to provide the level of service
22 we are used to. Whether you like Verizon or not, their
23 service and dedication to the consumer will not be matched
24 by any company, nor will it be matched by a company of

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1 FairPoint's size. How can we, as consumers, believe that
2 FairPoint, having previously declared bankruptcy, even be
3 allowed to buy Maine, New Hampshire, and Vermont landline
4 phone service?

5 Some questions I have are: If this year
6 after year flooding continues, how will FairPoint afford
7 the repairs? Will they just allow the competition to take
8 all the consumers from them? What would happen to the
9 Raymond office that Verizon rebuilt from ground-up all
10 within two weeks time?

11 I don't believe that FairPoint will or
12 could even have the support or capital that Verizon has.
13 FairPoint also has no plan of continuing fiber optic
14 build-out, but they will build out an antiquated DSL
15 service. That just assures me that they are a small
16 company and are not thinking of the consumer. As a
17 consumer, I want the option of fiber to my house, and with
18 this sale it will never happen.

19 To me, this pending sale only makes the
20 rich wealthier and costs the consumer more money and
21 lessen the quality of service. And, this is all because
22 of corporate greed.

23 CHAIRMAN GETZ: Okay. Following
24 Mr. Donahue will be Brad Mongeon.

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1 MR. DONAHUE: Ken Donahue, Chester, New
2 Hampshire. Can you guys hear me okay? First of all, I
3 just wanted to let you know I provided you a packet of
4 some of the information I'm going to talk about, and also
5 -- there's also some information that I think might be
6 interesting to you. It allows you to schedule a tour with
7 Verizon Labs, in Waltham, Mass., in reference to FiOS.
8 They will give you a demonstration and a tour. It's
9 something they do on a regular basis for the public. I
10 can't see any reason why Verizon would refuse the New
11 Hampshire PUC on taking that tour.

12 Just to start tonight, I'd like to go
13 over a public press release from Verizon. And, it's in
14 reference to Fort Wayne, Indiana, an area that just got
15 wired with FiOS. In preparation for this job two years
16 ago, Verizon predicted that they would need to add 200
17 full-time and another 80 temporary positions involving
18 fiber splicing. I'll just let you know, we're talking
19 about one town. We're not talking about an entire state.
20 We've talked a lot here today about 600 employees. We're
21 talking about 200 full-time and 80 temporary positions
22 involving splicing, fiber splicing, which that pay rate is
23 pretty significant, and that's involved for one town, Fort
24 Wayne, Indiana. The Company also expected to hire roughly

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1 600 contractors to work on various aspects of the local
2 FTTP project. Again, we're already talking about
3 significant employees. We've already surpassed the 600
4 we've discussed tonight.

5 Just a little information in reference
6 to how some of the local politicians feel about their town
7 being wired. "This is a huge boost to Fort Wayne
8 economy", says Fort Wayne Mayor Graham Richard. "This
9 multi-million dollar broadband investment by Verizon will
10 make Fort Wayne a leader in technology infrastructure.
11 This helps us to build a better city to retain and gain
12 jobs. We thank Verizon for their commitment to Fort
13 Wayne. This new partnership will provide new, innovative
14 service opportunities for many years."

15 New Haven Mayor Terry McDonald, this is
16 another town, a sister town, that was having the same
17 process conducted. "I am thrilled with the potential of
18 FTTP, or FiOS, and appreciate Verizon's commitment to our
19 communities. Verizon has seen the potential of New Haven,
20 and I am encouraged the project will further enhance our
21 community's ability to attract new residents and
22 companies. Thank you, Verizon, for your partnership with
23 New Haven, Fort Waven -- Fort Wayne, and Allen County
24 governance."

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1 Indiana State Senator Tom Wyss said
2 "Verizon's selection of Fort Wayne and New Haven for their
3 fiber expansion is an exciting opportunity for the
4 community that will spur competitive and create new
5 services for everyone." Allen County Commissioner Marla
6 Irving said "Building a fiber optic network of this
7 magnitude sends a very positive message to our community,
8 and to those who may consider Allen County for new
9 business opportunities and business expansion. We know
10 that technology can make the difference between
11 communities that thrive and communities that do not."
12 Will we be a community that thrives or a community that
13 does not? "This project sets the stage for a very
14 exciting and prosperous future." What future and what
15 message will we be sending to the people that live in
16 southern New Hampshire?

17 Also, I'd like to go over a few articles
18 in the local papers recently. "Verizon's decision to run
19 fiber to the home sets them apart from AT&T, which has
20 chosen a more conservative approach. Even so, Dawson
21 says, AT&T may find in a year or two that it does not have
22 the capacity it needs to provide all the broadband
23 services that consumers want." This is from USA Today,
24 and it's noted in that information I gave you.

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1 What this is saying is that AT&T is on a
2 project right now to provide IPTV over a high-grade
3 coaxial cable, not two copper pairs. They're having
4 problems with it. Industry experts say that they may be
5 moving to FiOS. They may have made a mistake, and they're
6 going to have to start wiring those areas with fiber,
7 rather than the high-grade copper cable that they're
8 having trouble with IPTV, which is Internet Protocol over
9 TV, by the way, where the switching is not done in a TV,
10 but at the remote office or a central office, as some
11 people have discussed.

12 "FairPoint", this is the Concord
13 Monitor, "FairPoint is using fiber optic technology in
14 only one of the 18 states where it operates rural
15 telephone companies." Johnson, FairPoint's Chairman and
16 CEO, said yesterday that "the Company plans to continue
17 using Verizon's existing fiber network in New Hampshire",
18 but said he "does not know whether the Company plans to
19 expand the service in the future." I don't know about
20 you, I'd like it expanded in the future, and I'd like
21 someone to know what they plan to do in the future. I
22 think New Hampshire deserves a little bit more than that.

23 Concord Monitor: "Most of FairPoint's
24 operations are small, rural companies, protected by

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1 federal law that prevents customers from offering
2 telephone service to customers of companies that are
3 classified "rural". But, by acquiring Verizon's
4 1.6 million Northern New England landlines, the Company
5 will more than quadruple its size and have to meet Comcast
6 and other competitors head-on. Currently, they're
7 protected by the FCC. They receive -- They receive
8 handouts from the federal government, because they're
9 designated as a "rural phone company". Also, they're
10 protected from competition in the areas which they
11 operate. If this deal goes through, one, they will not
12 receive as much of a federal handout, and they will have
13 to compete. They're not used to working in that
14 environment. Shouldn't we give them the opportunity
15 somewhere else to practice this first with competition,
16 and without the handouts, rather than giving them the
17 opportunity in New Hampshire and southern New Hampshire?

18 I want my kids, my friends, my family
19 the opportunity to thrive in this area. We've been doing
20 great without FairPoint. I don't know why we need them
21 now. "FairPoint", this is Concord Monitor, "FairPoint has
22 had its own issues with service in Maine, where the
23 Company has its largest New England presence. FairPoint
24 owned China Telephone Company, and it had the worst

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1 service rate of all 23 Maine telephone companies in 2005."
2 Now, it says on their flyer that their "strength and pride
3 and focus is rural areas". This is a rural area. Verizon
4 beat their pants off, in Maine, a rural area. Verizon has
5 the ability to not only focus on rural areas, but at the
6 same time develop high-tech technologies in the southern
7 areas in our sister state, Massachusetts. I don't -- I
8 cannot fathom why we give this company an opportunity like
9 this.

10 I don't want to take up too much more of
11 your time, just have a couple more things to say.
12 FairPoint is a rural telephone company, as determined by
13 the FCC, I discussed that already. Verizon, on the other
14 hand, services customers from rural America to the New
15 York Stock Exchange. Verizon has one of the lowest
16 debt-to-equity ratios, whereas FairPoint has one of the
17 highest. FairPoint is not even the financial equal to
18 many of the lower tier phone companies, never mind
19 Verizon. FairPoint will have even more debt after the
20 sale; 1.7 billion in new debt, for a company whose market
21 cap is currently under 700 million. FairPoint is a purely
22 rural phone company, with a weak financial history.

23 The only company with comparable
24 experience and finances to Verizon at this time would be a

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1 company like AT&T. Unfortunately, we're not talking about
2 AT&T, which may make good economic sense and may meet the
3 regulations for the PUC for doing the best for New
4 Hampshire. FairPoint is not suggesting what is best for
5 New Hampshire. They are proposing a deal that only
6 benefits two corporate entities. Fortunately, for us, we
7 have a PUC regulation that should protect the best
8 interest of our citizens over corporations.

9 Some have stated that Verizon should
10 have done a better job rolling out DSL to rural areas. To
11 this I say "maybe they could have done a better job, but a
12 better job than who?" Verizon consistently beats all
13 national competitors in service and technology, in rural
14 areas and metropolitan areas.

15 The second thing I have to say is
16 Verizon is running a business. We should be glad that
17 Verizon's business plan is not to expand outdated copper
18 lines, but to expand FiOS technology. It is looking to
19 the future of high speed with FiOS. It does not make
20 economic or technological sense to expand copper
21 technology, when FiOS is the future. Verizon, as well as
22 industry experts, know that fiber optics is the future of
23 information, communications and entertainment to the home
24 or business. Verizon also currently provides DSL, while

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1 expanding FiOS. They have the ability to do both, where
2 FairPoint does not. Verizon and Comcast have
3 significantly -- have significantly concentrated the
4 majority of their efforts in the southern and Seacoast
5 region of New Hampshire, because they are economically
6 expanding regions. In a purely business sense, it is a --
7 it is smart for these companies to grow the southern and
8 Seacoast regions, which, in the last five years, has seen
9 an increase in high-tech and medical industry jobs.

10 Let us not forget that, as the southern
11 regions grow, companies of all kinds will expand the
12 services out to the rural areas. New Hampshire is
13 currently rated as the fastest growing New England state.
14 It is imperative that we have the best communications,
15 data, and video provider in the industry. As you have now
16 heard many times, Consumer Reports, USA Today, and other
17 media sources rate Verizon as the industry leader in all
18 of those categories.

19 New Hampshire should not be left behind
20 with a number 17 FairPoint. New Hampshire deserves a
21 number 1 company that can provide for the rural areas,
22 while expanding future technology. I ask the honorable
23 PUC to say "no" to this deal. Give New Hampshire the
24 chance to move forward into the future with Verizon, not

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1 backwards with FairPoint. New Hampshire's growth can
2 continue, while keeping technology technologically in step
3 with the rest of the world. The future of our great state
4 is in your hands. Thank you.

5 CHAIRMAN GETZ: Following Mr. Mongeon
6 will be Richard Iacomini.

7 MR. MONGEON: Hi. My name is Brad
8 Mongeon. I'm an Exeter resident. I work in the software
9 industry. I'm always pushing the envelope with
10 technology. I've never been happy with Comcast. I've
11 always had issues where you're sharing your Internet
12 connection with your neighborhood, and it, you know, your
13 download speeds go down, fluctuate during the day.
14 Comcast limits your upload speed. And, DSL was never
15 really much of a viable option for me. So, I was, you
16 know, one of the people waiting and watching the fiber
17 optic lines come down the road, you know, waiting for
18 FiOS. And, I've been pretty happy with that. I've been
19 happy with competition for Comcast. They actually did
20 start coming in with new programs I noticed, after the,
21 you know, FiOS came down, all of a sudden I'm getting
22 calls from Comcast. So, I thought the competition was
23 great, like everybody else.

24 And, then, on top of that, I was looking

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1 forward to the FiOS TV, instead of, you know, Comcast
2 ever-increasing bills, and not really much better
3 services. And, the ability to get, you know, On-Demand
4 TV, On-Demand movies. And, there is so much more
5 technology coming that requires way more bandwidth than
6 you can get with DSL. So, without FiOS, our only option
7 is Comcast. And, as far as I can tell, FairPoint doesn't
8 seem to have the ability or at least doesn't seem like
9 they're going to be expanding the FiOS network any further
10 than it is.

11 I noticed that I believe there was a
12 bill that was going to be in front of the Legislature to
13 allow Verizon to negotiate with the State, instead of each
14 town individually, to offer their TV service. And, I
15 believe that that was decided not to be voted on or, you
16 know, voted down. And, so, as far as I can tell, seems to
17 me that Verizon is maybe saying "Well, it's a little too
18 hard for us to negotiate with the towns. Why don't we
19 just pull out." And, for me, that's really disappointing,
20 because there's going to be, you know, my option is going
21 to be Comcast, which has their own problems with upload
22 and download speeds, and they limit upload speeds, and,
23 you know, or DSL, which really isn't a viable option. In
24 the next five years, it's going to be unbelievable the

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1 bandwidth we're going to be using. So, I have a lot of
2 concerns with this. And, I think that kind of stuff
3 should be looked into. Thanks.

4 CHAIRMAN GETZ: After Mr. Iacomini is
5 Tom Backowies.

6 MR. BACKOWIES: Backowies.

7 CHAIRMAN GETZ: Please, sir.

8 MR. IACOMINI: Sir. Hi. I'm Richard
9 Iacomini. I'm a resident of Hooksett. And, I'd like to
10 thank the Commission for this opportunity to speak. I'm
11 opposed to Verizon's sale of Northern New England to
12 FairPoint. The most important question at this point is
13 "whether or not the sale of Verizon's assets to FairPoint
14 is in the best interest of New Hampshire?" The simple
15 answer is "no". FairPoint describes itself as "focussed
16 on small, rural markets." You know, however, although,
17 you know, our state has many rural areas, the southern and
18 Seacoast regions are designated "metropolitan" by the U.S.
19 Census Bureau.

20 FairPoint does not have the technology,
21 experience or resources to be a competitive
22 telecommunications company and high-speed Internet service
23 provider for a rapidly developing state like New
24 Hampshire. If this sale goes through, it will be

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1 extremely detrimental to New Hampshire's economic and
2 technological growth. The Internet has become a vital
3 part of our lives. We use it for business, education,
4 emergency services, government, and personal purposes.
5 The demand for high-speed Internet service in New
6 Hampshire is only going to continue to grow. New
7 Hampshire is going to need a broadband provider that will
8 be able to meet this increased demand for speed and
9 bandwidth. Verizon is a far better choice than FairPoint
10 to be the provider of local telecommunications and
11 high-speed Internet services for all of New Hampshire.
12 Verizon is a technologically superior, far more
13 experienced, stronger financially, and has the resources
14 to expand broadband service throughout New Hampshire.

15 I'm not -- I was going to go into like
16 comparing DSL and cable modems and FiOS, but, you know,
17 clearly FiOS is the superior technology. It provides more
18 services at faster speeds than DSL or cable broadband.
19 Additionally, the fiber network used by the FiOS is far
20 more reliable and less expensive to maintain than the
21 older copper network that DSL uses.

22 So, basically, what we already have is
23 Verizon. It's the number 1 Internet service provider
24 rated by Consumer Reports. It's a large

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1 telecommunications company, with vast financial and
2 technological resources, and currently offers us DSL and
3 FiOS on this newly deployed fiber optic network in the
4 southern region of our state. If this deal goes through,
5 we're going to be left with FairPoint, a small rural
6 telecom, whose focus is on rural areas. They promise to
7 expand DSL, but there's no commitment to expanding the
8 fiber network, or to -- or a commitment to add video to
9 the existing fiber network. And, this clearly does not
10 address New Hampshire's broadband needs for the future.

11 This plan by FairPoint begs the
12 question: "Why would FairPoint focus on DSL and ignore
13 fiber?" And, the simple answer to that is, "FairPoint
14 lacks the resources to deploy fiber." After this
15 transaction takes place, they will assume \$1.7 billion in
16 debt from Verizon, and they will assume the huge operating
17 expenses of the Northern New England network. Basically,
18 FairPoint's mortgaging the farm in order to buy up
19 Verizon's assets.

20 I urge the PUC to not leave New
21 Hampshire with a small inexperienced telecom that is
22 heavily saddled with debt. A telecom that plans on
23 utilizing yesterday's technology as its only solution for
24 New Hampshire's future broadband needs. This is not in

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1 the best interest of New Hampshire.

2 In closing, I would like to make one
3 final point. I have listened to many people voice their
4 opinions on this sale. And, one of the opinions that I've
5 heard expressed is "Well, you know, Verizon is a private
6 company. If they want to sell, we really don't have a say
7 in how they run their business. If they want to leave, we
8 can't force them to stay." And, I would just like to
9 impress upon everyone here that Verizon, in addition to
10 being a private company, is also a public utility. And,
11 as such, is legally bound to satisfy the PUC that this
12 transaction is in the best interest of our state. If
13 Verizon's sale to FairPoint does not serve our state's
14 best interests, which it does not, then we absolutely have
15 the right to tell Verizon that they cannot sell to
16 FairPoint.

17 In closing, I would just urge the
18 Commission to reject this transaction between Verizon and
19 FairPoint as it clearly does not serve New Hampshire's
20 best interests. Thank you.

21 CHAIRMAN GETZ: And Jim Dennis is on
22 deck.

23 MR. BACKOWIES: Hi. My name is Tom
24 Backowies. I'm a homeowner and a store operator, I own a

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1 small business in Dover, New Hampshire. And, I equate
2 this sale or the proposed sale to, if my store, I own a
3 health -- a small convenient store, health food store, if
4 I wanted to buy we'll say Shop 'n Save and Shaw's, and
5 supply all the food to New Hampshire now, what happens
6 when some big emergency comes along, like what happened in
7 Raymond? I'm not going to have the resources to keep
8 supplying the food to New Hampshire. So, you guys have a
9 great responsibility here in not letting our state fall
10 backwards in technology. It's a big responsibility and
11 it's a big choice that you have to make.

12 Also, I'd like to say that I've read in
13 articles, numerous articles, about competition. In places
14 where Verizon has -- is in with DirectTV, and they're in
15 competition with Comcast, the rates have actually gone up
16 like 10 percent. In places where FiOS has come in, and
17 they have offered TV over the FiOS, the rates have gone
18 down 7. So, there's a big difference for me, at my house,
19 and my money, where my money goes. Do I want to be
20 spending it in Comcast or do I want the best rates that I
21 can get? And, I don't think that letting Verizon off the
22 hook and letting them go out of the state, and leaving us
23 with a rural company, is going to be beneficial to the
24 state.

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1 And, again, I think that you have a
2 great responsibility and an obligation to the customers
3 and the people of New Hampshire to vote against this and
4 not let this go through. Thank you very much.

5 CHAIRMAN GETZ: And Representative John
6 Henson will follow Mr. Dennis.

7 MR. DENNIS: My name is Jim Dennis. I
8 live in Fremont. And, I'd like to thank the Commission
9 for giving me this opportunity to speak. I am definitely
10 against this sale, for the reasons that have already been
11 stated this evening, and for the fact that why in the
12 world would New Hampshire want to go back to the
13 technology of last century, when we have fiber optics and
14 FiOS available today from Verizon? And, that's all I have
15 to say. Thank you very much.

16 REP. HENSON: Thank you, Mr. Chairman.
17 Thank you, audience. I'll make my remarks brief, because
18 almost everything I have to say has been said before, even
19 the fact that, yes, I am one of the other original natives
20 that's here tonight, as you can tell by my beard and
21 everything else.

22 But what I would like to emphasize as
23 well, technology, is New Hampshire second place in
24 technology? I think not. FiOS has been sold to us over

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1 the TV for advertising for the last year or so from
2 Verizon. We've been looking forward to FiOS. It's the
3 future. DSL? Who has DSL? Only if you can't get
4 anything else. As said before by a gentleman who's
5 obviously a techie who knows what he's talking about, it's
6 scarcely better than dial-up. And, we all know how bad
7 dial-up is. It's what we have to have if we can't get
8 anything else.

9 Again, the location, and I asked this
10 question, we had a meeting in Portsmouth at the Sheraton,
11 I asked "why, if you're so interested in New England, why
12 are you keeping your corporate headquarters in North
13 Carolina?" I mean, I was told "we are really excited
14 about coming to New England, but we're going to stay in
15 North Carolina." Well, weather's great down there. "But,
16 don't worry, we're going to have satellite operations.
17 We're going to have all the people up there to take care
18 of things." Well, when the floods come, where are they
19 going to be? Gee, they're going to be in North Carolina.
20 That bothers me. It bothers me for my constituents.

21 The money operation here, it's the mouse
22 swallowing the elephant, and I'm worried about the
23 leverage of the money. If I'm going to go out and buy,
24 someone who is, I don't know what the multiple is, but a

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1 great deal of money and mortgage to the hilt, and this has
2 happened to some of us already, we buy a very, very
3 expensive house, because we can afford the mortgage. What
4 do we forget? Gee, maybe the bank could remind us about
5 the taxes. But the maintenance, the maintenance, the
6 maintenance, the maintenance. And, guess who is going to
7 take it in here for the maintenance? All the people who
8 are going to get service. But, that's okay, we're in
9 North Carolina.

10 So, I feel, from what I can see, and I'm
11 no CPA, I don't know very much about money, but it seems
12 to me this is a classic case of under capitalization.
13 There's just not enough money behind this to take care of
14 business. We're not rural. Who said we were "rural"?
15 Exeter, I represent Exeter. Exeter's not rural. We'd
16 like to stay rural, but the truth of the matter is we are
17 not. Southern and southeastern and southwestern New
18 Hampshire is not rural anymore. We don't want to become
19 any more metropolitanized than we are, but it's coming.
20 The growth is there. And, where's the money to expand? I
21 don't see it.

22 Just a taste of the answers that we get
23 when we ask FairPoint questions. I had a question, this
24 is a little thing, but it's something that bugs me. I'm

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1 not a Verizon customer, and I didn't know it for maybe six
2 months, people couldn't -- well, as an example, the last
3 political campaign, people who wanted to contact me to ask
4 me questions couldn't find me, I was not in the phone
5 book. "How come I'm not in the phone book?" "Well,
6 you're not a Verizon customer." So, I asked FairPoint.
7 "FairPoint people, gee, is this one of the improvements
8 that we're going to have? Do you think maybe we can get
9 our names in the phone book, to serve your own customers,
10 if not us, who are not FairPoint or Verizon customers? I
11 would think everybody would want to know how to reach
12 other people." The answer was astounding to me. "Well,
13 we don't have -- it's very difficult to get that
14 information."

15 Well, if that's an example of the
16 technology they use, again, I'm a little worried, because
17 I can get anybody's telephone number if I go to the
18 Internet. There are databases available with everybody's
19 telephone number. So, when they have a technical --
20 technological company saying "gee, we can't get that
21 information", it bothers me.

22 Someone else mentioned about that
23 meeting at the Sheraton, about cable TV service, something
24 that we're all concerned about, the competition. We'd

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1 like to have somebody else in Exeter or in Stratham or
2 North Hampton, Hampton, Portsmouth, to offer us cable TV.
3 So, I thought it was a very appropriate question, "when
4 are you going to offer cable TV to southern New
5 Hampshire?" There was a pause. "Well, we're really
6 interested more in telephone service and, ah, ah, ah,
7 computer hook-ups." "Yes." "Well, sometime next year we
8 will start looking at it." And, I asked the question for
9 another reason. My constituents here in Exeter had asked
10 me at a selectmen's meeting what -- they were concerned
11 about cable TV. So, I asked the question. I got a
12 noncommittal answer. A lot of noncommittal answers here.

13 So, in summary, I would ask that the PUC
14 look hard and long at this purchase agreement. There's
15 something here that's just not right, and it certainly is
16 not right for my constituents and the customers who are
17 out there right now. Thank you very much.

18 CHAIRMAN GETZ: Representative James
19 Kennedy, and following Representative Kennedy will be
20 Judith Elliott.

21 REP. KENNEDY: Thank you, Mr. Chairman,
22 members of the Utility Commission. Fellow consumers of
23 New Hampshire, I apologize for my appearance this evening,
24 because I just got back from a field trip with the Fish &

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1 Game Committee over at the Great Bay Discovery Center, and
2 we took a boat ride out on Great Bay.

3 As part of being a representative, I've
4 gotten to witness and get involved in a lot of things that
5 I probably would not have seen in my everyday life. One
6 of these was a trip with the Farm Bureau in Rockingham
7 County, and we went to Nottingham, of which my honored
8 Representative from Candia represents, and met with a
9 company that runs 14 greenhouses. They almost went out of
10 business because the phones went out in Raymond, and
11 that's where their phone calls came through. They had to
12 relocate their fax machine, on which 99 percent of their
13 business is done, because of the flooding. If they
14 weren't able to do this, they wouldn't be driving trucks
15 out now delivering the plants and whatnot for Mother's
16 Day, which were a large part of their economy.

17 Now, I'm a Verizon customer and I'm a
18 Comcast customer. And, am I happy? Not particularly. I
19 don't think Verizon offers a very good wireless service, I
20 have a cellphone, but it's the best there is out there.
21 Am I happy with Verizon's service? I have local. I went
22 to someone else to get long distance. Why? They're still
23 the best ones out there.

24 Now, if Verizon thinks that they're not

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1 making enough money here in southern New Hampshire, and
2 we're the poor child they want to sell off to someone
3 else, well, you know what? There are people up above the
4 White Mountains that are looking for Internet access.
5 And, why don't you go up there and start running your
6 cable, and instead of trying to sell us down the river, do
7 what you're in business for. Thank you.

8 CHAIRMAN GETZ: K. Sterling will follow
9 Ms. Elliott.

10 MS. ELLIOTT: My name is Judith Elliott.
11 I live in Canterbury, New Hampshire. And, I'm here with
12 Arnold Alpert, but, since we have the same problem in our
13 household, we decided that just one of us would speak. We
14 think that Verizon is a great company, and we just want
15 them to stay here. And, I want to talk about our
16 situation in our household, residential consumers. We
17 live about 15 miles from Concord. And, we don't have any
18 high-speed Internet, we have dial-up. And, I heard about
19 it being talked about as sort of a Dark Ages product, and
20 it feels like that. It used to be that I used to think
21 that high-speed Internet was some kind of a luxury, and
22 I'm not very technological anyway. So, what we had was
23 okay with me. But, because of the way the Internet works
24 now, you can't almost not get anything on a dial-up

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1 connection, it's too slow for most of the applications
2 now. So, it's really difficult in our household.
3 Sometimes we bring work home to do at home, but it's
4 really hard to work from home because of the Internet
5 connection.

6 When I want to buy airplane tickets to
7 go visit my parents, it's just a nightmare to do from my
8 home. Occasionally, I've done consulting work from home.
9 I don't think I could do it now, because we lack
10 high-speed Internet of any kind. And, there's no -- I
11 hear a lot of things about Comcast, but we don't have
12 Comcast on our road either. Nobody on Mudgett Hill Road
13 has that in Canterbury. We're not reached by anything,
14 except if you want to get some dial-up.

15 And, you know, just most of the things
16 that you want to do on the Internet are becoming more and
17 more difficult to do. So, I guess my message is that we
18 need Verizon to stay, because we need a good company that
19 has the capacity to bring us a high-quality hook-up for
20 some kind of high-speed Internet. And, I tell you, I
21 don't quite understand the difference between DSL and
22 FiOS. I'm learning more tonight. But what I want is
23 high-quality access from our home.

24 And, I think that my co-worker at work

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1 also lacks any kind of hook-up in her home. And, I think
2 there are a lot of people, even in southern and central
3 New Hampshire who are in our situation. We are afraid
4 that FairPoint just would not have the resources to
5 deliver.

6 And, the other thing I want to mention
7 is that we all have seen more, what is it three floods in
8 this last year, it's pretty scary when you're cut off.
9 And, I think, because of the weather and climate
10 situation, that, unfortunately, is going to be more and
11 more common. And, so, again, we need a company with the
12 resources to take care of us when things go down. So, I
13 do oppose this sale. Thank you.

14 CHAIRMAN GETZ: After Mr. Sterling will
15 be David Rivard.

16 MR. STERLING: I'm a tenth generation
17 New Hampshire resident, and about two weeks ago I became a
18 grandfather. I'm up here to talk about turning down the
19 sale. I strongly oppose it. And, I want to tell you why.
20 Businesses aren't going to come to New Hampshire when we
21 lose that advantage. Right now, they want DSL to be the
22 prime product. That's an okay product, but it's not the
23 best product on the market. If you're a business and you
24 want to move into an area that has the best product,

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1 you're going to go to other states, other towns, and
2 you're not coming to New Hampshire.

3 When I was looking on the Internet, I
4 looked at my hometown of Londonderry, and I was surprised
5 to find a listing for a house. And, in the middle of the
6 body of the listing, one of the sale points on that house
7 was "FiOS Internet". I kind of had to laugh at that,
8 because that is something somebody thinks is adding value
9 to their house. Well, now I know it's adding value to
10 their house, because, after talking to several friends,
11 and people work from their homes now. And, when they work
12 from their homes, they need the fastest, the best product
13 they can get. And, this person in Londonderry, New
14 Hampshire, thinks that's adding value to their property.
15 And, if we allow Verizon to leave and FiOS to leave and
16 DSL is the best product we have to offer, that person and
17 other people are not going to put that in the body of
18 their selling of their house.

19 Took another look, Pennsylvania, another
20 person put FiOS in their house, okay, in the body of
21 selling; in New York, a condominium complex. It adds
22 value. That's what these people think.

23 You know, FiOS, a lot of people think
24 "FiOS" is "Fiber Optic Services", because that's what

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1 everybody thinks. When you go to the Verizon Web page,
2 believe it or not, the word "FiOS" actually has another
3 meaning. It's the Gaelic word for "knowledge". When we
4 allow Verizon to leave, we're going to allow knowledge to
5 leave. We're going to have it slower. I could go through
6 all of these paperwork I got off the Internet. But, to
7 me, it's one question: "Are we going to have better
8 communications in the State of New Hampshire after the
9 sale or are we going to have worse?" I say we turn down
10 that sale, because we will have worse communications in
11 the State of New Hampshire, acceptable, okay, but not the
12 best. And, we should have the best.

13 I hear people talking about the "New
14 Hampshire advantage", when it comes to the New Hampshire
15 Primary. When you have news medias coming from all over
16 the world here to see who wants to be President, they're
17 going to get a second rate product. They're not going to
18 have the best product that's out there. Other states are.
19 Other states like Maryland, other states like
20 Massachusetts, other states like New York. So, does that
21 make them want to have the New Hampshire Primary first?
22 Sure. I mean, you know, right now they're trying to take
23 it from us. To me, it's a big deal. I just told you, I'm
24 a tenth generation person, and that's one of the things

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1 that I have pride in.

2 To me, when I look at Verizon, I see
3 them trying to dump the poles and the wires and expense.
4 It had a value to it before the sale. Once they brought
5 the fiber optics in, that value dropped. Now, it's a
6 salvage value. And, what they're doing is they're dumping
7 that product. They're dumping the wire off onto somebody
8 else. And, when they're doing that, they're dumping New
9 Hampshire also.

10 I hear people talking about Raymond.
11 Raymond wasn't the first disaster that Verizon answered
12 and did a very good job. I happen to know several of the
13 people that worked out there, 24 hours a day, trying to
14 get Raymond back up. Mother's Day, last year, I remember
15 seeing pictures in the Union Leader of Verizon trucks
16 holding poles up 24 hours a day, paying customers -- or,
17 excuse me, paying employees to keep that. They had the
18 resources to do that. I don't believe the new company
19 does. They may. I don't believe they do, from what I
20 hear in here.

21 I remember my daughters asking me to get
22 dial-up. I didn't even know what dial-up was. I got the
23 dial-up, they started showing me, I thought it was kind of
24 neat. Then, they asked me to upgrade to DSL. I don't

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1 live in an area where you can get DSL. I had to get
2 Comcast, and, God, I hate Comcast. God. They went up
3 three dollars on me last month. Three dollars. Not a lot
4 of money. But, you know what, I'm paying \$101 a month for
5 TV and Internet. I hate that. That just drives me crazy.
6 My daughters asked me to get FiOS. I can't get FiOS,
7 because I don't live in that area. Though, I'm thinking
8 about moving to one.

9 So, to me, it's one question: "Are we
10 going to have better communications in the State of New
11 Hampshire when it's done or not?" And, I don't believe we
12 are. And, I don't believe anyone can convince me that
13 we're going to have that. Thank you.

14 CHAIRMAN GETZ: Sheila Marcoux will
15 follow Mr. Rivard.

16 MR. RIVARD: Hi. I'm Dave. I'm a
17 software developer. I work from home. And, I work on
18 FiOS. I got it as soon as I could. I use it for the next
19 -- it's kind of the next generation technologies. I can
20 do -- I don't have a phone line, but I can do -- host an
21 eight-way conference call in three different countries and
22 pay less than a cent per minute, to keep in contact with
23 my clients.

24 When you're exploring this, I want you

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1 to think about this one question: "Why would FairPoint
2 pay all this money to acquire the FiOS infrastructure and
3 then not expand it?" And, when you think about that,
4 you're going to think, "Well, they have this DSL
5 technology. They don't have the expertise in fiber
6 optics." They know that there's no way that DSL can
7 compete with fiber optics if they're both offered in the
8 same area. So, the only way they can compete is to
9 acquire that infrastructure and let it sit there.

10 And, I want you to also consider the
11 role that Comcast has in this. They have the technology
12 available to basically increase the bandwidth offered by
13 cable Internet by 20 times. But the technology is
14 expensive, it's complicated to roll out. So, when they do
15 start to roll it out, they're only going to roll it out to
16 the places where they have to, where they face
17 competition. DSL is not real competition for cable
18 Internet. So, what's going to happen if this sale goes
19 through is that you're going to have areas that have FiOS,
20 they have the improved Comcast Internet access, we'll call
21 those the "haves", and then you'll have the areas that are
22 "have-nots", where there is no further competition between
23 cable Internet and DSL. And, that will be us.

24 I encourage you to go to someplace where

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1 you can get on a computer that has Comcast Internet, that
2 has DSL, and that has FiOS, and start to use some of the
3 -- try to use some of the more next generation
4 applications, like try to post a video to YouTube, try to
5 use Google Earth, try to use Skype, or even try to use
6 Windows Update that you have to do to keep your computer
7 secure. Try those on the different systems, and try it on
8 Comcast when it's the rush hour. You know, when
9 everybody's on, and your performance goes down through the
10 toilet.

11 The representative from Verizon says
12 that "change is opportunity". In this case, it is,
13 because FiOS is change. It's a big opportunity. We would
14 be -- it would not be in our best interest to let that go.
15 Thanks.

16 CHAIRMAN GETZ: Marc Jutras will follow
17 Ms. Marcoux.

18 MS. MARCOUX: Hi. My name is Sheila
19 Marcoux. I'm a resident of Pelham, New Hampshire, and a
20 current customer of Verizon. I am also a graduate student
21 of education. I will be a classroom teacher in less than
22 one year. As a graduate student, I am learning and
23 applying the most current research-based effective
24 teaching methods. These methods utilize the most current

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1 technology, which demands high-speed Internet service, not
2 DSL, which is not current or reliable. DSL I believe goes
3 over copper wires. And, when those get wet, then DSL goes
4 out. And, we know it rains a lot in New Hampshire.

5 In order for all of our students,
6 citizens, and businesses to compete or even survive in a
7 global economy, it is imperative that we have reliable
8 high-speed Internet service I believe that FairPoint does
9 not have the intention or the capital to offer all
10 residents of the State of New Hampshire. Verizon does,
11 and they intended to before this sale came up. I oppose
12 this. Please don't let it go through.

13 CHAIRMAN GETZ: Mark Jutras, and Maria
14 Noel Mandile will follow Mr. Jutras.

15 MR. JUTRAS: Hi. My name is Marc
16 Jutras. I live in the rural City of Manchester -- I mean,
17 urban. First of all, I'd like to agree with everyone that
18 has spoke in opposition to the merger deal thus far. I'm
19 not going to -- I'm going to try not to reiterate. I'm
20 kind of confused, because Verizon says, you know, "change,
21 you may have some bumpy roads here, but it's going to be
22 ultimately for the good." Yet, FairPoint says "the only
23 thing that's going to change is, you know, who you pay
24 your bill to." So, what am I supposed to believe? I

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1 don't think they know.

2 I'm not opposed to mergers. Past
3 mergers have benefit consumers. They have implemented new
4 technologies. They haven't expanded old ones, they like
5 to move ahead. Remember back in 2000, the GTE merged with
6 Bell Atlantic, nobody knew who Verizon was. Verizon was
7 on the horizon. They were -- They took the dial-up
8 connections and expanded it into the DSL world. This
9 deal, it seems to me, only benefits two entities. It
10 benefits Verizon and FairPoint, not consumers. The rumors
11 are that Gene Johnson, the CEO, he plans to retire upon
12 the completion of this deal. That's kind of like, you
13 know, selling your stocks at a high point. You know, he's
14 getting out while the getting -- the going is good. That,
15 to me, reeks of scandal, if anything.

16 A lot of people I've heard say "Verizon
17 doesn't want to be in the state, and having FairPoint
18 coming in would be better." But let me ask this. Did
19 anyone ever think that Verizon is doing this on purpose to
20 get public support for regulatory relief? I mean, let's
21 face it, the cable companies are offering dial tone, but
22 they're not held to the same standards as Verizon, they're
23 a regulated company. You know, they're not held at the
24 same playing field. So, if I was Verizon, I'd be, you

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1 know, "hey, that's kind of not fair."

2 As some people have said already, the
3 cable rates have steadily been rising, because there's no
4 real competition until now. Comcast, I'm sure, would like
5 to see the deal go through, because they would be able to
6 solidify their grip on consumers without real competition.

7 So, let's talk about -- let's talk
8 politics for a moment. New Hampshire's
9 First-in-the-Nation status. We pride ourselves on this.
10 2008 is an election year, both republicans and democrats
11 and vying for presidential office. Verizon, in past
12 years, has ensured communications without major problems.
13 The security, communications, they have all been there.
14 Can FairPoint, with all this added debt, assume the --
15 ensure the same quality of service? Are we willing to
16 take that chance? And, if they fail, it will only give us
17 -- it will only give other states more ammunition to vault
18 themselves ahead of our primary.

19 New Hampshire pays one of the highest
20 electricity rates in the country. And, this is due to the
21 PSNH mishandling we've had. And, we, as consumers, have
22 brunted the recovery costs. So, if this deal goes through
23 and FairPoint fails, are we going to have to bail out yet
24 another utility? What safeguards us from this, you know,

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1 from the potential happenings?

2 When you pay a contractor to do some
3 work for you, you expect the work to be complete. Verizon
4 has said they were going to reinvest monies into newer
5 telecom products, and they have done so. So, why are we
6 going to let them walk away with our money without
7 delivering? Would you pay another contractor to do the
8 same job you paid the first for? That doesn't make sense
9 to me. Neither does this deal. So many questions, not
10 many guaranteed answers. And, as time goes on, hopefully
11 we can have them answered.

12 I would kind of like to hopefully have
13 another saying, you know, once all these answers may get
14 -- I mean, once the answers come forth, I'd like to have
15 another say in it towards the end of the year, to see, you
16 know, to answer any questions you guys may have or, you
17 know, for clarification purposes. So, I think more public
18 offerings are warranted.

19 Remember, Verizon was on the horizon.
20 Let's not have them fade into the sunset. Let the light
21 of FiOS shine upon us. Thank you.

22 MS. NOEL MANDILE: Hey, folks, don't
23 worry, you're almost done sitting here. I think I'm one
24 of the last people to hand in paperwork. I wasn't

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1 actually expecting to speak today. I am a small business
2 owner. I am also getting married in a month to one of
3 Verizon's 1,000 New Hampshire union members. And, this
4 has come as a huge shock to us. Because, while FairPoint
5 has promised that they are not going to be changing the
6 contracts, they're not going to be changing pay, they're
7 not going to be firing anybody, that's wonderful. The
8 union contract changes in about one year. And, we don't
9 know whether or not they're going to renew that contract.

10 I haven't heard a whole lot of people
11 speaking about this, we've actually had a couple members
12 of the union speak, but haven't talked about the union.
13 This affects everybody. These guys are great. They are
14 the reason why you're getting as good a service as you
15 are. Maybe it's partly Verizon, but a lot of it's the
16 union. I've traveled around, I've lived in different
17 parts of the country, and I've gotten phone service
18 through non-union and union telephone companies. You get
19 better service through a union. When you call, you're not
20 talking to India, you're talking to somebody down the
21 road. When somebody comes out to fix your phone, they're
22 fixing your phone because they're doing a good job,
23 they're well trained for it. They do get fair wages, but
24 they're not making megabucks.

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1 But what's going to happen if, in a
2 year, when the union contract is up, FairPoint says "You
3 know what? Never mind. We're going to hire a bunch of
4 contractors." What's going to happen to me? Well, we're
5 not quite sure. We're not quite sure if we even want to
6 start a family yet, because we don't know what it will
7 mean to us. But, as a customer, you will probably not be
8 getting as good a service as you are now.

9 It's -- I don't know, I wasn't
10 completely prepared to speak today, but that's my concern.
11 The union, as far as I know, this is the only telephone
12 company that we have access to that has a union, and that
13 benefits everybody. It doesn't just benefit the union
14 members. So, I ask you, I'm not only concerned about the
15 technology. We don't have cellphones. The telephone and
16 the Internet are our lifelines. But, think about an even
17 broader perspective, and think about the workers that you
18 are employing with this deal. Thank you.

19 CHAIRMAN GETZ: Michael Giaimo, will be
20 followed by Katherine Miller.

21 MR. GIAIMO: Everyone else got notice.
22 Good evening. My name is Michael Giaimo. I'm with the
23 Business & Industry Association, the BIA. The BIA
24 supports the proposed transfer of assets for a few

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1 reasons. I will touch on them with extreme brevity.

2 First and foremost, the BIA believes the
3 proposal should result in enhanced customer service to the
4 37 percent of the state that is unserved by high-speed
5 Internet providers. Anecdotally, our members in the North
6 Country tell us they need something, anything. And,
7 FairPoint has committed to North Country infrastructure
8 and improvements.

9 Second, FairPoint has shown a commitment
10 to bringing jobs to the region. The 600 jobs they
11 referenced are 600 jobs that are not here now, but they
12 will be here.

13 Three, FairPoint has a strong history
14 and reputation for rural and small urban areas, which is
15 consistent with the very make-up of Northern New England.

16 And, finally, the BIA wants to see the
17 state continue to encourage the policy of preserving and
18 fostering the ability of one business to contract with
19 another. And, the proposal is just that, a contract
20 between businesses. Thank you for the time and
21 consideration.

22 CHAIRMAN GETZ: After Ms. Miller will be
23 Jason Faria.

24 MS. MILLER: Good evening. My name is

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1 Katherine Miller. I'm an Exeter resident. I work for
2 Donahue, Tucker & Ciandella, which is a law firm here in
3 town. We work with a lot of municipalities in New
4 Hampshire, including Exeter and several others in
5 Rockingham County. We've been part of this docket on
6 behalf of I think it is seven municipalities, primarily
7 because of concern over the continued ownership of the
8 poles that are now owned jointly or solely by Verizon and
9 the electric companies.

10 Some of the cities and towns in New
11 Hampshire have been concerned about responsiveness of
12 Verizon to repair issues, construction issues, for state
13 and local construction. They've worked with some of the
14 pole owners regarding municipal attachments. Most of the
15 cities and towns in New Hampshire have some form of
16 municipal connection on the poles for fire or police or
17 alarm wire. Some communities have upgraded that to fiber,
18 moving into the 21st century. These are all critically
19 important issues to municipalities. Our infrastructure is
20 very, very important. The municipalities need to manage
21 our rights-of-way, and are very concerned about whether or
22 not these needs will be addressed.

23 Initially, we represented eight
24 communities in the "Pole" docket, that's when we first

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1 started talking about these issues. We also represent six
2 communities in New Hampshire with regard to Verizon
3 providing video services and looking for franchises.
4 About a year ago we were engaged in conversations with
5 Verizon representatives, and had appointments to sit down
6 and talk with them. And, abruptly, those were cancelled,
7 and they pulled out. I say "Amen" to the representative
8 from the Portsmouth Cable Commission. All of our
9 communities are very interested in having some competition
10 in their communities for video services. And, we would
11 look forward to that conversation starting again. We hear
12 that FairPoint is interested, and we sure hope that we
13 will hear from them on that.

14 With regard to the pole issues and some
15 of the municipal attachment questions, we're hoping that
16 there will be some performance standards built into any
17 process that the PUC is looking at, to make sure that
18 these issues are addressed. As has been mentioned before,
19 FairPoint is taking on a very large responsibility here.
20 We've heard of some of the heroic efforts by Verizon
21 technicians and staff, under very difficult circumstances.
22 Unfortunately, there are situations where responses have
23 been slow, often not due to problems with the workers
24 themselves, but due to a question of lack of resources.

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1 We want to make sure that a company with even fewer
2 resources does not end up taking over here. Thank you.

3 CHAIRMAN GETZ: Kim Joseph will follow
4 Mr. Faria.

5 MR. FARIA: Good evening. I'd like to
6 thank the Commission for coming to our community to hear
7 our concerns. And, I want to start by saying I'm really
8 impressed with the turnout here, because I didn't find out
9 about this until I got one of those mile long e-mails from
10 my mother. She's not here. I usually delete those,
11 but -- you know, I realize that we're pushing our timeline
12 ahead here a little bit further, a little faster than
13 Vermont and Maine. And, I realize that we try to be more
14 business-friendly here in New Hampshire. And, that's
15 precisely why we ought to stop this deal. We've heard
16 from a lot of business owners here tonight about the
17 potential impacts on their businesses. And, it's killing
18 me as a consumer as well. I've been particularly
19 frustrated with the changes that have been happening with
20 Comcast over the last month or so. And, I have nothing to
21 -- I have nothing to threaten them with. I can't call
22 them and say "Well, I'm going to get Dish Network and
23 DSL." I mean, they'd put me on mute and laugh, until they
24 came back and told me "Sure, go ahead, sir."

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1 I could repeat some of the sentiments
2 that people have had here about the high debt-to-equity
3 ratio that -- that FairPoint has. And, now, in the short
4 research that I've done, you know, I look at them and I
5 wonder if they're one catastrophe away from bankruptcy or
6 going out of business. And, you know, we really can't
7 deal with that here, when we've got those catastrophes
8 like in Raymond. We know catastrophe, it happens there.
9 And, if my cousins and friends that work in Verizon, in
10 Massachusetts and Connecticut, weren't able to come up
11 here and help us out when those catastrophes happen, to
12 help out the, you know, the already trained workforce that
13 we have here in New Hampshire, you know, I'd be worried
14 about what kind of situation we were in.

15 But I do want to mention something that
16 I haven't heard here, and I did come a little late, so I
17 apologize. You know, I've been watching my taxes increase
18 over the years, trying to support the infrastructure in
19 the Town, support the growth in southern New Hampshire
20 that we've seen exploding over the years. You know, I
21 watch our Legislature considering an income tax or a sales
22 tax. And, then, I look at the fact that Verizon hasn't
23 been paying taxes on its outside plant network for years,
24 promising that, you know, this is to give us the extra

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1 resources to expand your networks and offer more fiber
2 services. And, I've got to wonder where all those
3 promises go? Where does all the money that we sacrificed
4 for them to give us more services, to provide us more
5 services? Where does that go to, now that we switch over
6 to FairPoint? Do we give them more tax breaks, so they
7 can make us empty promises? I just have to wonder what
8 happens there. Thank you.

9 CHAIRMAN GETZ: And, David O'Connor will
10 follow Ms. Joseph.

11 MS. JOSEPH: Hello. My name is Kim
12 Joseph, and I'm from Manchester, New Hampshire. I wasn't
13 planning on speaking tonight. So, if I make a few
14 mistakes, even on my numbers, I might be just a little bit
15 off. Tonight, FairPoint talked about their commitment to
16 technology, the employees, and the communities. Everyone
17 seems to be talking about technology tonight, but I'd like
18 to add a little different flavor to the forum. I'd like
19 to talk about Verizon's commitment to volunteerism to
20 communities. Verizon and the Verizon Foundation are very
21 big on volunteerism. If you donate 50 hours of your time
22 to a nonprofit 501(c)(3) organization, the Verizon
23 Foundation will make a \$750 donation to that organization.
24 They will do that for two organizations per year per

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1 employee. I am the chairperson of an annual dance to
2 benefit the New Horizons Soup Kitchen in Manchester, where
3 three other Verizon employees are on my committee and
4 volunteer 50 hours a year. That means that Verizon
5 Foundation donates \$3,000 every October to the New Horizon
6 Soup Kitchen, which pays for half of our electric bill to
7 heat that place throughout the winter.

8 Also, they have a matching gift program,
9 where they will match up to \$5,000 for colleges, \$1,000
10 for nonprofit, and 2,000 for disaster relief per employee.
11 There are also team matching programs, where they will
12 donate up to \$10,000 per team.

13 Some of the nonprofits that benefit from
14 these matching gifts in the State of New Hampshire from
15 the Verizon Foundation are our local soup kitchens, the
16 Boys and Girls Clubs, the Kids Cafes, the animal shelters,
17 Special Olympics, Manchester School -- I could go on all
18 night, I mean, there's just so many, it's incredible.
19 Operation Up-Link, where we donate calling cards to
20 soldiers and their families. This all from monies given
21 to us through the Verizon Foundation. Also, Verizon
22 corporate grant monies get used to purchase thousands of
23 dictionaries, computers, and many other educational items
24 for schools throughout the State of New Hampshire. I am

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1 talking about thousands of dollars. These monies also
2 benefit domestic violence programs.

3 Lastly, I'd like to mention the Verizon
4 Scholarship Program, where they give \$5,000 a year to
5 children of Verizon employees for four years while
6 attending an accredited college. That's \$20,000 per
7 student. I wonder if FairPoint plans on helping their
8 employees and the communities in the same way. I feel a
9 lot of people in our community will suffer greatly if this
10 merger goes through. I am opposed to this merger.

11 CHAIRMAN GETZ: And, Senator Hassan will
12 follow Mr. O'Connor.

13 MR. O'CONNOR: My name is David
14 O'Connor. And, I'm a resident of Rochester, New
15 Hampshire. And, I want to thank the Commission for
16 allowing us to give some public input tonight. The first
17 point I'd like to make, and I'm going to try and not be
18 redundant, because there has been quite a bit of
19 testimony, but I hold before you in my hand a legal notice
20 of meeting from the Durham Planning Board over a proposed
21 subdivision. I bring that up because before you today is
22 a docket that is more complex than anything you've
23 probably seen before, since the days of Seabrook Station.
24 And, I'm concerned that there was not a lot of public

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1 notice about these hearings in any of the papers, radios,
2 what have you. And, an issue, with long-term
3 ramifications that your decision will result in, I think,
4 the history of New Hampshire states that public input is
5 essential. And, I think that possibly you might want to
6 look at whether, down the road or if it's possible in this
7 docket before you now, to get more and more readily
8 available, I heard someone got the information through an
9 e-mail from his mother, an older gentleman from Manchester
10 had to travel all that way to get here. So, also, the
11 locations of hearings, you know, you might want more of
12 them for something that may come before you in the future.

13 Getting back to the proposed transaction
14 at hand, brings me back to the days of my youth, when
15 people would always tell you "you cannot put a square peg
16 in a round hole." And, I think that's what Verizon and
17 FairPoint are trying to do with this transaction. And, in
18 doing so, they're use an accounting principle called the
19 "Reverse Morris Trust", and that accounting tool in itself
20 limits the size of the company that can purchase the
21 wireline assets that Verizon is trying to sell to a
22 company with a smaller capitalization, and the result of
23 that yields fewer players in the arena that can purchase
24 them. So, we are not getting the best company that can

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1 offer the technology that New Hampshire needs for the
2 future. What we're getting is the best company that can
3 fit into the accounting tool parameters that will make
4 this a tax-free sale for Verizon. And, as such, these
5 tax-free savings, with Verizon leaving us, is going to be
6 going to further their fiber optic network and the
7 initiatives that they have in other parts of the country.
8 So, those tax savings are not going to help the residents,
9 the consumers, or the small businesses of New Hampshire
10 that, over the years, have sacrificed by giving them some
11 tax benefits. I think we deserve them.

12 The other thing I heard tonight in
13 passing was someone mentioned "business contracts" and
14 "business contracts are sacred when they're between two
15 companies". For example, if I own a company, and I have
16 an old, dilapidated truck, that's used its useful time up,
17 depreciated to the max, and now I want to get rid of it.
18 I, as a company, have that right to sell that to you.
19 However, I don't have the right to load the back of that
20 truck with hazardous waste. I'm not saying that's going
21 to happen. But, when you look at the contract between
22 Verizon and FairPoint, because they are regulated
23 companies, their contract has to go before you before that
24 can be approved. So, this sales contract is between two

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1 regulated companies. And, as regulated companies, they
2 must be looked at by a public utilities commission.

3 Another thing I wanted to bring up is,
4 I'm not the brightest bulb in the building, so I can get
5 on the Internet and look up some information. And, I, in
6 surfing the Net, came upon the S-4 filing by FairPoint
7 Communications with the Securities & Exchange Commission.
8 And, this took place on 4/3 of this year. And, in reading
9 it, I have to admit a lot of it was over my head, but a
10 lot -- I got to a certain point that hit home, and it was
11 a section labeled "risks relating to the spin-off and
12 merger". And, I'm going to read a couple of them that
13 really shocked me. The first one says "FairPoint and
14 Spinco", which is going to -- which is the name they used
15 for the resulting entity, "will provide services to
16 customers over access lines. And, if the combined company
17 loses access lines, its business financial condition and
18 results of operations may be adversely affected." In that
19 it states that FairPoint, during the time period of
20 January 1st, 2006 to December 31st, 2006, had a
21 3.5 percent decline. Verizon, during that same period,
22 for these landlines that are going to be sold, had a
23 6.3 percent decline. It further states that, "Following
24 the merger, the combined company may continue to

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1 experience net access line losses. The Company's
2 inability to retain access lines could adversely affect
3 its business financial condition and results of
4 operations."

5 Another one says "The combined company
6 will be subject to competition that may adversely impact
7 its business financial condition and results of operation.
8 It says that "FairPoint historically has experienced
9 little competition in its rural telephone company markets,
10 and it will be more prevalent in small urban markets,
11 which the combined company will serve following the
12 merger." It also stated that "To operate and expand its
13 business, service its indebtedness and complete future
14 acquisitions, the combined company will require a
15 significant amount of cash. The combined company's
16 ability to generate cash will depend on many factors
17 beyond its control."

18 Lastly, I'd like to address the point
19 that hit home the most. "The integration of FairPoint and
20 Spinco's business may not be successful. Spinco offers
21 services that FairPoint has no experience in providing.
22 The most significant of which are the competitive local
23 exchange carrier wholesale services." Is this the Company
24 we want for the future of New Hampshire? I don't think

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1 so.

2 And, last, but not least, I had a moment
3 on Mother's Day to read Fosters Daily Democrat, Sunday
4 Edition. It was on 5/13. And, in it, I think
5 Representative Naida Kaen, if I pronounced that wrong, I
6 apologize, I believe she may be here tonight, she is the
7 Chairwoman of the Science, Technology & Energy Committee
8 in the New Hampshire House. She was quoted in this
9 article stating "Do we have the right to tell Verizon they
10 can't do this?" I here today say that we not only have
11 the right, we have the obligation to tell Verizon they
12 cannot do this, because it is not in the best interest of
13 the consumers, not in the best interest of the small
14 businesses, and not in the best interests of the residents
15 of the State of New Hampshire. And, I request you take a
16 long, hard look and oppose this sale. Thank you.

17 SEN. HASSAN: Good evening. And, as an
18 Exeter resident, I just wanted to welcome the Commission
19 here, and thank you very much for holding this hearing. I
20 also want to thank all of my constituents who have
21 e-mailed me and written me and called me about their
22 concern over this merger. Your voices make a difference,
23 I think you see that tonight. And, it's very important
24 that, whoever your senator or representative is, that they

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1 continue to hear about your concerns.

2 The PUC has a job here. They have got a
3 statute, well, probably a bunch of statutes, that tell
4 them what they're supposed to consider and what kind of
5 process they're supposed to use as they go through making
6 their decision. But I think what I want to do tonight, on
7 behalf of my Senate District and my constituents, is just
8 reinforce some of the things that I think I'm hearing, and
9 that I know the Senate shares some concerns about. You
10 all will have to make the ultimate decision, obviously,
11 and it's not the Senate's role to tell the PUC what to do.

12 But the first thing that I want to
13 emphasize is how concerned we are as a Legislature that
14 the finances of this deal be fully vetted. And, towards
15 that end, the Legislature just appropriated some money to
16 make sure that the Office of Consumer Advocate would have
17 some experts to advise it on that particular issue.
18 Because, for those of you who don't know, the Office of
19 the Consumer Advocate will be part of this process, to
20 make sure that consumers' voices are heard. So, that's
21 been a big concern of ours.

22 And, I guess, just wrapping up what I
23 hear tonight, it is easy to get lost in numbers and
24 conflicting testimony and what we commonly call I think

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1 "spin" in today's world. But what we heard tonight is how
2 very integral all of these services are to the daily lives
3 of people in this state. We heard it is -- how clear it
4 is now, after the flooding, in particular, that we all are
5 somewhat vulnerable to the capacity of the companies that
6 supply these services to us. We heard how important
7 broadband access and development is to the economy of this
8 state, from everything from people talking about the
9 Primary, to the BIA talking about the North Country. And,
10 I agree with the BIA, in the sense that the North Country
11 needs broadband. Probably, if you had to find one place
12 in the state that needs it the most or needs development
13 in that area the most, that's it. Although, there are
14 pockets around here that would tell you that their service
15 is not great. But I don't think the North Country should
16 settle either. And, I don't think New Hampshire should
17 settle either. We're the fastest growing state in New
18 England for a reason. And, I think there's a lot of
19 exciting business going up to the North Country. There's
20 a lot of alternative energy development that's trying to
21 get up to the North Country to replace the paper industry
22 up there. And, they're going to be looking hard at the
23 capacity of this state to absorb that kind of growth and
24 development.

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1 And, so, I thank you for listening to
2 us. I thank all of you for participating tonight. And, I
3 know you will do what you already have started to do,
4 which is listen hard and make the best decision for the
5 citizens of this state. Thank you.

6 CHAIRMAN GETZ: Senator Hassan was the
7 last speaker that signed up. I just wanted to say a
8 couple of things before we close tonight. Thank you for
9 coming out to this public statement hearing, and thank you
10 for all the thoughtful comments that we heard tonight.
11 That will be helpful in formulating the areas that we look
12 into. And, I also wanted to point out that the fourth
13 public statement hearing will be next Tuesday night, in
14 Newport. And, there will also be a public statement
15 hearing next Thursday night in Littleton.

16 So, we'll close the hearing, and thank
17 you very much.

18 (Whereupon the public statement hearing
19 ended at 9:08 p.m.)

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