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VIA HAND DELIVERY

Debra A. Howland, Executive Director & Secretary
NH Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301



Re: DT 07-011; Verizon New England Inc., et al. and FairPoint Communications, Inc.
Transfer of Assets

Dear Ms. Howland:

On behalf of FairPoint Communications, Inc. ("FairPoint"), this will serve as a response to the Secretarial Letter, dated May 18, 2009 (the Secretarial Letter) issued by the Public Utilities Commission (the "Commission"). Please note that each of the items numbered 1 through 13 below correspond directly to the requests for information so numbered within the Secretarial Letter.

The information and documents submitted herewith that are stamped "confidential" are being furnished pursuant to RSA 378:43 and the Protective Agreement in this Docket. FairPoint hereby represents that the information and documents stamped "confidential" pertain to the provision of competitive services; set forth trade secrets or other confidential information falling within the scope of RSA 378:43,II(b); and are not general public knowledge or published elsewhere. FairPoint has taken measures to prevent dissemination of the information and documents stamped "confidential" in the ordinary course of business.

Responses to Secretarial Letter of May 18, 2009

Item #1

Please refer to the confidential document entitled "Executive Compensation and Reward Philosophy and Strategy Statement", attached hereto under the divider labeled Item #1.

Item #2

In March 2008, FairPoint's Board of Directors formed a Succession Planning Committee for the purpose of identifying and appointing a successor to FairPoint's Chief Executive Officer, Eugene B. Johnson, who has indicated his desire to retire during 2009. The Succession Planning Committee is a special purpose committee, and its existence will terminate upon completion of its assigned task of recruiting the replacement for Mr. Johnson. The Succession Planning Committee consists of Patricia Garrison-Corbin, Robert A. Kennedy, Claude C. Lilly and Jane E.

Newman (Chair), and met over 10 times during 2008. The Succession Planning Committee has engaged an outside executive search firm. Please refer to the confidential document entitled "Defining the New CEO Role and Evaluating Prospective Candidates" for a listing of the steps in the search process, attached hereto under the divider labeled Item #2.

Item #3

FairPoint currently is in the process of developing a detailed forecast for the balance of 2009 as well as 2010. This forecast is not expected to be completed until late June 2009. Until such time, FairPoint's 2009 budget represents the most current set of projections available. A confidential copy of FairPoint's budget documentation is attached hereto under the divider labeled "Items 3 & 4".

Item #4

FairPoint currently is in the process of developing a detailed forecast for the balance of 2009 as well as 2010. This forecast is not expected to be completed until late June 2009. Until such time, FairPoint's 2009 budget represents the most current set of projections available. A confidential copy of FairPoint's budget documentation is attached hereto under the divider labeled "Items 3 & 4".

Item #5

FairPoint has adopted a cash preservation plan which includes the following measures:

- a. Improve the newly implemented information processing systems, thereby reducing the need for contracted workers and overtime within FairPoint's workforce;
- b. Review all operating expenses for potential areas of reduction;
- c. Freeze non-union employee salaries for 2009.
- d. Renegotiate pricing under existing contracts where possible and/or extend vendor payment terms as appropriate;
- e. Immediately reinstate the collection treatment process for customers with past due balances;
- f. Negotiate price reductions on capital equipment;
- g. Employ capital leases for particular asset classes (vehicles etc.);
- h. Assess lease versus buy opportunities or other strategic partnerships in the deployment of the NGN; and

- i. Where possible, seek to repurchase FairPoint's outstanding senior notes at current market prices which are well below face value and more broadly seek to restructure FairPoint's debt with the objective of reducing the overall amount of leverage on FairPoint's balance sheet as well as the absolute level of interest expense associated with such debt.

Item #6

Please refer to the confidential document entitled "Stimulus Activities Strategy", attached hereto under the divider labeled Item #6.

Item #7

FairPoint filed with the Commission on a confidential basis on Friday, May 22, 2009, a report from Heifetz Halle Consulting Group entitled "Organizational Assessment Report". That Assessment Report was dated May 21, 2009. With respect to KPMG's report, please refer to the confidential document entitled "IT Support Process Review - Final Report", dated May 22, 2009, and attached hereto under the divider labeled Item #7

Item #8

FairPoint wishes to note that it has been filing regular Network Status Reports with the Commission on a monthly basis since August 2008. These reports include detail by exchange on planned and active service improvement type work. FairPoint has been targeting such work for completion under service improvement initiatives as FairPoint's engineering and operations organizations have agreed that a service condition needs correction. These reports provide a timely report of identified problems and the timing of the correction.

FairPoint's business has been consumed by cutover and stabilization efforts in most of the first half of 2009. These issues remain FairPoint's top priority. FairPoint will submit a Plan of Action for Network Improvements by September 15, 2009, for work to be undertaken during the fourth quarter of 2009. This report will prioritize and summarize service related actions that will see immediate service impact. Additionally a 2010 Plan of Action for Network Improvements will be completed and submitted to the Commission by December 20, 2009. This plan will outline an overall 2010 strategy for network improvement in 2010. It is important to note that proactive service initiatives are time sensitive and need to be continually reviewed, assessed and modified.

Item #9

FairPoint will file a detailed work plan with respect to the removal of the outstanding inventory of double poles required by section 10.7.1 of the Settlement Agreement by July 31, 2009. FairPoint wishes to point out that it currently files reports on the progress of double pole removal on a quarterly basis as required by the Settlement Agreement, with the most recent filing submitted on March 31, 2009. The next quarterly report on double pole removal will be filed on June 30, 2009.

From January 2009 through the end of April 2009, FairPoint has eliminated an additional 1,450 double poles.

Item #10

In general, orders pass through a process labeled “Tier 1 edits” in Wisor/VFO (Virtual Front Office), and then flow through to the system known as “M6” (Metasolv). Some orders then “fallout” of the normal processing flow and into what is known as the “WSLREP” or “WSSLNP” queue for manual handling. Please refer to the confidential document entitled “Management of Metrics and Daily Productivity Procedures”, attached hereto under the divider labeled Item #10. This document provides the step by step process for order assignment and transfer of a task to an agent to manually work. Also attached under the divider labeled Item #10 are two samples of a job aid a FairPoint representative would utilize to complete a particular task that falls into his/her work queue. These documents are entitled (respectively): “Default Ready Status Overview -M6 (LSR)” and “Supplement to Modify ADDLCC Task - M6 (LSR)”.

Item #11

With respect to the hot cut business process reviewed by Liberty Consulting Group, please refer to the document entitled “FairPoint Hot Cut Process (Manual)” attached hereto under the divider labeled Item #11. The written business process has been updated and please refer to the document entitled “FairPoint Hot Cut Process (Updated)”, also attached hereto under the divider labeled Item #11. FairPoint believes these orders are processing correctly, although not all interval requests have been met due to the current backlog. However, the Frame Due Time (FDT) is being coordinated with FairPoint's wholesale customers and the FDTs generally are being met on a business as usual basis.

Item #12

FairPoint's Escalation Team currently is focused on fulfilling (in the first instance) all provisioning orders for POTs and DSL that are classified in the areas of in the national security, medical, regulatory agency based, other federal and state government agencies, and Better Business Bureau along with escalations to FairPoint's senior leadership. FairPoint enters these escalations into a web based application that captures all of the information regarding the specific customer's complaint along with information about the service request and its current status in Metasolv. Each task in the provisioning plan has assigned management owners who are responsible for resolution of the issue within their control. Most issues require union employees with certain job titles dependent on or tied to a specific queue to perform the correction. These associates generally report directly to the designated management task owner.

The Escalation Team oversees the process and determines whether or not a specific customer's POTs and/or DSL service is progressing. Once a specific task has been resolved, there are generally system tasks that are built into the provisioning plan that take effect.

Every day the Escalation Team monitors each customer's service request by querying and reviewing Metasolv, and then updating the database with the most current task step and responsible manager. This information is reviewed daily at 4:30 PM via a conference call with all customer facing managers as well as members of FairPoint's External Affairs team during which completed and moved POTs/DSL orders are reviewed.

Additionally, the Escalation Team provides additional focus on orders not moving through the provisioning plan by calling and emailing owners.

Item #13

To summarize, FairPoint and Capgemini have developed the following priority lists: (i) a "Top 10" list of priorities related to improvement of FairPoint's operational support systems; (ii) a "Top 20" priority list of back-logged orders for hi-cap (T1) services; and (iii) a "Top 50" priority list of back-logged orders for POTs and DSL service. These priority lists are continuously updated in an attempt to clear back-logged orders and to remedy system defects.

FairPoint has established a Top 10 list of identified provisioning items that require Capgemini to assess and resolve issues as priorities. In reality, more than 10 items appear on the list at any given point in time, such that as one item is resolved the next item on the list takes its place. The goal is to focus on 10 systems improvements at a time. These items are generally related to modifications to provisioning systems such as Siebel, Metasolv and GE Small World. The goal is to adopt modifications to the provisioning systems to improve flow through and to enhance system performance for end users. The provision group and IT have a leadership priority call once a week to insure concurrence on priorities.

The Top 20 order list encompasses hi-cap (T1) design services that require more sophisticated provisioning plans than POTs plans and thus are treated by a team with particular skill sets in handling that type of service. There are generally more customer requests on the list than 20, and as one customer request is completed another order takes its place. While FairPoint's team works on the top 20 order list, other orders also are being worked through to completion.

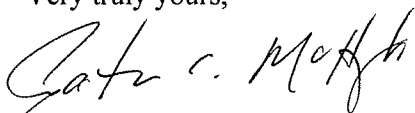
The Top 50 order list contains all POTS and DSL escalations. The response answer to Item #12 covers the process used to move those customers' escalations through to completion.

In all cases FairPoint monitors the status of these priority lists through daily status calls, e-mail communications and individual internal escalations to ensure continuous progress is being made in concert with the overall Stabilization Plan.

Debra A. Howland
May 26, 2009
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A compact disk containing an electronic version of these responses (including the documents attached hereto) also is enclosed herewith.

Very truly yours,

A handwritten signature in black ink, appearing to read "Patrick C. McHugh". The signature is written in a cursive style with a large initial "P" and "M".

Patrick C. McHugh

PCM:kaa

Enclosures

cc: Office of Consumer Advocate (w/confidential enclosures)
Electronic Service List (w/letter and public information)