

destek

http://www.destek.net

Corporate Wide Area
Networking

Business Internet Access

Virtual Internet Hosting

Consulting

August 30, 2010

Debra A. Howland, Executive Director & Secretary
NH Public Utilities Commission
21 South Fruit Street., Suite 10
Concord, NH 03301-2429



RE: Pursuant to NH RSA 365:28, Destek Petitions for The Withdrawal and Modification of Order No. 25,129, in DT 10-025, that approved Fairpoint's Settlement Agreement and Bankruptcy Plan

Dear Ms. Howland:

As you know, Destek is a Nashua, New Hampshire based network services firm that has provided Internet Access throughout the state of New Hampshire since 1994. We have helped develop the NH Telecom Market by being one of the first companies to provide services ranging from Dial-up access to sophisticated custom Private Wide-Area-Network's.

Currently Destek provides networking services to thousands of New Hampshire citizens with an extensive network infrastructure that includes many FairPoint circuits. Destek purchases these network services at retail from FairPoint and depends completely upon the continued availability and reliable operations of those services to run its business and to serve NH end users.

Accordingly, substantial interests of Destek may be affected by the approval of the Settlement Agreement and Bankruptcy Reorganization Plan.

Having reviewed the Reorganization Plan, Financial Projections, and associated documents we are struck by the complete lack of consideration given to the recent funding awarded to the three NNE States by the Federal Broadband Stimulus initiative. Hundreds of millions of dollars are now aimed at improving the broadband infrastructure in each of the three states.

In the FairPoint Reorganization Plan, the section devoted to "Competition", *Cable Competition*, *VOIP Competition*, *Wireless Competition*, etc., there is only one mention of the possibility of Municipalities and Private Businesses receiving Government Stimulus Funds and becoming competitors. Other than that single comment, there appears to be no accounting of the scale or the affect of those Stimulus Funds on FairPoint's Projections, or the imminent and significant loss of market share.

Attached please find the description and dollar amount of each NNE grant. These newly minted "Stimulus Competitors", with more than \$200 million dollars to spend, will undoubtedly affect FairPoint's chances in living up to their promises and coming out of bankruptcy successfully.

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One of our concerns is that most people will prefer the features and speeds that will be available on the new Stimulus Networks and they will leave FairPoint in droves. This could strand ratepayers, that are not in the path of the new Stimulus Networks, on the Fairpoint network and make them vulnerable to increases in rates needed to pay for a double-dip bankruptcy.

For these reasons, and the fact that substantial interests of Destek may be affected by this proceeding, Destek formally submits this Petition for modification of Order No. 25,129, in DT 10-025, approving Fairpoint's Settlement Agreement and Bankruptcy Reorganization Plan.

Thank you for your attention to this matter,

Sincerely,



Brian Susnock
President & COO
The Destek Group, Inc.

cc: Federal Communication Commission - Wireline Competition Bureau- Competition Policy Division