

NEWS RELEASE

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VERIZON DEAL BAD FOR CONSUMERS, WORKERS

Unions Vow to Fight Plan to Sell 1.6 Million Local Access Lines in Vermont, Maine, New Hampshire

WASHINGTON – The unions representing Verizon workers said they will strongly oppose the company’s plans to sell 1.6 million local access lines in Vermont, Maine and New Hampshire to a small North Carolina telecom company, FairPoint, charging that Verizon is trying to engineer a “shell game” that would enrich its coffers while limiting broadband service to rural areas.

“This proposal is an insult to New Englanders because it means they will be served by a much smaller company that has fewer resources to expand Internet access,” said Edwin D. Hill, president of the International Brotherhood of Electrical Workers. “Instead, FairPoint is saddled with billions of dollars in debt and a very small margin for innovation.”

If the deal is approved by regulators in the three states, it means that FairPoint, based in Charlotte, N.C., would go from 250,000 access lines in 18 states to nearly two million lines. At the same time, FairPoint would assume \$1.7 billion in Verizon debt while transferring more than a billion dollars in FairPoint stock to Verizon stockholders. Verizon would maintain control of the company with 60 percent of the stock and six of nine of the directors, plus gain tax-free status for the “merger.”

The IBEW represents 2,700 Verizon technicians, clerks, operators and service representatives in the three-state area. Working with the Communications Workers of America, which represents 350 workers in the area, the IBEW not only will fight the sale before regulatory bodies, but also will seek state legislation to stop the deal.

“We will do whatever it takes to protect the jobs of our members and to protect the best interest of the communities in Vermont, Maine and New Hampshire,” Hill said. “Our members work hard to make sure the folks in Vermont, Maine and New Hampshire have good telephone service. We don’t want to see that service undermined by a company like Verizon that’s all too eager to shed itself of the landline business.”

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This is not the first indication that Verizon was preparing to dump its landline business. The company has been transferring many business accounts to its Verizon Business division, outside the regular Verizon service and maintenance areas. Verizon also has been investing extensively in its wireless service while ignoring its landline customers.

Although FairPoint has promised to expand broadband service in the three-state area, the company only offers DSL for high-speed Internet access and has only five video systems throughout its 28-state service area. Meanwhile, Verizon is developing Voice Over Internet Protocol (VoIP) and plans to bundle voice, Internet and video services over broadband cable.

“The upshot of this proposed deal is that New Englanders who are calling for the delivery of broadband Internet access throughout the area are being short-changed by Verizon, which wants to walk away from customer needs,” Hill said. “Verizon is essentially redlining the rural areas of Vermont, Maine and New Hampshire, using accounting tricks to pass them off to a much smaller company that will not commit to delivering broadband to these same communities.”

The IBEW is an international labor organization that represents approximately 725,000 workers in the United States, Canada, Puerto Rico, Guam and the Republic of Panama. The IBEW has members in construction, utilities, manufacturing, telecommunications, broadcasting, railroads and government.