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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

May 2, 2007 - 7:00 p.m.
Merrimack High School
38 McElwain Street
Merrimack, 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: Good evening, ladies and
3 gentlemen. Can I have your attention please? I would
4 like to open the public statement hearing in New Hampshire
5 Public Utilities Commission docket number DT 07-011,
6 concerning the proposed transaction between Verizon and
7 FairPoint to transfer certain assets of the Company. My
8 name is Tom Getz. I'm the Chairman of the Public
9 Utilities Commission. On my left is Commissioner Graham
10 Morrison and on my right is Commissioner Clifton Below.
11 Also representing the Commission tonight, in the back of
12 the room, is the Director of our Telecommunications
13 Division, Kate Bailey, and also is Director of our
14 Consumer Affairs Division, Amanda Noonan. They have been
15 handing out sign-up sheets, if you would like to speak
16 this evening, or, also, these sheets allow if you just
17 want to write a comment and hand it in. When you -- Just
18 please fill these out now and get them to the back of the
19 room to Ms. Bailey or Ms. Noonan, that would be very
20 helpful for the agenda this evening.

21 I want to start with some background on
22 the Commission and then on the process that we use for
23 dealing with the cases that are brought before us. The
24 term "Public Utilities Commission" refers to both the 65

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1 employees that work for the agency and the three
2 commissioners that make the decisions in the cases that
3 come before the agency. The three of us will be acting in
4 the same manner as judges in this case, and we are subject
5 to the same kinds of rules as judges. Most important, we
6 are subject to what are called "ex parte rules". This
7 means that we cannot talk about the merits of an ongoing
8 case with anyone outside the Commission, except when there
9 is an express opportunity and notice for all parties to
10 participate in a situation, which really comes down to
11 events like this evening, a public statement hearing, and
12 the adversarial or adjudicative hearings that we hold at
13 the Commission.

14 As for the process used in this case, it
15 is a formal judicial style proceeding that includes
16 written and oral testimony, discovery, cross-examination,
17 briefs, and ultimately a written decision that is subject
18 to rehearing and appeal to the New Hampshire Supreme
19 Court, similar to what occurs in a typical civil trial.
20 At this point in the case, the Applicant, Verizon and
21 FairPoint, have filed their petition asking us to approve
22 the transfer of Verizon's assets to FairPoint. We have
23 held the initial procedural hearing in Concord, it is
24 called a "prehearing conference". And, based on that

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1 hearing, we've issued a procedural order that's granted
2 the intervention of more than twenty parties who will be
3 taking part in that adversarial set of hearings. And,
4 we've approved a procedural schedule that culminates in
5 two weeks of hearings in the last half of September.

6 As required by the procedural schedule,
7 Verizon and FairPoint have filed their written testimony,
8 and the other parties, the other intervening parties are
9 currently conducting discovery, which means that they're
10 asking the Company questions, requesting documents, and
11 that will be the basis for those intervening parties to
12 file testimony of their own.

13 And, I want to emphasize one very
14 important point about the process and our roles, which ask
15 this: We have formed no opinion on whether the petition
16 should be approved or denied, in fact, we should not have,
17 and that's the case. Our job is to hear all the evidence
18 and then make a decision based on the evidence that is
19 presented to us.

20 I'd next like to explain a little bit
21 about the purpose of tonight's public statement hearing.
22 Anyone who is here tonight is going to have the
23 opportunity to speak. It's not under oath and it's not
24 going to be subject to questions. But, before we turn to

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1 that, the first thing that we will do is we're going to
2 give the Companies time to briefly explain the proposal.
3 We expect that there are many questions about the
4 proposal, and we are hopeful that their presentation will
5 give you some answers to those questions. However,
6 tonight is not the occasion to cross-examine the Companies
7 about their proposals, but they are prepared to stay
8 around after the close of the hearings, after the
9 Commissioners have left, and to try and answer
10 individually questions you may have of them.

11 The second purpose for tonight's public
12 statement hearing is this is an opportunity for you to
13 tell us whether you support or oppose the transfer. It's
14 an opportunity to express your concerns about the
15 proposal, to recommend areas that you think we should be
16 examining as part of this, as part of this case. While
17 the statements tonight do not constitute the kind of sworn
18 evidence subject to cross-examination that can ultimately
19 be the basis for our decision, these comments we have
20 found in our experience in these types of settings is they
21 typically prove helpful in identifying areas that our
22 staff can investigate during the discovery phase and
23 pursue at hearing. And, it's also going to be helpful in
24 posing questions or lines of questioning that we would

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1 pursue through our own questions at the hearing.

2 So, that's what we're hoping to
3 accomplish tonight. I note that we have a stenographer,
4 Mr. Patnaude is going to be recording the comments. So,
5 we ask that you speak clearly. And, when we get the
6 sheets handed in, I'm just going to go down the list in no
7 particular order, just how they're handed to us, and we'll
8 take your comment. And, if you could come down to the
9 front of the room and speak into the microphone. We've
10 kind of jerry-rigged this thing ourselves. I would
11 suggest no one lean heavily on this, you know,
12 jerry-rigged podium. But I think it would be helpful for
13 everyone here to use the microphone and for Mr. Patnaude
14 to record the comments in our transcript.

15 So, is there anything I'm forgetting?
16 Unless someone has strictly a procedural question about
17 the agenda this evening?

18 (No verbal response)

19 CHAIRMAN GETZ: Then, I would like to
20 turn to the representatives from FairPoint and Verizon.

21 MR. NESTOR: Thank you, Mr. Chairman.
22 Thank you, Mr. Chairman and Commissioners. I'll apologize
23 in advance for having my back to you while I address the
24 audience. My name is Shawn Nestor. I'm the Vice

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1 President for Government Relations, with overall
2 responsibility for regulatory affairs here in New
3 Hampshire. With me tonight is Jill Wurm, who has
4 responsibility for media relations. Jill is sitting right
5 here. And, as the Chairman said, we will be around
6 afterwards to address questions.

7 Verizon appreciates the opportunity to
8 speak for a moment, but, more importantly, we're here to
9 listen. We know this public hearing represents the
10 opportunity for the public to have their input into the
11 regulatory process and to have their comments heard by the
12 Commission. So, we're not going to take a lot of -- I
13 won't take a lot of time up here.

14 But, by way of background, on January
15 31st, 2007, Verizon and FairPoint filed a joint petition
16 to transfer Verizon's local and long distance operations
17 in New Hampshire to FairPoint. Similar petitions were
18 also filed in Vermont and Maine at the same time. The
19 residential and business services that are included in the
20 petition are local exchange service, in-state toll
21 service, enhanced voice and data services, and DSL
22 service. Also included are wholesale services, which are
23 provided to carriers. Verizon wireless services are not
24 part of this transaction.

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1 The transaction, we believe, provides a
2 fair value for the telephone operations being transferred.
3 And, we also believe that it will be good for New
4 Hampshire and its citizens, as FairPoint has agreed and
5 committed to accelerate the deployment of broadband
6 services in this state and to bring additional jobs into
7 the state.

8 The transaction has been structured so
9 as to ensure equitable treatment of our employees, who
10 will continue to work in the business under FairPoint.
11 This includes honoring all existing labor agreements.

12 In summary, Verizon believes that, at
13 the end of this process, after hearing all of the
14 information and all of the evidence, that the Commission
15 will find that this transaction is in the best interest of
16 our customers, our employees, and the state.

17 In conclusion, I want to just make one
18 point. While we recognize that change can be unsettling
19 to some people, it's also an opportunity to provide new
20 chances, new challenges to us. And, if you look at the
21 telecommunications industry over the past decade, both in
22 New Hampshire and across the United States, there has been
23 a significant change going on in technology and
24 competition, and that will continue into the future. We

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1 really believe that this is a new opportunity for New
2 Hampshire and that it will be in the public interest. I
3 thank you.

4 CHAIRMAN GETZ: Thank you.
5 Representative from FairPoint please.

6 MR. LEACH: Let me also start by
7 thanking the Public Utility Commission for giving me the
8 opportunity to present tonight. We appreciate the chance
9 to do that. Let me start by introducing myself. I'm
10 Walter Leach. I'm the Executive Vice President of
11 Corporate Development for FairPoint Communications. I've
12 been with the Company over 12 years, spent most of that
13 time as the Chief Financial Officer and then a couple
14 years ago took over the Corporate Development activities,
15 which basically caused me to be the primary person
16 negotiating this transaction with Verizon. As a result of
17 that, I've become the spokesperson to working this through
18 the regulatory approval process.

19 I thought I'd do two things tonight.
20 I'll start by introducing FairPoint, tell you a little bit
21 about who we are, what we're doing, and why this makes
22 sense to us, and then come back and talk about what this
23 means to the customers, what the proposed transaction
24 means to the communities, and to the employees.

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1 Now, FairPoint Communications was formed
2 in 1991. The primary purpose of the Company was to
3 acquire, own and consolidate rural and small urban
4 telephone companies. So, since our first transaction in
5 1993, we have acquired 33 different companies. We operate
6 today in 18 states. They all are fairly rural or small
7 urban focussed companies or markets, much like what the
8 northern New England territory comprises of the Verizon
9 assets. We have done more transactions, more acquisitions
10 in the last 12 years than any other company in this
11 particular sector.

12 We've done a lot of business in New
13 England. In fact, our first prominent -- our first
14 significant transaction was done in Maine, and that
15 included three or four hundred customers in New Hampshire,
16 but the transaction closed in 1994. Since then, we have
17 acquired five other companies in Maine. We have some
18 operations in Vermont. And, basically, Northern New
19 England has been one of our more prominent regional
20 markets across the country. So, we understand the
21 business climate here and have been here a long time. In
22 Maine, for example, we've been the second largest
23 telephone company, a distant second to Verizon, but
24 nonetheless the second largest telephone company for a

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1 number of years in Maine.

2 What we typically do is we find, after
3 we acquire these rural companies, we are able to bring
4 more marketing expertise, bundling techniques, and, over
5 the last few years, have really expanded dramatically, in
6 terms of bringing broadband accessibility to the markets.
7 In fact, today, nationwide, for our roughly 300,000 access
8 line equivalents, which is a phone line and a DSL line, we
9 provide about or we make available to our customers -- to
10 93 percent of our customers we make available a high-speed
11 data service. And, that's one of the highest level in the
12 country in terms of making high-speed data available to
13 customers. That has been one of our trademarks is to,
14 when we acquire rural companies, to work very hard to get
15 high-speed data, whether it's DSL, whether it's cable
16 modem, whether it's a wireless product, whatever makes the
17 most sense, to focus on bringing high-speed data to those
18 communities. We've been very successful doing that. In
19 fact, in the three northern New England states today, that
20 same statistic applies, 93 percent of our customers here
21 have access to a high-speed data product.

22 This transaction is an important event
23 to FairPoint. We have been growing by acquisitions, our
24 whole objective as a company is to continue growing by

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1 acquisition, and this fits that parameter fairly well.
2 It's a big transaction for us. But, as our Chairman and
3 CEO says, "it's a train that gets us to the station a
4 little earlier than we otherwise would have, but we are
5 clearly on a track to try to grow the business as quickly
6 as possible." Staying with our roots, which is in smaller
7 markets and smaller urban communities, that we've really
8 created a good niche serving.

9 What will happen going forward, after
10 the transaction closes? Let me talk about a commitment
11 that we'll make to the customers, a commitment that we're
12 making to the communities, and a commitment to the
13 employees.

14 The customers, the day after the
15 transaction closes, will not notice any difference. And,
16 part of that reason is, because of these three states, all
17 of the assets for the wireline business, all of the
18 central offices, all of the network, all of the trucks,
19 all of the employees, come with the transaction. So, the
20 same employees that are taking care of you today will be
21 taking care of you after the fact. In fact, the only
22 difference will be, the next month, when you get your
23 bill, it will say "FairPoint" on it, instead of saying
24 "Verizon" on it.

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1 But, in addition to that, we're
2 committing to making sure that the same services that were
3 available before the merger are available after the fact,
4 at the same price and the same terms, same conditions.
5 So, we expect this to be adversely no change on the
6 customers of Verizon today, with the exception that a lot
7 more customers over time will have access to a high-speed
8 data product. Let me give you the facts that help support
9 that. Again, 93 percent of our customers in these three
10 states have access to a high-speed data product; for
11 Verizon, in the same three states, only 62 to 63 percent
12 of their customer base has access to high-speed data.
13 That's a great opportunity for us to come in and commit
14 through the regulatory approval process to quickly expand
15 the DSL for the Verizon customer base.

16 Now, if you think about it, 37 percent
17 of the Verizon customers today don't have a high-speed
18 data product available from Verizon. So, we're going to
19 work -- we're committed to change that and to quickly move
20 that number up to a higher percentage, so a lot of
21 customers, who otherwise wouldn't get high-speed data as
22 quickly under the existing scenario, will get it faster
23 from FairPoint.

24 What does this mean to the communities?

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1 Today, a number of the back office infrastructure
2 services, like billing, data centers, network operation
3 centers, are performed by Verizon for the three states in
4 facilities that are located outside of the three northern
5 New England states. And, that's because they have
6 centralized those functions, either in Tampa or Dallas or
7 Basking Ridge, New Jersey. What we have committed to do
8 is bring those back office functions into the three
9 states. That will create 600 new jobs that don't exist
10 today. That's over and above the 3,000 employees that
11 come with the transaction. We will actually create
12 employment for 600 new employees that do not exist today
13 in the three states. They will be in three general kind
14 of service centers. They will be in a network operations
15 center, a center that manages, monitors the network on a
16 24 hour/7 day a week basis. We'll have a data ISIT
17 center. And, we'll have an administrative center that
18 will include, you know, regulatory, accountings and that
19 kind of people. Those 600 jobs, we are making the best
20 effort we can to spread them across the three states. We
21 have committed to the three governors to work as
22 diligently as we can to spread them across the three
23 states. But, clearly, those jobs and the ripple effect
24 from those jobs will be very important to the communities

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1 that we serve as a result of the additional employment.

2 Let me finish by talking about the
3 employees. As you heard earlier, we are committing, to
4 both union and non-union employees, to honor the existing
5 Collective Bargaining Agreement. There will not be any
6 head count reduction. There will not be any benefit
7 reduction, whether it's compensation or pension benefits
8 or medical benefits. Basically, everything that's in
9 place today, will continue after the fact. We need the
10 employees to come with this transaction. They're an
11 important part to this, to this whole business. They're
12 providing great service, and we want them to be happy and
13 work just as well after the fact as they have today.

14 From a union perspective, one other
15 element, there are fairly important pension benefits
16 available to unions. When those employees come over from
17 Verizon to FairPoint, their pension plan will come over
18 fully funded, so that they're won't be any economic harm
19 in any form or fashion to the union employees as they look
20 at their retirement plans.

21 We believe that, at the end of the day,
22 we will be a company that will have almost one and a half
23 billion dollars in revenues. We will be the eighth
24 largest telephone company. These three states will be the

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1 most important markets for FairPoint, over 80 percent of
2 our customers, 80 percent of our revenues. So, we will
3 clearly be a very New England-focussed company. We think
4 the customers will benefit from that. We think the
5 employees will benefit from that. And, clearly, the new
6 jobs that we bring will be an economic benefit to the
7 communities we serve.

8 One last topic, I was specifically asked
9 to talk about FiOS, the fiber product that exists only in
10 really this part, I guess, in southeastern New Hampshire
11 is the only place that exists in the three states. FiOS,
12 the network, comes with the transaction. So, people who
13 use FiOS today, no video product over that, but very
14 high-speed data capabilities, will have that same service
15 available to them after the merger closes, but we can't
16 call it "FiOS". FiOS is a proprietary product, a
17 proprietary name. So, "FiOS" won't be something you'll
18 hear about, but the cables, the fibers, and the product
19 that you're getting today will continue, we'll have to
20 call it something else, because of the trademark issue.
21 But you can be assured that those who use the FiOS product
22 today will have available to you, same terms, same
23 conditions, as it's made available to you today.

24 Again, I want to thank you for the

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1 opportunity to speak. Appreciate the opportunity to be
2 here. And, again, we will hang around after the fact and
3 take questions.

4 CHAIRMAN GETZ: Thank you. Before we
5 turn to the first speaker, I'd like to, if there's anyone
6 who would like to speak and would like a sign-up sheet,
7 please raise your hand and we'll -- we will pick up ones
8 that you have and hand out to anyone who would also like
9 to speak. I'd also like to recognize, in the back of the
10 room, this evening is Meredith Hatfield. She's the
11 Consumer Advocate for the State of New Hampshire. And,
12 so, she participates in the proceedings before the
13 Commission, representing the interests of residential
14 ratepayers. And, she's a party and a participant in the
15 proceeding already.

16 So, the first name I have, and luck
17 would have it, I have a tough time reading, Philip A.,
18 from Cedar Lane, please come forward.

19 MR. DESMARAIS: Good evening. I'd just
20 like to say --

21 CHAIRMAN GETZ: Actually, I'm sorry, but
22 if you could just give us your name?

23 MR. DESMARAIS: Philip A. Desmarais.

24 CHAIRMAN GETZ: Desmarais.

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1 MR. DESMARAIS: That's

2 D-e-s-m-a-r-a-i-s.

3 CHAIRMAN GETZ: Thank you.

4 MR. DESMARAIS: I'm a long-time resident
5 of Merrimack, and a lifelong resident of New Hampshire.
6 And, this sale is not right for this state. First of all,
7 if we allow this happen, FairPoint's representative has
8 said that it's going to continue the high-speed Internet
9 services. Verizon hasn't been able to do that. What
10 makes us think that they're going to be able to continue
11 that? It's not going to happen. FiOS, or their Internet
12 services over light span, won't happen, because they don't
13 have the technology for it. This is a company that's been
14 bankrupt several times. Can't do it. You can't take on
15 the enormous debt that Verizon is imposing upon them. It
16 can't happen.

17 I want to see New Hampshire succeed. I
18 want to see us progress into the future. High-speed
19 Internet services, five meg or above, that's the way to
20 go. Comcast cannot provide that. They have shaky service
21 at best. Verizon can do it for this state. If we don't
22 keep Verizon here, we're selling ourselves short, severely
23 short.

24 What I'd like to be able to see is us be

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1 able to do home-based businesses, high-speed Internet
2 services, people working from home, cutting down commuter
3 costs, less gas prices. These are all important issues to
4 this state. It's not -- It's not only about what's best
5 for Verizon. It's what's not best for FairPoint. What's
6 the bottom line? It's what's best for us. And, I feel
7 we've got to keep Verizon here. This sale is no good and
8 never should be allowed to take place. Thank you.

9 CHAIRMAN GETZ: Thank you.

10 (Applause.)

11 CHAIRMAN GETZ: Michael Harrington.

12 MR. HARRINGTON: Hello. My name is Mike
13 Harrington. I am a resident of Manchester, New Hampshire,
14 and a lifelong resident of New Hampshire. I was born in
15 Manchester. I am also a businessman. The way I look at
16 it, I attended a public hearing -- not a "public hearing",
17 but a business forum about a month or two ago, where
18 FairPoint came up and gave a speech to the various
19 business leaders in the Manchester area. And, I was
20 impressed by what they had to say. It seems to me, I
21 guess a little bit unlike the gentleman that was just up
22 here before me, but it seems to me, from a business point
23 of view, that they're going to invest capital in our
24 state, and then also in the other three states. They're

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1 going to keep the employees. Not only are they going to
2 keep the employees, but they're going to grow the employee
3 base. And, I truly believe, just as a businessperson,
4 that a company like FairPoint should be encouraged to come
5 to a state like New Hampshire and grow their business.
6 That's what we're all about. We're the only state in New
7 England who continues to grow, compared to our neighbors
8 to the south and our neighbors to the north and our
9 neighbors to the west. And, I'd like to see that
10 continuing. So, I'm in favor of this merger and I'd like
11 to see FairPoint flourish here in New Hampshire. Thanks.

12 CHAIRMAN GETZ: Thank you. Todd Bedard.

13 MR. BEDARD: Hi. My name is Todd
14 Bedard. I live in Auburn, a lifelong resident of New
15 Hampshire. I'd like to speak to you tonight about the
16 possible sale and merger of the Verizon landlines to
17 FairPoint and why I believe it would be detrimental to the
18 residents and businesses of New Hampshire.

19 I have seen and read about Mr. Leach and
20 Mr. Johnson travelling from state to state, while
21 promising to change the rural technological landscape in
22 New England from what they describe as an uninterested
23 Verizon to a new, exciting phone company that will install
24 broadband access to the most remote towns in the state.

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1 They have also been quoted as saying that they will offer
2 cable, called "IPTV", over DSL lines. And, depending on
3 whose quote you read, they will also be offering cellphone
4 service, or only focussing on landline services.

5 I know that it is up to you, the Public
6 Utilities Commission, to decide if this sale is in the
7 best public interest. So, I would like to focus on each
8 of the prior issues and explain why I think FairPoint will
9 not be able to achieve what we all know is in the best
10 interest of New Hampshire citizens.

11 I would first like to talk about the
12 actual acquisition. I want to first say that I don't
13 possess a great deal of knowledge about the financials,
14 but, from what I understand, the Reverse Morris Trust that
15 Verizon and FairPoint are using as the base of their
16 merger seems to be one that only a small unknown company,
17 like FairPoint, could take advantage of. First off, it
18 sets Verizon up to receive \$2.7 billion tax free. I
19 believe that Verizon sees this as an opportunity to inject
20 a large amount of money into their burgeoning FiOS rollout
21 just miles south of us, while at the same time reducing
22 their costs by pulling out of the northern states.

23 I would also like you to consider the
24 massive void that would be left in this state if Verizon

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1 were to pull up stakes and hand over the keys to
2 FairPoint. For instance, Verizon donated over \$800,000 to
3 New Hampshire non-profit organizations through its Verizon
4 foundation grants. And, Verizon employees donated over
5 40,000 volunteer offices -- I'm sorry -- volunteer hours
6 last year alone. To the best of my knowledge, FairPoint
7 has no similar program.

8 Verizon is also a leader in countless
9 telecom categories, such as 13th on the Forbes 500 list,
10 an "A" ranking from Business Week, Verizon FiOS received
11 the Number 1 ranking for broadband providers from Consumer
12 Reports, and they rank Number 1 in customer satisfaction
13 for small and medium business sizes. FairPoint has
14 absolutely no rankings on any of these lists and any
15 others that I can find.

16 To me, FairPoint only seems to be driven
17 by stockholders and a small amount of capital. For
18 example, during the past two years, FairPoint has paid out
19 more in dividends than they have made in earnings. That
20 completely baffles me. I don't understand how you can run
21 a company that way. Where does the money for expansion
22 and economical development come from? The question that
23 needs to be answered is "How is FairPoint better for New
24 Hampshire?"

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1 Next, I would like to question
2 FairPoint's seeming belief that DSL broadband is better
3 for New Hampshire residents and businesses than FiOS is.
4 Without becoming too technical, I'd like to break down the
5 capacities and limits of each technology.

6 DSL has been a great stopgap service for
7 phone companies until something better long -- until
8 something better came along. And, guess what? Something
9 better has come along. DSL travels as electronic pulses
10 over smaller gauge copper wires, as opposed to cable wires
11 that are larger and can send more information. Due to
12 many factors, the electronic signal degrades over a fairly
13 short distance of approximately 3 miles, but must be
14 regenerated or the data is basically lost or corrupted.
15 As explained earlier, the size of the wire also limits the
16 amount of data that can be transmitted. Companies like
17 Alcatel have found ways over the last ten years to squeeze
18 as much speed and data from DSL as possible, but it
19 appears that they are reaching the end of their
20 capabilities.

21 For instance, Verizon initially offered
22 DSL years ago with the initial residential speeds of 768
23 kilobytes per second. They have recently upped the speed
24 to 3 megabytes per second. Business speeds are offered

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1 somewhere upwards of 7 megabytes per second, and for that
2 they charge \$199 a month. I want you to remember that
3 charge, I'm going to speak about that later.

4 FIOS, on the other hand, transmits data
5 not only through pulses of light, but variant colors
6 within the pulses of light, allowing speeds of 100
7 megabytes per second or more that are available today.
8 That amount of bandwidth allows Verizon to not only offer
9 next generation Internet service, but next generation High
10 Definition television, crystal clear voice, and whatever
11 may become the next the big thing tomorrow or five years
12 from now. To quote Tom Tauke, Executive Vice President of
13 Public Affairs, Policy and Communications from Verizon,
14 "We've built a network that is future-proof, and, as the
15 needs of consumers and the network evolve, we will have
16 the ability to create even more capacity." There is not a
17 single person in the industry that can use that same quote
18 about DSL.

19 FairPoint has suggested they will offer
20 IPTV over their DSL lines. Industry experts agree that a
21 minimum of 20 megabytes per second of bandwidth is needed
22 to successfully have IPTV compete against cable. As I
23 stated earlier, Verizon charges \$199 for slower
24 7.1 megabytes per second worth of bandwidth. I don't

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1 understand how FairPoint could block off 20 megabytes
2 worth of bandwidth and offer affordable television to the
3 computer -- to the consumer. It would seem close to
4 impossible for such a cash strapped company to make it
5 work. But let's also remember that they have suggested
6 that they will offer IPTV in rural areas up north. With
7 the much larger distances between offices and homes, in
8 conjunction with the signal degeneration over the three
9 plus miles, I can only imagine the cost to be so
10 prohibitive that it just won't happen. Take into account
11 that Verizon, with much deeper pockets and access to the
12 best technology, could not financially make it work with
13 just internet service, never mind IPTV.

14 My last point is this: In line with the
15 already 60 plus percent of the population in the state, I
16 already have access to DSL. Yet, unlike the small
17 12 percent that choose to use it, I have chosen a better,
18 faster Internet service provider. FairPoint does not
19 speak to the majority of us that want more and better
20 options. They speak only of offering DSL to the North
21 Country, which is great for those up north, but leaves a
22 technologically advanced workforce in the south up the
23 creek. Picture yourself as a business owner that relies
24 on technology. Would you set up shop in New Hampshire or

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1 move 20 to 30 minutes south to Massachusetts and have FiOS
2 run directly to your business? For many, it's a
3 no-brainer.

4 Also, as a consumer in this state, I
5 have had to endure what seems like yearly hikes in my
6 cable bill. Comcast is able to hold its customers over
7 the fire, knowing that it currently offers faster Internet
8 capabilities and is primarily the only provider for cable
9 television. They have made even larger in-roads with
10 their phone service. What has recently happened in
11 Raymond showcases the current differences and abilities
12 between the two technologies. But FiOS can finally level
13 the playing field, thus giving consumers a chance to have
14 a real choice. The competition between the two companies
15 will not only drive prices down, but bring the best out of
16 each company. If FairPoint is allowed to complete this
17 sale and offer decade old technology and the pipe dream of
18 cable over phone lines, cable providers will have a field
19 day with all of us. They know that DSL is not really
20 competition, and they will continue to nibble away at
21 phone service and continue their iron grip on cable
22 customers.

23 And, let's not forget that Verizon will
24 still have its footprint in New Hampshire with Verizon

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1 Wireless, and they too will continue the erosion of
2 landlines through customers switching to wireless phones.
3 What happens to FairPoint, or, more importantly, New
4 Hampshire, when the income from the landlines and DSL fall
5 below that magic number that doesn't make enough of a
6 profit anymore for FairPoint? Would they restructure
7 again to avoid bankruptcy or would they just pull up
8 stakes, pay off the investors, and move on down the road?

9 To the Chairman, I ask you these two
10 things: First, this meaning is early in the process, and
11 not all of the pertinent information has surfaced. I
12 would ask that you consider having additional hearings in
13 the future, closer to the fall, so that we can all digest
14 the information and present a factual, well thought out
15 presentation to you. Also, I strongly urge you to look
16 past the promise-a-day credo of an unknown company that is
17 desperate to become a major player in the
18 telecommunications industry. We all know that computer
19 technology and everything to do with the Internet changes
20 at a lightning pace, yet FairPoint has shown themselves to
21 be a company that embraces the status quo and seems to
22 live by the credo that "less is more". Please vote
23 against this merger and for the future of New Hampshire.
24 Thank you.

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1 (Applause.)

2 CHAIRMAN GETZ: Eric Leonard. And,
3 Dexter Arnold is on deck.

4 MR. LEONARD: Well, I have a tough act
5 to follow here. So, I think my statement will be brief.
6 I'm a resident of Amherst, New Hampshire, and I do run a
7 business from my home. And, I find the Internet and
8 high-speed technologies very important for myself to
9 operate. Right now, the only option I have is cable.
10 And, I was looking forward to Verizon to bring fiber to
11 the home as soon as possible. My concern is, I do not
12 think that FairPoint is portraying technology correctly,
13 stating clearly what their offering is, and they're going
14 to stick with the status quo. DSL is old technology
15 that's been around for ten years. I firmly believe for
16 us, particularly, in southern New Hampshire, to compete,
17 we need access to world class technology.

18 I cannot see a company, taking on
19 1.7 billion in debt, have the resources available to
20 invest in new technology. I would strongly urge we don't
21 allow this to happen. But, if it looks like, I would like
22 to see ironclad commitments of investment from FairPoint,
23 because I don't think they have it. And, that's all I
24 have to say. Thank you.

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1 (Applause.)

2 CHAIRMAN GETZ: Mr. Arnold.

3 MR. ARNOLD: Yes.

4 CHAIRMAN GETZ: And, Christian Parzych
5 is next.

6 MR. ARNOLD: Yes. My name is Dexter
7 Arnold. I live in Nashua, native of Nashua. I urge the
8 Public Utilities Commission to reject this proposed sale.
9 It's bad for consumers, it's bad for the state's economy,
10 it's bad for New Hampshire's future. This isn't an
11 ordinary transfer of ownership. I mean, this isn't a sale
12 or a merger like with Bell Atlantic or NYNEX. There is a
13 qualitative change here. I mean, for over 100 years we've
14 had our phone service, by and large, through large
15 regional companies, regional subsidiaries of a large
16 national firm. Companies that have the financial
17 stability, the substantial resources, that enable us to
18 get good quality service. Companies that had flexibility
19 that we needed, that have the resources to provide us,
20 when necessary, with materials, with equipment, bring them
21 from other states. When necessary, to augment the local
22 workforce with well trained, skilled workers, who know the
23 system, bring them in from other parts of the Company's
24 footprint, not just for emergencies, but for special

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1 projects. And, we lose that flexibility and we lose those
2 resources with this deal. And, that's not in the public
3 interest.

4 This is a risky structural change, and
5 it's a change with a Humpty Dumpty potential. If the PUC
6 approves this sale, Verizon is going to be out of the
7 picture. And, then what? Does FairPoint have the
8 resources, the experience, to step in, to run the
9 telecommunications system smoothly and efficiently? And,
10 unless you're absolutely certain that's the case, I urge
11 you to reject the deal as not in the public interest.

12 Now, you mentioned at the beginning
13 about places to look at. I strongly urge you to take a
14 good hard look at what happened in Hawaii. And, you know,
15 it was certainly not a smooth transition with the sale of
16 Verizon's properties there. Urge you to take a look at
17 FairPoint's track record and service record in the State
18 of Maine, with its existing much smaller, tiny affiliates,
19 and ask how that's going to play out here.

20 FairPoint has made a lot of promises.
21 They tell us that everything is going to be great.
22 Everything's going to remain the same, except where it's
23 going to be an improvement. The list seems to grow like
24 Pinocchio's nose. The stakes are too high to bet the

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1 public interest on promises. Promises are great, but we
2 can't stake our future on them. For this sale to serve
3 the public interest, FairPoint must make a firm
4 commitment, a firm commitment to provide quality service
5 at reasonable rates, and to update the system to ensure
6 state-of-the-art telecommunications to New Hampshire
7 consumers. It must not only make that commitment, but it
8 must prove that it has the resources, the experience to
9 carry out that equipment. And, I believe that FairPoint
10 falls short on both points, and that's a reason to reject
11 the deal.

12 Let's start with resources. FairPoint's
13 going to take on \$1.7 billion in debt just to close the
14 deal. It's also declared that it's going to maintain its
15 current high dividend rate on the new 1 billion in stock
16 that it's going to issue as a result of the deal. Under
17 these circumstances, under the best of circumstances, this
18 highly leveraged company, with a commitment to high
19 dividend rates, is going to be walking a tightrope. And,
20 if anything happens, what's -- can it service this debt
21 and meet these dividend payments without raising rates,
22 without cutting costs? And, if it tries to cut costs by
23 -- at the expense of its workers, by wringing it out of
24 the workforce, that's going to hurt service. And, if it

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1 skimps on investment in the system, service quality will
2 also deteriorate.

3 And, I believe we're already seeing
4 what's in store if this deal goes through. FairPoint
5 promotes the deal by promising it's going to invest, I
6 believe, \$100 per line for the next few years. Sounds
7 pretty good. But FairPoint doesn't explain that that's
8 somewhat slightly less than what it spends on its current
9 operations, less than what Verizon was spending per line
10 before it started to roll out fiber. So, fiber's, you
11 know, expenses are not part of the issue. So, \$100 sounds
12 good, but it's less, really.

13 Other speakers have mentioned the
14 broadband issue. I don't want to dwell on that. Except I
15 believe that FairPoint's broadband plans underscore its
16 lack of commitment to meeting New Hampshire's needs.
17 These plans are not in the public interest. And, I
18 believe they raise questions about what's financially
19 feasible for the Company, and that's why they want to
20 stick with -- stick with DSL. And, it's nice to hear that
21 we have FiOS today, you'll have fiber tomorrow. The fact
22 is, most people don't have fiber today, and FairPoint does
23 not plan on providing it tomorrow, if you don't have it
24 today. For them, broadband means yesterday's connection.

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1 Now, you know, there's talk going
2 around, "well, you know, there's rural expertise." Well,
3 you know, most New Hampshire consumers are urban/suburban.
4 But, you know, we do need greater broadband access across
5 New Hampshire, from north to south, east to west. We can
6 and should rapidly expand DSL access, while continuing to
7 build out fiber optic service. The two are not
8 incompatible. They're not incompatible if you have a
9 company with adequate resources. Verizon has those
10 resources. I can't imagine why FairPoint wouldn't want to
11 do both, unless it came up short in the resource
12 department. Limiting broadband plans to expanding access
13 to yesterday's state-of-the-art sells New Hampshire short.
14 The PUC needs to reject this sale and prod Verizon to
15 expand broadband access.

16 If the sale is approved, FairPoint
17 should be required to post signs on the Massachusetts
18 border, right next to the "Bienvenue Au New Hampshire"
19 signs, warning something like "Up-to-date
20 telecommunications technology stops here".

21 (Applause.)

22 MR. ARNOLD: The sale of Verizon's New
23 Hampshire phone lines to a highly leveraged company,
24 committed to high dividends, but not committed to keeping

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1 up with telecommunications technologies, is not in the
2 public interest. I urge you to reject the sale.

3 (Applause.)

4 CHAIRMAN GETZ: Christian Parzych. And,
5 James Lemay is next.

6 MR. PARZYCH: Thank you, Commission. My
7 name is Christian Parzych. I'm from Merrimack, New
8 Hampshire. I'm here tonight to tell you I oppose the
9 potential sale of Verizon telephone access lines to
10 FairPoint. Over the years, consumers of New Hampshire
11 have seen changes in their telephone service provider. We
12 have gone from New England Telephone to NYNEX, to Bell
13 Atlantic, and, finally, Verizon. Consumers never spoke
14 out against these mergers. Why? Because I believe
15 consumers knew that their service and options would stay,
16 at the very least, the same, if not get bigger and better.
17 For the most part, this is all true.

18 Here, in parts of New Hampshire, Verizon
19 began to place the fiber optic network called "FiOS".
20 This network is capable of handling telephone, television,
21 and high-speed Internet. A high-speed Internet Consumer
22 Reports recently rated the best ISP available. This could
23 also become competition for the raising rates of cable
24 television. Competition is exactly what consumers of New

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1 Hampshire needs.

2 I look at this potential sale and ask
3 "How can this happen?" How can a small company, who deals
4 mainly with rural telephone lines, purchase and entire
5 state, never mind three? How can this company afford to
6 build jobs and a network they are promising the consumers
7 of New Hampshire?

8 FairPoint is paying \$1.7 billion in
9 three states, and also assuming \$1 billion in debt. Yet,
10 they are going all over northern New England telling
11 everyone they're going to build out DSL and add 600 jobs
12 to the region. With that debt, how can they?

13 Verizon is a known commodity in this
14 area. They advertise 99 percent reliability, and that
15 they are always on, even when their power is out. Why
16 would we not want them to leave? FairPoint's track record
17 for servicing the consumers in the three-state area is
18 less than stellar. Just ask your counterparts in Maine.

19 This state has already made concessions
20 to Verizon over the years, all on the premise that Verizon
21 was going to build a better network for New Hampshire
22 consumers. Let's hold them up to their end of their
23 bargain. Please do not let Verizon leave us in the Dark
24 Ages. I ask that you please review all the parameters of

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1 this potential sale and make a decision that is beneficial
2 to the consumers of New Hampshire. I also ask that, when
3 all the proprietary information of this potential sale is
4 made public, you will consider having more public hearings
5 for the consumers in the fall. Please don't let Verizon
6 leave. Thank you.

7 (Applause.)

8 CHAIRMAN GETZ: Mr. Lemay, and Deirdre
9 Branch is next.

10 MR. LEMAY: My name is James Lemay. I
11 am a lifelong resident of New Hampshire. Yes, change is
12 unsettling, with all the other mergers we had,
13 divestiture, we were phone companies merging with phone
14 companies. Basically, what's happening here is FairPoint
15 I don't feel is a telephone company, they're into mergers
16 and acquisitions. So, we have an investment banker, you
17 know, they say he's a "telephone guy". I don't know, I
18 don't buy it.

19 FairPoint is the second largest
20 telephone company in Maine, and a distant second, but they
21 also have the highest PUC complaints. And, I think most
22 of that was from change in billing systems. When they
23 combined all the billing systems together, they had
24 problems with it. This is going to be huge. They're

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1 going -- They're going to be 20 percent, and taking over
2 Verizon is going to be 80 percent of their work. That's
3 the tail wagging the dog. That's going to be huge. I
4 don't know what the problems are going to be there.

5 Now, as far as the back office, saying
6 that most of it is done in Massachusetts, most of the back
7 office work in New Hampshire currently is working on stuff
8 in Massachusetts, Rhode Island, Vermont, and Maine. So,
9 it's not a case that most of Verizon work is done for New
10 Hampshire out of state. We also do a lot of work for the
11 other states. All the employees will not come with the
12 transaction. A lot of senior employees, a lot of people
13 with a lot of knowledge are leaving. They don't want the
14 pension funds going to FairPoint. It's a scary thing.
15 So, most of the veteran employees will either be retiring
16 or trying to move to other states within Verizon, to stay
17 with Verizon. So, you're not going to get the same
18 expertise that Verizon has now in this state.

19 Now, as far as high-speed, they say they
20 "cover 93 percent with high-speed". That depends what you
21 call "high-speed". I mean, 56k dial-up used to be
22 consider "high-speed". It's not. Basically, you know,
23 your faucet, the thing that you pull out to wash your
24 dishes or whatever was dial-up. Then, we came out with

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1 the garden hose, that's DSL. The cable company has the
2 fire hose. You know, that's a pretty big bandwidth. But,
3 with the FiOS, that's a water main. That's huge. The
4 Internet is growing like wild fire. And, I just -- I
5 don't think the garden hose is going to be able to put
6 that out.

7 You know, I want to keep Verizon in
8 here. We have given Verizon tax breaks for the poles and
9 conduits for all the towns and the cities in this state.
10 And, you know, we've lobbied to keep that tax-free for
11 Verizon, so they would take the money and they would
12 invest that into the state, so we could have economic
13 development. But now they just want to sell it off. I
14 think we should hold Verizon to that and say "We've given
15 you tax breaks all these years. Let's expand our
16 high-speed data, the real high-speed data."

17 So, I'm definitely against this. Thank
18 you.

19 CHAIRMAN GETZ: Thank you.

20 (Applause.)

21 CHAIRMAN GETZ: Ms. Branch.

22 MS. BRANCH: Thanks. My name is Deirdre
23 Branch, and I thank you for pronouncing it correctly. I
24 have just a little article from the Union Leader that was

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1 published a few days after a major editorial in which the
2 Union Leader supported the sale of Verizon to FairPoint.
3 And, this article says: "FairPoint shares drop on stock
4 sale." This was literally four or five days after the
5 editorial, and 20 percent of the Company's stock was sold
6 by three of their longest term shareholders. That
7 concerns me. And, I am definitely against the sale.

8 (Applause.)

9 CHAIRMAN GETZ: Scott St. Germain, and
10 Chris Williams will be after that.

11 MR. ST. GERMAIN: Good evening. My name
12 is Scott St. Germain. I'm a resident of Pelham. And, I
13 have fiber optic service right now at my house. And, I'm
14 a little concerned about FairPoint absorbing this fiber
15 optic sale, if it was to go through. The FairPoint
16 gentleman or representative from FairPoint, the way he
17 described how they're going to assume the responsibility
18 of fiber optic service wasn't too reassuring to me. And,
19 I don't understand, if they have all this money they want
20 to invest in the state, why they wouldn't be investing in
21 fiber optic versus DSL? Thank you.

22 (Applause.)

23 CHAIRMAN GETZ: And, Mike Giaimo will be
24 next.

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1 MR. WILLIAMS: Good evening,
2 Mr. Chairman. My name is Chris Williams. I live in
3 Manchester, New Hampshire, and I also have the privilege
4 of serving as the President of the Greater Nashua Chamber
5 of Commerce. And, I'm here on behalf of its 720 business
6 members to support the buy-out of Verizon by FairPoint
7 Communications.

8 I've heard a lot of concerns tonight
9 from people who have a lot of conjectures and speculations
10 about the buy-out here of Verizon. And, I think there are
11 a lot of concerns that can be assuaged by actually sitting
12 down with the representatives of FairPoint in an open
13 dialogue and talking about these concerns they have, and
14 letting FairPoint Communications very fairly and
15 accurately address each of them.

16 I do want to address just a few of them
17 here this evening, if I could. I've heard people say that
18 "FairPoint won't be able to do what Verizon couldn't even
19 do", and, of course, that refers to increasing the
20 broadband service here across the State of New Hampshire,
21 and "They're not going to increase FiOS", etcetera.
22 Before I answer that particular concern, I would like to
23 point out that we have a few Verizon officials here in the
24 room tonight, and I think they have done an outstanding

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1 job of supporting much of New Hampshire, in terms of our
2 businesses, our business men and women, and the State of
3 New Hampshire through a lot of their community service and
4 outreach efforts. And, I applaud them for what they have
5 done here in New Hampshire already.

6 Having said that, I think that there is
7 a strong desire by FairPoint Communications to expand the
8 broadband service throughout the North Country, throughout
9 rural communities that right now do not have that in their
10 possession. We here in southern New Hampshire are very
11 lucky. We're fortunate in the sense that we do have high
12 technology, and our businesses are able to thrive because
13 of it. Unfortunately, the rest of the State of New
14 Hampshire is not able to share that as equally with us.
15 For that reason, FairPoint has a strong case for being
16 able to come into New Hampshire and increase the broadband
17 services that they are looking to increase. And, I think
18 we should give them credit for doing so.

19 People say "they won't be able to do it,
20 they're too small." "Verizon is a giant, and FairPoint is
21 a distant second here in New Hampshire." That is true.
22 But the fact also remains that FairPoint lives or dies on
23 this buyout. They have to make it work. This is the
24 largest acquisition they have ever had. They're putting a

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1 tremendous amount of assets and resources into this. And,
2 simply put, they have to make it work. I don't think they
3 would be making this opportunity happen if they didn't
4 feel they had the business plan put together and the
5 people in place to make it work.

6 I'd also just like to talk a little bit
7 about the businesses in southern New Hampshire that are
8 already technologically advanced, they won't be able to
9 take advantage of FiOS. One of the gentlemen earlier
10 tonight said that "those businesses are going to leave New
11 Hampshire. They're going to leave southern New Hampshire
12 and they're going to go to Massachusetts, where they do
13 have the capability to take advantage of FiOS and other
14 technology." I completely disagree with that statement.

15 On behalf of the 720 business members in
16 the greater Nashua area, we appreciate the quality of life
17 that the State of New Hampshire has to offer. We
18 appreciate the business -- the tax structure that we have
19 in this state. No business members I know in our Chamber
20 of Commerce are going to pack up and leave New Hampshire
21 and go set up shop in Massachusetts because of FairPoint
22 coming into New Hampshire. That's just plain wrong. New
23 Hampshire business members are not going to move down to
24 Massachusetts, because they don't want to take their

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1 employees and businesses into a state where they're going
2 to end up paying higher taxes in the end. We have a lot
3 to offer here in New Hampshire that we're very proud of, a
4 much more quality of life and our business tax structure.
5 And, for that reason, we're not going to see a mass exodus
6 of business owners leaving our state as a result of
7 FairPoint coming in.

8 Third, and last, I'd also like to touch
9 on a comment that was made about Verizon's non-profit
10 community support, and the concern that Verizon is going
11 to pull all of that out, and FairPoint will not come in
12 and help fill some of the void. I specialize in raising
13 money for a lot of non-profit investors here, Mr. Leach.
14 And, I'm not about to let FairPoint withdraw a lot of the
15 community support that Verizon has offered here in the
16 past. And, you can rest assured that many of our
17 non-profits community have already been approached by
18 FairPoint and have been told by them that they are working
19 very actively with Verizon officials to see what Verizon
20 has been doing in our state to support our non-profit
21 community over the last several years, to see what they
22 can do to help step in right away and fill that void.
23 And, we appreciate them taking that approach, taking that
24 proactive approach to work with Verizon, identify what

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1 Verizon has already done, and see what they can do to step
2 in immediately and support that.

3 I've had the opportunity to listen to
4 FairPoint Communications' officials on a couple of
5 different occasions. And, they have come in and they have
6 presented their case, and they have been very open and
7 very methodical about letting anyone in the room come up
8 and talk to them, address their concerns, and then answer
9 the questions that the visitors in the room have. I
10 invite anyone in the room this evening, who has not taken
11 the opportunity to do so, to please take advantage of it.
12 I think you'll get a whole different picture of FairPoint
13 Communications in return.

14 Thank you very much. On behalf of the
15 720 business members in the greater Nashua area, we
16 support the buy-out of this, and we ask you to do the
17 same. Thank you very much for your time tonight.

18 CHAIRMAN GETZ: Mr. Giaimo. And,
19 Betty-Jean Larsson is next.

20 (Child crying in the back of the room.)

21 MR. GIAIMO: I actually have that effect
22 on most kids. Good evening, Mr. Chairman, Commissioners,
23 and those in attendance. My name for the record is
24 Michael Giaimo, Vice President of Energy and Regulated

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1 Utilities for the Business and Industry Association,
2 colloquially referred to as the "BIA", the state's chamber
3 of commerce. It's my pleasure here tonight, and I laud
4 the Commission for taking this opportunity to solicit
5 comments on an important issue. I come before you to
6 express the BIA's support for this proposed merger, and
7 I'll keep my comments brief, making only a few points.

8 The first point I'd like to make is that
9 the proposal should result in enhanced customer service
10 and benefits. During the past few years, the BIA has
11 conducted 28 listening sessions throughout the state with
12 business and opinion leaders. We have heard repeatedly
13 that both businesses and residentials -- residents,
14 particularly those in rural areas of the state, they need
15 greater telecommunication services. As we heard just
16 moments ago, 37 percent of the state goes without
17 high-speed -- without a high-speed option. The BIA
18 believes that the merger can help satisfy the apparent
19 void and need for telecommunications, and promises to
20 bring high-speed to those areas most in need.

21 FairPoint has a reputation for service
22 in rural and small urban areas. Since '93, they have
23 focussed on providing high quality of service to a unique
24 demographic, the rural, small urban areas. Given

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1 FairPoint's strategic plan and efforts to service these
2 areas, and its existing 64,600 -- 64,000 access lines in
3 the region, and the inherent rural and small urban make-up
4 of New Hampshire, Maine, and Vermont, FairPoint seems to
5 be well-suited to satisfy the telecommunications needs,
6 desires, demands of northern New England.

7 I think it's also important to note and
8 recognize that infrastructure improvements being
9 considered by FairPoint could and will likely provide a
10 benefit to both the state and host communities in the form
11 of higher local and utility property taxes.

12 And, finally, the last point I'd like to
13 make is that, while the BIA has long been committed to the
14 general principle that the state is well served by
15 allowing a business to enter into a contract with another
16 business, often such private contracts result in mergers
17 and/or acquisitions that help the financial strength of
18 the acquired in-state business, which, in turn, helps the
19 state and the economy. To the extent possible, and with
20 consideration given to the public interest, the BIA would
21 like to see the state continue to encourage the policy of
22 preserving and fostering the ability of a business to
23 enter a contract with another. The BIA hopes that the
24 determination of the PUC in this docket will reinforce the

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1 state's commitment to and respect for private contracts.

2 Thank you.

3 CHAIRMAN GETZ: Ms. Larsson. And, James
4 McKenney follows.

5 MS. LARSSON: I'm a resident of
6 Hooksett. And, I don't want to slam Verizon or FairPoint,
7 but I am deeply, deeply concerned with what's going to
8 happen to the consumer. How secure is our network going
9 to be in the case of a natural disaster, such as we saw
10 this last week? Verizon did an excellent job. I've had
11 neighbors talk to me about how quickly they responded and
12 that they were able to bring things from other parts of
13 the country very quickly. I know we had people working
14 long shifts, and they got things back together in two
15 weeks, compared to the eight weeks they were talking about
16 for us. And, I think that's excellent.

17 But my concern is, what happens if we
18 have a bigger problem? And, where are these resources
19 going to come from? If FairPoint is already \$2.7 billion
20 in debt to buy Verizon, and they're planning to put
21 another billion dollars in New England for whatever
22 additional resources to build the network stronger. Are
23 they going to have the ability to withstand a disaster of
24 major consequence?

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1 How is our infrastructure for our
2 security, for our police, emergency and whatever? How is
3 that going to be maintained, and continue to move into our
4 new world, because technology is changing all the time?
5 Is FairPoint going to have the resources to continue to
6 grow with that technology. And, those things do concern
7 me. It concerns me for my state, for the consumers, for
8 education, because our colleges are going to be teaching
9 kids with these new technologies. Is it going to be
10 available for them to use to teach those students?

11 Our businesses, are we going to have a
12 business environment that is going to be conducive to
13 bringing more businesses in, further up into the State of
14 New Hampshire beyond Nashua and Manchester?

15 There's just so many questions that I
16 have that I'm just really concerned about the financial
17 aspects of their ability to do that. I just look at --
18 look at the whole state, and you're talking regional.
19 We've got Vermont and Maine and New Hampshire, too. And,
20 is this something in the future where corporations are
21 going to sell off and get rid of what they consider the
22 non-profitable small people, and are we going to end up
23 with two different structures and two different qualities
24 of telecommunications systems in our state and in our

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1 region? Is this good for our state? Is it good for our
2 region? Is it good for our country? I think those are
3 questions we really need to ask and make sure that we are
4 really taking care of our consumers in our state before we
5 make this decision. Just really think hard about it when
6 you're making that decision.

7 CHAIRMAN GETZ: Thank you.

8 (Applause.)

9 CHAIRMAN GETZ: Doug Lehman will be the
10 next speaker. And, actually, Mr. McKenney, if I could ask
11 you if maybe you could draw that microphone just a little
12 closer. I think it's sliding downhill. And, also, if
13 there's anyone who arrived late, who would like to speak,
14 if you could just raise your hand and we'll get you a
15 sign-up sheet. Please.

16 MR. MCKENNEY: Thank you. James
17 McKenney, from Nashua, also a small business owner, with
18 my wife. I'm a little concerned mostly about the
19 perception in this room, especially amongst business
20 owners, and a lot of people in this state that believe
21 this is a merger. Now, you hear constantly a lot of
22 business owners tonight representing this as some sort of
23 "merger", it's a constant theme. It is not a merger.
24 It's a sale. FairPoint is at this alone. Once this is

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1 done, FairPoint is alone in this venture. And, I just
2 want to make that clear tonight that it seems to me they
3 spent a lot of time, the FairPoint executives, with
4 business owners, and yet they still -- they're telling me
5 it's a merger, and it's not. It's a sale. I just want to
6 make sure that was clarified.

7 I am against the sale. DSL is the
8 common theme in a lot of this discussion. DSL has come up
9 that it's an inferior product. The problem with DSL is
10 that, right now, it is not a competitive product to
11 Comcast or CATV. It barely keeps up. If we offer this
12 throughout the state, with Comcast coming in very strongly
13 in the state right now, they will take over market share.
14 We cannot compete with Comcast or CATV or anything with a
15 DSL product. And, so, they say that "we won't lose jobs."
16 But I believe that, eventually, we will lose jobs in this
17 state. They're going to be switched over to lower paying
18 cable jobs. And, what we're going to have is decreased
19 market share from Verizon Wireless, who are expanding
20 greatly in this state. We're going to lose landlines,
21 we'll decrease the money that goes to FairPoint, and also
22 we'll decrease Internet. Internet will go down,
23 FairPoint's going to lose Internet share, and, again, lose
24 more revenue.

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1 And, my fear is, eventually, jobs will
2 decrease for FairPoint, and eventually will have an
3 adverse effect in the State of New Hampshire. Low
4 quality, low paying jobs is not what this state needs at
5 this moment. We need to expand. We need to get higher
6 paying jobs. We need to attract business owners, serious
7 business owners who demand a high-speed product. And, I
8 don't believe Comcast is the answer. I don't believe
9 FairPoint is the answer. I believe a company like
10 Verizon, with their ability to provide FiOS or any sort of
11 high-speed -- high-end product is what this state needs.
12 Thank you.

13 CHAIRMAN GETZ: Thank you.

14 (Applause.)

15 CHAIRMAN GETZ: After Mr. Lehman will be
16 William Spencer.

17 MR. LEHMAN: Hi. I'm Doug Lehman. I
18 live in Nashua. I oppose the sale. It doesn't make
19 common sense to me. As a consumer, why would I want to
20 lose the best rated telephone company to give you my
21 service? Why should I have to settle for something less?
22 We've already heard the historic with "top ranked" this,
23 "high rank" in that. We know what kind of company Verizon
24 is. Why would I have to lose my bundled package?

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1 FairPoint does not want to do wireless, it doesn't want to
2 do TV. Comcast is coming out with a four bundle package
3 in this state. And, I just don't see them competing with
4 it.

5 What kind of future are we going to
6 have? They don't want to expand the fiber. Are we going
7 to be here a year from now talking about "why Nashua can
8 have fiber and this town can't?" The DSL rift that they
9 have is going to just expand to a different level.

10 The other thing is, as someone brought
11 up, that "they have to make this merger work". Well, if a
12 company is losing money, the only way to bring it back is
13 to cut costs or increase rates, the costs for these
14 services to its customers and rates. Well, we all pay
15 them. So, I don't see how they're going to be able to do
16 that without doing one or both of those things. Thank
17 you.

18 (Applause.)

19 CHAIRMAN GETZ: And, Representative
20 Reuschel will be next.

21 MR. SPENCER: Yes. My name is William
22 Spencer. I'm a NYNEX retiree. I retired about 16 years
23 ago. And, at the time, I held the position of Director of
24 Network Planning for Maine, New Hampshire, and Vermont.

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1 So, I had the responsibility for doing a lot of the
2 technology planning that took place in those years and
3 subsequent years, including the digital switching and
4 interoffice fiber and that sort of stuff. We knew at the
5 time that the next thing that was going to come down the
6 pike was fiber in the loop. And, at the point, when I
7 retired, it obviously was not economic to do that. But I
8 had high hopes it would happen sometime. And, when NYNEX
9 -- excuse me, when Verizon now finally came out and said
10 "hey, we're going to spend billions of dollars to put
11 fiber in the local loop, and that's what we're going to
12 bet our company on", I said "great". And, then what
13 happened, they started coming in, they did my Town of
14 Litchfield, has fiber now, offering service, I was about
15 ready to sign up for it, when word of the merger came out,
16 "whoops, don't want to do anything yet." I would love to
17 have fiber, as a competitor of Comcast. I have my
18 Internet service out of Comcast now.

19 DSL, when I retired, that was just on
20 the drawing board, but it was there as a fix, so we could
21 use the copper plant and make use of it. We knew that
22 wasn't going to be a solution. It obviously isn't. I
23 have never been able to get DSL service. I'm served out
24 of the Nashua switching office, and my loop cannot handle

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1 DSL. My wife has a place up in Lincoln. We can't get DSL
2 up there. We get Internet service over the cable, and
3 it's great. Okay? There is no way that DSL will compete
4 with cable for Internet service. It just won't happen.

5 My concern is that a company like
6 FairPoint will not have the resources to continue to
7 develop the fiber in the loop, which really is the way to
8 the future. And, with due respect to all the business
9 representatives here, DSL is not broadband, it is not the
10 solution for your companies. Okay? So, I don't
11 understand why we would ever want to let a company come in
12 and take over with the Verizon job. Verizon has the money
13 to continue the deployment of fiber in the loop. That's
14 what they ought to be doing. DSL is not the solution.

15 (Applause.)

16 REP. REUSCHEL: Thank you, Mr. Chairman
17 and members of the Commission. And, I thank everyone
18 here, all the citizens that are standing forward for their
19 great state. My name is Mike Reuschel, and I'm the State
20 Representative for Hillsborough County, District 14, which
21 is Manchester Ward 7. And, I stand before you today
22 opposed to the sale of Verizon landlines to FairPoint.
23 There is nothing in this deal that's of any benefit to my
24 constituents. In Manchester, not moving forward with FiOS

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1 is a step backwards. The economic future of Manchester
2 and the state is intertwined with this deal. While other
3 states benefit from Verizon's attention, New Hampshire
4 loses out and becomes a second class telecommunications
5 backwash.

6 I appreciate that bringing broadband in
7 the form of DSL to the under served rural areas of our
8 state is a good thing. But it's not a given with this
9 Salem and is not the future of broadband. It will take
10 FairPoint a long time to ramp up and provide the future of
11 broadband access needed right now in the rural and in the
12 urban areas of the state in the form of FiOS.

13 What is FairPoint's track record in
14 other states and how does that apply to New Hampshire?
15 What is FairPoint's financial status? Can they actually
16 perform? What would happen if they failed in their
17 promises? What would happen in times of crisis? How will
18 FairPoint address issues of our homeland security, be it
19 floods, as we saw recently, or even as serious as a
20 terrorist attack on our communications infrastructure?
21 What will happen to Verizon's employees, their families,
22 and their families in the future? What would happen to
23 the good paying, middle class jobs that Verizon provides?
24 What would happen to the taxes that they pay in support of

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1 their communities and the money that they spend in the
2 local economy, at the supermarkets, the restaurants, the
3 car dealerships, and the local home improvement stores?
4 What about all the community involvement by the employees
5 in Verizon? This is what makes a community strong,
6 citizens' involvement.

7 There are just two many unanswered
8 questions. This may make -- This may make great business
9 sense to Verizon and FairPoint, by it isn't just about
10 business. It's about people, it's about our state, it's
11 about our neighborhoods and our communities. Verizon made
12 a commitment to this state and Verizon has to live up to
13 their word. FairPoint is not right for New Hampshire.

14 (Applause.)

15 CHAIRMAN GETZ: Guy Scaife. And, also,
16 if there's some people who still want to speak, please
17 raise your hand, we'll get you a sign-up sheet. And,
18 also, we've made it this far, and without anybody really
19 leaning heavily on that. I got nervous at one point. So,
20 you look like you're all set. Please.

21 MR. SCAIFE: Thank you, Commissioner
22 Getz and the other Commissioners. My name is Guy Scaife.
23 I'm the Town Administrator from the Town of Milford. I
24 live in Milford, also have property, a second home, in the

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1 North Country, in Grafton County. And, I would like to
2 speak some about the rural area, but also the entire
3 state.

4 It seems to me most of this evening's
5 discussion has been focussed on FairPoint, and very little
6 on Verizon. There's been a lot of talk about the
7 investment and what could be and what should be. You said
8 earlier that your opinion has not been made up on this
9 transaction. And, I will tell you, mine has not either.
10 It is a very complex financial transaction, and I hope
11 that this Commission will, with your staff and the outside
12 assistance you get, will be -- will have the skill set to
13 dig in and properly evaluate this.

14 But a point I think needs to be
15 considered is that Verizon has made it very clear they do
16 not want to be here. And, the legal considerations of
17 trying to mandate that they stay are very questionable.
18 It's sort of like the high school teenager who continues
19 to try to force himself on a young lady for a date. At
20 some point in time, "no" is "no". If they want to leave,
21 then I think somewhere the Commission, the employees in
22 the states, has to consider who will serve this state and
23 the three states. If Verizon had made all the capital
24 investments that had been talked about earlier in this

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1 state, and we had broadband throughout, we probably would
2 not be having this meeting tonight. The fact of the
3 matter is, they haven't. And, while Verizon was spending
4 in excess of \$5 billion on purchasing MCI, they were
5 underfunding this state.

6 One of my specific issues has to do with
7 the public safety issue here in New Hampshire. And, I've
8 certainly seen it in Maine and Vermont, and that has to do
9 with the fact that Verizon has not kept pace with pole
10 transfer work, outside plant, pole transfers. And,
11 especially in the rural communities, you'll go out and
12 you'll see double pole lines. Both the Electric Co-op and
13 New Hampshire Public Service has publicly spoken out that
14 it is harmful to their business, and Verizon has a huge
15 backlog. That backlog exists because they have not kept
16 up with the investment.

17 Now, I hope that there's full
18 disclosure, because someone's going to bear that cost to
19 get caught up. That's a degradation of service. And,
20 when you have a small rural road, and there's one pole
21 line that's sitting near the pavement, and a new pole line
22 sitting maybe 20 feet over that power is on, but that
23 existing is an old pole, possibly leaning, and has cable
24 on it. It's been there for four months, six months, and

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1 years, that's an unlikely investment in the plant. And,
2 that plant is just as important as other types of plant.
3 So, that's a -- it's not only a public safety, it's a
4 blight on the beauty of the state. You could say that's a
5 symptom. I think it's a symptom of under investment.

6 Verizon has known for a good while they
7 did not want to be here. So, I ask you to, as we look at
8 this, if it's not FairPoint, who is it? Certainly, there
9 are other players out there that could be interested in
10 this three-state territory. The one interesting piece
11 that's -- that I think deserves consideration is FairPoint
12 has committed to bring the jobs for these back-end
13 centers, call centers, data centers, into this state. We
14 could be having a meeting today with TDS, and they could
15 be standing here saying they were "going to expand their
16 Madison, Wisconsin Corporate Office, where they have
17 systems." So, if it isn't FairPoint, it would be of
18 concern to me of "who comes next and will they commit to
19 put those jobs in this state?"

20 I will also point out, it's certainly
21 risky doing a transition from the systems in the back end
22 support that Verizon has to a new vendor. But it's
23 certainly done throughout the country on a relatively
24 frequent basis. If you go back, in the last twenty plus

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1 years, whether it be New England Tel, then NYNEX, then
2 Bell Atlantic, then Verizon, Verizon, you know, bought
3 GTE, SNET was bought by SBC, mergers and these types of
4 activity has been going on and on and on.

5 There is an advantage for coming in with
6 brand new systems, because you rid yourself of the
7 shackles of the Legacy equipment. Those back end office
8 systems that don't have the flexibility of what new
9 technology could have. So, if that transition is done
10 correctly, then the state and other states can benefit
11 from that.

12 I'll also say, I think it's worth noting
13 that, if you look at FairPoint's corporate strategy,
14 before this merger was ever on anybody's drawing board,
15 they did have a strategy of expanding rural telephone
16 companies. So, that's a positive thing. It's not a
17 matter of throwing the dart and then drawing the
18 bull's-eye. It seems to me the bull's-eye is there and
19 they're attempting to throw the dart towards the center
20 with this acquisition.

21 Conversely, Verizon's corporate strategy
22 is very clear. They're growing those other types of
23 markets. When you look at their investment in wireless,
24 and this has been going on for more than a decade, whether

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1 it be Europe, Asia, South Central America, huge
2 investments. And, certainly, in the acquisitions like
3 MCI. That takes away from the focus on these types of
4 geography. I mentioned the public safety issue on poles.
5 You go into some of the more higher populated areas, they
6 do not have backlog. Their exact same systems track that
7 state that track this state. So, that's a matter of
8 choice. They have chosen not to invest.

9 Whoever becomes the next owner of this
10 territory, I hope they will be focussed on this type of
11 business. And, I'd also tell you that I think there is
12 great risk in a corporation the size of Verizon having
13 both wireless and wireline. And, while there is a
14 separation of regulation, regulated and deregulated, it
15 gets very difficult to measure at the very high end how
16 those costs are allocated. And, so, when you look at how
17 Verizon has grown, I have to wonder were the resources
18 that could have been spent in this state, you know, were
19 they?

20 There's a lot to ponder. Again, I hope
21 you find the proper staff to analyze this transaction. I
22 would venture to say, and this is not to be insulting to
23 anyone in this room, but this is a very complex deal.
24 And, most of us would not have the financial background,

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1 or the data certainly isn't available yet, to understand
2 that this is a good economic deal or not. Whether it be
3 FairPoint or someone else, it needs to be a good economic
4 deal, because that will depend on how successful we are.

5 There has also been comments about going
6 forward, and the representative just spoke about their
7 employees' involvement in the towns. I find that comment
8 disheartening in that there will always be employees of
9 the telephone company, just as there are of cable TV, and
10 they will always be involved. I spent most of my early
11 career with an independent telephone company. And, I
12 think, statistically, across the nation, dollar for
13 dollar, person for person, small independents have
14 historically contributed more on a per capita basis than
15 the large RBOCs did. Thank you.

16 CHAIRMAN GETZ: Thank you.
17 Representative Levesque. Adam Fredrickson would be
18 afterwards.

19 REP. LEVESQUE: Good evening,
20 Commissioner and citizens. My name is Melanie Levesque.
21 I'm a State Representative. I represent Brookline. And,
22 I, first of all, want to commend you for holding this
23 forum. I think it's very important that the citizens have
24 the same comfort level, not that you will, but that

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1 Verizon and FairPoint have with this, this acquisition.
2 I'm not taking any side here. I'm one of those concerned
3 citizens that want you to look at everything. And, I'm
4 very interested in understanding what the track record of
5 FairPoint has been as they have acquired companies. How
6 do they treat their employees, as far as benefits, as far
7 as pay? Are those benefits maintained? Do they change?

8 I won't even ask about technology,
9 because we already determined that the DSL is really not a
10 new technology. But I'm hoping that the results of your
11 survey we'll be able to review them. And, as someone else
12 pointed out, to have another forum. Thank you.

13 CHAIRMAN GETZ: Mr. Fredrickson. And,
14 Jamie Brooks is next.

15 MR. FREDRICKSON: I'd like to thank you
16 for the opportunity to speak. A five year -- just under
17 five year resident of Nashua and New Hampshire in total.
18 I just want to state that I definitely oppose this deal.
19 The numbers don't add up. I'd just reiterate what
20 everybody else has said, you know, as for small businesses
21 that are in these areas, the southern parts of New
22 Hampshire. You know, as a consumer, what would you rather
23 choose? Would you have a better choice, a secondary
24 choice, you know? What, as a consumer, what do you buy?

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1 Do you buy from the number one, number two? You know, who
2 gives you the best deal? You do your research and you
3 find out who's going to give you the best product.

4 Granted, Verizon hasn't been perfect,
5 neither is Comcast. But, as a consumer in the State of
6 New Hampshire, when you have two of the largest companies
7 in the United States offering you two very competitive
8 services, be it FiOS or be it Comcast high-speed, or be it
9 DSL. Now, DSL is the third runner in that part, but it's
10 still one of the top products. And, as a consumer, I'd
11 like to have those choices, to have the best choices.
12 And, the numbers just don't add up with FairPoint as being
13 -- I believe I read they were going to be made the eighth
14 largest phone company, "made the eighth largest" by this
15 acquisition. Well, the numbers don't add up. I don't see
16 how they can cover the costs. And, I think Comcast is
17 just going to have open range, if this happens, because
18 they're not going to have competition. No competition is
19 bad for the consumer, be it a small business, be it a
20 large business, be it a public or private resident. Thank
21 you.

22 (Applause.)

23 CHAIRMAN GETZ: And, Dan Beasley will be
24 next. On deck.

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1 MR. BEAULEY: I'm on deck?

2 CHAIRMAN GETZ: On deck.

3 MR. BEAULEY: Sorry.

4 MS. BROOKS: Hi. My name is Jamie
5 Brooks. I'm a resident of New Hampshire. I am also an
6 employee of Verizon. I have worked there for almost nine
7 years now. In nearly a decade, I have seen the progress
8 and improvement that Verizon has been able to make in
9 providing service for our customers. Providing excellent
10 service has always been one of the main goals of Verizon
11 and their employees. From serving residential customers
12 to large businesses, and even providing telecommunication
13 services for major events, such as First-in-the-Nation.

14 That is why this potential sale is a
15 major concern for our customers. Over the years, Verizon
16 has been able to make improvements to their existing
17 products and services that they provide, such as DSL. As
18 well as develop new and much more technologically advanced
19 products, such as the fiber optic service, better known as
20 "FiOS".

21 Verizon was one of fifty companies that
22 recently earned an "A" from Business Week magazine, when
23 they ranked the top fifty companies as playing at the top
24 of their game. Verizon not only made the top 50, but was

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1 ranked number 7, and was the only telecommunications
2 company in the top 25. Also, their stock increased by
3 24 percent, which is the largest gain since 1999. It will
4 be very difficult for a smaller company, like FairPoint
5 Communications, to match these accomplishments and provide
6 this level of service.

7 In addition, the DSL service that they
8 plan on expanding is becoming a technology of the past.
9 And, their prices can't even compare to the ones that
10 Verizon offers now. For example, Verizon offers a DSL
11 start-up plan with a speed of 768 kilobytes for 9.99 for
12 the first three months, and only 19.99 for the next year.
13 The start-up package that FairPoint offers is 34.95 a
14 month for half the speed, which is 384 kilobytes. The
15 premium package that Verizon offers is 19.99, and that's
16 for the first six months; then only 29.99 for a year after
17 that. The premium package that FairPoint offers is 79.95
18 a month. As you can see, if this sale goes through,
19 consumers will end up paying double the price for half the
20 speed. That is not fair to any customer. How can they
21 say "nothing will change", when some customers will not be
22 paying the same prices?

23 Lastly, Verizon recently deployed their
24 new fiber optic service in southern New Hampshire. With

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1 the ability to provide customers with all three services,
2 such as telephone, data, and even video, this could give
3 customers in New Hampshire a choice in deciding who they
4 would like to be their telecommunications provider.
5 Instead, they have limited choices and are basically
6 forced to go with a company, not for their competitive
7 prices, but because they are the only company that can
8 provide them with the convenience of one provider for all
9 communication services. FairPoint has no plan on
10 expanding the FiOS service.

11 I really hope that you'll take into
12 consideration these issues that we have all mentioned here
13 tonight when you think about what the sale means, not only
14 for the employees of Verizon, but also the customers of
15 this state. Thank you.

16 (Applause.)

17 CHAIRMAN GETZ: Before Mr. Bealey
18 speaks, if there's any more sign-up sheets to hand in of
19 people who want to speak tonight, please get them up
20 front. If you have written comments you want to hand in,
21 you can just bring them up to the front of the room
22 afterwards. So, Mr. Bealey.

23 MR. BEAULEY: Hi. My name is Dan
24 Bealey. And, I'm a long-time resident of New Hampshire,

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1 actually living in Dover, but I lived in Merrimack for
2 over ten years, when I was a little kid. And, I don't
3 have, you know, much written down here, but I just want to
4 address the Commission for their time, thank you very
5 much, gentlemen, and the representatives of both
6 companies. And, I just want to address a couple issues
7 that I've heard spoken about here tonight. It's expensive
8 to operate in New Hampshire, that is probably true. And,
9 Verizon, as a corporation, probably doesn't find much of a
10 profit margin. And, that may well be true. And, they may
11 not want to be here. And, so, it falls to us to
12 anticipate or look for, if we were to change our
13 telecommunications company, a provider that we would have
14 confidence in accepting into this state. And, I guess,
15 with these hearings, we will get information that will
16 help us to determine if FairPoint is that company.

17 And, so, I'm -- I do lean heavily
18 against this acquisition, this sale. I just wanted my --
19 one of my main concerns is, and to be more personal here,
20 I love my computer. It is my favorite toy, and my family
21 really loves their service. And, right now, I have
22 Comcast Internet service. And, they provide a terrific
23 service. It's a great product. And, a few numbers, I'm
24 sure that a lot of people here are, since you're concerned

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1 enough to be here, you do know a little bit about their
2 other speeds of the products. But I'll just delineate
3 them a little bit. Personally, at my house, I receive
4 about 4.5 megs download speed with Comcast. And, that's
5 really decent. It's enough to suit almost my needs,
6 streaming video or whatever. If my wife and I want to,
7 you know, watch a Horizons, you know, documentary or
8 whatever it may be, and that's great. And, they have
9 Speed Boost feature. And, I'm not here to promote Comcast
10 service, but they are providing an excellent service. The
11 Speed Boost feature can give you up to I think it's around
12 25 megs for a short period of time. You get a little bit
13 bigger slice of bandwidth when you need it. Very nice.

14 Standard package for DSL or baseline
15 package, 768 kilobits per second. About one-sixth of the
16 speed. But, for a lot of users, you don't need more than
17 that. If you're -- If you're downloading a file from work
18 or whatever, or an application, if you're getting 200
19 kilobits per second on your download speed, you're doing
20 good. The server can provide you with that speed and you
21 can accept that speed. And, usually, that means just a
22 matter of several seconds or a short, you know, minutes to
23 download your file. Great.

24 But the capabilities of computer systems

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1 are growing fast. And, my main concern is that, if
2 FairPoint is committing to DSL as the main product to
3 provide New Hampshire, in southern and remote areas north,
4 with Internet service, it won't be enough. Microprocessor
5 speeds are going up and up and up, and the computers are
6 getting more and more and more capable and are capable of
7 more and better things. And, who knows what applications
8 we'll be looking at in two, three, five years, that
9 computers will require more bandwidth than DSL, and a
10 notably outmoded technology, can give us.

11 And, that is my say, my main concern.
12 And, so, I urge the Board to look at that issue very, very
13 closely. Thank you for your time.

14 (Applause.)

15 CHAIRMAN GETZ: Mr. Yanco.

16 MR. YANCO: I made a decision to come
17 here at the very last minute, so I wasn't planning on
18 coming and I apologize, I don't have any prepared
19 comments. But I live in Nashua. I use my computer on a
20 regular basis. I link up with my headquarters and my
21 company. I contact my customers on a regular basis. My
22 computer is extremely important to me. I use it on a
23 regular basis. And, DSL was not doing it. FiOS has been
24 the answer. And, I've been very pleased with the service.

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1 And, am I concerned about whether or not this will
2 continue.

3 And, someone just handed me a couple
4 minutes ago FairPoint's brochure. And, their own
5 statement seems to be the concern of many of the people
6 here tonight, including myself, which is "Our strength is
7 our focus", which says this is where we're aimed, on
8 communications in rural communities. Well, I'm interested
9 in rural communities, too, but I don't live in a rural
10 community, I live in Nashua, New Hampshire. And, most of
11 the people I think who live here tonight live in
12 well-populated, metropolitan areas, and they're interested
13 in having the ability to be able to communicate on a
14 regular basis. I dial up on a VPN and I use my computer
15 on a regular basis.

16 One of the things that I am concerned
17 about, and I thought about it tonight is, I've noticed a
18 significant lowering of the service that Public Service,
19 over the last ten or twelve years, it doesn't take a lot
20 of wind to loss my four power once or twice or sometimes
21 three times a year. And, I've come to the conclusion, my
22 own personal opinion, that since the sale of Public
23 Service to Northeast Utilities, I believe it is, in
24 Connecticut, I think a lot of the money and a lot of the

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1 profitability leaves the state, goes somewhere else. It's
2 not put back into the infrastructure. And, unfortunately,
3 I'm not sure who's not doing their job, either Public
4 Service or the Public Utilities for not making sure that
5 they do provide people in New Hampshire with first class
6 service.

7 And, I'm also concerned, because I read
8 an article in the Boston Globe over the weekend about the
9 concern of many environmentalists who are saying or
10 weather people who are saying I guess insurance on Cape
11 Cod is going through the roof, homeowners insurance,
12 because insurance companies are raising the rates
13 significantly, because question of a hurricane is not
14 "if", but "when". It's overdue, and it will happen. And,
15 what about a significant issue or catastrophe with the
16 weather? Where a hurricane comes in, there's devastation.
17 Does a FairPoint have the resources to bring in extra
18 crews, to hire extra crews, to get that service up and
19 going again within several days or are we going to be
20 potentially losing our telecommunications for perhaps
21 weeks, and maybe even months? So, I'm extremely concerned
22 about that.

23 Verizon, I believe, I think has some
24 significantly deep pockets, and they can afford to

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1 overcome that. And, we do live in an age of terrorism.
2 Who knows what's going to happen if a major catastrophe or
3 a major explosion was to occur? Will we be put back in
4 business at some point? And, I think these are concerns
5 that we need to look at. Not just whether or not to
6 provide DSL service or FiOS service today, and we're okay
7 in nice, sunny fair weather, but what happens if a major
8 occurrence happens? Will they be able to bring us back up
9 and, you know, be able to come up with whatever it costs,
10 200, 300, 400 million dollars? Do they have a bank
11 account somewhere where they can reach into and pay out of
12 their pocket or do they have to go in debt to get their
13 service back up to where it needs to be? Thank you very
14 much.

15 (Applause.)

16 CHAIRMAN GETZ: Okay. We don't have any
17 other sign-up sheets. I would like to say a couple of
18 things as we wrap up the public statement hearing tonight.
19 And, first is, your input tonight has been very helpful to
20 us. I think all of the speakers presented thoughtful,
21 well articulated positions. We appreciate that. And, I
22 also wanted to say, I really appreciate the courtesy that
23 you've all extended all the speakers, to let everybody get
24 their point on the record, and for us to have a chance to

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1 hear it clearly and be able to digest all of this. Is
2 there anything else? I don't think we have -- And, well,
3 many of you may know this, but there are four more
4 hearings coming up; one on May 8th in Plymouth, the 15th
5 in Exeter, the 22nd in Newport, and the 24th in Littleton.
6 And, I'll turn to Ms. Bailey, Ms. Noonan, is there
7 anything else I'm forgetting?

8 (No verbal response)

9 CHAIRMAN GETZ: Okay. Then, that will
10 close the hearing for this evening, and thank you all very
11 much.

12 (Applause.)

13 (Whereupon the public statement hearing
14 ended at 8:45 p.m.)

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