

FairPoint Communications, Inc.
State of New Hampshire
Docket No. DT 07-011

SUPPLEMENTAL RESPONSE
PROPRIETARY

Respondent: Michael L. Harrington
Title: Vice President, Network
Engineering Services

REQUEST: Public Utilities Commission Staff
Group II
DATED: April 13, 2007

ITEM: Staff 2-35 On page 13, lines 8-10, of Michael Harrington's testimony, he states that "part of FairPoint's due diligence was to identify the areas in which broadband can be reasonable and economically deployed on a timely basis." Please provide the results of this analysis specific to the areas of New Hampshire where FairPoint will be making its initial broadband expansions. As part of your response, please supply a map showing the time frame for broadband deployment. If FairPoint has not yet determined the time frame for deployment, please estimate it.

**FIRST
SUPPLEMENTAL
REPLY:** Please refer to CFPNH 2158 - CFPNH 2170, provided as part of this first supplemental reply, and produced under seal and pursuant to RSA 378:43 and the Protective Agreement in this Docket.

The attachments reflect the communities that FairPoint has targeted for Broadband capability. FairPoint contemplates implementing in phases as follows:

Phase I - Core Router Locations
Phase II - Existing and New Central Office Locations
Phase III - DLC Locations

FairPoint has determined these proposed locations on the basis of a preliminary design, and these locations could change due to changes in field conditions and the assumptions outlined in the first tab of the attached spreadsheet.

PROPRIETARY INFORMATION

FairPoint Communications, Inc.'s Broadband Plan for the State of New Hampshire

FairPoint Communications, Inc. (FairPoint") is proposing to execute a multi-year Network Enhancement plan in New Hampshire with a major kick-off investment of approximately \$14.4 million dollars during the first 18-24 months following closing. Completion of this initial investment will provide broadband services to an additional 113,591 Access Lines in the State of New Hampshire, the majority of which currently have no access to Verizon broadband. Within 12 to 18 months this will bring the broadband addressability rate from its present 63% to approximately 75% and within 24 months from closing to approximately 82%. For purposes of these calculations, FairPoint has assumed that: (i) Verizon has not added any broadband capacity after June 2007 and (ii) Verizon does not increase broadband capacity prior to the closing of the transactions contemplated by the Merger Agreement.

The Network Design that FairPoint is developing for the State of New Hampshire consists of a phased approach to building an advanced Next Generation Network capable of supporting existing customer needs and also providing a platform for the future. In summary, the phases are as follows:

- Phase I (*see Core IP MPLS Router locations tab in excel spreadsheet*) - FairPoint proposes to utilize the existing fiber network to link Manchester, Keene, Littleton, Nashua, Hanover, Concord, Dover and Laconia. This is often referred to as the Core of the Network or the Core. This Core Network is necessary to provide access to the Internet and provide a robust transport network capable of providing advanced services such as high speed data. The equipment proposed for this part of the network is capable of 10 Gigabit per second data rates using Internet Protocol/Multiple Protocol Label Switching (IP/MPLS).
- Phase II (*see New CO wo Broadband and New MSAN in Ex CO tab in excel spreadsheet*) - FairPoint proposes to utilize the existing fiber network to connect Central Offices to this Core Network. This portion of the network is often referred to as the Access Network and connects towns such as Alstead, Hanover, Littleton and West Stewartstown. In this phase FairPoint proposes to install Multi Service Access Nodes or MSAN units. The MSAN is the device that connects customers to the Access Network. These MSAN devices provide transport to the Core Network at data rates of 10 Gigabit per second using IP/Ethernet. This phase of the project will provide broadband capability to an additional 19 Central Offices serving a total of 18,259 access lines. An additional 73 Central Offices to which Verizon currently offers broadband will also receive MSAN units. This is necessary to provide connections to the Access Network to Digital Loop Carriers that are served by these offices but presently are not broadband enabled. This would bring the total to 92 out of 122 Central Offices connected to the new advanced network.

PROPRIETARY INFORMATION

- Phase III (*see New DLC wo Broadband tab in excel spreadsheet*) – FairPoint proposes to add MSAN units to approximately 247 Digital Loop Carrier cabinets serving 95,332 Access Lines. This part of the network is the physical connection from the customer to the Access network. This is often referred to as the last mile link. These MSAN units also use IP/Ethernet and connect to the Access Network at data rates of 1 Gigabit per second. This Phase pushes broadband services deeper into the more rural areas of New Hampshire. The MSAN equipment used in the Access Network is capable of providing multiple connections between the customer and the advanced network including fiber to the premise (home or business), VDSL2, ADSL2+, or bonded ADSL2+.

FairPoint does not intend to replace the existing Verizon DSL equipment on a wholesale level in the first three phases of this plan. Instead FairPoint will concentrate on expanding the broadband network into communities that do not have access to broadband services today. FairPoint will continue to add capacity to the existing systems per demand.

FairPoint has deployed this network architecture in several of its properties including Chatham, New York, Port St. Joe, Florida, Yelm, Washington, Ellensburg, Washington, Peculiar, Missouri, and Platt City, Missouri. IPTV services are presently offered in Yelm, Washington, and are under development in Missouri across the IP/Ethernet based network. These services include 145 plus channels of Video, 45 channels of Music and Video on Demand. Fiber-to-the-Home has been deployed from this same platform in several new Greenfield subdivisions located in the States of Washington, Florida and Missouri using both GPON and Active Ethernet.

For a discussion of the major assumptions used to formulate the plan, please refer to the "Assumptions" tab in the attached excel spreadsheet. FairPoint continues to work with Verizon to develop detailed network engineering plans and budget.

In conclusion, FairPoint is committed to building a broadband network that not only serves customer needs for high speed internet access today but is also capable of handling customers' increasing demand for higher bandwidths. Examples of increasing bandwidth demands include IPTV, LAN extension services, fiber-to-the-home, educational networks and other enhanced services in the future.