**FairPoint Cutover Monitoring
Status Report
The Liberty Consulting Group
May 9, 2008**

Overview of Monitoring Activities

During April, the Liberty Consulting Group ("Liberty") continued its normal monitoring activities as outlined in its previous monthly reports. In addition, Liberty held several calls with FairPoint and Capgemini to discuss various matters, including system testing, data conversion, and regulatory reporting. Liberty also attended the FairPoint Wholesale User Forum in South Portland, ME on April 23 and meetings in Augusta, ME on April 29 and 30 to discuss E911 in Maine.

Overview of Status

1. Systems Development and Testing.

   The testing of the cutover (independence) systems continues to proceed slowly. However, Capgemini is showing progress in correcting the software defects uncovered in the testing, and the testing effort continues to make steady progress.

   To date, most of the testing has focused on individual applications and limited connections among applications. End-to-end testing of system functionality has only recently begun, and not all end-to-end test cases have been defined. The latest schedule Liberty has received from Capgemini indicates that the final definition of these test cases will not be complete until the end of May.

   CLEC testing is proceeding. Capgemini is well along in Phase 1 (internal testing) and has begun Phase 2, which consists mainly of testing with a single volunteer outside party. Although this testing has uncovered some defects, there is no evidence that this testing has encountered any significant obstacles. Phase 3 (general live CLEC testing) is still scheduled to begin in late May.

   User acceptance testing for individual isolated applications began in April. Integrated user acceptance and business readiness testing across multiple applications is scheduled to begin soon and to continue until mid-June.

   Data conversion testing is still in progress. This testing has also been slower than originally planned, and Capgemini has yet to create a complete mock-up of the data based on the latest extract from Verizon (dated February 29) that includes all or even a full representative sample of wire centers in the three states.

   A small number of systems are still under development. One important system in this category is the E911 application for Maine. Based on the latest plans Liberty has

reviewed, a working version of this application is not planned to exist until August, although a "laboratory" version of the system is scheduled to be available for testing by July.

2. <u>Business Processes</u>. Liberty is still reviewing business process documentation and has yet to have access to documentation for many of the key business processes, including the network functions.

   Liberty examined FairPoint's plans for regulatory reporting in the three states. Liberty believes that these plans are generally complete and accurate but made a few suggestions for improvement.

   FairPoint is still completing its disaster response plans. The next draft is scheduled for mid-June with finalized plans projected for mid-July.

3. <u>Personnel and Training</u>. FairPoint is in the process of assessing the status of the positions transferred from Verizon at close to determine where they might need to supplement the existing staff with additional hiring. Included in this analysis will be an assessment of FairPoint's ability to meet its various commitments, including service quality improvements, broadband deployment, double pole removal, and coverage of critical positions during employee training. Liberty hopes to see the results of this analysis soon.

   For the positions newly created to support the northern New England operations, FairPoint had hired over 260 employees by the end of April. This number is less than half of the number FairPoint has projected it will need after the TSA ends. FairPoint has provided resumes of new hires in the management positions, and the resumes indicate that the new hires generally have the appropriate background and experience for their positions.

   Development of the employee training plans for the cutover systems appears to be proceeding smoothly. However, the current training plan still provides for limited evidence of the success of training before the currently planned late July cutover readiness date.

4. <u>Cutover Readiness Criteria</u>. Liberty has now received a final version of the high-level cutover acceptance criteria and believes that the structure of these criteria is satisfactory. However, the sufficiency of these criteria depends on the details underlying them, and some of these details are still under development. For example, as noted above, a complete set of end-to-end test cases and expected outcomes does not yet exist.

Evaluation of Status

FairPoint's current schedule calls for a cutover in late September, which will require an irrevocable declaration to Verizon of cutover readiness in July. In fact, as Liberty, FairPoint, and the Commission Staffs have discussed, a number of related activities will be required that will span several weeks prior to that declaration, including a report from Liberty assessing FairPoint's cutover readiness, a status conference with the Vermont Public Service Board to receive Liberty's assessment, and, if FairPoint plans to proceed with its irrevocable declaration to Verizon and Liberty's assessment is unfavorable, hearings in all three states to review FairPoint's cutover readiness. To provide sufficient time for these events to occur, Liberty will need to issue a cutover readiness assessment report by mid-July. This means that, in reality, the assessment of FairPoint's readiness to cut over in September will depend on FairPoint's providing Liberty with sufficient information to demonstrate cutover readiness by the end of the first full week in July.

While it is not impossible for FairPoint to demonstrate cutover readiness by early July, Liberty believes this is unlikely, given the current state of progress. Most significantly, systems and data conversion testing is behind schedule and would need to accelerate significantly, full business process documentation is still lacking, and some key systems are not yet fully developed. Liberty also continues to be concerned that the success of the employee training may not be possible to assess adequately by early July.

The most important of the systems still under development is the E911 system for Maine. Given FairPoint's current schedule, it appears unlikely that this system can be adequately tested in time for a determination of cutover readiness in July. FairPoint's current plan would not provide a working version of the system for testing by July. FairPoint is examining other approaches to demonstrate readiness by July; however, a well functioning E911 system is much too important for any loose ends to exist at the time that FairPoint declares cutover readiness. Thus, as of now, the status of the Maine E911 system is a significant potential obstacle to a September cutover date.

In addition to Liberty's monthly reports, including the important evaluation of cutover readiness in the month FairPoint issues its readiness notification, Liberty also still needs to issue for public comment a report assessing FairPoint's approach to demonstrating cutover readiness. As noted, FairPoint now has produced a high-level version of its cutover acceptance criteria. However, important details supporting this approach are still incomplete. The most important of these is the set of end-to-end test cases with expected outcomes to be used in the system testing. Nevertheless, given the short time remaining before July, Liberty can no longer delay issuing the report assessing FairPoint's plan for determining cutover readiness. Therefore, Liberty plans to issue this report in mid-May. In this report, Liberty will note any items of the cutover readiness assessment plan that are still under development and will issue supplements to the report, as necessary, when these items have been completed.