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March 1, 2007

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PUBLIC SERVICE COMMISSION

Mark R. Overstreet (502) 209-1219 (502) 223-4387 FAX moverstreet@stites.com

Ms. Beth O'Donnell Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P.O. Box 615 Frankfort, Kentucky 40602-0615

Re: P.S.C. Case No. 2007-00069

Dear Ms. O'Donnell:

Please accept for filing the original Affidavit of Susan Bradley in the above styled

matter. Copies were filed yesterday.

Very truly yours.

Mark R. Overstreet

cc: Don Meade

Dennis G. Howard II

KE242:00KE2:15347:1:FRANKFORT

Atlanta, GA Frankfort, KY Hyden, KY Jeffersonville, IN Lexington, KY Louisville, KY Nashville, TN Washington, DC

## AFFIDAVIT OF SUSAN BRADLEY IN SUPPORT OF WINDSTREAM'S RESPONSE TO PETITIONERS' MOTION FOR EMERGENCY RELIEF

- 1. The consolidation announced in December 2006 did not result from the Alltel separation/Valor merger transactions.
- 2. Windstream did not begin reviewing the potential for consolidation efforts until at least one month after the close of the separation/merger transactions on July 17, 2006.
- 3. Windstream first announced these consolidation efforts in December 2006. Since the announcement, Windstream has been transitioning, training and hiring employees at the consolidated centers. If the Windstream corporate consolidation plan is altered by Kentucky-specific delays or changes, Windstream will incur duplicate expenses and encounter operational redundancies.
- 4. A total of 46 employees in Kentucky were initially affected by the reduction in force. Of these 46 Kentucky employees, 26 are represented by CWA, 12 are represented by IBEW, and 8 are non-bargaining.
- 5. Windstream began negotiating a new collective bargaining agreement with IBEW on January 22, 2007. Those negotiations opened with a list of demands from IBEW, which included a demand that Windstream not close the service activation group in Elizabethtown. The negotiations concluded with IBEW having withdrawn that demand and Windstream having agreed to an enhanced severance benefit. As a result, certain IBEW members in the service activation group with less than 10 years of service received enhanced severance packages, which essentially doubled their severance package. Four IBEW members were eligible and will receive enhanced severance packages in accordance with the new collective bargaining agreement.
- 6. Kentucky employees affected by the consolidation have the opportunity and were encouraged to pursue other available positions with Windstream. Positions are currently open at Windstream's facilities in Cornelia, Georgia, Charlotte, North Carolina, and Export, Pennsylvania. Export, Pennsylvania is a bargaining location.
- 7. Windstream has offered outplacement services to all affected employees. Approximately 19 of the affected Kentucky employees have taken advantage of these outplacement services.
- 8. All actions by Windstream have been consistent with the collective bargaining agreements in Kentucky. Neither CWA nor IBEW has filed a grievance to the contrary.
- 9. During the same time periods as the consolidation, Windstream has added 14 positions to its Kentucky operations in engineering and sales.

- 10. Two non-bargaining employees affected in Kentucky have applied for openings in other areas of Windstream's Kentucky operations. Both have been offered positions, and as of this date, one employee has accepted.
- 11. Severance for non-bargaining employees includes:
  - Receipt of regularly scheduled paychecks plus unused vacation on March 9, 2007;
  - Receipt of 52 weeks of severance pay to be distributed on or before March 23, 2007 (with the exception of a single individual who has applied for and been offered another position with Windstream in Kentucky); and
  - Retention of current health benefits through March 31, 2007 and COBRA eligibility through September 2008.
- 12. Of the 26 affected Kentucky employees represented by CWA, 2 employees applied for and accepted other employment with Windstream, 1 employee left voluntarily for employment outside of Windstream, and 23 are eligible for severance.
- 13. Severance for employees represented by the CWA includes:
  - Receipt of regularly scheduled paychecks plus unused vacation on March 9, 2007;
  - Receipt of an average of 35 weeks of severance pay to be distributed no later than March 23, 2007;
  - Retention of current health benefits through March 31, 2007 and COBRA eligibility through September 2008;
  - Receipt of cash payment (pursuant to the CWA collective bargaining agreement) representing 6 months of "grossed-up" medical insurance premiums (100% of the premium plus applicable taxes) to be paid on or before March 23, 2007; and
  - Windstream pension plan.
- 14. Of the 12 affected Kentucky employees represented by IBEW, 5 elected to accept the severance package. The remaining 7 affected IBEW members "bumped" *i.e.*, claimed other bargaining unit IBEW positions. This action by the 7 IBEW members resulted in 2 IBEW members receiving severance packages. Consequently, only 7 of the initial 12 IBEW members were affected by the consolidation, and all 7 received severance benefits.
- 15. Severance for employees represented by the IBEW includes:
  - Receipt of regularly scheduled paychecks plus unused vacation on March 9, 2007;
  - Receipt of an average of 9.5 weeks of severance pay to be distributed no later than March 23, 2007;
  - Retention of current health benefits through March 31, 2007 and COBRA eligibility through September 2008; and
  - Windstream pension plan.

Susan Bradley, Senior Vice President of Human Resources

COUNTY OF PULASKI )
STATE OF ARKANSAS )

## AFFIDAVIT OF SUSAN BRADLEY

Before me, the Undersigned Authority, on this 27<sup>TH</sup> day of February, 2007, personally appeared Susan Weeks, who, upon being by me duly sworn on oath deposed and said the following:

My name is Susan Bradley. I am over the age of twenty-one (21), of sound mind, and competent to testify to the matters stated herein. I am employed by Windstream Communications as Senior Vice President of Human Resources. I have personal knowledge of the enumerated items set forth below and believe them to be true and correct to the best of my information, knowledge, and belief.

Further, Affiant sayeth not.

Susan Bradley, Senior Vice President of Human Resources

SWORN AND SUBSCRIBED TO BEFORE me this  $27^{\rm th}$  day of February, 2007, to certify which witness my hand.

inflia lanne Notary Public

My Commission Expires:

8-10-16

