Frontier Exhibit 8.0 (Public)

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Frontier Communications Corporation, Verizon Communications Inc., Verizon North Inc., Verizon South Inc., New Communications of the Carolinas Inc. Joint Application for the approval of a Reorganization pursuant to Section 7-204 of the Public Utilities Act the Issuance of Certificates of Exchange Service Authority Pursuant to Sections 13-405 to New Communications of the Carolinas, Inc.; the Discontinuance of Service for Verizon South Inc. pursuant to Section 13-406; the Issuance of an Order Approving Designation of New Communications of the Carolinas Inc. as an Eligible Telecommunications Carrier Covering the Service Area Consisting of the Exchanges to be Acquired from Verizon South Inc. Upon the Closing of the Proposed Transaction and the Granting of All Other Necessary and Appropriate Relief.	)	Docket No. 09-0268

PREPARED SURREBUTTAL TESTIMONY OF

DANIEL MCCARTHY

EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

ON BEHALF OF

FRONTIER COMMUNICATIONS CORPORATION

PUBLIC VERSION

December 24, 2009

operations of the New Frontier ILECs for the ensuing year. Therefore, on December 1 of each year, Frontier Communications Corporation shall file a notice with the Commission certifying that such amount is currently available and the amount of dollar commitment for the New Frontier ILECs' Illinois operations for the following year, based on their capital expenditures budget for the following year, but in no event less than $50 million.

Q. Please describe the modification proposed by Mr. McClerren?

A. Condition 1 establishes seven service performance benchmarks keyed to Verizon's current performance averages, several of which are stricter than the Commission's existing service quality performance standards. Generally speaking, Staff recommended that, if Frontier failed to meet four or more of those benchmarks in a given year, the two VSTO Illinois operating companies would be restricted from paying dividends or otherwise transferring cash balances to the corporate parent, Frontier, for the following year. In my Rebuttal Testimony I suggested, should those operating companies miss a majority of those benchmarks, that Frontier be given the opportunity to demonstrate the necessary service improvement as soon as the next calendar quarter and, if at that time the operating companies could meet a majority of the benchmarks for the trailing twelve months, the restriction would be lifted. Mr. McClerren contends that it would be very unlikely that Frontier could demonstrate a service performance turnaround within the space of a calendar quarter, but that Staff would be willing to review Frontier's compliance and, if appropriate, lift the restriction as soon as six months following imposition of the restriction. Ms. Phipps adds[20] that any such filing should include a free cash flow calculation for the same trailing twelve months as the identified compliance period. Accordingly, I propose the following specific language to the end of subsection (a) to cover Staff's proposals in this regard.

[20] Phipps Rebuttal, pp. 3-4.

> In the event of failure, Frontier Illinois dividend payments or otherwise transferring cash to its parent would not be allowed until the next satisfactory ~~annual~~ report or the end of this condition. Frontier may file an interim service quality report showing updated data for the trailing twelve-month period as soon as six months after an annual report. If Frontier meets a majority of the service quality standards for this trailing twelve-month period, the dividend payment and cash transfer restrictions above will be lifted. Any such interim service quality report shall include a free cash flow calculation for the twelve months ending the same date as the final month of data reflected in the interim service quality report. Additionally Frontier Illinois will provide specific plans to restore service quality levels to previous levels, and identify the incremental monies that will be invested in Illinois as a result of dividend payments and cash transfers being withheld from the parent.

As part of an approval of the proposed transaction, Frontier would be willing to accept this modified condition language.

Q. Can you describe the other modifications proposed by Ms. Phipps?

A. As initially described by Ms. Phipps, Condition 1 would continue until Frontier, the corporate parent, obtained an investment-grade issuer credit rating from the three primary credit rating agencies (Standard & Poor's, Moody's Investors Service and Fitch Ratings). In my Rebuttal Testimony,[21] I requested that the condition end either upon Frontier obtaining those credit ratings or after three years from the date of closing, whichever first occurred. In her rebuttal testimony, Ms. Phipps indicates that she is not inclined to recommend that the condition terminate before Frontier obtains investment-grade credit ratings. Nevertheless, Ms. Phipps proposed an alternative. Pointing out that Frontier has not yet obtained the financing it will need to close the transaction[22] and that the interest rate attached to that financing will impact Frontier's ability to obtain an investment-grade rating, Ms. Phipps suggests[23] that the Commission might put a three-year end date on

[21] McCarthy Rebuttal, p. 35.

[22] I described the reasons that Frontier has not yet obtained that financing in my Rebuttal Testimony, pp. 28-30.

[23] Phipps Rebuttal, pp. 5-6.