

THE STATE OF NEW HAMPSHIRE

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October 19, 2007

Re: DT 07-011, Verizon New England et alia
Petition for Authority to Transfer Assets to FairPoint Communications
Procedural Issues

To the Parties:

This letter is intended to set forth the Commission's determinations with respect to certain procedural issues that must be resolved prior to the commencement of hearings on Monday, October 22, 2007.

Intervention Request

The Commission is in receipt of a petition to intervene submitted by a competitive local exchange carrier (CLEC), Rural Economic Development Network, Inc. (REDNET), on October 16, 2007. Joint petitioner FairPoint Communications, Inc. filed an opposition to the REDNET intervention petition on October 18, 2007, on the grounds that the petition is not in compliance with deadlines previously established by the Commission and that REDNET failed to demonstrate how its rights, duties, privileges, immunities or other substantial interests could be affected by the proceeding, as required by RSA 541-A:32.

The Commission has granted the pending intervention request. As a CLEC with interconnection arrangements with Verizon in New Hampshire, REDNET has the requisite interest in the outcome of the proceeding. RSA 541-A:32 contemplates the filing of intervention requests at any time. However, one of the requirements for the granting of such requests is a determination that such intervention be consistent with the "interests of justice" and "the orderly and prompt conduct of the proceedings." RSA 541-A:32, I(c). In these circumstances, the standard requires the Commission to limit REDNET's participation to the submission of post-hearing briefs. REDNET will not have the opportunity to present witnesses or to cross-examine witnesses of other parties.

Settlement Agreements

The Commission is aware that certain parties have entered into memoranda of understanding (MOUs) or other forms of settlement agreement with FairPoint. At least five of these

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agreements have been formally submitted to the Commission. The Commission has determined that it will be necessary to review all such settlements in connection with its review of the pending petition. Accordingly, to the extent any settlement agreements have not yet been submitted to the Commission, FairPoint is instructed to file copies of these documents with the Commission on October 22, 2007. Consistent with the treatment already adopted in this docket, FairPoint should classify these filings as public, confidential or highly confidential, as appropriate. Should FairPoint enter into any additional agreements with other parties to this proceeding, they should be immediately filed with the Commission.

Some intervenors have indicated that, in light of having settled with FairPoint, they wish to withdraw the pre-filed testimony of their witnesses and not produce witnesses for cross-examination. The Commission will not require any intervenors to produce witnesses whose testimony the sponsor wishes to withdraw. However, the parties to any settlement agreement may be asked about the terms of the settlement agreements into which they have entered.

Witness Schedule

The Commission has determined that, in order to give the settlement agreements the appropriate consideration in the context of this docket, it is not necessary to alter the schedule of witnesses. Accordingly, the Commission has denied the request of two jointly appearing intervenors, Comcast Phone of New Hampshire and the New England Cable and Telecommunications Association, that the Commission begin the hearing on October 22 by receiving specific testimony about one of the settlement agreements. However, the Commission may, at its discretion, recall a witness for the purposes of considering a settlement agreement later in the proceedings.

A revised witness schedule is attached to this letter. The Commission has made certain minor adjustments to make the presentation of evidence more logical and thus provide for the orderly and efficient conduct of the proceedings.

Hearing Schedule

Finally, please be advised that the Commission has changed the daily hearing schedule in order to accommodate the needs of the court reporters who will be creating the transcript of the proceedings. The daily schedule is as follows:

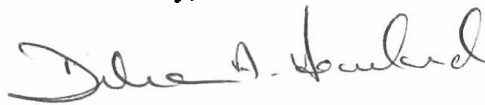
- | | |
|------------|--|
| 8:30 a.m. | Conference with general counsel to exchange new exhibits and to discuss any issues anticipated to arise during hearing day |
| 9:00 a.m. | Testimony begins |
| 11:00 a.m. | Morning break |

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11:30 a.m. Testimony resumes
12:30 p.m. Lunch
1:30 p.m. Testimony resumes
2:30 p.m. Afternoon break
3:00 p.m. Testimony resumes

The objective each day will be to conclude the proceedings by 5:00 p.m. The Commission recognizes the need for flexibility in the schedule, but it does not expect the proceedings to continue beyond 6:00 p.m.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra A. Howland". The signature is written in a cursive style with a large initial "D".

Debra A. Howland
Executive Director

Encl.

WITNESS SCHEDULE

October 22, 2007

Brian Lippold, FairPoint
Panel of Michael Haga and Arthur Kurtze, FairPoint
Michael T. Skrivan, FairPoint
Peter G. Nixon, FairPoint

October 23, 2007

Walter E. Leach, Jr., FairPoint
William E. King, FairPoint
Michael J. Balhoff, FairPoint
Stephen E. Smith, Verizon

October 24, 2007

Randy Barber, Labor
David Brevitz, OCA
John Antonuk, Staff
Randall E. Vickroy, Staff

October 25, 2007

Panel of Robert T. Hybsch, PSNH, Thomas P. Meissner, Unitil,
and Cheryl A. Warren, National Grid
Panel of Irene Schmitt with Fairpoint
Panel of New Hampshire Telephone Association with Fairpoint

October 29, 2007

Panel of Michael Brown, Michael L. Harrington and John Smee, FairPoint
Douglas C. Sicker, FairPoint
Panel of Robert V. Falcone and Charles H. King, Staff

October 30, 2007

John F. Nestor III, Verizon
Kenneth Peres, Labor
Susan M. Baldwin, OCA

October 31, 2007

Panel of Gary J. Ball, Benjamin B. Thayer, Jeremy L. Katz,
for SegTel, Bayring, and Otel

Michael D. Pelcovitz, NECTA and ComCast

John T. Ambrosi, Paetec and US LEC

Sean Dandly, DSCI

Panel of John Gregg and Steve Parkinson, City of Portsmouth

Panel of Julia Griffin, Chief Jeff Brown and Rick Malasky, Joint Municipalities