

ORAL DEPOSITION OF TIMOTHY MCCALLION

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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE JOINT)
APPLICATION OF FRONTIER)
COMMUNICATIONS CORPORATION,)
NEW COMMUNICATIONS HOLDINGS) CASE NO. 09-454-TP-ACO
INC. AND VERIZON)
COMMUNICATIONS INC. FOR)
CONSENT AND APPROVAL OF A)
CHANGE IN CONTROL.)

ORAL DEPOSITION OF
MR. TIMOTHY McCALLION
SEPTEMBER 30, 2009

ORAL DEPOSITION OF MR. TIMOTHY McCALLION, produced as a witness at the instance of the Office of the Ohio Consumers' Counsel, and duly sworn, was taken in the above-styled and numbered cause on the 30th day of September, 2009, from 9:11 a.m. to 11:50 a.m., via telephone, before Karen A. Wilson, CSR in and for the State of Texas, reported by machine shorthand, at Verizon, 600 Hidden ridge, P.O. Box 152092, Irving, Texas 75015-2092, pursuant to the Federal Rules of Civil Procedure.

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1 to the existing systems, and that seems to indicate some
2 parts of Frontier system will be different from the
3 system currently used by Verizon North; is that right?

4 A. It indicates that there's a possibility that
5 there could be a difference, and I wanted to be perfectly
6 clear in my testimony. So as called for in the Merger
7 Agreement and in particular in the Merger Agreement at
8 7.24, we will be -- we will be replicating, creating
9 separate instances of the same systems that are in place
10 today.

11 If we come across -- if we come across a
12 circumstance where that is not practical, such as
13 inability of hardware to run a system just because it's
14 been in place for many, many years, we will create a new
15 program, if necessary, but one that is no less favorable
16 than the current system that is in place today and then
17 Frontier would use that system as would Verizon.

18 To date we haven't identified any such -- any
19 such systems that could not be replicated.

20 Q. Okay. Has Verizon ever attempted to replicate
21 these legacy GTE systems before?

22 A. We've replicated them for some instances, for
23 example, for creating a test environment. I know once in
24 one of my jobs many years ago I did some IT work and we
25 would replicate a system so that we could use it for a

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1 test -- test environment.

2 There's also replication that's done for
3 emergency backup support, you know, disaster type of
4 relief.

5 We haven't done it for a transaction such as
6 this, but there are things in the normal course of
7 business that would cause you to replicate -- replicate
8 programs.

9 Q. Those have been very limited, though; is that
10 right? Limited in scope rather.

11 A. Well, the ones that I'm aware of are as I
12 described for testing purposes and for disaster relief.
13 And I would hate to characterize what we do for disaster
14 relief purposes as limited. We feel we have a pretty
15 comprehensive, -- you know, pretty comprehensive backup
16 program for that purpose.

17 Q. When was the last time that the backup -- the
18 emergency backup or disaster relief backup program was
19 replicated?

20 A. I'm not aware of that specific time frame.

21 Q. Okay. So you don't know how long that might
22 have taken?

23 A. No, I don't.

24 Q. How long do you expect or does Verizon expect
25 the current replication to take, the one being planned

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1 issue that arose that I was aware.

2 Q. And will you have the same kind of process for
3 billing information? Will that be automatically -- how
4 will that be handled, the billing information for
5 customers? Will that be handled in a similar manner as
6 the CPNI?

7 A. Yes. Yes, the data files will be input into
8 the replicated systems and then the information for the
9 states that remain with Verizon will be deleted out of
10 the files.

11 Q. And will that be the same thing for customer
12 account information regarding the selection of Verizon
13 services and the various packages that the customers have
14 with Verizon?

15 A. Yes.

16 Q. Now, on page three of your direct testimony you
17 state that the systems will be operated by Verizon
18 personnel who move over to Frontier with the transaction.
19 Does that mean exactly the same people in exactly the
20 same jobs?

21 A. If you could just refer me to the line so I
22 answer correctly.

23 Q. Okay. I didn't write it down for some reason.
24 Oh, it's at lines one and two actually.

25 A. Oh, thank you. I was looking down in the area

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1 of the long distance where we were before.

2 Q. Yeah.

3 A. Okay. It won't be exactly the same people. It
4 will be personnel who are located in the data center,
5 which is in Fort Wayne, Indiana. Those people are
6 operating former GTE systems today. They'll continue to
7 operate them, but not all of the systems today are in
8 Fort Wayne, Indiana, so we actually have to create all of
9 those systems in the Fort Wayne data center. So to the
10 extent that someone might be operating a different system
11 today, then they become the computer operator for the
12 replicated systems from an operations standpoint.

13 But I'm sure you're aware there is a
14 maintenance agreement that Frontier has entered into on a
15 commercial basis with Verizon and Verizon personnel will
16 be maintaining those systems on Frontier's behalf for a
17 minimum of one year and possibly five years or more. So
18 on the -- on the portion of the maintenance, it will, in
19 fact, be Verizon personnel who will be maintaining them
20 both for Verizon and for Frontier.

21 Q. Now, you know, we obviously are concerned with,
22 you know, the level of employment that Frontier will
23 continue to maintain here. And on page 16, and I've got
24 the line numbers here, 11 through 13 of your direct
25 testimony, you state that Verizon employees in the State