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August 6, 2009

David S. Danner  
Secretary and Executive Director  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504-7250  
By Overnight Delivery (FedEx)

Re: Verizon Communications Inc. and Frontier  
Communications Corp. for an Order Declining to  
Assert Jurisdiction Over, or, in the Alternative,  
Approving the Indirect Transfer of Control of  
Verizon Northwest Inc., Docket UT-090842

Dear Mr. Danner:

Enclosed for filing please find the original and twelve (12) copies each of the Petition for Interlocutory Review of International Brotherhood of Electrical Workers, Local 89, in the above-referenced proceeding.

Electronic copies of the documents were filed with the WUTC Records Department on this date.

Sincerely,



Scott J. Rubin

Enclosure

cc: per Certificate of Service (electronic mail and first class mail)  
Patricia Clark, ALJ (electronic mail and first class mail)

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of	)	DOCKET UT-090842
	)	
VERIZON COMMUNICATIONS	)	
INC. AND FRONTIER	)	
COMMUNICATIONS	)	PETITION FOR INTERLOCUTORY
CORPORATION	)	REVIEW OF INTERNATIONAL
	)	BROTHERHOOD OF ELECTRICAL
For An Order Declining to Assert	)	WORKERS, LOCAL 89
Jurisdiction Over, or, in the Alternative,	)	
Approving the Indirect Transfer of	)	
Control of Verizon Northwest Inc.	)	
	)	
.....	)	

Pursuant to WAC 408-07-810 and WAC 480-07-355(5), the International Brotherhood of Electrical Workers, Local 89 (“IBEW”), hereby Petitions the Commission to review and reverse Prehearing Conference Order 02 as it relates to the denial of IBEW’s Petition to Intervene. In support of this Petition, IBEW states as follows:

- 1 This proceeding concerns the proposed transfer by Verizon Northwest Inc. (“Verizon”) of its landline business in the State of Washington to Frontier Communications Corp. (“Frontier”).
- 2 IBEW represents approximately 1,300 Verizon employees in the State of Washington.
- 3 On July 28, 2009, Administrative Law Judge Patricia Clark (“ the ALJ”) issued Prehearing Conference Order 02 (“Order 02”). In paragraphs 12 through 14 of Order 02, the ALJ denies IBEW’s petition to intervene in this proceeding.

4 The ALJ found that IBEW’s interest is in “protecting its members as employees of Verizon,” which interest is “beyond the scope of this proceeding.” Order 02, ¶ 12.

5 IBEW readily acknowledges that its interest is to protect its members who are employees of Verizon. IBEW disagrees, however, that this interest is outside the scope of this proceeding. In fact, the Commission has a responsibility to ensure that the proposed transaction is in the public interest. The public interest includes the effect of the proposed transaction on the utility’s employees who must work for the new employer, answer customers’ telephone calls, install new service, respond to outages, maintain facilities, and do all that is required to provide customers with safe and reliable service in a cost-effective manner.

6 Recognizing that utility employees are an integral part of the public interest, this Commission has permitted labor unions to intervene in utility merger proceedings and other types of proceedings before this Commission. For example, in the Puget Sound merger proceeding the active intervenors included IBEW Local 77; the United Association of Plumbers and Pipefitters, Locals 32, 82, and 265; and Teamsters Local 117.<sup>1</sup> Similarly in the Pacificorp and Scottish Power case, the following labor organizations were active intervenors: Washington State Labor Council, AFL-CIO, International Union of Operating Engineers, Local 612, and IBEW Local 125.<sup>2</sup>

7 IBEW recognizes, as did the ALJ, that the Commission recently ruled in the Embarq-CenturyTel merger proceeding that IBEW should not have been permitted to intervene in that case.<sup>3</sup> IBEW respectfully submits that, regardless of the facts that may have existed

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<sup>1</sup> Docket No. UE-951270, 1997 Wash. UTC LEXIS 6; 176 PUR4th 239 (Feb. 5, 1997)

<sup>2</sup> Docket No. UE-981627, 1999 Wash. UTC LEXIS 124, 192 PUR4th 143 (Mar. 16, 1999).

<sup>3</sup> *Embarq Corp. and CenturyTel Inc.*, Docket No. UT-082119, Order 05 (May 28, 2009).

in that proceeding (and IBEW respectfully disagrees with the Commission's characterization of IBEW's conduct in that case), that does not provide a valid reason for denying a utility's employees the right to participate in a proceeding that will have a serious, direct, and potentially adverse impact on their rights, and on the safety and reliability of service they are employed to provide.

8 As IBEW explained in its earlier pleadings, IBEW will limit its participation in this case to issues that are squarely within the Commission's jurisdiction. IBEW will not raise labor relations matters. Specifically, IBEW is very concerned about the impact of the proposed transaction on the financial fitness and viability of its prospective new employer (Frontier), Frontier's ability to safely and reliably operate Verizon's Washington network and customer service operations, and Frontier's commitment to providing high-quality service to customers (including broadband service that meets customers' needs and expectations). IBEW represents more than 1,000 employees of Verizon in Washington with first-hand knowledge of the utility's operations.

9 These issues are directly related to the impact of the proposed transaction on the efficiency and reliability of service, which the Commission has recognized is part of its mandate to consider the impact of the proposed transaction on "the broader public."

10 In its recent *Embarq* decision, the Commission noted that the following issues (among others) were considered to be part of its public interest determination:

- Financial fitness of the merged company.
- Service guarantees.
- Merger synergies and future treatment of synergy benefits.
- Broadband service improvement.

- 11 These are precisely the types of issues IBEW is proposing to address and to which it brings special expertise. In addition to its knowledge of operations “on the ground” in Washington, IBEW also will bring substantial expertise through its witnesses who are expected to analyze the financial and operational aspects of the proposed transaction. Through those witnesses, as well as IBEW’s relationship with its affiliates in other states where Verizon has engaged in similar types of transactions, IBEW will provide the Commission with information and a perspective that might not be available otherwise.
- 12 Further, since IBEW filed its earlier pleadings, it has become apparent that other parties in this case recognize that the proposed transaction could have a serious impact on Verizon’s employees which, in turn, could adversely affect the safety and quality of service provided to the public. For example, Frontier’s pre-filed direct testimony addresses “the integration of Verizon company employees into Frontier” and attempts to assure the Commission that employee impacts will not affect the provision of “quality service.” Pre-filed Direct Testimony of Daniel McCarthy dated July 6, 2009, pp. 33-34.
- 13 Similarly, the Public Counsel has filed several discovery requests addressing matters such as the status of Verizon employees in Washington under the Employee Matters Agreement (PC-39), Frontier’s plans to reduce the number of Verizon employees (PC-43 and PC-44), trends in the number of employees (PC-45), and methods the applicants will use to retain Verizon employees prior to and after closing (PC-173 and PC-174).
- 14 Thus, the parties recognize the importance of retaining a high-quality work force. It is not reasonable, therefore, to exclude that very work force from active participation in this case. Frontier and Verizon have made, and likely will continue to make, representations about the work force. It is not reasonable to prohibit the work force’s representatives

from exploring and challenging those representations and exploring other matters within the Commission's jurisdiction that may affect Verizon's employees.

15 Other utility commissions have recognized the importance of the participation of a utility's employees in merger-related proceedings. Moreover, they have specifically rejected other attempts by Verizon and Frontier to limit the participation of the utilities' labor unions in such proceedings. For example, in a merger proceeding involving Frontier's acquisition of Commonwealth Telephone Co., Frontier (then known as Citizens Communications) argued that the Communications Workers of America ("CWA") did not have standing to participate in the case. An administrative law judge for the Pennsylvania Public Utility Commission rejected that contention and held as follows:

It is clear that the union, representing a collective bargaining unit comprised of 22,500 members in Pennsylvania, including approximately 425 members employed by Commonwealth Telephone Company, has a substantial, direct and immediate interest in the outcome of this case. The very livelihood of the 425 members rests on the management decisions made by Commonwealth, and the myriad of decisions made by that management (relating to maintenance practices operational procedures, call center staffing and location, etc.) are vital to the members. While, as Joint Applicants point out, CWA is not vested with the rights of the consumer advocate, the issues which are important to the OCA [Office of Consumer Advocate] are the issues which are interrelated with the work and responsibilities of the CWA members. Customer service, safety and reliability, network deployment and the financial health of the two Joint Applicants affect not only the customers of the Joint Applicants but the employees who provide the services.<sup>4</sup>

16 Similarly, a hearing examiner for the Maine Public Utilities Commission has ruled that utility labor unions should have full rights to intervene in a telecommunications merger

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<sup>4</sup> *Commonwealth Telephone Co. and Citizens Communications Co.*, Order Disposing of Preliminary Objections, Docket No. A-310800F0010 (Dec. 14, 2006), pp. 6-7 (emphasis added), a copy of which was appended to IBEW's July 2 filing in this matter.

proceeding that involved the other applicant here, Verizon. In that order, the hearing examiner ruled:

Labor's members will be directly and substantially impacted by the Commission's decisions in this proceeding. In addition to discussing possible impacts on its members' employment status, Labor identified issues such as FairPoint's service quality problems in Maine, FairPoint's financial condition and the impact it will have on FairPoint's ability to manage operations in Maine, to maintain existing plant, and deploy advanced services. ... Finally, as pointed out by Labor, section 708 is not the only statutory provision at issue in this proceeding; the broader public interest must be considered under section 1104. Clearly, Labor's Maine members are members of the public entitled to voice their opinion concerning the proposed transaction.

\* \* \*

Specifically, I find that Labor's participation in this proceeding will help ensure that the Commission has access to first-hand knowledge concerning Verizon's operations in Maine as well as the benefit of Labor's perspective on the complex financial, technical, operational, and managerial issues that will need to be addressed in this proceeding.<sup>5</sup>

17 Just last year, the New Hampshire Public Service Commission found that the participation of a utility's labor union in a telecommunications merger proceeding involving Verizon was invaluable. That commission stated:

Among the key participants in this protracted proceeding have been the two labor unions that represent Verizon's highly experienced workforce in the three states. Their skepticism, and the evidence they produced, raised important questions about the economics of the transaction. Although they did not endorse the settlement agreement, in our judgment the Labor Intervenors' participation was key to the improved outcome.<sup>6</sup>

18 Recently, utility commissions in Illinois, Oregon, and West Virginia have permitted utility labor unions to intervene in on-going proceedings to review this same proposed

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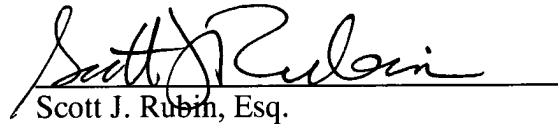
<sup>5</sup> *Verizon New England Inc.*, Procedural Order, Docket No. 2007-67 (Mar. 14, 2007), pp. 7 and 8 (emphasis added), a copy of which was appended to IBEW's July 2 filing in this matter.

<sup>6</sup> *Verizon New England, Inc.*, 2008 N.H. PUC LEXIS 8, \*148-49, 264 PUR4th 185 (Feb. 25, 2008).

transaction between Verizon and Frontier.<sup>7</sup> Those labor unions are actively participating in those proceedings and there have been no allegations that the unions are engaging in any inappropriate conduct.

19 In summary, while IBEW's interest in this proceeding stems from its representation of certain Verizon employees, that does not mean that IBEW will raise labor relations issues in this case. IBEW recognizes that the Commission's jurisdiction is limited and IBEW will not seek to have the Commission address issues that are outside of that jurisdiction.

WHEREFORE, for the reasons set forth above, IBEW respectfully petitions the Commission to review and reverse paragraphs 12 through 14 of Order 02 in this proceeding, and permit IBEW to intervene as a party to this proceeding.



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Counsel for IBEW

Dated: August 6, 2009

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<sup>7</sup> See *Frontier Communications Corp.*, Docket No. 09-0268 (Ill. CC, July 21, 2009), Notice of ALJ's Ruling < <http://www.icc.illinois.gov/downloads/public/edocket/246213.pdf> >; *Verizon Communications, Inc., and Frontier Communications Corp.*, UM 1431 (OR PUC July 2, 2009), Ruling < <http://apps.puc.state.or.us/edockets/edocs.asp?FileType=HDA&FileName=um1431hda141428.pdf> >; *Frontier Communications Corp.*, Case No. 09-0871-T-PC (WV PSC, July 23, 2009), Commission Order adopting procedural schedule < <http://www.psc.state.wv.us/scripts/WebDocket/ViewDocument.cfm?CaseActivityID=273755&NotType=%27WebDocket%27> >



CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding by U.S. mail, postage prepaid, and electronic mail.

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Dated: August 6, 2009