BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Joint Application of Verizon Communications Inc. and Frontier Communications Corporation For An Order Declining to Assert Jurisdiction Over, or, in the Alternative, Approving the Indirect Transfer of Control of Verizon Northwest Inc.

Docket No. UT-090842

PUBLIC COUNSEL'S SUPPLEMENTAL RESPONSE TO JOINT APPLICANTS DATA REQUEST NO. 66

Request No: 66
Directed to: Public Counsel
Date received: November 4, 2009
Prepared by: Sarah Shifley
Date prepared: November 12, 2009

Joint Applicants Data Request No. 66

Please identify any transactions that Mr. Hill has reviewed in the telecommunications industry with similar risk factors. Are the risk factors discussed in Frontier's S4 common in transactions in the telecommunications industry?

RESPONSE:

As confirmed during the November 5, 2009 telephone conversation between Verizon attorney, Gregory Romano, and Public Counsel attorney, Sarah Shifley, Mr. Hill is currently unavailable due to a medical emergency. Public Counsel cannot respond to this data request without consulting with Mr. Hill. Thus, Public Counsel is not providing a response and/or stating an objection to this data request at this time and cannot anticipate when it will be able to do so.

SUPPLEMENTAL RESPONSE (11/24/09):
Prepared by: Stephen G. Hill

Mr. Hill has not reviewed published risk factors in other telecommunications transactions and, thus, cannot make a comparison. It is reasonable to believe, however, that many of the risk factors faced by Frontier (and listed in its S-4) exist with other companies (e.g., line loss, competition). However, it is also reasonable to believe that many of those risk factors are specific to this transaction, in which a company with a junk bond rating is attempting to triple its size, assume a national footprint, and co-ordinate billing, maintenance and administrative operations of a specific portions of a much larger company that have never operated on a stand-alone basis.