

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

Case No. 09-0871-T-PC

Citizens Telecommunications Company  
of West Virginia, dba Frontier Communications  
of West Virginia and Verizon West Virginia Inc.  
Joint Petition for consent and approval of  
the transfer of Verizon's local exchange  
and long distance business in West  
Virginia to companies to be owned and  
controlled by Frontier Communications

---

**Direct Testimony of John Pusloskie  
on Behalf of the Communications Workers of America, AFL-CIO**

---

November 16, 2009

**Q.** Please state your name?

**A.** John Pusloskie.

**Q.** What is your title?

**A.** President, Communications Workers of America, Local 1170.

**Q.** What is your business address?

**A.** My office is located at 1451 Lake Avenue, Rochester, NY 14615.

**Q.** Who does your Local represent?

**A.** CWA Local 1170 represents outside plant employees and support staff for the Frontier Rochester Telephone operating territory.

**Q.** What is your background?

**A.** I have been President of CWA Local 1170 since January 1, 2009. Prior to that, I was the Vice-president of Local 1170 for 9 years. I have been an employee of Frontier for approximately 20 years as a sales and service technician. In 1999 Frontier was purchased by Global Crossing, but they experienced financial problems and sold the ILEC to Citizens on July 1, 2001. I have been employed by the company throughout.

**Q.** What can you tell us about the effect on your membership of the transition from Global Crossing to Citizens/Frontier in 2001?

**A.** Following the sale of Global Crossing to Citizens/Frontier in July of 2001 the transition was marked by constant downsizing in the form of layoffs and voluntary

severances. For example, beginning in December of 2001 the company did away with senior management personnel such as Marty Mucci and shortly after his leadership team, then, in 2002 the first union layoffs occurred. In 2002 the company declared three different layoffs in April, June, and November. Twenty-seven (27) , forty-two (42) , and seventy-two (72) employees were affected respectively by the layoffs, losing employees in almost every job classification, most of these being frontline service affecting jobs.

At the time of the purchase of Global Crossing by Frontier in July of 2001 our local had 843 members, now we have 456 members. When Citizens took over we had 81 cable splicers and 29 lineman, through layoffs and retirements we're down to 34 cable splicers and 19 linemen, a reduction of over 50% of the construction work force. The number of our service technicians has been reduced from 305 at the time of purchase to 195. Every other job classification has seen a reduction in employees as well.

Following the layoffs in 2002, the company began transferring bargaining unit work to other places within the corporation. In about 2003 the monitoring of remote switches was moved from Rochester to Johnston, New York, and in approximately 2003 or 2004 residential repair service calls were transferred to Sherburne, New York. In 2004 repair service clerks were laid off. In 2006 the company offered a retirement incentive and thirty-five (35) employees agreed to it and were off the payroll as of the end of February 2006.

In 2007 a new collective bargaining agreement was negotiated and provisions for a voluntary severance program were negotiated. The company, in June of 2007, declared a force reduction of fifty-four (54) bargaining unit employees. Forty-nine (49) accepted the offer and were off the payroll by the end of July. In January of 2008 the company

declared a force reduction of thirty-eight (38) more positions. These employees had to be off the payroll in February and March of 2008. In November of 2008 the company declared a force reduction of fifteen (15) more bargaining unit employees.

There were also other losses: In August or September, 2007 the company moved repair service calls from Rochester to DeLand, Florida for Rochester based customers.

**Q. What, if any, was the result of this move of repair service to Florida?**

A. This created service issues such as incorrect orders being placed and poor customer service because the repair service technicians in Rochester were very experienced, tenured employees who knew how to handle whatever issues they were presented with. They were then replaced with \$9 an hour employees in Florida with little experience and there has been a lot of turnover.

**Q. Did the number of access lines remain constant from July of 2001 to the present?**

A. No. In 2001 the company had about 600,000 access lines and now they only have about 300,000.

**Q. Do you have any idea why the number of access lines declined?**

A. In my opinion, customers left, in part, due to competition from Time Warner and Frontier was not competitive enough. Also, Frontier scaled back its capital investment. A lot of the jobs lost in 2002 were in construction.

**Q. Are you familiar with the cutover of the billing system in September of 2008?**

A. Yes, this was a critical issue. In September of 2008, when Frontier cutover the billing system into the new DPI billing platform, the result was thousands of repair tickets and service order processing problems.

**Q. Could you elaborate on the problems that were experienced as a result of this cutover?**

A. The problems included programming issues associated with porting and address problems – not knowing where the customers were. There were also general information problems on tickets and orders such as incorrect services being ordered, which comes as a result of inexperience of the Florida employees and the fact that the DPI system that the company converted to was not well-suited to an urban market like Rochester. But, the company wanted to use one platform for the whole system instead of tailoring it to urban or rural areas. They had converted Commonwealth of Pennsylvania before Rochester and they used that system there.

There have been hundreds, if not thousands of issues with billing since integrating the systems in 2008. For example, the bulk of the problems are probably that customers were billed for services that they didn't have. Also, there were major problems for employees in getting their employee discounts.

**Q. Were there any service quality issues as a result of this?**

A. When they integrated the system in 2008, and just prior to integration, service quality really took a hit. Commitments to customers declined dramatically from 2007. Evidence of this was proved out in our 2008 bonus metrics. The overtime hours for 2008

for the months of September, October, November, and December of 2008 were 41,701 hours which was an increase of 14,823 hours for the same period for the prior year. A 55% increase. Most of this was attributable to the cutover in my opinion. Out of service over 24 hours also increased from 2007 as well as missed commitments for repairs.

**Q. Given your experience in Rochester, would you have any concerns with the Frontier purchase of Verizon's landlines in West Virginia?**

A. My main concern for West Virginia would be the potential loss of frontline employees to do the jobs that are necessary. As I said earlier, our local has experienced a significant loss of members, but it wasn't just our people. The cuts were across-the-board. The business office, whose employees are represented by UNITE, has also experienced the same reductions. The cuts were across-the-board.

I'm also aware that Frontier bought a small independent family-owned telephone company called Ogden Telephone in New York. At the time of the buy-out Ogden had fifty-five (55) employees and now they have only eight (8). That transaction took place approximately in the late 1990's.

As I understand it, Commonwealth Telephone of Pennsylvania, under the recent 2007 collective bargaining agreement between CWA and Frontier, began contracting-out linemen, got rid of the garage mechanics and is transferring cable splicers to service technician positions. Their pensions have also been frozen.

I believe that one problem overall is that in 2004 Frontier declared a special dividend of \$2 billion to shareholders. Since that time they've been saddled with a \$1 per share dividend which is a very high yield. They've continued to cut employee numbers

**OF WEST VIRGINIA  
CHARLESTON**

Case No. 09-0871-T-PC  
Citizens Telecommunications Company  
of West Virginia, dba Frontier Communications  
of West Virginia and Verizon West Virginia Inc.

**CERTIFICATE OF SERVICE**

The undersigned counsel for the Communications Workers of America, AFL-CIO, certifies that service of the foregoing **Direct Testimony of John Pusloskie on Behalf of the Communications Workers of America, AFL-CIO** has been made by depositing a true and exact copy thereof in the U.S. Mail, postage pre-paid on the 16<sup>th</sup> day of November, 2009 to the following:

Joseph J. Starsick, Jr., Esq.  
Goodwin & Goodwin, LLP  
P.O. Box 2107  
Charleston, WV 25328-2107

Patrick W. Pearlman, Esq.  
Deputy Consumer Advocate  
Consumer Advocate Division  
700 Union Building  
723 Kanawha Blvd., East  
Charleston, WV 25301

Lisa Wansley, Esq.  
Public Service Commission  
P.O. Box 812  
Charleston, WV 25323

James V. Kelsh, Esq.  
Law Office of James V. Kelsh  
300 Summers Street, Suite 1230  
P.O. box 3713  
Charleston, WV 25337-3713

Steven Hamula, Esq.  
Director of Regulatory Affairs  
Fibernet  
1200 Greenbrier Street  
Charleston, WV 25314

Jeffrey A. Ray, General Counsel  
Citynet  
113 Platinum Drive, Suite B  
Bridgeport, WV 26330

Richard L. Gottlieb, Esq.  
Amanda M. Ream, Esq.  
Lewis, Glasser, Casey & Rollins, PLLC  
BB&T Square, Suite 700  
300 Summers Street  
Charleston, WV 25301

Kevin Saville, Associate General  
Counsel  
Frontier Communications Corporation  
2378 Wilshire Blvd.  
Mound, MN 55364

Lydia Pulley  
General Counsel – VA, WV, NC & SC  
Verizon Corporate Services Corporation  
703 – 713 E. Grace St.  
Richmond, VA 23219

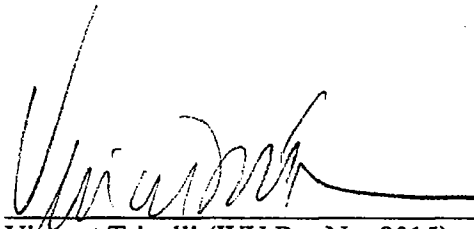
Stephen S. Melnikoff, General Attorney  
Regulatory Law Office (JALS-RL)  
U.S. Army Litigation Center  
901 N. Stuart Street, Suite 700  
Arlington, VA 22203-1837

Scott J. Rubin, Esq.  
333 Oak Lane  
Bloomsburg, PA 17815

Robert R. Rodecker, Esq.  
P.O. Box 3713  
Charleston, WV 25337

Stephen G. Hill  
Hill Associates  
P.O. Box 587  
Hurricane WV 25526

Trevor R. Roycroft  
Roycroft Consulting  
51 Sea Meadow Lane  
Brewster, MA 02631



Vincent Trivelli (WV Bar No. 8015)  
The Law Office of Vincent Trivelli, PLLC  
178 Chancery Row  
Morgantown, WV 26505  
Phone: (304) 291-5223  
Fax: (304) 291-2240