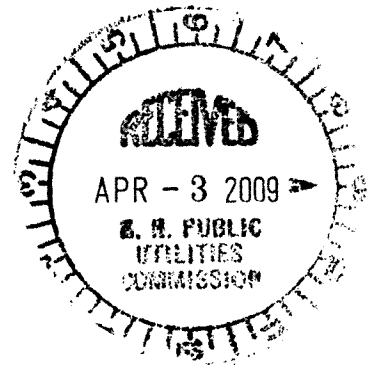


NEW HAMPSHIRE SENATE  
107 North Main Street  
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(603) 271-2111  
TDD Access: 1-800-735-2964



April 3, 2009

Commissioner Thomas B. Getz, Chairman  
New Hampshire Public Utilities Commission  
21 S. Fruit St., Suite 10  
Concord, NH 03301

Re: DT 07-011 Verizon New England/FairPoint Communications  
April 3, 2009 Status Conference

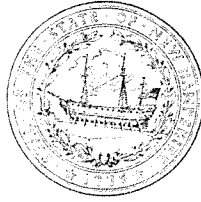
Dear Commissioner Getz:

We are writing to express our grave concerns about the financial health and unacceptable management of our telecommunications network by FairPoint Communications. We understand from your secretarial letter dated March 30, 2009 that you intend to hold a status conference in this matter today. Unfortunately we are unable to attend, so we submit this letter for your consideration.

We understand that you will be conducting the status conference "in the nature of a legislative hearing" that is limited to issues related to cutover. We do not understand why, at a time when the telecommunications infrastructure of the state is at risk due to FairPoint's inability to successfully cutover from Verizon's systems, the Commission is not resuming its formal adjudicative process in this case. Many parties, including the public and businesses in the state, have already been adversely impacted by FairPoint's operation of the telecommunications network, and we fear that it will only get worse without immediate action.

Secondly, we have serious concerns about FairPoint that may extend beyond an inquiry that is limited only to cutover issues. Therefore, we urge the Commission to explore the issues we present below, in a hearing, as soon as possible in order to prevent a bad situation from worsening.

We urge the Commission to get specific information from the company with regard to, at a minimum, the following issues:



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What is the status of the company's financial health, including:

- Working capital
- Cash flow
- Line loss vs. new customer acquisition
- Status of billing problems
- Debt payment status
- Credit rating
- Status of payments to vendors
- Is there a freeze on wages and bonuses, and if so are they applied to both labor and management?
- In addition to stopping the payment of dividends, what other steps is the company taking to stabilize its finances?

Can the company keep its commitments to the state, including:

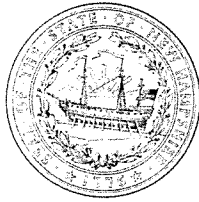
- Significant investments in high speed internet access, particularly in the under-served rural areas of the state;
- Addressing all of the problems with the physical plant left behind by Verizon? What is the status of progress? Does the company have the resources to address the issues?

Is FairPoint keeping its commitments to its workforce, including:

- Is FairPoint's payroll system functioning properly, and if not, is a technical issue or a financial one?
- Are there protections in place for both labor and management pensions? If so, are they different?
- Does FairPoint have sufficient workforce to address all of the problems and also deal with the huge surge in customer complaints?

Other important questions include:

- Can FairPoint's management fix the problem at this point or do they need to be replaced?
- Why don't the new systems work? Who will be held accountable to fix them, and who will pay?



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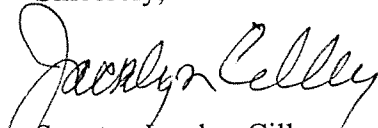
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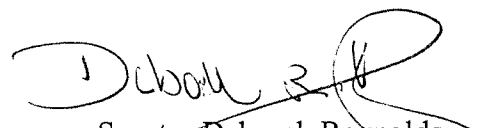
In sum, as policymakers we are very concerned with the current status and management of the state's vital telecommunications infrastructure. Individual citizens including the disabled and elderly rely upon the system, as do businesses, state government, and emergency services and hospitals.

We also must remind the Commission that we raised our concerns about this transaction from the very beginning. Unfortunately, our worst fears seem to have been borne out at the worst possible time, when we are in a national economic crisis. This makes addressing these issues immediately even more important.

We trust that you share our concerns, and we urge you to take immediate action to put into place a process to ensure that the current situation is remedied as quickly as possible, with an opportunity for all affected parties to participate. The citizens of state deserve nothing less.

Sincerely,

  
Senator Jacalyn Cilley

  
Senator Deborah Reynolds