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## Victims of FairPoint Debacle Warn WV Not to Repeat Their Mistake

**Five Vermont Legislators** submitted letters to the West Virginia Public Service Commission trying to warn and prevent the Mountain State from becoming the next victim of Verizon's deal making.

Vermont Senators Peter Shumlin and Vincent Illuzzi joined with several other state legislators, including Speaker of the House Shap Smith, in submitting letters to the WV PSC that detailed their state's disastrous experience with Verizon selling its operations to FairPoint. After the sale there were enormous problems. "Work orders were lost, service calls missed and even 911 emergency services were disconnected in what can only be called a system that had degenerated to chaos," stated the letter in describing the awful situation in New England after the Verizon sale.

In 2008 these same legislators expressed their concerns to the Vermont Public Service Board (PSB) which, like the West Virginia PSC, has the power to approve or deny utility deals. The Vermont PSB did not heed the warnings and approved the sale, with stipulations, and now many of the legislators' concerns have become a very troubling reality.

On October 26, 2009 FairPoint declared bankruptcy. As a result, "Vermont is left with a hobbled communications network, a scared workforce and unanswered questions as to whether or not FairPoint intends to keep their commitments on service, expanded broadband access and labor," stated Vermont Sen. Peter Shumlin.

"We hope that by sharing our story we have highlighted the risks involved in a Reverse Morris Trust sale from Verizon to a smaller telecommunications company and that your PSC does not make the same mistakes that the Vermont PSB did when they approved the transaction," concluded the letter by Vermont legislators.

CWA applauds the courage of these Vermont legislators not only for trying to prevent the catastrophe that occurred in New England with FairPoint, but for trying to warn other states against repeating the mistakes of their Public Service Board. We sincerely hope the West Virginia PSC will listen to these voices of experience.

Visit Our Website for the Latest News



[www.bad4wv.com](http://www.bad4wv.com)

If you didn't already know, the CWA has a website with in-depth coverage of the Verizon/Frontier deal. You can visit it at [www.bad4wv.com](http://www.bad4wv.com) or [www.verizonfrontierdeal.org](http://www.verizonfrontierdeal.org). The website is the place to go for the most up to date information available on the proposed deal. The website is dedicated to covering all the events surrounding the Verizon-Frontier sale in West Virginia. The website also lets you see what CWA is doing to inform the public about the deal via our radio, TV and print ads.

**We are also on Facebook!** If you use Facebook be sure to join our group: "Verizon Frontier Deal: Good for Wall St. Bad for you." There is a Facebook button on the website that will take directly to our FB group page.

## In Our Corner

We have more names to add to the list of West Virginia leaders and organizations who have taken a stand against the deal. These people have taken actions, such as writing letters or passing resolutions, in opposition to the deal. Many of the legislators are on here thanks to the hard work of CWA members at our Lobby Days.

Sen. Truman Chafin (Mingo)

Sen. Jack Yost (Brooke)

Del. Bonnie Brown (Kanawha)

Del. Samuel Cann (Harrison)

Del. Mike Caputo (Marion)

Del. Jeff Eldridge (Lincoln)

Del. Tim Ennis (Brooke)

Del. Michael Ferro (Marshall)

Del. Nancy Guthrie (Kanawha)

Del. Daniel J. Hall (Wyoming)

Del. Barbara Hatfield (Kanawha)

Del. Richard Iaquina (Harrison)

Del. Orphy Klempa (Ohio)

Del. Tiffany Lawrence (Jefferson)

Del. Pat McGeehan (Hancock)

Del. Dave Pethel (Wetzel)

Del. Stan Shaver (Preston)

Del. Doug Skaff Jr. (Kanawha)

Del. Dale Stephens (Cabell)

Del. Josh Stowers (Lincoln)

Del. Randy Swartzmiller (Hancock)

Del. David Walker (Kanawha)

Del. Danny Wells (Kanawha)

Del. Larry Williams (Preston)

Del. William R. Wooton (Raleigh)

Larry Conley, Mayor, Town of Belle

Martin Howe, City Mgr, City of Clarksburg

Monroe County Commission

Wirt County Commission

Wood County Commission

Kanawha County Democratic  
Executive Committee

West Virginia AFL-CIO

West Virginia Association for Justice

WV Int. Association of Fire Fighters

West Virginia Troopers Association

## January 12, 2010: PSC Hearing Begins

### Other States Stand with West Virginia in Opposition to Deal

#### WASHINGTON

The staff of the Washington Utilities and Transportation Commission reached the same conclusion as the WV PSC, that it's bad for the public. The Washington UTC staff recommended the state regulators reject the proposed deal. The staff issued testimony stating the consumers wouldn't get any benefits "that offset the financial harm and operational risks" of selling lines to "a company without enough financial strength to make necessary improvements to local telephone facilities and widen deployment of broadband."

The Public Counsel Section of the state Attorney General's office also submitted a recommendation to the UTC to reject the deal. Citing risks to consumers, the weakened financial state of Frontier post-sale and a resulting decline in service quality as the reasons for opposition. A decision by the Washington UTC on the deal is expected in early 2010.

#### ILLINOIS

The Illinois Attorney General and the Citizen's Utility Board both submitted testimony to state regulators arguing the deal would negatively affect nearly 600,000 consumers. Both parties believe the deal is lopsided in favor of Verizon and that Frontier will take on debt that will put pressure on the company to raise rates.

#### OHIO

Jane Migden-Ostrander, the state's Consumers' Counsel (OCC), expressed misgivings and reservations towards the proposed deal. She pointed to the lack of specific benefits for consumers as the reason the deal is not in the public interest. She added that "we are concerned Frontier will not be able to afford to maintain and improve residential's service." A date for the PUCO formal hearings is yet to be announced.

#### OREGON

"Lots of risk, with very little upside" was how Oregon's Public Utilities Commission (PUC) staff characterized the Verizon/Frontier deal. The PUC recommended the commission reject the deal in order to protect the best interest of consumers and added they had very serious concerns about the amount of debt Frontier would incur as part of the deal. A decision from Oregon PUC on the deal is expected early next year.

### Important Dates

**December 7-9**  
WV Legislature Interims

**December 7**  
News Conference  
11:30, State Capitol

**December 8**  
CWA Lobby Day at State Capitol

**January 12, 2010**  
PSC formal hearings begin 9:30 a.m.

**January 13, 2010**  
2010 WV legislative session begins