

DISASTER RESPONSE PLAN OVERVIEW

Introduction

FairPoint Communications, Inc. (“FairPoint”) is committed to maintaining a vigilant state of disaster preparedness for the interests of our customers, stockholders, employees and other critical stakeholders.

The purpose of our Disaster Response Plan (“DRPlan” or “Plan”) is to define the disaster preparedness and recovery protocols and procedures required to restore FairPoint’s critical business support functions, inside and outside plant systems and operations within the tri-state area of Maine, New Hampshire and Vermont (NNE Region). FairPoint intends to expand this Plan to include its other 31 operating locations.

The Plan components detail FairPoint’s procedures for preparing for and responding to an emergency situation affecting our ability to deliver core services to our customers and our ability to meet legal dictates, and regulatory requirements.

This document discusses the following:

- DRPlan Scope
- DRPlan Structure
- Recovery Strategies and Logistics
- Plan Maintenance and Exercising

DRPlan Scope

FairPoint’s business continuity response planning is concentrated on two critical operational areas:

- Customer Interfacing – It is recognized that a “business impact” only occurs when an external-interfacing element is disrupted. In essence, this means that if FairPoint experiences a disruptive event, but one that does not breach the outer-shell of the FairPoint operation and interrupt critical customer services, customer product or other external end-user, then it does not have a business impact, as defined by this DR Plan.
- Infrastructure Integrity – Without critical infrastructure systems, the ability for all other FairPoint business operations (back/front office) can come to a halt. It is these infrastructure systems that provide the critical human-factor of our customer-interfacing services. Critical infrastructure would address such services / systems as, building space for staff, service utilities, telecom network, IT network, etc.

The DR Plan has been developed to assure the continuity of critical customer interfacing services and systems should a physical incident or workforce disruption event occur, which affects:

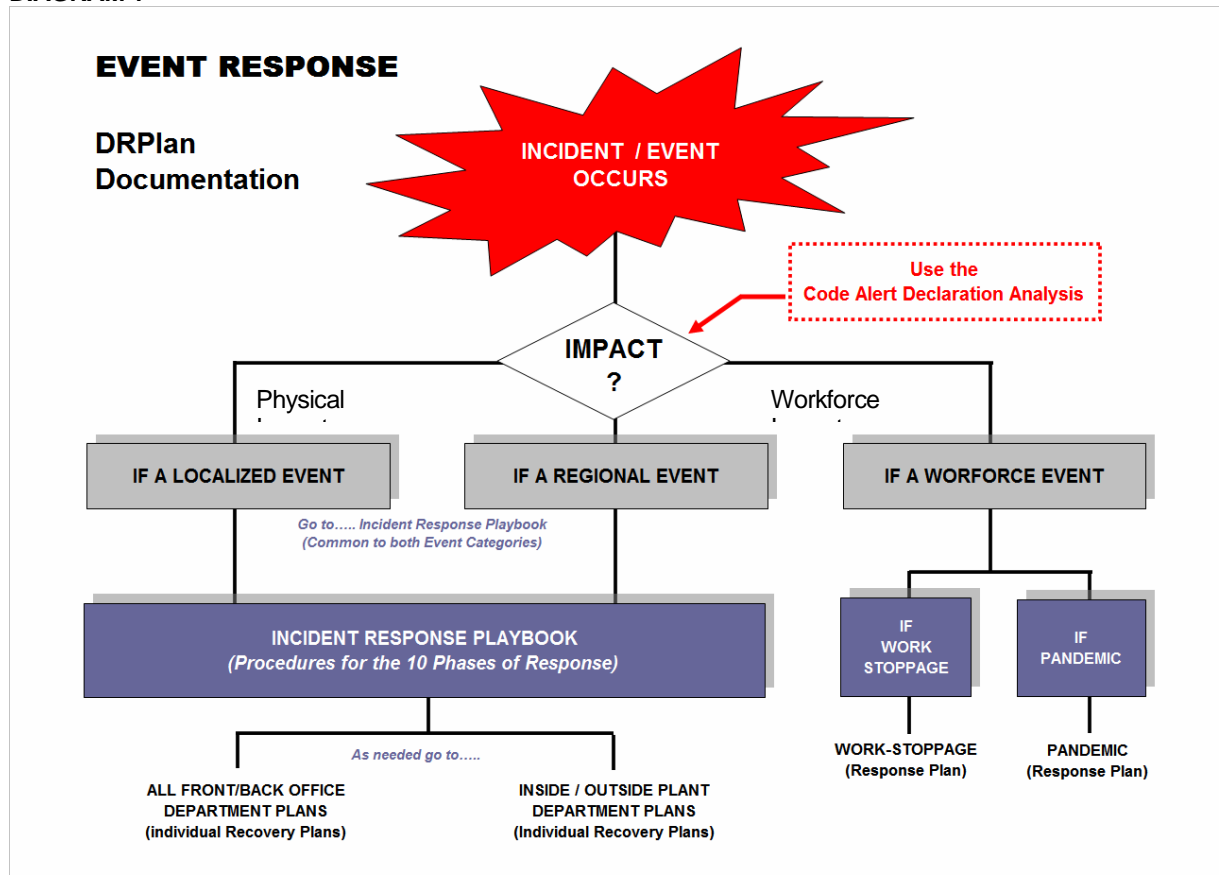
- IT/IS
- Administrative and Support Operations
- Inside and Outside Plant Operations
- NOC (Network Operations Center)
- E-9-1-1
- Dispatch
- Repair Center

FairPoint has developed response / recovery strategies addressing physically disruptive incidents and workforce related disruptive incidents (i.e., work-stoppage and pandemic). All response strategies are based on recovery time objectives of those department functions and critical infrastructure systems essential to sustain customer interfacing services.

Diagram 1 identifies the overall DRPlan documentation and how a disruption or incident will dictate which path of the DRPlan will be followed to restore business operations.

Once the incident or disruption occurs, the impact first needs to be quickly assessed to determine whether it is a physically disruptive event (local or regional) ("Physically Disruptive Event") or a workforce disruptive event (work-stoppage or pandemic) ("Work-Force Related Disruptive Event"). The disruption is always focused on critical business operations and services that can impact customer interfacing / deliverables.

DIAGRAM 1



If the disruptive IMPACT is categorized as a CODE-RED Alert, the DRPlan will direct the user to either the Incident Response Playbook or one of the Workforce related Plan documents.

The Command and Control of all three Playbooks are managed by the same Emergency Operations Command (EOC) groups.

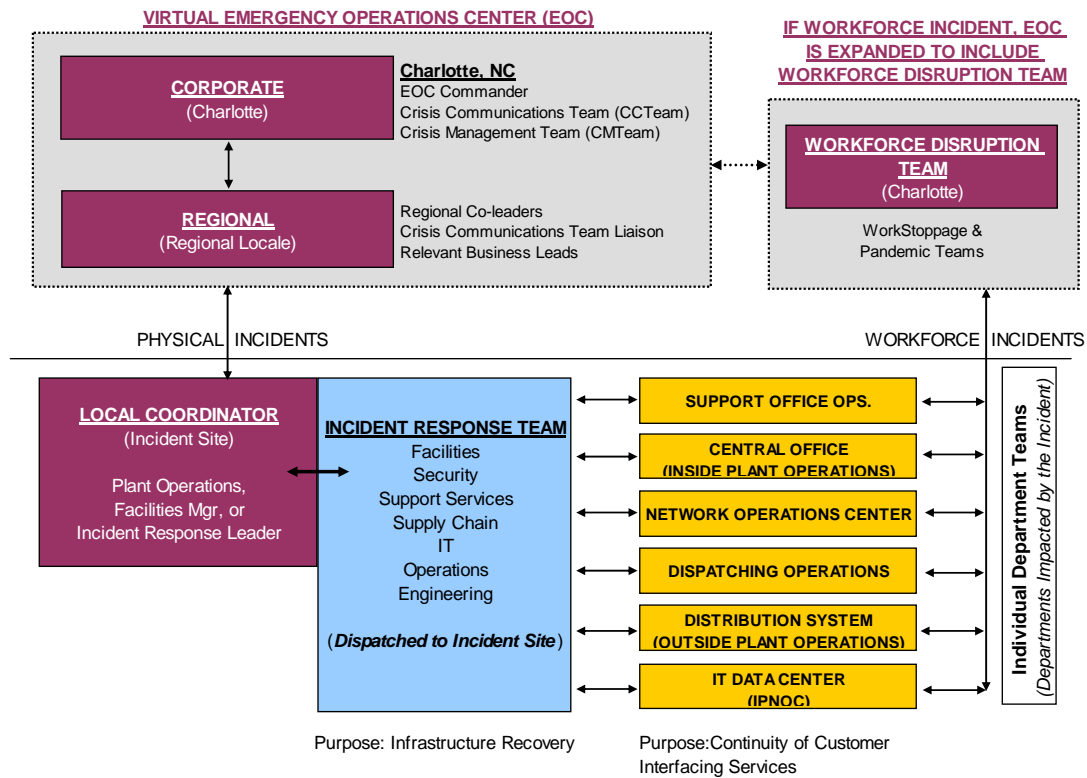
Diagram 2 displays the integrated Disaster Response Organization across the three Plan categories (i.e., IR-Playbooks for Physical Disruptions, Work-Stoppage and Pandemic Disruptions).

The purple boxes are Command roles.

The Workforce Disruption Team role is activated only when a work-stoppage or pandemic event occurs. The Corporate and Regional Commands will also work in concert with the Workforce Disruption Team.

In either a Physical Incident or Workforce Incident the Departmental Response Plans (yellow boxes) will be managed by either the Regional EOC and IRTeam Command for physical events or by the Workforce Disruption Team for workforce related events.

DIAGRAM 2

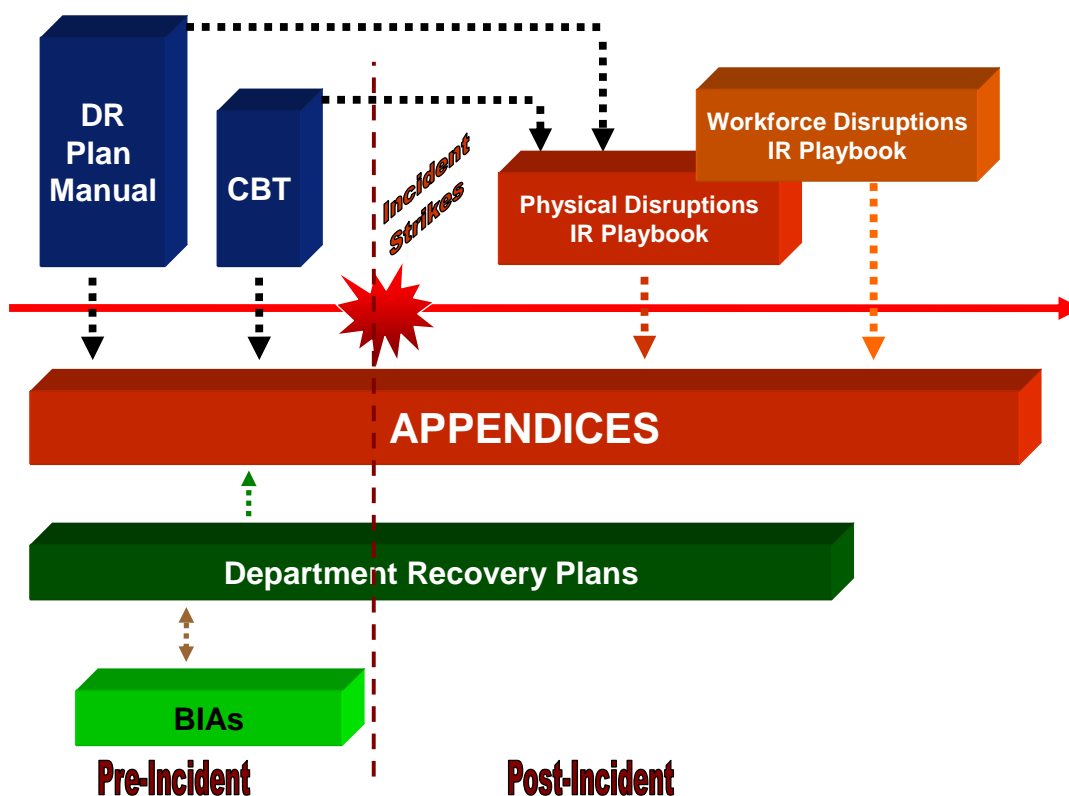


DR Plan Structure

The DRPlan consists of several components as illustrated in Diagram 3 and summarized below:

- The DRPlan Manual (an overview of all DRPlan documents)
- Computer Based Training (CBT) (facilitates training and awareness between Plan Exercising)
- IR Playbooks (addresses the response procedures for Physical and Workforce related events),
- Appendices (the IR Playbook procedures links to these Resources Files)
- Department Recovery Plans (Business and Plant Operations)
- Business Impact Assessments (Business and Plant Operations)

DIAGRAM 3



Pre and Post Incident considerations.....the DRPlan documentation is designed around a pre and post Incident basis. The documentation shown on the Pre-Incident side of "Incident Strikes," is not used on the Post-Incident side of the Incident striking. The two IR Playbooks and associated Appendices documents, along with the Department Recovery Plans, are the fundamental documents used in the response and recovery process of the DRPlan.

Our Business Impact Assessments (BIAs) are the point of generation for all recovery requirements and resource needs. These departmental BIAs will be updated annually or as required to maintain a viable recovery strategy.

Recovery Strategies and Logistics

Our DRPlan is based on the premise that FairPoint cannot stop disasters from occurring, but we can address the IMPACT of incidents should they occur. Where possible we will provide risk mitigation measures that will minimize the likelihood of having a serious disruptive incident but in no case can we eliminate all disruptive possibilities. The DRPlan is triggered by a Disruption Scenario, not a Threat Scenario. FairPoint pre-plans for potential break-points that can result in a customer interfacing disruption and incorporates recovery strategies that will inherently address any potential threat and any resulting business disruption impact. The actual threat (i.e. fire, flood, etc.) is pertinent only with respect to immediate response activities. All subsequent response efforts are focused on the assessment of damages (physical losses and recovery duration) and the implementation of restoration and recovery strategies. The restoration of the business servicing operations and infrastructure systems is based on salvage, replacement of systems and alternate functionality measures, which are pre-defined in the DRPlan.

Each department has developed a recovery plan based on its critical operations as they pertain to the deliverables they contribute to our customers. FairPoint has triaged the recovery efforts based on the concept of customer servicing IMPACT. Federal and State regulatory requirements have a high level of consideration in addition to the business impact concerns. The DRPlan goal is to minimize the disruption duration as much as is practical and provide a level of risk mitigation that will maintain critical operations.

The Ten Response Phases of Physical Event are:

- Incident Notification
- Visual Damage Assessment
- Incident Stabilization
- Command Center Initiation
- Initial Notifications to Business Departments – to activate plans
- Primary Site Damage Assessments
- Ready Alternate Restoration Sites
- Primary Site Salvage & Recovery
- Business Restoration Process
- Primary Site Re-established

The Pandemic Response Action Steps provide the procedures FairPoint will follow on a Phase-by-Phase (Period) basis including Inter-Pandemic Period, Pandemic-Alert Period and Active-Pandemic Period.

Plan Maintenance and Exercising

The DRPlan has been designed around the premise that it needs to be current and maintainable on an ongoing basis. To this end FairPoint has a level of automation built into the DRPlan documentation from the BIAs and associated roll-up reporting documentation. All documents are interrelated - either through hyper-linkage or formulations. Appendices files (resource documents) are on a rotating quarterly audit – each document is updated at least annually and some on a more frequent basis as needed.

The DRPlan utilizes a Computer-Based Learning Program to maintain ongoing staff awareness and training. Our Plan is also exercised annually to assure that all participants are acclimated to the DRPlan and their roles and responsibilities.