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September 18, 2009

ATTN: Filing Center Public Utilities Commission of Oregon 550 Capitol Street, N.E., Suite 215 Salem, OR 97301-2551

Re: Joint Application of Verizon Communications

Inc. and Frontier Communications Corp.

UM 1431

Dear Sir or Madam:

Enclosed for filing please find the original and one copy of the Answer to Verizon's Motion to Enforce Commission Orders, filed on behalf of International Brotherhood of Electrical Workers, Local 89, in the above-referenced proceeding.

The document has been served on all parties as shown on the attached Certificate of Service.

Sincerely

Enclosure

cc: per Certificate of Service

Paul C. Hays Ray Egelhoff

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1431

In the Matter of)	
Verizon Communications, Inc., and Frontier)	IBEW ANSWER TO
Communications Corporation)	VERIZON'S MOTION TO ENFORCE COMMISSION
Joint Application for an Order Declining to Assert)	ORDERS
Jurisdiction, or, in the Alternative, to Approve the Indirect)	
Transfer of Control of Verizon Northwest, Inc.)	

The International Brotherhood of Electrical Workers, Local 89 ("IBEW"), files this Answer to the Motion to Enforce Commission Orders filed by Verizon Communications Inc. on September 17, 2009.

Verizon seeks to expel IBEW from this proceeding for alleged violations of two orders:

(1) the Superseding Highly Confidential Protective Order issued on July 17, 2009 ("Order"), and

(2) the Ruling that permitted IBEW to intervene in this case issued on July 2, 2009 ("Ruling").

As IBEW explains below, IBEW has not violated either order and Verizon's motion should be denied. In the alternative, as further discussed below, even if there were a technical violation of either order (which is not the case), any sanction should be imposed against IBEW's undersigned counsel, not against IBEW itself.

1. IBEW has not violated the Superseding Highly Confidential Protective Order

Verizon's first claim is that IBEW violated the Superseding Highly Confidential

Protective Order ("Order"). While Verizon's basic recitation of the facts is accurate, those facts
do not show that there has been a violation of the Order.

It is true that the undersigned counsel filed a motion and affidavit on behalf of the Communications Workers of America and the International Brotherhood of Electrical Workers Locals 1451, 1635, and 1637 in a Pennsylvania proceeding involving the same underlying transaction. Contrary to Verizon's assertion, however, those documents do not disclose any highly confidential information. Indeed, Verizon implicitly acknowledges this fact by attaching a copy of the entire motion and affidavit to its Motion in this case, without any redaction or claim of confidentiality.

Moreover, as explained in the Pennsylvania pleading, the information relied upon in Pennsylvania was obtained by Verizon's financial advisors from public filings with the Securities and Exchange Commission (and the footnote in the original document so states).

Pennsylvania Affidavit, ¶ 7. Thus, even if there had been a disclosure of any information in that document – which there was not – the information was public, as the document itself states.

Thus, Verizon incorrectly relies on *Johnson v. Eugene Emergency Physicians PC*, 159 Or. App. 167, 974 P.2d 803 (1999), and *In the Matter of Oregon Electric Utility Co. LLC*, UM 1121, Order No. 05-114 (Mar. 10, 2005). In both of those cases, confidential information was disclosed. That simply is not the case here.

Apparently recognizing that it cannot support a claim that IBEW or its counsel released confidential information, Verizon also asserts that IBEW violated the Order by "using" the document in another proceeding. This claim also must fail.

Of course, IBEW acknowledges that its counsel (and its consultant, on advice of counsel) referred to the document (without disclosing its contents) in the Pennsylvania proceeding. The purpose of the Pennsylvania motion was to show that Verizon had this information in its possession. Importantly, the Order does not prevent the use of information about documents, it

directs parties not to "use or disclose the Highly Confidential Information" in other proceedings. Order ¶ 16. The Order strictly defines Highly Confidential Information to be "a trade secret or other confidential research, development, or commercial information … the disclosure of which presents risk of business harm." Order ¶ 2.

Verizon erroneously attempts to expand the scope of the Order. For example, on page 4 of its motion, Verizon states: "IBEW clearly used a <u>document</u> designated as highly confidential for a purpose other than preparation for and conduct of this proceeding ..." (emphasis added). But the Order does not prohibit parties from identifying the existence of <u>documents</u>; it prevents the use or disclosure of the Highly Confidential <u>Information in</u> the document. IBEW neither used nor disclosed any such information.

As already explained, IBEW's counsel and consultant did not disclose anything from the document in the Pennsylvania proceeding, other than the fact that the document existed, who prepared it, the document's date, and that it was in Verizon's possession. None of this is Highly Confidential Information.

The only other "use" that IBEW's counsel and consultant made of the document in Pennsylvania was to summarize the public data from the Securities and Exchange Commission that is shown on one page of the document. The summary does not use any highly confidential information; it uses only public information. Out of an abundance of caution, the summary does not even disclose the names of specific shareholders or their individual holdings, even though such information is publicly filed with the Securities and Exchange Commission.

In summary, there is no doubt that the undersigned counsel did not disclose any highly confidential information. While the existence of the document was disclosed in the Pennsylvania

proceeding, there was no use of any highly confidential information from that document in the Pennsylvania case. Thus, Verizon's first claim must be denied.

2. IBEW has not violated the Ruling that permitted it to intervene

Verizon attempts to bootstrap its incorrect allegation of a violation of the Order into a "pattern of abusive discovery practices" allegedly intended by IBEW to "utilize obtained information in ways that exceed the scope of this docket." Verizon Motion, p. 5. The only alleged violation of the discovery process is the submission of four data requests by IBEW on July 6, 2009, that concern the Employee Matters Agreement entered into by Verizon and Frontier on May 13, 2009.

Those data requests were part of an initial set of data requests prepared by IBEW's consultant and counsel. The Employee Matters Agreement was signed by Verizon and Frontier at the same time as the Agreement and Plan of Merger, and is an integral part of the transaction. In fact, the Agreement and Plan of Merger is replete with references to the Employee Matters Agreement and refers to the Employee Matters Agreement as one of the "Transaction Documents" that make up the entire transaction. Agreement and Plan of Merger, ¶ 1.202.

The same data requests were submitted at approximately the same time in four states where labor unions are actively involved in regulatory proceedings (Illinois, Ohio, Oregon, and West Virginia). The other states have not placed the same restriction on the unions' participation, and in fact recognize the need to evaluate the effects of a proposed transaction on a utility's workforce. IBEW's counsel inadvertently failed to remove questions about the Employee Matters Agreement from the initial data requests submitted in Oregon.

On July 20, 2009, Verizon and Frontier objected to these four data requests as being beyond the scope of issues that IBEW was permitted to pursue in this case. On July 21, 2009, counsel for IBEW sent an email to counsel for Verizon and Frontier asking to discuss various objections to data requests. These four questions were not listed among the matters that IBEW's counsel wanted to pursue with Applicants. On July 29, 2009, counsel for IBEW, Verizon, and Frontier had an extensive conference call regarding the Applicants' objections to various IBEW data requests. During that call, counsel for IBEW stated that he would not be seeking answers to these four questions in Oregon.

Since that initial oversight, counsel has been more vigilant in attempting to ensure that questions about employee matters are not asked in discovery in Oregon. In the intervening two months, counsel for IBEW, Verizon, and Frontier have had numerous communications about discovery matters. To the best of counsel's recollection, Verizon and Frontier have not complained about any other employee-related discovery questions and any objections relating to the scope of discovery have been amicably resolved between the parties.

Verizon's final claim is that the alleged violation of the protective order "was an attempt to influence the Applicant in the Pennsylvania docket." Verizon Motion, p. 4. This is not correct. First, as explained above, there was no violation of the Order. Second, the Pennsylvania filing was not made to "influence the Applicant"; it was made in furtherance of labor unions' efforts to have the Pennsylvania commission review the proposed transaction for its effects on Frontier's operations in Pennsylvania. Moreover, the Pennsylvania dispute was initiated by the labor unions on June 13, 2009 – well before this Commission even granted IBEW's petition to intervene.

3. Even if there were a technical violation of either order, any sanction should be imposed against the undersigned counsel

If the Commission finds that there has been a technical violation of either the Order or Ruling – which as explained above is not the case – any sanction should be imposed against the undersigned counsel. The Pennsylvania filing was made by counsel on behalf of different clients. IBEW's consultant, Mr. Barber, submitted the Pennsylvania affidavit after receiving advice from the undersigned counsel that it would not violate the Oregon Order. Further, no officer or member of IBEW Local 89 has access to any confidential or highly confidential information produced in this case (the only individuals who have signed the protective order acknowledgements and who receive such information are outside counsel and outside consultants). Thus, it is not possible for IBEW Local 89 to have violated the Order and no sanction should be imposed against IBEW Local 89.

Similarly, as explained above, any concerns with the initial set of discovery questions issued by IBEW lie with counsel and do not justify the expulsion of IBEW from this case. The inclusion of those four questions was an inadvertent mistake. When it was called to counsel's attention two months ago, counsel acknowledged that those questions exceeded the permissible scope of IBEW's intervention in this case and the matter was not pursued. So, again, if there was a technical violation of the Ruling, the fault lies solely with the undersigned counsel.

WHEREFORE, for the reasons set forth above IBEW respectfully requests that the Commission deny Verizon's Motion to Enforce Commission Orders. In the alternative, if the Commission finds that there has been a technical violation of the Order or Ruling, any sanction should be imposed against the undersigned counsel and not against IBEW.

Respectfully submitted,

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Counsel for IBEW Local 89, pro hac vice

Dated: September 18, 2009

UM 1431 CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all of the following parties by electronic mail.

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Dated: September 18, 2009

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