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Greed Isn't Good

But corporate greed is what's behind the Verizon/Frontier deal. We can't afford to put West Virginia's vital communication services at risk to enrich Verizon and Wall Street. That's the fact. We must educate the public about the proposed Verizon sale to Frontier

It's up to us to educate the public. And the facts are clear. When talking with our family, friends, neighbors and even elected officials, we must remind them that Wall Street and corporate greed is what is motivating Verizon/Frontier deal. West Virginia phone customers will be the losers in this deal.

Because of this corporate greed, communication services will be at risk and the likelihood of a small, debt-ridden Frontier Corp. ending up bankrupt as a result of the deal is very real. History demonstrates these "Verizon deals" end in bankruptcy court and the public pays the price.

If Frontier fails, which given the history seems all too likely, we'll be forced to pay the tab and our entire state telecommunications system will suffer and be gravely at risk. Meanwhile Verizon will be counting all their money while we struggle to pick up the pieces.

Part of our job is to educate the public about this greedy, corporate deal and demand the public's interest be put first. It's all about corporate greed vs. the public good and we can't let corporate greed win this time.

What the Verizon/Frontier Deal is All About:

- It's good for Wall Street but bad for West Virginia
- It puts West Virginia communication services at risk in order to enrich Verizon.
- Out of three companies that bought Verizon assets in similar deals: 2 are bankrupt and the other is on the verge of bankruptcy.
- Verizon structures this deal so it can take advantage of a tax-avoidance scheme created by Wall Street. The Reverse Morris Trust allows Verizon to avoid paying any taxes on the multi-billion dollar deal.

FairPoint Failed Promises Focus of Regulatory Commissions

In 2008 Verizon sold its wireline operations in New England to FairPoint Communications, in a sale similar to our current, proposed Verizon/Frontier deal, but much smaller in scope and complexity.

Now Fairpoint has failed to meet a number of commitments it made to New England regulators, including specific targets for expanding broadband access. On top of this FairPoint is expected to file for bankruptcy any day now as a result of the debt incurred from buying Verizon's assets.

As a result of all these problems, regulators from Maine, New Hampshire and Vermont held a September 9th joint session to express their frustration with FairPoint Communications. The facts of the situation spoke volumes about the ability of a small corporation trying to take on the enormous responsibilities that Verizon phone line operations entail.

Last year New England regulators required FairPoint meet certain conditions before the sale was approved. But FairPoint was unsuccessful in simultaneously paying off its added debt, smoothly transferring customers and computer systems from

Verizon, and expanding broadband as promised. FairPoint's operational problems prompted an unprecedented number of complaints to regulators in Maine, Vermont and New Hampshire.

Meanwhile Verizon walked away with billions from the deal.

The issue of broadband expansion is particularly critical in the proposed Verizon/ Frontier deal in West Virginia. Frontier has failed to make any specific commitments, set any timeline or offer a plan for its broadband buildout, which should be a warning sign given the track record of other Verizon sales.

"Verizon sold its Hawaii operations to Hawaiian Telcom in 2005 and it filed for bankruptcy," CWA International Representative Elaine Harris. "The customers, service and employees have suffered as a result. We see the same thing happening in New England and fear it also will occur in West Virginia if the sale to Frontier is approved."

Our regulators shouldn't approve this risky sale. Instead, our legislators, regulators and the Governor should require Verizon to meet its responsibilities, not abandon the state's communications future to a small, debt ridden, corporation.

January 12, 2010: PSC Hearing Begins

Verizon CEO Hangs Up on Rural America

The highest paid CEO in the entire telecommunications industry, Verizon CEO Ivan Seidenberg, told investors that his company is shifting its focus from the traditional landline phone service to a more modern approach that will also be much cheaper.

Verizon intends to realize significant cost savings by selling landlines in rural areas. Some would argue that Ivan could start his corporate cost cutting with his own \$24 million dollar a year salary, rather than attempting to abandon rural America.

While Verizon plans to spend billions of dollars to wire more lucrative, urban territories with modern fiber optics, known as FiOS, rural areas will be abandoned. Seidenberg portrays the firm's new strategy as one that will forfeit rural areas in order to pursue larger profits in more advanced technology services like fiber optic video in urban population centers. Traditional landlines will no longer be the primary reason for service, but only as an "add-on," according to the Seidenberg.

Seidenberg sees video and cell phones as the future of the company, noting that as the company changes it will resemble Google and be able to eliminate "central offices, call centers, and local offices" — along with all the jobs they represent. He says that the new decentralized structure of the company is merely the beginning of the shift from copper wires to FiOS and that it will take a year or two for all the financial implications to become apparent.

Attend a County Commission Meeting

County commission meetings offer a unique opportunity for input from the public on topics concerning the community. They also allow the commissioners to then act on issues for the public good.

That's why CWA members across the state are requesting slots on the agendas of county commission to ask the commissioners to adopt a resolution opposing the proposed Verizon/Frontier deal. It's important for as many members as possible to show up for these meetings. Your team coordinators will be notified when we've been placed on the meeting agenda. Team coordinators will then contact members who have volunteered to attend the meetings to let them know the date, time and other relevant information.

Upcoming Events

Here are some important dates for events and activities leading up to January's Public Service Commission hearings on the Verizon/Frontier deal.

October 14th – CWA Lobby Day at the State Capitol. Join CWA during October's legislative interim session to speak to your legislators about the Verizon/Frontier deal and other issues of concern to West Virginia's working men and women.

October 17th – Bridge Day at New River Gorge in Fayetteville. CWA will have a booth at the Bridge Day festivities to inform the public about the proposed sale.

November 12th – Verizon's Quality of Service Hearings at the Public Service Commission. A public hearing will be held due to the quality of service complaints filed against understaffed Verizon.

January 12, 2010 – West Virginia Public Service Commission holds Evidentiary Hearing on the Verizon/Frontier deal.



“What's At Stake” Pledge Cards Available for Members to Distribute

CWA has printed pledge cards that present facts about the Verizon/Frontier deal and offer ideas and ways to participate in the campaign to stop the sale of Verizon operations in West Virginia. These pledge cards are available to all CWA members and we encourage you to distribute as many as possible to friends, family and the people in your community.

If you would like to have pledge cards mailed to you, call the CWA offices at (304) 342-2023 or email sadkins@cwa-union.org.

Please be sure to tell us how many cards you need and include your name and correct mailing address.

