

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1431

In the Matter of

VERIZON COMMUNICATIONS INC. and  
FRONTIER COMMUNICATIONS  
CORPORATION

Joint Application for an Order Declining to Assert  
Jurisdiction, or, in the alternative, to Approve the  
Indirect Transfer of Control of VERIZON  
NORTHWEST INC.

RULING

**DISPOSITION: MOTION TO AMEND PROCEDURAL SCHEDULE  
GRANTED**

On August 13, 2009, the Citizens' Utility Board (CUB) and the International Brotherhood of Electrical Workers, Local 89 (IBEW), filed a Motion to Amend Procedural Schedule (Motion). In the Motion, CUB and IBEW contend that the case "will be considerably more complex than...assumed at the outset. In addition, with the due date for testimony only three weeks away,...there are more than 100 discovery requests outstanding, along with numerous others to which Verizon or Frontier have objected which objections have not yet been resolved."<sup>1</sup>

CUB and IBEW further contend that it is a typical Commission practice to allow time for settlement negotiations prior to the submission of direct testimony and that the lack of data makes such negotiations impossible at the current time. CUB also cites its pending workload in other cases before the Commission as an impediment to its informed participation in the instant case.<sup>2</sup>

CUB and IBEW also observe that other state commissions have adopted schedules with considerably longer time frames and that a delay in the Oregon proceedings would not delay the closing of the overall transaction, with hearings in Illinois, Washington,

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<sup>1</sup> Motion at 1.

<sup>2</sup> *Id.* at 2.

and West Virginia scheduled for January 19, 2010; December 15, 2009; and January 12, 2010, respectively.<sup>3</sup>

CUB and IBEW therefore ask that the procedural schedule be amended so that Staff and Intervenor direct testimony would be due on November 2, 2009; Applicants' reply testimony would be due on November 16, 2009; and hearings would be held on December 3 and 4, 2009.<sup>4</sup>

By letter dated August 13, 2009, Level 3 Communications LLC and 360networks (USA) inc. indicated their support for the Motion but made no further comment. By letter dated August 14, 2009, XO Communications, Inc.; Integra Telecom of Oregon, Inc.; tw telecom of Oregon llc; McLeod USA Telecommunications Services, Inc., d/b/a PAETEC Business Services; and DIECA Communications, Inc., d/b/a Covad Communications Company also indicated support for the Motion without further comment. By letter dated August 13, 2009, the Commission Staff indicated that it neither opposed nor supported the Motion.

On August 19, 2009, Frontier Communications Corporation and Verizon Communications Inc. (Applicants) filed a Response to IBEW/CUB Motion to Amend Procedural Schedule (Response). Applicants assert that IBEW and CUB "offer no compelling reason why the agreed-upon and established procedural schedule should be delayed," noting that IBEW has participated since the outset and that extensive discovery has already been completed with an expedited discovery process still underway, a less "aggressive" schedule than that recently followed in the CenturyTel/Embarq merger proceeding.<sup>5</sup>

Applicants also opine that IBEW has recently propounded discovery requests that are beyond the scope of a prior Ruling in this docket and allude to the actions of the Washington Utilities and Transportation Commission in its review of this transaction. Applicants assert that the delay "would impose an unnecessary hardship as the Applicants have complied with the procedural deadlines agreed-upon by the parties...."<sup>6</sup>

**Discussion.** CUB and IBEW assert, and Applicants do not dispute, that this proceeding involves a complex transaction and that there are still a significant number of data requests outstanding. Although Applicants contend that many of the requests are outside the scope of the proceeding, no objections have, as yet, been brought to the Commission.

Furthermore, in light of the schedules in other jurisdictions as reported by CUB and IBEW and not contradicted by Applicants, Applicants have not demonstrated that any hardship imposed by a delay in the proceedings would be substantial or would, indeed, have any effect on the ultimate closing date of the transaction.

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<sup>3</sup> *Id.* at 2-3.

<sup>4</sup> *Id.* at 3.

<sup>5</sup> Response at 1-2.

<sup>6</sup> *Id.* at 3.

Conversely, CUB asserts that it is currently preparing to participate in four utility company rate case filings with statutory deadlines and that it will be difficult for CUB to simultaneously prepare for those cases and develop an informed position in the instant case.

In light of the foregoing circumstances, a two-month delay in the proceedings appears warranted.

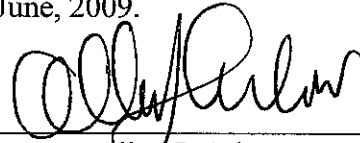
**RULING**

1. The Motion to Amend Procedural Schedule filed by the Citizens' Utility Board of Oregon and the International Brotherhood of Electrical Workers, Local 89, is GRANTED.

2. The remainder of the schedule set forth in the Ruling of the Administrative Law Judge dated June 19, 2009, is amended to read as follows:

Staff and Intervenor Testimony Due	November 2, 2009
Verizon and Frontier Reply Testimony Due	November 16, 2009
Hearing	December 3 and 4, 2009

Dated at Salem, Oregon, this 19th day of June, 2009.



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Allan J. Arlow  
Administrative Law Judge